**IMPORTANT NOTICE (FOR ELECTRONIC DELIVERY)**

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR (2) NON-U.S. PERSONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT (AND, IF INVESTORS ARE RESIDENT IN (I) A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, QUALIFIED INVESTORS, AS SUCH TERM IS DEFINED IN REGULATION (EU) 2017/1129 (THE "**EU PROSPECTUS REGULATION**") OR (II) THE UNITED KINGDOM, QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "**UK PROSPECTUS REGULATION**") AND NOT A RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA OR THE UNITED KINGDOM (EACH AS DEFINED BELOW)).

**IMPORTANT: You must read the following before continuing.** The following applies to the preliminary offering memorandum following this notice, and you are therefore advised to read this carefully before reading, accessing or making any other use of the preliminary offering memorandum. In accessing the preliminary offering memorandum, you agree to be bound by the following terms and conditions, including any modifications thereto any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PRELIMINARY OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PRELIMINARY OFFERING MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**Confirmation of your Representation:** In order to be eligible to view the preliminary offering memorandum or make an investment decision with respect to the securities, investors must be either (1) Qualified Institutional Buyers ("**QIBs**") within the meaning of Rule 144A under the Securities Act ("**Rule 144A**") or (2) non-U.S. persons outside the United States in accordance with Regulation S under the Securities Act (and, if investors are resident in (i) a Member State of the European Economic Area (the "**EEA**"), a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation or (ii) the United Kingdom, qualified investors as defined in Article 2 of the UK Prospectus Regulation), and not retail investors (as defined below for each of the UK or the EEA as noted). The preliminary offering memorandum is being sent at your request. By accepting the e-mail and accessing the preliminary offering memorandum, you shall be deemed to have represented to us that:

(1) you consent to delivery of such preliminary offering memorandum by electronic transmission, and

(2) either:

(a) you and any customers you represent are QIBs; or

(b) (i) you and any customers you represent are non-U.S. persons and (ii) the e-mail address that you gave us and to which the e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States or the District of Columbia; and

(3) if you and any customers you represent are a resident in a Member State of the EEA or the United Kingdom, you are not a "retail investor." For the purposes of this paragraph (3), the expression "retail investor" means a person who is one (or more) of the following:

(a) in the EEA, a person who is one (or more) of the following:

i. a "retail client" as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**");

ii. a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

iii. not a "qualified investor" as defined in the EU Prospectus Regulation; or

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

Prospective purchasers that are QIBs are hereby notified that the seller of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

In addition, the Notes are not intended to be offered, sold or otherwise made available, and should not be offered, sold or otherwise made available, in Belgium to any consumer (*consument/consommateur*) within the meaning of the Belgian Code of Economic law (*Wetboek van economisch recht/Code de droit économique*), as amended.

You are reminded that the preliminary offering memorandum has been delivered to you on the basis that you are a person into whose possession the preliminary offering memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the preliminary offering memorandum to any other person.

The materials relating to the Offering do not constitute, and may not be used in connection with, an offer or a solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the Offering be made by a licensed broker or dealer and the Initial Purchasers (as defined herein) or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the Offering shall be deemed to be made by the Initial Purchasers or such affiliate on behalf of the issuer in such jurisdiction.

The information in the preliminary offering memorandum is not complete and may be changed. Under no circumstances shall the preliminary offering memorandum constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The preliminary offering memorandum has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Initial Purchasers, or any person who controls the Issuer or any of the Initial Purchasers, nor any of its or their respective affiliates, directors, officers, employees or agents, accepts any liability or responsibility whatsoever in respect of any difference between the preliminary offering memorandum distributed to you in electronic format and the hard copy version available to you on request from the Initial Purchasers.

**UK MiFIR Product Governance / Professional Investors and ECPs only target market:** Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") in the UK should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") or MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

**MiFID II Product Governance / Professional Investors and ECPs only target market:** Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

**Prohibition of sales to EEA retail investors:** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor (as defined in paragraph 3(a) above) in the EEA. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

The preliminary offering memorandum has been prepared on the basis that any offer of the securities described in the preliminary offering memorandum in any Member State of the EEA will be made pursuant to an exemption under the EU Prospectus Regulation from a requirement to publish a prospectus for offers of such securities. The preliminary offering memorandum is not a prospectus for the purposes of the EU Prospectus Regulation and any relevant implementing measure in each Member State of the EEA. No prospectus is required in accordance with the EU Prospectus Regulation for this issue of Notes.

**Prohibition of sales to United Kingdom retail investors:** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor (as defined in paragraph 3(b) above) in the United Kingdom. No key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The preliminary offering memorandum has been prepared on the basis that any offer of the securities in the United Kingdom will be made pursuant to an exemption under the UK Prospectus Regulation from a requirement to publish a prospectus for offers of securities. The preliminary offering memorandum is not a prospectus for the purpose of the UK Prospectus Regulation. No prospectus is required in accordance with the UK Prospectus Regulation for this issue of Notes.

In addition, the preliminary offering memorandum is not being distributed by, nor has it been approved for the purposes of Section 21 of the FSMA by, a person authorized under the FSMA. The preliminary offering memorandum is only being distributed to and is only directed at persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the UK, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**relevant persons**"). Accordingly, by accepting delivery of the preliminary offering memorandum, the recipient warrants and acknowledges that it is such a relevant person. The preliminary offering memorandum is directed only at relevant persons and must not be acted or relied upon by persons who are not relevant persons. Any investment or investment activity to which the preliminary offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

**Notice to Singapore Investors:** The preliminary offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Notes may not be offered or sold or be made the subject of an invitation for subscription or purchase, and this preliminary offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, may not be circulated or distributed, whether directly or indirectly, to any person in Singapore, other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "SFA")) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

**NOTIFICATION UNDER SECTION 309B OF THE SFA—**The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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

**Subject to completion, dated January 29, 2024**

**NOT FOR GENERAL DISTRIBUTION
IN THE UNITED STATES**

**OFFERING MEMORANDUM** **CONFIDENTIAL**

# INEOS Finance plc

## € % Senior Secured Notes due 2029
## $ % Senior Secured Notes due 2029

**Guaranteed on a senior secured basis by**

**INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited**

**and certain of their subsidiaries**

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INEOS Finance plc (the "**Issuer**") is offering (the "**Offering**") € aggregate principal amount of its euro-denominated % Senior Secured Notes due 2029 (the "**Euro Notes**") and $ aggregate principal amount of its dollar-denominated % Senior Secured Notes due 2029 (the "**Dollar Notes**" and, together with the Euro Notes, the "**Notes**"). Interest on the Notes will accrue from , 2024 and be payable semi-annually in arrear on and of each year, beginning , 2024.

The Notes will mature on , 2029. Some or all of the Notes may be redeemed prior to , 2026, by paying 100% of the principal amount of such Notes plus a "make-whole" premium, and at any time on or after , 2026, at the redemption prices set forth in this offering memorandum. In addition, at any time on or prior to , 2026, we may redeem up to 40% of the aggregate principal amount of each of the Euro Notes and the Dollar Notes with the net proceeds of certain equity offerings at % of the principal amount of the Euro Notes or at % of the principal amount of the Dollar Notes, as applicable, plus accrued interest, if at least 50% of the Euro Notes or Dollar Notes, as applicable, remain outstanding.

Upon the occurrence of certain events constituting a "change of control," each holder of the Notes may require the Issuer to repurchase all or a portion of its Notes. All of the Notes may also be redeemed at 100% of their principal amount plus accrued interest if at any time the Issuer or any Guarantor (as defined below) becomes obligated to pay withholding taxes as a result of certain changes in law.

The Notes will be the Issuer's senior secured obligations and will, (i) upon issuance, (a) rank *pari passu* in right of payment with all of the Issuer's existing and future indebtedness that is not subordinated to the Notes; and (b) be guaranteed by INEOS Group Holdings S.A. (the "**Parent**"), INEOS Luxembourg I S.A. ("**Lux I**"), INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis (together, the "**Initial Guarantors**") and (ii) within 90 days after the Issue Date (subject to certain approvals and security principles) be guaranteed by certain of the Company's other subsidiaries (the "**Subsequent Guarantors"** and, together with the Initial Guarantors, the "**Guarantors**"). Upon issuance or within 90 days after issuance, the Notes and the guarantees will be secured by first-ranking liens (subject to certain exceptions) on the same assets that secure the Existing Senior Secured Notes and the Senior Secured Term Loans as more fully described in "Description of the Collateral and the Guarantees" and elsewhere in this offering memorandum.

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

Currently there is no public market for the Notes. Application will be made to list the Notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market of the Luxembourg Stock Exchange (the "**Euro MTF Market**"). There is no assurance that the Notes will be listed and admitted to trading on the Official List of the Luxembourg Stock Exchange. The Euro MTF Market is not a regulated market pursuant to the provisions of Directive 2014/65/EC on markets in financial instruments, as amended. The Euro MTF Market falls within the scope of Regulation (EC) 596/2014 on market abuse and Directive 2014/57/EU on criminal sanctions for market abuse.

**Investing in the Notes involves risks that are described in the "Risk Factors" section beginning on page 27 of this offering memorandum.**

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**Offering price for the Euro Notes: % plus accrued interest from the issue date, if any.**
**Offering price for the Dollar Notes: % plus accrued interest from the issue date, if any.**

**The Notes and the guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction. Accordingly, the Notes may be offered only in transactions that are exempt from registration under the Securities Act and the laws of any other relevant jurisdiction. The Notes are being offered and sold only to (i) qualified institutional buyers pursuant to Rule 144A under the Securities Act and (ii) non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act. For further details about eligible offerees and resale restrictions, please see "Notice to Investors."**

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

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*Joint Global Coordinators*

| **Barclays** | **Crédit Agricole CIB** | **Deutsche Bank AG, London Branch** | **Goldman Sachs Bank Europe SE** | **J.P. Morgan** | **Santander** |
|---|---|---|---|---|---|
| | *(Euro Notes Joint Physical Bookrunner)* | | *(Euro Notes Joint Physical Bookrunner)* | *(Euro Notes Joint Physical Bookrunner)* *(Dollar Notes Sole Physical Bookrunner)* | |

*Joint Bookrunners*

| **ABN AMRO** | **COMMERZBANK** | **Helaba** | **ING** | **IMI-INTESA SANPAOLO** | **KBC Bank** | **Lloyds Bank Corporate Markets** | **NatWest Markets** |
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The date of this offering memorandum is , 2024.

The information contained in this preliminary offering memorandum is not complete and may be changed. This preliminary offering memorandum is not an offer to sell these securities and it is not a solicitation of an offer to buy these securities in any jurisdiction in which such offer, solicitation or sale is not permitted.

You should rely only on the information contained in this offering memorandum. None of the Issuer, the Guarantors, any other members of the Group or any of the Initial Purchasers (each, as defined herein) has authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. None of the Issuer, the Guarantors, any other members of the Group or any of the Initial Purchasers is making an offer of the Notes in any jurisdiction where the Offering is not permitted. You should not assume that the information contained in this offering memorandum is accurate at any date other than the date on the front of this offering memorandum. Our business, financial condition, results of operations and prospects may have changed since that date.

**TABLE OF CONTENTS**

## IMPORTANT INFORMATION

We have prepared this offering memorandum solely for use in connection with the offer of the Notes to qualified institutional buyers under Rule 144A under the Securities Act and to non-U.S. persons (within the meaning of Regulation S under the Securities Act) outside the United States under Regulation S under the Securities Act. We have not authorized its use for any other purpose. This offering memorandum may not be copied or reproduced in whole or in part. You may not distribute this offering memorandum to any person, other than a person retained to advise you in connection with the purchase of the Notes. Delivery of this offering memorandum to anyone other than such prospective investors is unauthorized, and any reproduction of this offering memorandum, in whole or in part, is prohibited. By accepting delivery of this offering memorandum, you agree to these restrictions. Please see "Notice to Investors."

This offering memorandum is based on information provided by us and by other sources that we believe are reliable. We cannot assure you that information included herein is accurate or complete. No representation or warranty, express or implied, is made by the Initial Purchasers or any of their respective affiliates as to the accuracy, adequacy or completeness of any information set forth in this offering memorandum, and nothing contained in this offering memorandum is or shall be relied upon as a promise or representation, whether as to the past or the future. This offering memorandum summarizes certain documents and other information and we refer you to them for a more complete understanding of the discussions in this offering memorandum. We will make copies of certain documents available to you upon request. In making an investment decision, you must rely on your own examination of our company, the terms of the Offering and the Notes, including the merits and risks involved.

By purchasing the Notes, you will be deemed to have made the acknowledgments, representations, warranties and agreements described under the caption "Notice to Investors" in this offering memorandum. You should understand that you may be required to bear the financial risks of your investment for an indefinite period of time.

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

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

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

This offering memorandum is not an offer to sell, or a solicitation of an offer to buy, any Notes by any person in any jurisdiction in which it is unlawful for such person to make such an offering or solicitation. If a jurisdiction requires that the Offering be made by a licensed broker or dealer and the Initial Purchasers or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the Offering shall be deemed to be made by the Initial Purchasers or such affiliate on behalf of the Issuer in such jurisdiction. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose.

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

We accept responsibility for the information contained in this offering memorandum. We have made all reasonable inquiries and confirm to the best of our knowledge, information and belief that the information contained in this offering memorandum with regard to us and our affiliates and the Notes is true and accurate in all material respects, that the opinions and intentions expressed in this offering memorandum are honestly held and that we are not aware of any other facts, the omission of which would make this offering memorandum or any statement contained herein misleading in any material respect.

To the fullest extent permitted by law, none of the Initial Purchasers accepts any responsibility for the contents of this offering memorandum or for any statement made or purported to be made therein. The Initial Purchasers accordingly disclaim all and any liability, whether arising in tort or contract or otherwise which they might otherwise have in respect of this offering memorandum or any such statement. Neither the Initial Purchasers, nor any of their affiliates, agents, directors, officers and employees accepts any responsibility to any person for any acts or omissions of the Issuer, the Guarantors or any of their affiliates, agents, directors, officers or employees relating to this Offering, this offering memorandum or any other document executed in connection with this Offering. The Initial Purchasers are only acting for the Issuer in connection with the transactions referred to in this offering memorandum and no one else and will not be responsible to anyone other than the Issuer for providing the protections offered to clients of the Initial Purchasers or for providing advice in relation to the Offering, the transactions or any arrangement or other matter referred to herein.

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

We cannot guarantee that our application for the listing of the Notes on the Official List of the Luxembourg Stock Exchange and the admission of the Notes to trading on the Euro MTF Market will be approved as of the settlement date for the Notes or at any time thereafter, and settlement of the Notes is not conditioned on obtaining this listing.

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

Prospective purchasers should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. See "Notice to Investors."

## STABILIZATION

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

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## NOTICE TO U.S. INVESTORS

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

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

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

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## NOTICE TO EEA INVESTORS

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

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

## NOTICE TO UNITED KINGDOM INVESTORS

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

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

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

## NOTICE TO JERSEY INVESTORS

There shall be no invitation to the public in Jersey to apply for any Notes and there shall be no circulation in Jersey of any offer for subscription, sale or exchange of the Notes.

## NOTICE TO LUXEMBOURG INVESTORS

This offering memorandum has not been approved by and will not be submitted for approval to the Luxembourg regulator of the financial sector (*Commission de Surveillance du Secteur Financier*) (the "**CSSF**") or a competent authority in another Member State of the European Union for notification to the CSSF, for purposes of public offering or sale of securities in the Grand Duchy of Luxembourg. Accordingly, the Notes may not be offered or sold to the public in Luxembourg directly or indirectly, and neither this offering memorandum nor any other circular, prospectus, form of application, advertisement or other material may be reproduced, distributed, or otherwise made available in or from, or published in Luxembourg, except in circumstances which do not constitute a public offer of securities to the public, subject to prospectus requirements, in accordance with the provisions of the Luxembourg law dated July 16, 2019 relating to prospectuses for securities (*Loi Prospectus*), as amended, the EU Prospectus Regulation relating to the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC and all other applicable legislation and regulation in Luxembourg, nor provided to any person other than the recipient thereof.

## NOTICE TO NORWEGIAN INVESTORS

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

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

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

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

## NOTICE TO SWISS INVESTORS

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

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

## NOTICE TO FRENCH INVESTORS

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

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

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

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

## NOTICE TO BELGIAN INVESTORS

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

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

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

## NOTICE TO SINGAPORE INVESTORS

This offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Notes may not be offered or sold or be made the subject of an invitation for subscription or purchase, and this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, may not be circulated or distributed, whether directly or indirectly, to any person in Singapore, other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "SFA")) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

**NOTIFICATION UNDER SECTION 309B OF THE SFA—**The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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

## NOTICE TO CANADIAN INVESTORS

The Notes may only be offered or sold in any of the provinces or territories of Canada pursuant to an exemption from the requirement to file a prospectus in such province or territory in which such offer or sale is made, and only by a registrant duly registered under, or exempt from, the applicable securities laws of that province or territory or by a registrant that is relying in that province or territory on the "international dealer" exemption provided by section 8.18 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**"). Furthermore, the Notes may only be offered or sold to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and that are "permitted clients", as defined in NI 31-103. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

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

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

## PRESENTATION OF FINANCIAL AND NON-IFRS INFORMATION

### Financial Information

The consolidated financial information of INEOS Group Holdings S.A. included elsewhere in this offering memorandum as of and for each of the years ended December 31, 2022, December 31, 2021, and December 31, 2020 have been extracted from the audited consolidated financial statements of INEOS Group Holdings S.A. as of and for the year ended December 31, 2022 ("**2022 Audited Consolidated Financial Statements**"), from the audited consolidated financial statements of INEOS Group Holdings S.A. as of and for the year ended December 31, 2021 ("**2021 Audited Consolidated Financial Statements**") and from the audited consolidated financial statements of INEOS Group Holdings S.A. as of and for the year ended December 31, 2020 ("**2020 Audited Consolidated Financial Statements**"). The 2022 Audited Consolidated Financial Statements, together with the 2021 Audited Consolidated Financial Statements and the 2020 Audited Consolidated Financial Statements, are referred to as the "**Audited Consolidated Financial Statements**." The Audited Consolidated Financial Statements have been audited by Deloitte Audit, *Société à responsabilité limitée*. The Audited Consolidated Financial Statements have been prepared in accordance with IFRS (as defined herein).

During 2022, the Group has re-presented receipts from derivative contracts of €257.8 million for the year ended December 31, 2021 and €0.7 million for the year ended December 31, 2020 which were previously presented as cash flows from investing activities, and are now shown net of payments on derivative contracts within interest paid and other finance items under cash flows from financing activities in the consolidated statement of cash flows of the 2022 Audited Consolidated Financial Statements. As a result, the financial line items "Net cash used in investing activities" and "Net cash from/(used in) financing activities" in the consolidated statement of cash flows for the years ended December 31, 2021 and 2020 are extracted from the unaudited comparative information included in the 2022 Audited Consolidated Financial Statements.

The unaudited condensed consolidated interim financial statements of INEOS Group Holdings S.A. included elsewhere in this offering memorandum as of September 30, 2023 and for the three- and nine-month period ended September 30, 2023, including unaudited comparative interim financial information for the three- and nine-month period ended September 30, 2022, have been prepared in accordance with IAS 34, the standard of IFRS applicable to interim financial statements (as defined herein) (the "**Unaudited Interim Condensed Consolidated Financial Statements**" and, together with the Audited Consolidated Financial Statements, the "**Consolidated Financial Statements**"). For a complete description of the accounting principles applied in preparing INEOS Group Holdings S.A.'s audited consolidated financial statements and unaudited condensed consolidated interim financial statements, please see, respectively, note 1, "Accounting Policies" to the Audited Consolidated Financial Statements and note 2, "Principal Accounting Policies" to the Unaudited Interim Condensed Consolidated Financial Statements, which are included elsewhere in this offering memorandum.

The unaudited financial information for the 12 months ended September 30, 2023 is based on the Consolidated Financial Statements and has been prepared by subtracting the unaudited financial information of INEOS Group Holdings S.A. for the nine-month period ended September 30, 2022 extracted from the Unaudited Interim Condensed Consolidated Financial Statements from the corresponding financial information of INEOS Group Holdings S.A. for the year ended December 31, 2022 extracted from the 2022 Audited Consolidated Financial Statements and then adding the corresponding unaudited financial information of INEOS Group Holdings S.A. for the nine-month period ended September 30, 2023 extracted from the Unaudited Interim Condensed Consolidated Financial Statements.

The unaudited financial information for the 12 months ended September 30, 2023 has not been prepared in accordance with the requirements of Regulation S-X of the Securities Act, the EU Prospectus Regulation, the UK Prospectus Regulation or any generally accepted accounting standards. Such financial data has not been audited or reviewed in accordance with any generally accepted auditing or review standards. INEOS Group Holdings S.A.'s unaudited financial information for the 12 months ended September 30, 2023 has been prepared for illustrative purposes only and is not necessarily indicative of our results of operations for any future period and is not prepared in the ordinary course of our financial reporting. The unaudited financial information for the 12 months ended September 30, 2023 are non-IFRS financial measures.

This offering memorandum also includes certain unaudited consolidated financial information that has been adjusted to give *pro forma* effect to the Post-Q3 Transactions and the Transactions as if they had taken place, with respect to unaudited *pro forma* net debt, on September 30, 2023, and to give *pro forma* effect to the Transactions as if they had taken place, with respect to unaudited *pro forma* cash interest expense, on October 1, 2022. The unaudited consolidated *pro forma* financial information has been prepared for illustrative purposes only and does not purport to represent what the actual consolidated financial position would have been if the Post-Q3 Transactions and the Transactions had occurred on September 30, 2023, with respect to the unaudited *pro forma* net debt, or if the Transactions had occurred on October 1, 2022 with respect to unaudited *pro forma* cash interest expense, nor does it purport to project our consolidated financial position or performance at any future date. The unaudited *pro forma* financial information set forth in this offering memorandum is based on available information and certain assumptions and estimates that we believe are reasonable but may differ from the actual amounts. The unaudited pro forma financial information has not been prepared in accordance with the requirements of Regulation S-X Article 11 under the Securities Act, the EU Prospectus Regulation or the UK Prospectus Regulation or any generally accepted accounting standards. Neither the assumptions underlying the adjustments nor the resulting adjusted financial information have been audited in accordance with any generally accepted auditing standards.

The Group financial statements have been prepared using accounting policies that are consistent with those of the previous financial year. The Group has re-presented receipts from derivative contracts of €257.8 million for the year ended December 31, 2021 and €0.7 million for the year ended December 31, 2020 which are now shown net of payments on derivative contracts within interest paid and other finance items in the consolidated statement of cash flows.

**Use of Non-IFRS Financial Measures**

We have presented certain information in this offering memorandum based on non-IFRS measures, including net cash interest expense, total indebtedness and net debt as well as EBITDA-based measures. We define the following non-IFRS financial measures as follows:

- **Net cash interest expense** comprises interest payable on senior notes (*i.e.*, the 2024 IGH Notes issued by IGH, which were redeemed in full on November 9, 2021, and the senior secured notes issued by the Issuer), interest payable on bank loans and overdrafts and interest payable on securitization, less interest income on bank balances, as follows:

| | For the year ended December 31, | | | For the nine-month period ended September 30, | | For the 12-month period ended September 30, |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2023 | 2022 | 2023 |
| | (€ in millions) | | | | | |
| Interest payable on senior notes | 44.8 | 94.7 | 95.5 | 66.4 | 33.6 | 77.6 |
| Interest payable on bank loans and overdrafts | 205.1 | 113.8 | 107.3 | 396.1 | 126.4 | 474.8 |
| Interest payable on securitization | 5.0 | 5.8 | 7.9 | 4.2 | 3.7 | 5.5 |
| *less* interest income on bank balances | 27.0 | 1.0 | 2.5 | 61.3 | 10.0 | 78.3 |
| **Net cash interest expense** | **227.9** | **213.3** | **208.2** | **405.4** | **153.7** | **479.6** |

- **Total indebtedness** represents gross long-term interest-bearing loans and borrowings plus gross short-term interest-bearing loans and borrowings before deduction of unamortized debt issuance costs. Under IFRS, debt issuance costs are deducted from the related debt amounts for the purposes of balance sheet presentation and are amortized over the life of the debt. Total indebtedness excludes lease obligations, which are included in a separate line item on the balance sheet.

- **Net debt** represents total indebtedness less cash and cash equivalents.

A reconciliation of total financial indebtedness to net debt as of December 31, 2022, 2021 and 2020 and September 30, 2023 is presented in the table below:

| | As of December 31, | | | As of September 30, |
|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2023 |
| | (€ in millions) | | | |
| Non-current interest-bearing loans and borrowings | 8,445.5 | 7,331.5 | 7,343.2 | 9,633.7 |
| Current interest-bearing loans and borrowings | 308.3 | 407.8 | 238.6 | 337.7 |
| *plus* issue costs | 123.8 | 45.9 | 48.8 | 330.9 |
| **Total indebtedness** | **8,877.6** | **7,785.2** | **7,630.6** | **10,302.3** |
| *less* cash and cash equivalents | 2,639.1 | 2,106.1 | 1,342.2 | 2,219.9 |
| **Net debt** | **6,238.5** | **5,679.1** | **6,288.4** | **8,332.4** |

EBITDA before exceptionals is the EBITDA-based financial measure that is utilized in this offering memorandum:

- **EBITDA before exceptionals** represents profit for the period before net finance costs or income, tax charges or credits, depreciation, amortization and impairment, share of profit/(loss) of associates and joint ventures using the equity accounting method, profit or loss on disposal of investments, profit or loss on disposal of fixed assets, and exceptional items as defined in the Consolidated Financial Statements, which can vary year over year. In accordance with IFRS, we use both the first-in first-out ("**FIFO**") and weighted average cost methods of accounting for purposes of determining our inventory cost in connection with the preparation of our audited annual consolidated financial statements. EBITDA before exceptionals is based on the FIFO and weighted average cost methods of accounting for inventory used in connection with the preparation of such financial statements. EBITDA before exceptionals is derived from income statement line items calculated in accordance with IFRS on a historical cost basis.

The reconciliation of INEOS's EBITDA before exceptionals to profit for the period is as follows:

| | For the year ended December 31, | | | For the nine-month period ended September 30, | | For the 12-month period ended September 30, |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2023 | 2022 | 2023 |
| | (€ in millions) | | | | | |
| **EBITDA before exceptionals** | **2,840.6** | **3,616.2** | **1,535.0** | **1,233.8** | **2,448.7** | **1,625.7** |
| Depreciation, amortization and impairment[(a)] | (835.1) | (760.7) | (866.2) | (712.3) | (599.8) | (947.6) |
| Exceptional administrative (expenses)/ gains[(b)] | (4.2) | 8.9 | (8.9) | — | — | (4.2) |
| **Operating profit** | **2,001.3** | **2,864.4** | **659.9** | **521.5** | **1,848.9** | **673.9** |
| Share of profit/(loss) of associates and joint ventures using the equity accounting method | 147.2 | (42.5) | (210.0) | (115.4) | 134.2 | (102.4) |
| Profit/(loss) on disposal of investments | 270.6 | — | 78.3 | (0.4) | — | 270.2 |
| (Loss)/profit on disposal of fixed assets | (0.6) | 0.3 | 1.1 | (0.4) | — | (1.0) |
| Net finance (costs)/income[(c)] | (135.9) | (280.3) | 22.1 | (350.6) | (325.7) | (160.8) |
| **Profit before tax** | **2,282.6** | **2,541.9** | **551.4** | **54.7** | **1,657.4** | **679.9** |
| Tax (charge)/credit | (282.0) | (449.6) | 24.8 | (51.3) | (266.7) | (66.6) |
| **Profit for the period** | **2,000.6** | **2,092.3** | **576.2** | **3.4** | **1,390.7** | **613.3** |

(a) Please see note 10 to "Property, Plant and Equipment" and note 4 to "Exceptional Items" in each of the 2022, 2021 and 2020 Audited Consolidated Financial Statements included elsewhere in this offering memorandum for more information on impairment charges, including exceptional impairment charges.

(b) In 2022, the amount represents a charge related to a provision for early retirement costs as part of a restructuring of the Köln site within the O&P Europe business. In 2021, the amount represents gains related to the final true-up of the original closure cost provision made in December 2019 in respect of the Nitriles facility at Seal Sands, United Kingdom following lower than expected demolition costs. In 2020, the amount represents a provision for early retirement costs as part of a restructuring within the Köln site within the O&P Europe business in the second half of 2020. Please see note 4 to "Exceptional Items" in each of the Audited Consolidated Financial Statements included elsewhere in this offering memorandum for more information on exceptional items.

(c) Please see note 8 to "Finance Income and Costs" and note 4 to "Exceptional Items" in each of the 2022, 2021 and 2020 Audited Consolidated Financial Statements included elsewhere in this offering memorandum for more information on finance costs, including exceptional finance costs.

These EBITDA-based measures are non-IFRS measures. We believe that the presentation of EBITDA-based measures enhances an investor's understanding of our financial performance. However, EBITDA-based measures should not be considered in isolation or viewed as a substitute for operating profit, profit, cash flows from operating activities or other measures of performance as defined by IFRS. These EBITDA-based measures, as used herein, are not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the method of calculation. Our management has used, and expects to use, EBITDA-based measures to assess operating performance and to make decisions about allocating resources among our various segments. In assessing our overall performance and the performance of each of our segments, management reviews EBITDA-based measures as a general indicator of performance compared to prior periods. Furthermore, management and employee bonuses can be linked to the EBITDA-based performance of the business and the region in which they work. Our EBITDA-based measures exclude items that management does not consider in assessing operating performance. Our management believes it is useful to eliminate such items because it allows management to focus on what it considers to be a more meaningful indicator of operating performance and ability to generate cash flow from operations.

EBITDA before exceptionals differs from Consolidated EBITDA, as presented in the "Description of the Notes," which is on a pre-IFRS 16-basis and includes certain cost savings as defined in the definition therein.

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

**Presentation**

Rounding adjustments have been made in calculating some of the financial information included in this offering memorandum. Figures shown as totals in some tables and elsewhere may not be exact arithmetic aggregations of the figures that precede them.

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

## CERTAIN DEFINITIONS

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

- all references to the "**2024 IGH Notes**" and to the "**Senior Notes due 2024**" are to the \$500,000,000 aggregate principal amount of $5\frac{5}{8}\%$ Senior Notes due 2024 and €650,000,000 aggregate principal amount of $5\frac{3}{8}\%$ Senior Notes due 2024 issued pursuant to the 2024 IGH Notes Indenture, which were redeemed in full on November 9, 2021;
- all references to the "**2024 IGH Notes Indenture**" are to the indenture dated as of August 9, 2016, between IGH, as issuer, the guarantors named therein, The Bank of New York Mellon, London Branch, as trustee, collateral agent and principal paying agent, The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg paying agent, registrar and Luxembourg transfer agent, and The Bank of New York Mellon as U.S. paying agent and transfer agent, as amended and supplemented from time to time, pursuant to which the 2024 IGH Notes were issued and which has been satisfied and discharged in connection with the redemption of the 2024 IGH Notes;
- all references to the "**2024 Senior Secured Term Loans**" are to the credit facilities due 2024 made available under the Senior Secured Term Loans Agreement, which were repaid in full on February 16, 2023;
- all references to the "**2025 Senior Secured Notes**" and to the "**Senior Secured Notes due 2025**" are to the €550,000,000 aggregate principal amount of $2\frac{1}{8}\%$ Senior Secured Notes due 2025 issued pursuant to the 2025 Senior Secured Notes Indenture;
- all references to the "**2025 Senior Secured Notes Indenture**" are to the indenture dated as of November 3, 2017, among INEOS Finance plc, as issuer, the guarantors named therein, The Bank of New York Mellon, London Branch, as trustee and principal paying agent, The Bank of New York Mellon SA/NV, Luxembourg Branch, as registrar, Luxembourg paying agent and transfer agent, and Barclays Bank PLC, as security trustee, as amended and supplemented from time to time, pursuant to which the 2025 Senior Secured Notes were issued;
- all references to the "**2025 Senior Secured Notes Proceeds Loan**" are to the loan under the loan agreement, dated November 3, 2017, between INEOS Finance plc, as lender, and IHL, as borrower, pursuant to which INEOS Finance plc advanced the gross proceeds of the 2025 Senior Secured Notes to IHL;
- all references to the "**2027 Senior Secured Term Loans**" are to the credit facilities due October 2027 made available under the Senior Secured Term Loans Agreement;
- all references to the "**2027-II Senior Secured Term Loans**" are to the credit facilities due November 2027 made available under the Senior Secured Term Loans Agreement;
- all references to the "**2028 Senior Secured Notes**" are to the €400,000,000 $6\frac{5}{8}\%$ Senior Secured Notes due 2028 and the \$425,000,000 $6\frac{3}{4}\%$ Senior Secured Notes due 2028 issued pursuant to the 2028 Senior Secured Notes Indenture;
- all references to the "**2028 Senior Secured Notes Indenture**" are to the indenture dated February 16, 2023, among INEOS Finance plc, as issuer, the guarantors named therein, BNY Mellon Corporate Trustee Services Limited, as trustee, The Bank of New York Mellon, London Branch, as paying agent, The Bank of New York Mellon SA/NV, Luxembourg Branch, as registrar and transfer agent, and Barclays Bank PLC, as security trustee, as amended and supplemented from time to time, pursuant to which the 2028 Senior Secured Notes were issued;
- all references to the "**2028 Senior Secured Notes Proceeds Loans**" are to the loans under the loan agreements, dated February 16, 2023, between INEOS Finance plc, as lender, and IHL, as borrower, pursuant to which INEOS Finance plc advanced the gross proceeds of the 2028 Senior Secured Notes to IHL;
- all references to the "**2028 Senior Secured Term Loans**" are to the credit facilities due 2028 made available under the Senior Secured Term Loans Agreement;
- all references to the "**2030 Senior Secured Term Loans**" are to the credit facilities due November 2030 made available under the Senior Secured Term Loans Agreement;
- all references to the "**Bayport Acquisition**" are to the proposed purchase of LyondellBasell's Ethylene Oxide and Derivatives business, including the Bayport Underwood site in Texas, USA;

- all references to "**Borrowers**" are to the U.K. Borrower and the U.S. Borrower;
- all references to "**BP**" are to BP p.l.c. and its consolidated subsidiaries;
- all references to the "**Collateral**" have the meaning ascribed to the term under the caption "Description of the Collateral and the Guarantees";
- all references to the "**Dollar Initial Purchasers**" are to Barclays Capital Inc.; Crédit Agricole Corporate and Investment Bank; Deutsche Bank AG, London Branch; Goldman Sachs Bank Europe SE; J.P. Morgan Securities LLC; Santander US Capital Markets LLC; ABN AMRO Capital Markets (USA) LLC; Commerz Markets LLC; Landesbank Hessen-Thüringen Girozentrale; ING Bank N.V., London Branch; Intesa Sanpaolo IMI Securities Corp.; KBC Bank NV; Lloyds Bank Corporate Markets plc; and NatWest Markets Plc;
- all references to the "**Dollar Notes**" are to the $ % Senior Secured Notes due 2029 offered hereby;
- all references to "**DTC**" are to The Depository Trust Company;
- all references to the "**Entrepreneurial (Refining) Business**" are to the entrepreneurial activities related to the Refining Business, which includes the sales and distribution of refining products through an entrepreneur business model;
- all references to the "**Entrepreneurial (Refining) Business JV**" are to the joint venture that, following the Refining Divestiture, operates the Entrepreneurial (Refining) Business and is owned by PetroChina (50.1%) and INEOS Investments (49.9%);
- all references to the "**Euro Initial Purchasers**" are to Barclays Bank PLC; Crédit Agricole Corporate and Investment Bank; Deutsche Bank AG, London Branch; Goldman Sachs Bank Europe SE; J.P. Morgan Securities plc; Banco Santander, S.A.; ABN AMRO Bank N.V.; Commerzbank Aktiengesellschaft; Landesbank Hessen-Thüringen Girozentrale; ING Bank N.V., London Branch; Intesa Sanpaolo S.p.A., London Branch; KBC Bank NV; Lloyds Bank Corporate Markets plc; and NatWest Markets Plc;
- all references to the "**Euro Notes**" are to the € % Senior Secured Notes due 2029 offered hereby;
- all references to the "**EUWA**" are to the European Union (Withdrawal) Act 2018, as amended;
- all references to the "**Existing Indentures**" and the "**Existing Senior Secured Notes Indentures**" are to the 2028 Senior Secured Notes Indenture, the May 2026 Senior Secured Notes Indenture, the March 2026 Senior Secured Notes Indenture and the 2025 Senior Secured Notes Indenture, together;
- all references to the "**Existing Notes**" and the "**Existing Senior Secured Notes**" are to the 2028 Senior Secured Notes, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes and the 2025 Senior Secured Notes, together;
- all references to the "**Existing Notes Trustees**" are to BNY Mellon Corporate Trustee Services Limited, in its capacity as trustee under the 2028 Senior Secured Notes Indenture and The Bank of New York Mellon, London Branch in its capacity as trustee under the May 2026 Senior Secured Notes Indenture, the March 2026 Senior Secured Notes Indenture and the 2025 Senior Secured Notes Indenture;
- all references to the "**Existing Senior Secured Notes Proceeds Loans**" are to the 2028 Senior Secured Notes Proceeds Loan, the May 2026 Senior Secured Notes Proceeds Loan, the March 2026 Senior Secured Notes Proceeds Loan and the 2025 Senior Secured Notes Proceeds Loan;
- all references to the "**Existing Senior Secured Term Loans**" are to the credit facilities which have been made available under the Senior Secured Term Loans Agreement and are outstanding on the Issue Date (prior to giving effect to the Transactions), as further described under the caption "Description of Other Indebtedness—Senior Secured Term Loans," a portion of which will be repaid in connection with the Transactions;
- all references to the "**Grangemouth Divestiture**" are to the disposals to INEOS Grangemouth Limited (formerly INEOS Grangemouth plc) (a subsidiary of INEOS Holdings AG) of the shares of INEOS Commercial Services UK Limited and INEOS Chemicals Grangemouth Limited (including the assets and liabilities relating to the petrochemical operations carried out by such entities at or in connection with the Grangemouth site) effective October 1, 2013;

- all references to the "**Guarantors**" have the meaning ascribed to the term under the caption "Description of the Notes";
- all references to "**IAS 34**" are to International Accounting Standard 34—Interim Financial Reporting;
- all references to "**IFRS**" are to the International Financial Reporting Standards as adopted by the European Union;
- all references to "**IGH**" or the "**Parent**" are to INEOS Group Holdings S.A. and not to any of its subsidiaries;
- all references to the "**IGH Credit Provisions**" are to the credit provisions of the Project ONE Facilities as defined under "Description of Other Indebtedness—Project ONE Facilities";
- all references to "**IHL**" are to INEOS Holdings Limited, the direct parent company of the Issuer and an indirect wholly owned subsidiary of INEOS Group Holdings S.A.;
- all references to the "**Indenture**" are to the indenture governing the Notes;
- all references to "**INEOS AG**" are to INEOS AG, a subsidiary of INEOS Limited, one of our ultimate parent undertakings;
- all references to "**INEOS Capital**" are to INEOS Capital Limited;
- all references to "**INEOS Group**," "**INEOS**," "**Group**," "**we**," "**us**" or "**our**" are to INEOS Group Holdings S.A. and its consolidated subsidiaries;
- all references to "**INEOS Investments**" are to INEOS Investments (Jersey) Limited, an entity that is controlled by the principal shareholders of IGH, and is not a member of the INEOS Group and, as a result of the Refining Divestiture, owns a 50.1% interest in the Refining Business JV, a 49.9% interest in the Entrepreneurial (Refining) Business JV, a 50.0% direct interest in the Infrastructure Entity and a 25.05% indirect interest in the Infrastructure Entity by virtue of its 50.1% stake in the Refining Business JV; until December 2022, the INEOS Group held certain ordinary shares in INEOS Investments and INEOS Investments was, until such date, consolidated into our financial statements;
- all references to "**INEOS Limited**" are to INEOS Limited, one of our ultimate parent undertakings;
- all references to "**INEOS Quattro**" are to INEOS Quattro Holdings Limited, a subsidiary of INEOS Industries Limited through its wholly owned subsidiary, INEOS Industries Holdings Limited;
- all references to the "**Infrastructure Entity**" are to INEOS Infrastructure (Grangemouth) Limited, an entity that acquired certain infrastructure assets at Grangemouth, Scotland (principally a power station in Grangemouth, Scotland, and a terminal and other facilities), and which, following the Refining Divestiture, is jointly owned by INEOS Investments (50.0%) and the Refining Business JV (50.0%);
- all references to the "**Initial Purchasers**" are to the Euro Initial Purchasers and the Dollar Initial Purchasers;
- all references to "**Innovene**" and the "**Innovene business**" refer to (a) all of BP's petrochemical operating units for olefins, polymers and other derivatives but excluding BP's Pasadena LAO operations, the Gelsenkirchen naphtha cracking operations and the *Munchmunster olefins operation* ("**O&D**"), (b) two integrated refinery plants in Grangemouth, United Kingdom and Lavéra, France, (c) a gas fractionator located in Hobbs, New Mexico and certain related pipelines and (d) existing O&D strategic joint venture investments other than BP's then-joint ventures with SECCO and in Malaysia, prior to giving effect to the Innovene Acquisition;
- all references to the "**Innovene Acquisition**" are to the purchase by the INEOS Group on December 16, 2005 of all of the shares and assets comprising the Innovene business pursuant to the Innovene Acquisition Agreement;
- all references to the "**Innovene Acquisition Agreement**" are to the Share Sale and Purchase Agreement dated October 7, 2005, as amended from time to time, among certain subsidiaries of BP, IHL, certain subsidiaries of IHL and INEOS Group Limited;

- all references to "**INOVYN**" are to INOVYN Limited, an affiliate of ours that is indirectly controlled by our controlling shareholders, and its consolidated subsidiaries;
- all references to the "**Intercreditor Deed**" are to the intercreditor deed dated May 12, 2010, as amended and restated by a first amendment deed dated December 23, 2010, as further amended by a second amendment deed dated February 18, 2011, as further amended by a third amendment deed dated February 6, 2012, as further amended and restated by a fourth amendment deed dated May 4, 2012, as further amended and restated by a fifth amendment deed dated May 8, 2013, as further amended and restated by a sixth amendment deed dated July 8, 2014, as further amended by a seventh amendment deed dated May 5, 2015, as further amended and restated by an eighth amendment deed dated January 5, 2017, as further amended and restated by a ninth amendment deed dated November 3, 2017, as further amended by a tenth amendment deed dated March 22, 2019, as further amended by an eleventh amendment deed dated April 24, 2019, as further amended by a twelfth amendment deed dated October 29, 2020, as further amended by a thirteenth amendment deed dated November 8, 2021, as further amended by a fourteenth amendment deed dated November 8, 2022, as further amended by a fifteenth amendment deed dated February 16, 2023, as further amended in connection with the Transactions and as subsequently amended, supplemented, varied or restated from time to time, among, *inter alios*, the Issuer, the guarantors acceded thereto, the facility agent under the Senior Secured Term Loans Agreement, Barclays Bank plc, as security trustee and the Existing Notes Trustees, and to which the Trustee will accede on the Issue Date;
- all references to the "**Inventory Financing Facility**" are to an inventory financing facility described in "Description of Other Indebtedness—Inventory Financing Facility";
- all references to the "**Issue Date**" are to the date on which the Notes offered hereby will be issued;
- all references to the "**Köln CoGen Facility**" are to a €120 million loan facility and a €60 million loan facility as further described under the caption "Description of Other Indebtedness—Köln CoGen Facility";
- all references to the "**Lavéra Acquisition**" are to (i) the Lavéra Reorganization and (ii) the proposed purchase of the TotalEnergies Lavéra Business;
- all references to the "**Lavéra Businesses**" are to the petrochemical business at the Lavéra site in France as well as certain other businesses and assets in France and Italy that were formerly part of our European Olefins & Polymers business unit and subsequently divested to an affiliate of the Group, including the 50% interest in certain petrochemical assets currently operated as 50:50 joint ventures with TotalEnergies;
- all references to the "**Lavéra Reorganization**" are to the proposed purchase of the Lavéra Businesses from our affiliate;
- all references to the "**LC Facility**" are to the on-demand letter of credit facility entered into by INEOS Treasury (UK) Limited on May 4, 2012, as may be amended, supplemented, varied or restated from time to time and as further described under the caption "Description of Other Indebtedness—Letter of Credit Facility";
- all references to "**Lux I**" are to INEOS Luxembourg I S.A., which is a direct subsidiary of IGH;
- all references to the "**March 2026 Senior Secured Notes**" and to the "**Senior Secured Notes due March 2026**" are to the €325,000,000 aggregate principal amount of 3⅜% Senior Secured Notes due 2026 issued pursuant to the March 2026 Senior Secured Notes Indenture;
- all references to the "**March 2026 Senior Secured Notes Indenture**" are to the indenture dated as of October 29, 2020, among INEOS Finance plc, as issuer, the guarantors named therein, The Bank of New York Mellon, London Branch, as trustee, The Bank of New York Mellon (Luxembourg) SA/NV, as registrar, Luxembourg paying agent and transfer agent and Barclays Bank PLC, as security trustee, as amended and supplemented from time to time, pursuant to which the March 2026 Senior Secured Notes were issued;
- all references to the "**March 2026 Senior Secured Notes Proceeds Loan**" are to the loan advanced under the loan agreement, dated October 29, 2020, between INEOS Finance plc, as lender, and IHL, as borrower, pursuant to which the gross proceeds of the March 2026 Senior Secured Notes issuance were advanced to IHL, as amended or partially repaid from time to time;

- all references to the "**May 2026 Senior Secured Notes**" and to the "**Senior Secured Notes due May 2026**" are to the €770,000,000 aggregate principal amount of 2⅞% Senior Secured Notes due 2026 issued pursuant to the May 2026 Senior Secured Notes Indenture;
- all references to the "**May 2026 Senior Secured Notes Indenture**" are to the indenture dated as of April 24, 2019, among INEOS Finance plc, as issuer, the guarantors named therein, The Bank of New York Mellon, London Branch, as trustee, The Bank of New York Mellon (Luxembourg) SA/NV, as registrar, Luxembourg paying agent and transfer agent and Barclays Bank PLC, as security trustee, as amended and supplemented from time to time, pursuant to which the May 2026 Senior Secured Notes were issued;
- all references to the "**May 2026 Senior Secured Notes Proceeds Loan**" are to the loan advanced under the loan agreement, dated April 24, 2019, between INEOS Finance plc, as lender, and IHL, as borrower, pursuant to which the gross proceeds of the May 2026 Senior Secured Notes issuance were advanced to IHL, as amended or partially repaid from time to time;
- all references to "**net zero,**" the "**Net Zero Economy**" and "**Net Zero Emissions Economy**" are to reaching net zero greenhouse gas emissions on a Scope 1 and Scope 2 basis;
- all references to the "**New Senior Secured Term Loans**" have the meaning ascribed to the term under the caption "Description of Other Indebtedness—Senior Secured Term Loans—Overview";
- all references to the "**New Term Loan Borrowing**" have the meaning ascribed to the term under the caption "The Transactions";
- all references to the "**Notes**" are to the Euro Notes and the Dollar Notes;
- all references to the "**Notes Proceeds Loans**" are to the euro- and U.S. dollar-denominated loans under the loan agreement to be entered into between the Issuer, as lender, and IHL, as borrower, pursuant to which the Issuer will advance the gross proceeds of the Notes to IHL;
- all references to the "**Offering**" are to the offering of the Notes hereby;
- all references to "**PetroChina**" are to PetroChina International (London) Company Limited or one or more of its affiliates, as the context may require;
- all references to the "**Post-Q3 Transactions**" have the meaning ascribed to the term under the caption "Recent Developments—Other Recent Developments—Post-Q3 Transactions";
- all references to "**Project ONE**" are to our major capital investment in Antwerp, Belgium, which was announced on January 14, 2019, is currently in development and consists of a new ethane steam cracker for the production of ethylene along with associated utilities, tankage and infrastructure;
- all references to the "**Project ONE Facilities**" are to the project financing agreements entered into on December 22, 2022 in connection with Project ONE to borrow loans of up to €3.5 billion to fund the majority of the capital expenditure plus associated financing costs during construction, as further described under the caption "Description of Other Indebtedness—Project ONE Facilities";
- all references to the "**Project ONE Interim Facility**" are to the project financing agreements entered into on September 15, 2023 in connection with interim funding of Project ONE to borrow loans of up to €400 million to fund capital expenditure plus associated financing costs during construction while drawings under the Project ONE Facilities are suspended due to annulment of the Project ONE permit, as further described under the caption "Description of Other Indebtedness—Project ONE Interim Facility";
- all references to the "**Rafnes Borrower**" are to INEOS Rafnes AS (formerly known as Noretyl AS), which entered into the Rafnes Facility;
- all references to the "**Rafnes Facility**" are to the €305.0 million facility agreement entered into on November 19, 2012 (and as amended from time to time, including by an amendment and restatement agreement dated October 30, 2014, an amendment, restatement and accession agreement dated November 8, 2019 and an amendment, restatement and accession agreement dated November 9, 2022), as further described under the caption "Description of Other Indebtedness—Rafnes Facility";
- all references to the "**Rain Facilities**" are to the RMB 1,045 million and $785.0 million facility agreement entered into on December 7, 2022 and amended and upsized on April 26, 2023, in

connection with the acquisition, through an Unrestricted Subsidiary, of a 50% interest in the SECCO joint venture, as further described under the caption “Description of Other Indebtedness—Rain Facilities”;

- all references to the “**Refining and Entrepreneurial JVs**” are to the Refining Business JV and the Entrepreneurial (Refining) Business JV, collectively;
- all references to the “**Refining Business**” are to the refining business, consisting principally of the crude oil refining operations carried out at the refineries located at Grangemouth, Scotland, and Lavéra, France, as reported on the historical financial statements of IGH under the Refining segment;
- all references to the “**Refining Business JV**” are to the joint venture that, following the Refining Divestiture, operates the Refining Business and is owned by PetroChina (49.9%) and INEOS Investments (50.1%);
- all references to the “**Refining Divestiture**” are to the disposal on July 1, 2011, by subsidiaries of Lux I of (i) the Refining Business and the Entrepreneurial (Refining) Business to joint ventures formed between PetroChina and INEOS Investments and (ii) the Infrastructure Entity to a joint venture formed by INEOS Investments (50.0%) and the Refining Business JV (50.0%);
- all references to the “**Schuldschein Loan**” are to the floating rate loan which was made available under the Schuldschein loan agreement on March 26, 2019, and was repaid in full in December 2022;
- all references to “**SECCO**” are to the Shanghai SECCO Petrochemical Company Limited facility in Shanghai, China, a 50% interest in which was acquired by the Group through an Unrestricted Subsidiary in December 2022 and is operated by Sinopec in a 50:50 joint venture with Sinopec;
- all references to the “**Securitization Program**” are to the securitization program as further described under the caption “Description of Other Indebtedness—Securitization Program”;
- all references to the “**Security Trustee**” are to Barclays Bank plc as security trustee under the Senior Secured Term Loans Agreement and the Senior Secured Notes Indentures and senior security agent under the Intercreditor Deed;
- all references to the “**Senior Secured Note Documents**” have the meaning ascribed to the term in the Intercreditor Deed, including but not limited to the Senior Secured Notes Indentures;
- all references to the “**Senior Secured Notes**” are to the 2028 Senior Secured Notes, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes, the 2025 Senior Secured Notes and the Notes, collectively;
- all references to the “**Senior Secured Notes Indentures**” are to the 2028 Senior Secured Notes Indenture, the May 2026 Senior Secured Notes Indenture, the March 2026 Senior Secured Notes Indenture, the 2025 Senior Secured Notes Indenture and the Indenture, together;
- all references to the “**Senior Secured Notes Proceeds Loans**” are to the 2028 Senior Secured Proceeds Loans, the May 2026 Senior Secured Notes Proceeds Loan, the March 2026 Senior Secured Notes Proceeds Loan, the 2025 Senior Secured Notes Proceeds Loan and the Notes Proceeds Loans, together;
- all references to the “**Senior Secured Term Loans**” are to the Existing Senior Secured Term Loans and New Senior Secured Term Loans, collectively;
- all references to the “**Senior Secured Term Loans Agreement**” have the meaning ascribed to the term under the caption “Description of Other Indebtedness—Senior Secured Term Loans—Overview”;
- all references to the “**Senior Secured Term Loans Eurobond**” are to the eurobond entered into by IHL, as issuer, and INEOS US Finance LLC, as subscriber, pursuant to which INEOS US Finance LLC subscribes for bonds to the value of the gross proceeds of its borrowings in dollars under the Senior Secured Term Loans Agreement;
- all references to the “**Senior Secured Term Loans Euro Proceeds Loans**” are to the loans under the loan agreements entered into by INEOS Finance plc, as lender, and IHL, as borrower, pursuant

to which INEOS Finance plc advanced or will advance the gross proceeds of its borrowings in Euro under the Senior Secured Term Loans Agreement;

- all references to the "**Senior Secured Term Loans Proceeds Loans**" are to the Senior Secured Term Loans Euro Proceeds Loans and to the Senior Secured Term Loans Eurobond;
- all references to "**Styrolution**" are to INEOS Styrolution Group GmbH, a subsidiary of INEOS Industries Limited through its wholly owned subsidiary, INEOS Industries Holdings Limited;
- all references to "**Subsidiaries**" are to all, whether operating or non-operating, the direct and indirect subsidiaries of IGH in the Group;
- "**Tender Offer Notes**" refers to the notes to be purchased in connection with the Tender Offers;
- "**Tender Offers**" refers to the offers to purchase a portion of the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes;
- all references to the "**TotalEnergies Lavéra Business**" are to the TotalEnergies assets which in July 2023, affiliates of the Group announced their intention to acquire (for which a binding sale and purchase agreement (subject to customary conditions) was signed in October 2023), being a 50% share of certain petrochemical assets at Lavéra currently operated as 50:50 joint ventures between TotalEnergies and certain of the Lavéra Businesses, as well as certain other infrastructure assets, including part of TotalEnergies' ethylene pipeline network in France;
- all references to the "**Transactions**" have the meaning ascribed to the term under the caption "The Transactions";
- all references to the "**Trustee**" are to BNY Mellon Corporate Trustee Services Limited in its capacity as trustee under the Indenture;
- all references to the "**Unrestricted Subsidiary**" have the meaning ascribed to the term under the caption "Description of the Notes";
- all references to "**U.K. Borrower**" are to INEOS Finance plc; and
- all references to "**U.S. Borrower**" are to INEOS US Finance LLC.

**Unless otherwise stated, references to capacities of INEOS's facilities refer to the "nameplate capacities," or theoretical maximum production capacity of such facilities; the effective capacity of such facilities may, however, in fact be more or less than the nameplate capacity due to the current operating conditions and asset configuration of each facility.**

All references to "**tonnes**" are to metric tonnes.

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

## EXCHANGE RATE INFORMATION

The following table sets forth, for the periods set forth below, the high, low, average and period end Bloomberg Composite Rate (New York) expressed as U.S. dollars per €1.00. The Bloomberg Composite Rate is a "best market" calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. Neither we nor the Initial Purchasers represent that the U.S. dollar amounts referred to below could be or could have been converted into euro at any particular rate indicated or any other rate.

| | U.S. dollars per €1.00 | | | |
|---|---|---|---|---|
| **Year** | **High** | **Low** | **Average(1)** | **Period end** |
| 2019 | 1.1543 | 1.0900 | 1.1179 | 1.1214 |
| 2020 | 1.2298 | 1.0691 | 1.1472 | 1.2217 |
| 2021 | 1.2327 | 1.1199 | 1.1798 | 1.1370 |
| 2022 | 1.1455 | 0.9594 | 1.0529 | 1.0705 |
| 2023 | 1.1236 | 1.0467 | 1.0817 | 1.1039 |
| 2024 (through January 26, 2024) | 1.1045 | 1.0846 | 1.0919 | 1.0853 |

| **Month** | **High** | **Low** | **Average(2)** | **Period end** |
|---|---|---|---|---|
| July 2023 | 1.1236 | 1.0854 | 1.1058 | 1.0997 |
| August 2023 | 1.1006 | 1.0796 | 1.0907 | 1.0843 |
| September 2023 | 1.0796 | 1.0503 | 1.0672 | 1.0573 |
| October 2023 | 1.0670 | 1.0467 | 1.0564 | 1.0575 |
| November 2023 | 1.0993 | 1.057 | 1.0817 | 1.0888 |
| December 2023 | 1.1105 | 1.0763 | 1.0918 | 1.1039 |
| July 2023 (through January 26, 2024) | 1.1236 | 1.0467 | 1.0835 | 1.0853 |

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

(2) The average of the exchange rates on each business day during the relevant period.

The Bloomberg Composite Rate of the euro on January 26, 2024, was U.S. $1.0853 per €1.00.

The above rates may differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in this offering memorandum. Our inclusion of these exchange rates is not meant to suggest that the euro amounts actually represent such dollar amounts or that such amounts could have been converted into dollars at any particular rate, if at all. For a discussion of the impact of the exchange rate fluctuations on our financial condition and results of operations, see "Operating and Financial Review and Prospects."

Unless otherwise indicated, for purposes of the presentation of financial information in this offering memorandum, transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

## FORWARD-LOOKING STATEMENTS

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

- the cyclical and highly competitive nature of our businesses;
- raw material costs and supply arrangements;
- currency fluctuations;
- the outbreak of COVID-19 or other pandemics or epidemics;
- our ability to conduct operations in several different countries;
- risks related to our increased manufacturing footprint in China;
- wars and other armed conflicts, including the Russian invasion of Ukraine and the conflict in the Middle East;
- our ability to retain existing customers,obtain new customers and maintain our competitive position;
- our ability to deleverage through strategic disposals of certain assets and non-core businesses;
- our technological and manufacturing assets and our ability to utilise them to further increase sales and the profitability of our businesses;
- our sales growth across our principal businesses and our strategy for controlling costs, growing margins, increasing manufacturing capacity and production levels, and making capital expenditures;
- impacts of climate change, including current or future regulatory requirements to reduce greenhouse gas emissions, the costs to purchase emissions allowances and the physical risks to our facilities of severe weather conditions;
- current or future health, safety and environmental requirements, including in relation to our products and raw materials, and the related costs of maintaining compliance with, and addressing liabilities under, those requirements;
- operational hazards, including the risk of accidents or other incidents that result in injury to persons or environmental contamination;
- our ability to comply with anti-corruption laws, economic and trade sanctions or other similar regulations;
- potential business interruptions due to the actions of third parties;
- our ability to develop new products and technologies successfully, including risks related to the safety and quality or health concerns regarding our products;
- changes in tax laws or the application or interpretation thereof;
- risks related to litigation, including product liability and loss resulting from non-payment or non-performance by our customers;
- our ability to attract and retain members of management and key employees;
- our relationship with our workforce and service providers;
- our ability to protect our patents, trademarks and confidential information and the integrity of our IT infrastructure;
- our ability to adequately protect our computer systems against information theft, data corruption, operational disruption and any other cybersecurity risks;
- our ability to maintain an effective system of internal controls over financial reporting;
- our ability to consummate any future acquisitions or developments and to successfully integrate acquired businesses with our historical business and realise anticipated synergies and cost savings, including with respect to businesses acquired;

- credit and capital markets conditions as well as general economic, social or political conditions, including risks associated with economic recessions, and our customers' access to credit;
- changes in pension fund investment performance or assumptions relating to pension costs;
- impact of the market perceptions concerning the instability of the euro;
- impact of the withdrawal of the United Kingdom from the European Union;
- risks associated with our capital structure and indebtedness;
- our relationship with our shareholders, affiliates and joint ventures; and
- our significant debt service obligations, as well as our ability to generate sufficient cash flow to service our debt.

All statements other than statements of historical facts included in this offering memorandum, including, without limitation, statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, may be deemed to be forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, including those identified in the "Risk Factors" section in this offering memorandum. Words such as "believe," "expect," "anticipate," "may," "assume," "plan," "intend," "will," "should," "estimate," "risk" and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. In addition, from time to time we or our representatives, acting in respect of information provided by us, have made or may make forward-looking statements orally or in writing and these forward-looking statements may be included in but are not limited to press releases (including on our website), reports to our security holders and other communications. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Any forward-looking statement speaks only as of the date on which it is made and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this offering memorandum, including those set forth in the section entitled "Risk Factors."

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

## TAX CONSIDERATIONS

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

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## TRADEMARKS AND TRADE NAMES

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

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## HISTORICAL AND CURRENT MARKET AND INDUSTRY DATA

Historical and current market data used throughout this offering memorandum were obtained from internal company analyses, consultants' reports and industry publications. In particular, information has been provided by NexantECA Limited ("**NexantECA**"), an industry consultant. Industry surveys and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of information contained therein is not guaranteed. While we accept responsibility for the accurate extraction and reproduction of this market data, we have not independently verified such data and cannot guarantee its accuracy or completeness. In addition, certain statements in this offering memorandum regarding the petrochemical industry, our position in that industry and our market share are based on internal company estimates, our experience and investigations of market conditions and our review of industry positions. We cannot assure you that any of the assumptions underlying those statements are accurate or correctly reflect our position in the industries. Similarly, internal company analyses, while believed by us to be reliable, have not been verified by any independent sources, and neither we nor any of the Initial Purchasers make any representation as to the accuracy of such information. While we are not aware of any misstatements regarding any industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those discussed in the "Risk Factors" section in this offering memorandum.

This offering memorandum makes reference to certain information taken from reports prepared by NexantECA. These reports were generally not prepared specifically for INEOS and in most cases relate to general industry analysis.

NexantECA conducted its analysis and prepared its reports utilizing reasonable care and skill in applying methods of analysis consistent with normal industry practice. All results are based on information available at the time of review. Changes in factors upon which the review was based could affect the results. Forecasts are inherently uncertain because of events or combinations of events that cannot reasonably be foreseen, including the actions of government, individuals, third parties and competitors. There is no implied warranty of merchantability or fitness for a particular purpose to apply.

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

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## ESG RATINGS

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

The ESG ratings are prepared pursuant to proprietary reference frameworks that may not be fully defined or explained, may not be standardized across those third-party organizations, and may not be recognized by all stakeholders. Sustainalytics is an independent ESG research, ratings and data firm and has provided an ESG Risk Rating of 16.7 for INEOS Group Holdings S.A. as of October 12, 2023 (the "**Sustainalytics Rating**"). In addition, INEOS AG, one of our ultimate parent undertakings, received a gold rating from EcoVadis, covering not only the Group but also certain of its affiliates across wider INEOS and placing them, on a collective basis, within the top 8% of assessed companies as of December 3, 2022 (the "**EcoVadis Gold Award**" and, together with the Sustainalytics Rating, the "**ESG Risk Ratings**"). The ESG Risk Ratings are not investment advice and should not be considered to constitute or comprise part of an offer, solicitation or advice to buy or sell or otherwise invest in any securities.

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

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

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

## SUMMARY

*This summary highlights selected information contained elsewhere in this offering memorandum. It is not complete and does not contain all the information that you should consider before investing in the Notes. The following summary should be read in conjunction with and is qualified in its entirety by the more detailed information included elsewhere in this offering memorandum. You should read the entire offering memorandum, including the more detailed information in the consolidated financial statements and the related Notes included elsewhere in this offering memorandum, before making an investment decision. See the section entitled "Risk Factors" for factors that you should consider before investing in the Notes and the section entitled "Forward-Looking Statements" for information relating to the statements contained in this offering memorandum that are not historical facts.*

**Overview**

We are one of the world's largest chemical companies as measured by revenue. Our business has highly integrated world class chemical facilities and production technologies. We have leading global market positions for a majority of our key products and a strong and stable customer base. We currently operate 34 manufacturing sites in seven countries throughout the world. We are led by a highly experienced management team with, on a combined basis, over 100 years of experience in the chemical industry. As of September 30, 2023, our total chemical production capacity was approximately 25,000 kta, of which 57% was in Europe and 43% was in North America.

We operate our business through three segments: Olefins & Polymers Europe, Olefins & Polymers North America and Chemical Intermediates. The products we manufacture are derived from crude oil and natural gas, and include olefins, polymers and various petrochemical products directly or indirectly derived from olefins. Our products serve a broad and diverse range of end markets, including packaging, construction, automotive, white goods/durables, agrochemicals and pharmaceuticals.

Our highly integrated, world class production facilities and technological know-how allow us to process raw materials into higher value-added products. In Europe, we own two sites integrated with crackers and polymer units. Typically, these two sites account for approximately 76% of our European olefin and polymer volumes. The polyolefins plants on our two major sites in Europe normally receive more than 95% of their feedstock supply from our integrated crackers. Following the completion of the Lavéra Acquisition, we will also own the Naphtachimie steam cracker, which is one of Europe's largest with a capacity of 720 ktpa of ethylene. This cracker is integrated with the downstream derivative plants which make up the Lavéra Businesses. Similarly, in the United States, much of our olefin feedstock requirements for our polymer business is supplied by either our Chocolate Bayou cracker in Texas or by integrated third-party facilities, such as the Tesoro facility in Carson, California. The Bayport Acquisition site in Bayport, Texas, USA is also integrated with third-party facilities. We believe that with our highly integrated facilities we are able to capture attractive margins across the value chain, enjoy greater certainty of feedstock supply, reduce logistical costs, improve energy management and optimize our product slate.

We benefit from the cost advantages of operating large scale, well invested, highly integrated facilities strategically located near major transportation facilities and customer locations. Since January 1, 2007, we and our predecessors have invested approximately €12 billion (including investments in divested assets) in our production facilities to ensure that they operate efficiently, resulting in integrated, and state of the art production units. This includes significant investments of almost €3.6 billion in the last five years to further enhance our assets' capabilities. We believe these investments allow us to operate at lower cost and higher utilization rates than most of our competitors, and enable us to maintain positive margin and cash flows even during downturns in industry cycles or customer demand. For the 12-month period ended September 30, 2023, our revenue was €15.5 billion and our EBITDA before exceptionals was €1.6 billion.

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

Since April 1998, when INEOS was established with the acquisition of the Belgian "Oxide" assets from Inspec plc, we have significantly expanded, both through a series of strategic acquisitions of businesses and assets from major chemical companies, and through organic growth. The combination of INEOS and Innovene in December 2005 represented a transformational milestone for our company, providing global scale and further upstream integration.

In 2011, we transferred our Refining Business, our Entrepreneurial (Refining) Business and certain infrastructure assets to three joint ventures outside the INEOS Group. Please see "Business—Refining Divestiture, Grangemouth Divestiture and Lavéra Divestiture—The Refining Divestiture" for a further description of the disposal of our Refining Business and Entrepreneurial (Refining) Business.

In 2013, we completed the Grangemouth Divestiture to a newly created subsidiary of INEOS Holdings AG, our indirect parent company. See "Business—Refining Divestiture, Grangemouth Divestiture and Lavéra Divestiture—The Grangemouth Divestiture."

In 2014, we divested the olefins and polymers assets and Chemical Intermediates assets of the Lavéra site. See "Business—Refining Divestiture, Grangemouth Divestiture and Lavéra Divestiture—The Lavéra Divestiture."

In 2015, we completed the purchase of the remaining 50% interest in the Noretyl ethylene cracker at Rafnes, Norway from the INOVYN group (formerly the Kerling Group), a related party. In 2015, we also acquired aromatics and cumene assets from Axiall Corporation. The acquisition comprised the world's largest cumene plant in Pasadena, Texas. In addition, Axiall's phenol, acetone and alpha-methylstyrene business was transferred to the INEOS phenol facility at Mobile, Alabama.

In 2016, the Group acquired 100% of the shares of WLP Holding Corporation, one of the largest high density polyethylene (HDPE) pipe manufacturers in North America. Moreover, in 2016, following a strategic review of the INEOS Technologies business, we decided to cease marketing its polyolefins licensing technology externally and to transfer the remaining parts of the INEOS Technologies business to existing businesses within the Group to provide a clearer focus on individual product lines.

In 2019, the Group acquired the INESCO combined heat and power plant at the Antwerp site in Belgium.

In December 2020, the Group acquired the remaining 50% interest in the Gemini HDPE joint venture from Sasol Chemicals. The principal activity of the company is the production of high density polyethylene in La Porte, Texas, United States. The acquisition increased the Group's interest in Gemini to 100% through Unrestricted Subsidiaries (as defined in the Indentures and the Senior Secured Term Loans Agreement). Prior to the acquisition the Group reflected its 50% interest in Gemini as a joint venture. A Restricted Subsidiary (as defined in the Indentures and the Senior Secured Term Loans Agreement) of the Group is the operator of the facility and has the exclusive right to supply Gemini with the required components necessary for the production of a specified quantity of the HDPE products and to take such quantity of the HDPE products and, as compensation, pays a toll fee. See "Description of Other Indebtedness—Gemini HDPE Term Loans."

In December 2021, the Group acquired the assets of Charter Plastics in Titusville, United States, a manufacturer of high density polyethylene (HDPE) pipe products.

In the summer of 2022, the Group began construction of a new ethane steam cracker in Antwerp, Belgium, for the production of ethylene with a nameplate capacity of approximately 1,450 kta, along with associated utilities, tankage and infrastructure ("**Project ONE**"). We believe Project ONE is the largest investment in the European chemicals industry for the past 20 years and we expect it to be among the most efficient and sustainable of its kind. It is planned to be equipped with the best available technologies with a high efficiency in use of raw materials and energy, $CO_2$ emissions that are expected to be less than half of the currently best performing similar units in Europe from the outset and a clear path to carbon neutrality on a Scope 1 and Scope 2 basis within 10 years of start-up of the cracker. See also "Other Recent Developments," "Risk Factors—Future acquisitions or developments—Any future acquisitions or developments may prove difficult for us to consummate," "Risk Factors—Litigation—We are subject to certain risks related to litigation filed by or against us, and adverse results may harm our business" and "Business—Facilities—Project ONE."

In December 2022, the Group acquired for approximately RMB 10.5 billion, through an Unrestricted Subsidiary, a 50% interest in the Shanghai SECCO Petrochemical Company Limited facility in Shanghai, China ("**SECCO**"). The remaining 50% is owned by Sinopec and its affiliates. SECCO has a capacity of 4,200 kta of petrochemicals, including ethylene, propylene, polyethylene, polypropylene, styrene, polystyrene, acrylonitrile, butadiene, benzene and toluene. In August 2023, the Group acquired, through an Unrestricted Subsidiary, 50% interest in a joint venture with Sinopec which now holds a new petrochemical complex in Tianjin, China currently under construction by Sinopec (the "**Tianjin Nangang Ethylene Project**"). The Tianjin Nangang Ethylene Project is expected to be on-stream in the second half of 2024 and includes a new 500 kta HDPE (High-Density Polyethylene) plant.

On March 31, 2023, the Group completed the acquisition of the entire asset base of Mitsui Phenols Singapore Ltd from Mitsui Chemicals for a total consideration of $273.0 million, which was funded by cash on hand. The acquisition comprised the entire asset base of Mitsui Phenols on Jurong Island, Singapore, which has more than 1,000 ktpa of capacity, including for cumene, phenol, acetone, alpha-methylstyrene and bisphenol A. This acquisition allows us to support our global customers more effectively, developing new markets and relationships in Asia.

In July 2023, affiliates of the Group announced their intention to acquire TotalEnergies' 50% share of Naphtachimie (720 ktpa steamcracker), Appryl (300 ktpa polypropylene business), Gexaro (270 ktpa aromatics business) and 3TC (naphtha storage), currently 50:50 joint ventures between TotalEnergies and the Lavéra Businesses. The acquisition includes other infrastructure assets associated with the site, including full ownership of the southern sections of TotalEnergies' ethylene pipeline network running from Lavéra to the Lyon region. A 50% share of the central and northern sections, from the Lyon region to the Lorraine region, will be held equally TotalEnergies and an affiliate of the Group. A binding sale and purchase agreement (subject to customary conditions to completion) was signed in October 2023. The Group will, immediately prior to the acquisition of the TotalEnergies Lavéra Business, complete the Lavéra Reorganization, following which the acquisition of the TotalEnergies Lavéra Business will occur within the Group. The Lavéra Acquisition is subject to regulatory approval and satisfaction of other customary closing conditions and is expected to be completed in the first half of 2024.

In December 2023, the Group agreed with LyondellBasell to acquire its Ethylene Oxide and Derivatives business, including the Bayport Underwood site in Texas, USA for $700 million, which includes a 420 kt Ethylene Oxide plant, a 375 kt Ethylene Glycols plant, a 165 kt Glycol Ethers plant and all associated third-party activities on the site. The Bayport Acquisition is expected to be completed in the second quarter of 2024, subject to regulatory and other third-party approvals and satisfaction of other customary closing conditions.

**Products**

The following table provides an overview of our capacity, global market position and leading regional market positions with respect to our key petrochemical products.

| Key products | Full-year capacity as of September 30, 2023(1) (kilotonnes) | Selected market positions(1) |
|---|---|---|
| Ethylene | 5,707 | #1 in Western Europe<br>#7 in U.S. |
| Propylene | 2,066 | #4 in Western Europe<br>#11 in U.S. |
| Butadiene | 535 | #1 in Western Europe |
| Polyethylene | 3,838 | #1 in Western Europe<br>#7 in U.S. |
| Polypropylene | 1,923 | #5 in Western Europe<br>#5 in U.S. |
| Ethylene oxide(2) | 1,500 | #2 in Western Europe<br>#7 Globally |
| Ethanolamines | 233 | #2 in Western Europe*<br>#3 in U.S.*<br>#3 Globally* |
| Phenol | 2,180 | #1 Globally<br>#1 in Western Europe<br>#1 in U.S. |
| Acetone | 1,328 | #1 Globally<br>#1 in Western Europe<br>#1 in U.S. |
| Acrylonitrile | 1,304 | #1 Globally<br>#1 in Western Europe<br>#1 in U.S. |
| Linear alpha olefins | 1,002 | #1 in Western Europe<br>#3 in U.S.<br>#3 in Globally |
| Poly alpha olefins | 230 | #1 in Western Europe<br>#1 Globally<br>#1 in U.S. |

Sources: NexantECA and INEOS

* Merchant market sales

(1) The assets of INEOS Chemicals Grangemouth Limited and INEOS Commercial Services UK Limited were transferred out of IGH on October 1, 2013 in connection with the Grangemouth Divestiture, and the Lavéra Divestiture assets were transferred out of IGH on July 1, 2014; therefore, their capacity has been excluded from the full-year capacity figures. However, for the estimation of market ranking for IGH their capacities have been included since these assets remain within the broader INEOS family of companies and there has been no restriction to, or change in, the competitive dynamic that the assets exercise within the European market as a part of the INEOS family of companies. Therefore, in management's view, it is helpful to consider the Grangemouth and Lavéra assets in order to reflect the relative overall commercial strength of the INEOS family of companies, which is the same as that of O&P Europe within IGH. Following completion of the Lavéra Acquisition, the capacity of the Lavéra Businesses (and the TotalEnergies Lavéra Business) will form part of the Group, increasing the Group's capacity by 3,770 ktpa.

(2) Following completion of the Bayport Acquisition, our capacity of ethylene oxide will increase by 420 ktpa, giving us a #2 market position in the U.S. and improving our market position globally to #4.

*Olefins & Polymers Europe and Olefins & Polymers North America*

In our olefins and polymers businesses, we produce olefins, other cracker products, such as butadiene and benzene, and a broad range of polyolefin polymers. We are among the largest producers of olefins and polymers in the world. The focus of our olefins business in Europe and North America is on ethylene and propylene, which are the two largest volume olefins globally and are key building blocks for polymers. The olefins we make are primarily used as feedstock for our derivatives businesses. In addition, we sell olefins to third-party customers for a variety of industrial and consumer applications, including the manufacture of plastics, rubber and fiber. In our polymers business, we focus on polyethylene and polypropylene.

We operate a total of 19 sites for olefins and polyolefins, including our large integrated olefins cracker and polyolefin facilities at Köln, Germany, Rafnes, Norway, and Chocolate Bayou, Texas, United States and nine polyethylene pipe manufacturing sites within the United States. These facilities support our highly competitive proprietary polyolefin process technologies. The technologies include our cost-effective gas phase polypropylene technology, our specialized technology for high-density polyethylene and our flexible proprietary "swing" technology for both linear low-density and high-density polyethylene.

The North American and European markets for olefins and polyolefins are quite distinct, with separate pricing structures and distribution channels. As a result, each market may experience different rates of growth and levels of return. Therefore, we operate these two businesses separately and report them as two distinct segments—INEOS Olefins & Polymers Europe and INEOS Olefins & Polymers North America. For the 12-month period ended September 30, 2023, our Olefins & Polymers Europe and Olefins & Polymers North America businesses contributed €6.5 billion and €4.3 billion of revenue (excluding intersegmental eliminations) and €338.2 million and €746.6 million of EBITDA before exceptionals, respectively (including, in each case, intersegmental eliminations).

We are also focused on expanding our presence in Asia with the development of a number of joint ventures with Sinopec in China (See "Business—Olefins & Polymers Asia").

*Chemical Intermediates*

Chemical intermediates are higher-value-added chemical products used as key components in a wide variety of consumer and industrial products. In our Chemical Intermediates business, we utilize olefins as key raw materials and produce a wide range of products, including phenol, acetone, alpha olefins, ethylene oxide and derivatives, acrylonitrile, ammonia and nitriles.

We have four main product groups within our Chemical Intermediates business: INEOS Nitriles, INEOS Oligomers, INEOS Oxide and INEOS Phenol. We have a total of 17 manufacturing sites globally, with many of our plants integrated either directly with their key raw materials on-site, or integrated via pipeline connection.

We are the world's leading producer of phenol, which is an essential starting material for a wide range of applications in the electrical/electronics, automotive, construction and household/furniture industries. Our main product in the nitriles sector is acrylonitrile, which is used in the production of acrylic fibers and acrylonitrile butadiene styrene plastic. We are also among the largest volume suppliers of linear and poly alpha olefins in the world. According to NexantECA, we are the second largest producer of ethylene oxide in Western Europe. We have a range of associated products, including ethylene glycol, propylene oxide, propylene glycol and acetate esters. We manufacture and supply high-quality catalysts and additives in support of various technologies to major companies around the world, and also to our own manufacturing assets. For the 12-month period ended September 30, 2023, our Chemical Intermediates revenue and EBITDA before exceptionals were €7.1 billion and €540.9 million, respectively, excluding intersegmental eliminations.

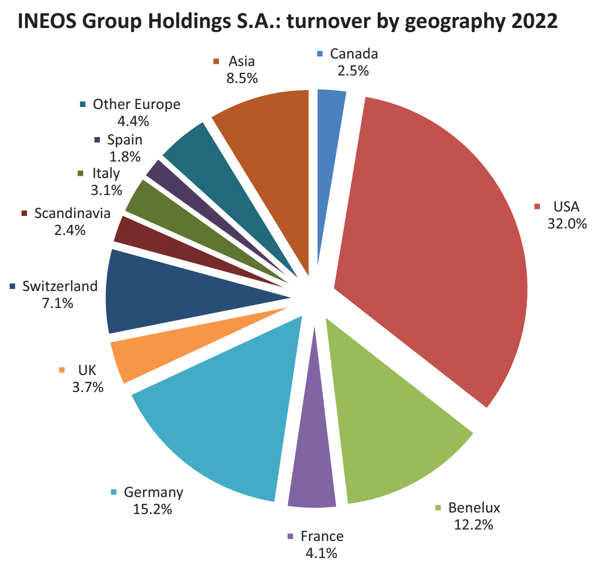
**Our Competitive Strengths**

We believe that the factors set forth below provide us with a competitive advantage in the markets in which we compete:

- ***Diversified Portfolio of Businesses Serving a Broad Range of End Markets.*** We are one of the world's largest chemical companies. We operate 34 manufacturing sites in seven countries around the world. These assets have a total production capacity of approximately 25,000 kta as of September 30, 2023. We believe we have a top 5 or better global or regional market position in 12 of our key products.

  Our petrochemical products are utilized in a wide range of end-market applications. The following diagram sets forth our petrochemicals revenue by end use application in 2022.


Our petrochemical products are sold to customers in diverse geographic locations. The following diagram sets forth the group third party revenue by region in 2022




We believe that such application and market diversity reduces the effect of industry cyclicality on our results. In addition, we believe that we benefit from the fact that the supply and demand dynamics of the cycles relating to our petrochemical products are fairly independent, which helps mitigate some of the cyclicality in the industry.

- ***Vertically Integrated, World-Scale Producer.*** We have three large-scale petrochemical sites, accounting for approximately 39% of our total petrochemical production capacity as of September 30, 2023. Each of these sites is integrated with a major cracker and/or polymers and derivatives unit.

We operate one of the largest single-site ethylene oxide/ethylene glycol plants in Europe and the two largest phenol plants in Europe, one of which is the largest in the world, as well as the largest single train phenol plant in North America. We operate the largest acrylonitrile facility in the world and one of the largest high-density polyethylene complexes in North America. We believe that our existing plants have sufficient capacity such that as our production volumes increase, we will be able to leverage our fixed cost base and increase our profitability.

Our sites are typically located near raw materials, refineries and associated pipeline infrastructure. We believe our highly integrated facilities provide us with the ability to capture margins across the value chain, enjoy certainty of feedstock supply (particularly for ethylene), reduce logistical costs, improve energy management, adjust the product slate to capture greater value (by selling olefins or, alternatively, by using them internally in the production of polymers or derivatives) and reduce our exposure to margin volatility as a result of changes in raw material prices. We operate large plants that permit us to spread fixed costs over large volumes of production, thereby reducing unit costs and enhancing profits.

- ***Access to Advantaged Feedstocks.*** Our Chocolate Bayou cracker installation in the United States uses natural gas liquids-based feedstocks, such as ethane, as its main feedstocks. This allows us to benefit from the current low-cost supply of ethane resulting from the growth in the supply of shale gas in the United States. Ethane is also a lower-cost feedstock than naphtha in Europe, where we operate a very efficient gas olefin cracker in Rafnes. In 2019, our butane storage tank contract was signed to provide the largest ever built in Europe. The tank came on stream in the Port of Antwerp, Belgium in October 2020. Our other olefin cracker in Europe, at Köln, is a naphtha cracker, but it has significant gas cracking flexibility. Our ability to use lower-cost feedstocks, like ethane and butane, gives us an advantage over our competitors with crackers that cannot accept such a significant mix of gas feedstocks, and must rely on more expensive naphtha. The gas cracking flexibility has been enhanced further with expanded butane supply to our cracker in Köln supported by four Rhine river barges. Contracts for supply of four Rhine river barges were signed in 2018 with delivery of three in 2020 and the fourth delivery in 2021. In the summer of 2022, we began construction of Project ONE, a new ethane steam cracker in Antwerp, Belgium for the production of ethylene. We believe it is the largest investment in the European chemicals industry for the past 20 years and we expect it to be among the most efficient and sustainable of its kind.

  In addition, our Chocolate Bayou cracker and our naphtha crackers in Europe can also use naphtha as a feedstock, allowing us to manage our feedstock mix in response to changes in economic and market conditions and maximize our margins. Our fleet of eight long-term chartered Dragon class ships and four VLEC vessels, together with the expanded gas storage terminal in Rafnes, a deep water terminal near Philadelphia and long-term supply contracts, provides us access to the attractive U.S. ethane market for our gas-based cracker in Rafnes, Norway.

- ***Well-Invested, Highly Efficient Production Facilities.*** Our large, well-invested plants benefit from economies of scale and favorable locations. Our acquisition activity has focused on acquiring businesses that complement our existing manufacturing facilities with well-invested physical assets from major chemical companies. In addition, each year we continue to invest in improving and expanding our facilities. Since January 1, 2007, we and our predecessors have invested approximately €12 billion (including investments in divested assets) in our production facilities to ensure that they operate efficiently, resulting in integrated, and state-of-the-art production units. This includes significant investments of almost €3.6 billion in the last five years to further enhance our assets' capabilities.

- ***Extensive Portfolio of Leading Proprietary Technologies.*** We have a broad portfolio of proprietary manufacturing technologies which we use for the manufacturing of our key products. We believe that they enable us to be one of the lowest cost producers and provide us with a significant competitive advantage in terms of product quality, and we continue to improve the portfolio through focused research and technology investments.

- ***Experienced Management Team with a Strong Track Record.*** Our senior management team has been operating INEOS and our predecessors for over 20 years and has a demonstrated track record of achieving profitable growth in the chemical industry, successfully integrating large acquisitions, dramatically reducing the fixed cost base, and deleveraging the business following such acquisitions. James A. Ratcliffe, our controlling shareholder, and the other existing shareholders have a successful record of investing in the chemical industry. Across the wider INEOS group, including our ultimate parent company and its other subsidiaries, we have completed 42 significant acquisitions since the formation of INEOS in 1998. Each of these acquisitions has been integrated effectively and we have been able to achieve significant cost-savings in the acquired businesses. Our management team has extensive experience in the chemical industry, including working for leading companies such as ICI, DuPont, Dow, Degussa and BP, and a proven ability to increase productivity, reduce costs and control capital expenditures and working capital. We believe the experience of our management team is a distinct competitive advantage.

  In addition, our senior management team has demonstrated the ability to streamline our businesses by focusing on core competencies and disposing of non-core or underperforming businesses. In the past 12 years, we have disposed of several non-core or underperforming businesses. We disposed of the Refining Business and the Entrepreneurial (Refining) Business in July 2011. On October 1, 2013, we completed the Grangemouth Divestiture to a newly created subsidiary of INEOS Holdings AG, our indirect parent company. See "Business—Refining Divestiture, Grangemouth Divestiture and Lavéra Divestiture—The Grangemouth Divestiture." The disposal of these businesses has enabled us to focus management time on core activities, reduce our capital expenditure requirements going forward and also reduce our exposure to underperforming cash consuming businesses. On July 1, 2014, the Group also completed the Lavéra Divestiture to a new subsidiary of INEOS AG, the ultimate parent company of the Group at the time of the divestiture. See "Business—Refining Divestiture, Grangemouth Divestiture and Lavéra Divestiture—The Lavéra Divestiture." The Lavéra Acquisition will bring the Lavéra Businesses back into the Group, now with full ownership and control and without the limitations of a joint venture, which we believe will allow us to unlock greater value in the assets.

**Our Business Strategy**

In response to challenges resulting from the current macroeconomic environment and as part of our long-term strategic aim, we have maintained and will continue to execute a strategy consisting of the following short- and long-term elements. These are designed to help us improve our capital structure, leverage our key strengths and market opportunities and ensure ongoing cash flow generation and growth:

- ***Where and When Appropriate, and within the Confines of Our Capital Structure, to Pursue Long-term Value-added Growth Opportunities.*** As a result of our lean corporate structure, we are able to maintain a level of agility that few organizations our size are able to match. We have a highly disciplined evaluation process and a detailed series of metrics by which we measure the value creation prospects of potential projects. Opportunities for profitable growth are identified and vetted in an efficient, non-bureaucratic format, which, in many cases, we believe enables us to establish a first-mover advantage. For example, we continued to pursue opportunities to grow our assets in the U.S. through the expansion of our Chocolate Bayou cracker in 2020, and, also in 2020, acquired the remaining 50% of the high-density polyethylene plant at our Battleground site in Texas from Sasol Limited. Our O&P Europe business also has in place 15-year supply and infrastructure agreements entered into in 2012 to access ethane feedstock from the United States for use in its European cracker complexes. In 2020, we opened a new 420 kta linear alpha olefins plant and, in 2022, we opened a new 120 kta poly alpha olefins plant, both at Chocolate Bayou, Texas. In the summer of 2022, we began construction of our 1,450 kta ethane steam cracker for the production of ethylene in Antwerp, Belgium. In addition, we are currently pursuing several other projects that we believe provide opportunities for profitable growth. We are particularly focused on expanding our footprint in Asia to further access the high demand growth of that region, which may take the form of joint ventures and Unrestricted Subsidiaries. For example, in 2022, we acquired a 50% interest in the SECCO facility in China and, in 2023, we acquired a 50% stake in the Tianjin Nangang Ethylene Project, currently under construction by Sinopec, which is expected to be on-stream in the second half of 2024 and includes a new 500 kta HDPE (High-Density Polyethylene) plant, in each case through an Unrestricted Subsidiary. On March 31, 2023, the Group completed the acquisition of the entire asset base of Mitsui Phenols Singapore Ltd from Mitsui Chemicals. The acquisition comprised the entire asset base of Mitsui Phenols on Jurong Island, Singapore, which has more than 1,000 ktpa of capacity, including for cumene, phenol, acetone, alpha-methylstyrene and bisphenol A. This acquisition provides us with additional capacity to support our global customers more effectively, developing new markets and relationships in Asia. In 2023, we agreed with LyondellBasell to acquire its Ethylene Oxide and Derivatives business, including the Bayport Underwood site in Texas, USA, which includes a 420 kt Ethylene Oxide plant, a 375 kt Ethylene Glycols plant, a 165 kt Glycol Ethers plant, and associated third-party activities on the site (expected to be completed in the second quarter of 2024). The acquisition will expand our Ethylene Oxide & Derivatives business into the US, which is the world's largest market, with what we believe are well-run and best-in-class assets. It also complements our existing Ethanolamines production facility in Plaquemine, Louisiana. In addition, there is free land on the Bayport Underwood site for INEOS' growth aspirations and it is an ideal location to develop our third-party business supporting customers to co-locate and integrate into an existing Ethylene Oxide & Derivatives platform. In July 2023, affiliates of the Group announced their intention to acquire TotalEnergies' 50% share of Naphtachimie (720 ktpa steamcracker), Appryl (300 ktpa polypropylene business), Gexaro (270 ktpa aromatics business) and 3TC (naphtha storage), currently 50:50 joint ventures between

TotalEnergies and the Lavéra Businesses. The acquisition includes other infrastructure assets associated with the site, including full ownership of the southern sections of TotalEnergies' ethylene pipeline network running from Lavéra to the Lyon region. The Group will, immediately prior to the acquisition of the TotalEnergies Lavéra Business, complete the Lavéra Reorganization, following which the acquisition of the TotalEnergies Lavéra Business will occur within the Group. The Lavéra Acquisition is subject to regulatory approval and satisfaction of other customary closing conditions and is expected to be completed in the first half of 2024. The Lavéra Acquisition will allow us to fully integrate the Lavéra assets and enhance the competitiveness of our offer, and gives us direct access to the complete ethylene production from the Naphtachimie cracker for the Group's internal use and third party customers.

- ***Continue to Drive Sustainability as a Fundamental Part of Our Business.*** We believe we are a leader in driving sustainable practices across our industry as evidenced by our 2023 Sustainalytics rating which placed us as 11th best (11th lowest risk) of 576 chemical companies so far assessed, and 4th best out of 273 commodity chemical companies. Our sustainability strategy is to develop and safely manufacture the products needed to address the evolving challenges of climate change, public health, resource scarcity, urbanization and waste in a way which drives us all towards a Net Zero Emission Economy by 2050 while remaining profitable. We believe our Health, Safety, Security and Environmental ("**HSSE**") performance is industry leading. Our strategy is to continue to improve injury incidence metrics and environmental compliance ratings by applying increasingly sophisticated methodologies, with the ultimate aim being to achieve zero accidents. We seek to ensure that all employees receive appropriate training, thereby enabling them to effectively contribute to HSSE performance and HSSE improvement processes. It is our policy to design our processes and manufacture and distribute our products in a responsible manner so that our employees, customers, the public and the environment are protected to the extent practicable from avoidable risks. Our businesses have put in place roadmaps to lead the transition to a Net Zero Economy in our industry by no later than 2050, while remaining profitable, and staying ahead of evolving regulations and legislation. Based on these roadmaps, we are setting ambitious but achievable targets for 2030 which are in line with our 2050 commitment. Our target is to reduce greenhouse gas ("**GHG**") emissions by 33% (as compared to 2019) on a like-for-like basis by no later than 2030. This target is consistent with EU and other national GHG emissions reduction targets. In the near term, we are investing over €6 billion on projects which will reduce our emissions footprint. We are also investing in new products and technologies to drive the industry to a circular economy in which materials are re-used to the maximum extent, and no products, once used, enter the natural environment. For example, we have committed to make all our products recyclable and, by 2025, to develop a range of polyolefin products containing at least 50% recycled product. Overall, across wider INEOS (including entities outside of the Group), we have committed to achieving 850 kt of recycled or bio content in our polymers by 2030, which is consistent with anticipated regulatory recycled-content targets in Europe.

- ***Generate Cost Savings and Enhance Efficiency.*** We have historically succeeded in reducing costs at our acquired businesses by making rapid reductions in underlying fixed costs and implementing an efficient corporate and management structure. We have achieved significant fixed cost reductions in businesses that we have acquired, delivering on average a reduction of 20% of inherited fixed costs in the four-year period post acquisition. Continuous improvements in the efficiency of our existing sites and opportunities for site consolidation are key aspects of this strategy, as we seek to maintain upper quartile cost positions and world-scale facilities across the majority of our operations. The control of fixed costs will continue to be a key priority for our business.

- ***Generate Strong Cash Flow.*** We intend to continue our focus on cash flow generation by maximizing the utilization of assets, leveraging existing resources, continuously improving working capital practices, following disciplined and focused capital expenditure and cost reduction plans and optimizing where possible our capital structure. This focus has allowed us to reduce our costs and improve our cash flow management, such as the ability to implement lower levels of maintenance capital expenditure. We apply the cash flows generated from these initiatives to help reduce our debt and to strategically invest in the business.

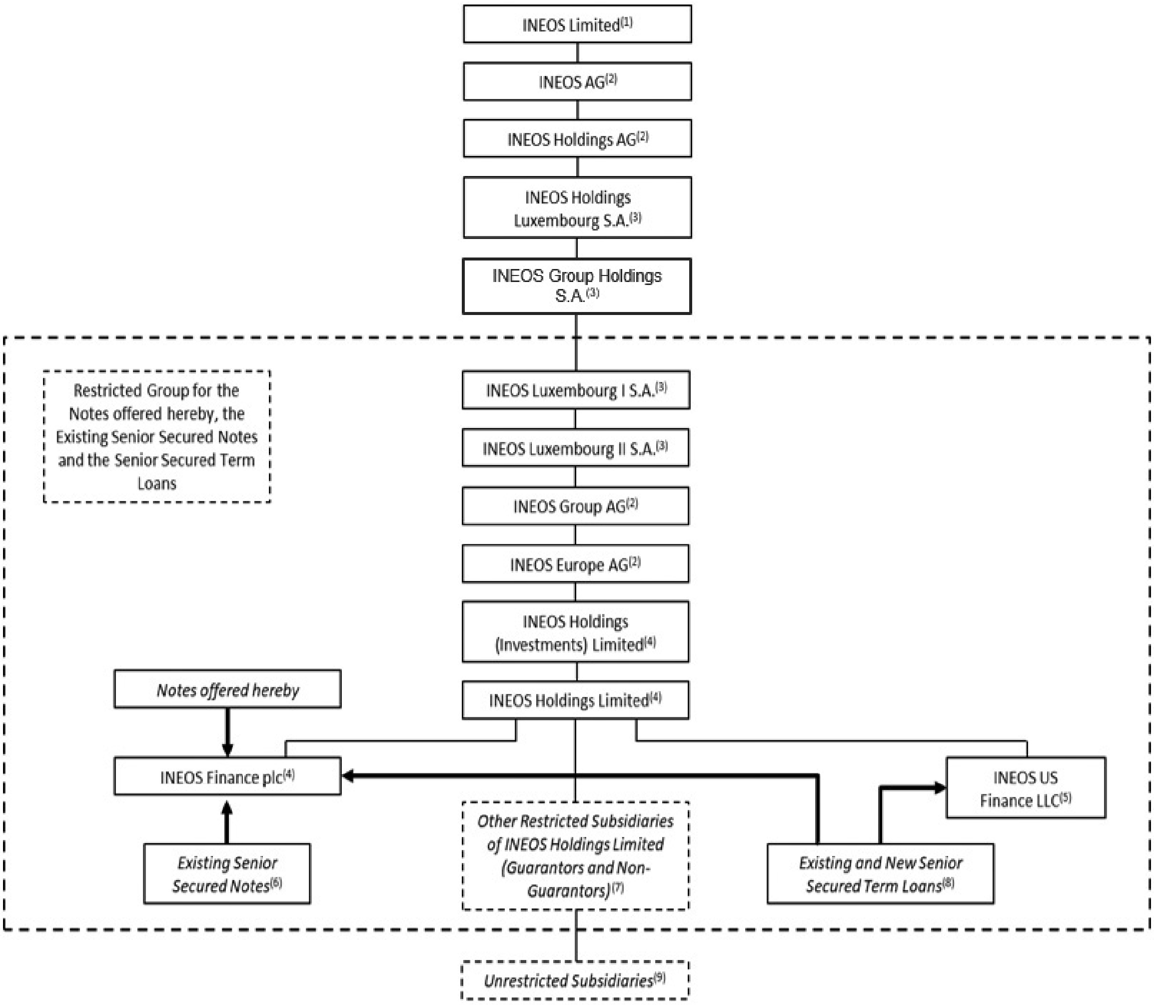
- ***Maximize Utilization of Assets.*** As a low-cost focused producer, we believe in operating our facilities at full capacity. We believe this allows us to maintain positive margins and cash flows, even during downturns in industry cycles or customer demand, more readily than some of our competitors who have higher production costs. We intend to achieve growth in production volume by improving utilization rates within the defined availability of an asset, improving availability of an asset by minimizing planned and unplanned facility downtime and improving capacity of an asset through de-bottlenecking projects. We have a strong track record of improving utilization rates of acquired assets.

- ***Maintain a Lean Corporate Structure and Incentivize Employees.*** We intend to operate our business in a manner that is consistent with the philosophy of our shareholders and maintain a simple and decentralized, flat organizational structure that minimizes corporate bureaucracy, coupled with compensation arrangements that incentivize our employees. We believe that a simple and decentralized organizational structure is cost-effective and will allow each of our management teams the freedom to use their industry knowledge to respond to market opportunities. We believe that we can increase the value of our business when our employees share in the value they create. We have management and employee bonuses and long-term incentive plans linked to the EBITDA before exceptionals performance and other factors of the business in which they work.

- ***Maximize Flexibility to Use Advantaged Feedstocks.*** We remain focused on our strategy of acquiring advantaged feedstock sources and improving our flexibility to use different feedstocks to take advantage of changing market conditions. In 2017, we entered into an agreement to construct one of the largest butane tanks in Europe. In 2019, our butane storage tank contract was signed to provide the largest ever built in Europe. The tank came on stream in the Port of Antwerp, Belgium in October 2020 and allows us to import butane from the United States (and from all over the world) to supply material to our naphtha crackers at Köln. This project complements our contracts signed in 2012 and 2015 to source ethane directly from the United States for our Rafnes cracker as well as our a new ethane import tank and new ethane furnace at our Norwegian plant. The gas cracking flexibility has been enhanced further with expanded butane supply to our cracker in Köln supported by four Rhine river barges, which were delivered in 2020 and 2021. We are also committed to maintaining flexibility in feedstock while expanding our olefins capacity. For example, our Chocolate Bayou plant predominantly uses liquid based natural gas as feedstock, but has the ability to process naphtha and our Köln plant is capable of switching between naphtha and butane as a feedstock. This enables us to manage our feedstock mix in line with changing market and economic conditions. To further enhance our sourcing of advantaged feedstock, we began construction of a new ethane steam cracker in Antwerp, Belgium, referred to as Project ONE, for the production of ethylene in the summer of 2022. We believe it is the largest investment in the European chemicals industry for the past 20 years and we expect it to be among the most efficient and sustainable of its kind.

## Summary Corporate and Financing Structure

The following chart illustrates our simplified corporate structure and principal indebtedness after giving *pro forma* effect to the Transactions. For a summary of the debt obligations referred to in this chart, see “Description of Other Indebtedness” and “Description of the Notes.”




(1) Incorporated in Isle of Man.

(2) Incorporated in Switzerland.

(3) Incorporated in Luxembourg.

(4) Incorporated in England and Wales.

(5) Organized in Delaware, United States.

(6) Refers to (i) the €400.0 million aggregate principal amount of 6⅝% Senior Secured Notes due 2028 and the $425.0 million aggregate principal amount of 6¾% Senior Secured Notes due 2028, (ii) the €550.0 million aggregate principal amount of 2⅛% 2025 Senior Secured Notes, (iii) the €325.0 million aggregate principal amount of 3⅜% March 2026 Senior Secured Notes and (iv) the €770.0 million aggregate principal amount of 2⅞% May 2026 Senior Secured Notes.

(7) Non-guarantor Restricted Subsidiaries include, among others, Noretyl AS, the borrower of the Rafnes Facility, and the Project ONE subsidiaries. The Rafnes Facility is guaranteed by IGH and the Project ONE Facilities are, during the construction phase, supported by a debt service undertaking provided by IGH, IHL and INEOS US I Inc. The Group entered into the Project ONE Facilities in December 2022 to borrow loans of up to €3.5 billion to fund the majority of the Project ONE capital expenditure plus associated financing costs during construction. The Project ONE Facilities will be drawn in stages, throughout the construction period. To date, €522.0 million has been drawn under the Project ONE Facilities. On July 20, 2023, the Group received a decision from the Council for Permit Disputes annulling the permit for Project ONE. As a result of the annulment of the permit, further drawings were suspended from that date. On January 7, 2024, a new permit was reissued. We expect the drawstop to be lifted on or around February 22, 2024, the date that is 45 days after the permit was reinstated. In September 2023, the Group entered into the Project ONE Interim Facility. This is a short dated facility repayable within 364 days. During the nine-month period ending September 30, 2023 the Group made drawdowns under the Project ONE Interim Facility of €85.0 million and paid debt issue costs of €2.0 million. The Group expects to repay the Project ONE Interim Facility from the original Project ONE Facilities following lifting of the drawstop under the Project ONE Facilities. See "Description of Other Indebtedness—Rafnes Facility" and "Description of Other Indebtedness—Project ONE Facilities."

(8) Refers to the Senior Secured Term Loans borrowed under the Senior Secured Term Loans Agreement, dated as of April 27, 2012 and as amended, restated, supplemented and varied from time to time, among INEOS Finance plc and INEOS US Finance LLC, as borrowers, certain subsidiaries of IGH, Barclays Bank PLC and certain lenders. We expect, on or about the Issue Date, to draw additional New Senior Secured Term Loans in an aggregate principal amount of €          million and $          million under the Senior Secured Term Loans Agreement. See "The Transactions."

(9) Unrestricted Subsidiaries held directly or indirectly by IHL. INEOS Real Estate GmbH & Co. KG is an Unrestricted Subsidiary (as defined in "Description of the Notes—Certain Definitions") of Lux I, which owns an office building in Köln, Germany. INEOS China Holdings Limited, INEOS China Holdings II Limited, INEOS China Holdings III Limited, INEOS Tianjin

Holdings Limited, INEOS Investment (Tianjin) Company Limited and INEOS Investment (Shanghai) Company Limited are Unrestricted Subsidiaries of Lux I, which hold the 50% interest in SECCO and the 50% interest in the Tianjin Nangang Ethylene Project. In December 2022, INEOS China Holdings Limited entered into the Rain Facilities with aggregate principal amounts of RMB 1,045 million and $525.0 million to partially fund the acquisition of the 50% interest in SECCO. In April 2023, the Group successfully completed a syndication of the Project Rain Facilities originally funded in December 2022. As part of the syndication, which increased the number of lenders to 10, the principal amounts were increased to RMB 1,045 million and $785.0 million. The Rain Facilities are guaranteed by IGH and IHL. See "Description of Other Indebtedness—Rain Facilities." INEOS Nitriles (UK) Limited is also an Unrestricted Subsidiary of Lux I. Gemini HDPE LLC, INEOS Gemini HDPE LLC and INEOS Gemini HDPE Holding Company LLC (the "**Gemini Unrestricted Subsidiaries**"), which produce high density polyethylene in La Porte, Texas, United States, are also Unrestricted Subsidiaries of Lux I. EBITDA before exceptionals for the 12-month period ended September 30, 2023 for the Gemini Unrestricted Subsidiaries was €(0.1) million with total gross assets of €739.6 million. Gemini HDPE LLC has incurred €600.0 million aggregate principal amount of term loans, which do not benefit from any security interests over assets of, or direct guarantees from, IGH or its Restricted Subsidiaries. Tolling agreement obligations in connection with the Gemini Term Loans are guaranteed on an unsecured basis by IGH. See "Description of Other Indebtedness—Gemini HDPE Term Loans."

† On the Issue Date, the Notes will be jointly and severally guaranteed by the Parent, Lux I, INEOS Holdings Limited and certain of their subsidiaries (the "**Initial Guarantors**"). Within 90 days after the Issue Date, the Notes will be guaranteed by the Subsequent Guarantors (together with the Initial Guarantors the "**Guarantors**"), together representing 95.9% of the Parent's consolidated EBITDA before exceptionals for the 12-month period ended September 30, 2023, and holding 87.1% of the Parent's consolidated total assets as of September 30, 2023 (in each case, calculated in accordance with, and in the manner provided by, the guarantor maintenance covenant in the Senior Secured Term Loans Agreement as in effect on the Issue Date after giving effect to the exclusion of the Consolidated EBITDA (as defined in the Senior Secured Term Loans Agreement) and consolidated total assets of certain subsidiaries of the Parent (including Unrestricted Subsidiaries), which represent approximately 3.1% of the Parent's consolidated EBITDA before exceptionals for the same period and hold approximately 14.8% of the Parent's consolidated total assets as of September 30, 2023). Each Guarantor also guarantees the Senior Secured Term Loans and the Existing Senior Secured Notes on a *pari passu* basis. The obligations of each Guarantor will be subject to various limitations and may be released in certain circumstances set forth under "Description of the Notes—Description of the Notes, the Guarantees and the Security—Release of the Guarantees," including upon the Notes receiving investment grade ratings from at least two rating agencies. See "Limitations on Validity and Enforceability of the Guarantees and the Security Interests," "Risk Factors—Risks Relating to the Notes and Our Capital Structure—Guarantees and Collateral limitations—The guarantees and pledges of Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability" and "Risk Factors—Risks Relating to the Notes and Our Capital Structure—Release of Collateral and Guarantees—There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the guarantees will be released automatically and under which the guarantees will be released automatically, without your consent or the consent of the Trustee."

### Principal Shareholders and Our Relationships with INEOS Limited

We are a wholly owned subsidiary of INEOS Holdings Luxembourg S.A. All of the issued voting and non-voting share capital of INEOS Holdings Luxembourg S.A. is held by INEOS Holdings AG. INEOS AG holds all of the issued share capital of INEOS Holdings AG. INEOS Limited holds 100% of the share capital of INEOS AG. INEOS Limited became the ultimate parent undertaking of the Group on December 1, 2016. See also "Management" and "Certain Relationships and Related Party Transactions."

James A. Ratcliffe, Andrew Currie and John Reece control us through shareholdings in INEOS Limited. INEOS AG, whose share capital is held by INEOS Limited, provides operational management services to us. Messrs. Ratcliffe, Currie and Reece also control INEOS Industries Limited, a portfolio of businesses, including INEOS Quattro (comprising INEOS Styrolution, INOVYN, a producer of chlor-alkali and PVC, INEOS Aromatics and INEOS Acetyls), INEOS Olefins & Polymers UK and INEOS Upstream Limited, an oil and gas exploration, production and transportation business; INEOS Enterprises Holdings Limited, a portfolio of businesses, including Composites, Pigments, Hygienics, Solvents, Compounds and Calabrian; and INEOS Investments, the entity which holds a 49.9%, a 50.1% and a 50.0% direct interest in the Entrepreneurial (Refining) Business JV, the Refining Business JV and the Infrastructure Entity, respectively. INEOS Investments also holds a 25.05% indirect interest in the Infrastructure Entity by virtue of its 50.1% stake in the Refining Business JV. We have entered into a number of significant transactions and arrangements with INEOS Industries Limited, INEOS Enterprises Holdings Limited, the Entrepreneurial (Refining) Business JV, the Refining Business JV, the Infrastructure Entity and certain of their subsidiaries in the past, and the Indenture will permit us to continue to do so in the future. Please see "Certain Relationships and Related Party Transactions." In connection with the Refining Divestiture, we also entered into various arrangements with the Refining and Entrepreneurial JVs and the Infrastructure Entity, however, as a result of the Lavéra Divestiture, we no longer had contractual arrangements with the Infrastructure Entity. Following completion of the Lavéra Acquisition, these contractual arrangements will again be between the Group and the Infrastructure Entity. Please see "Business—Refining Divestiture, Grangemouth Divestiture and Lavéra Divestiture—The Refining Divestiture". Additionally, in connection with the Grangemouth Divestiture, we have entered into various arrangements with INEOS Grangemouth Limited (formerly INEOS Grangemouth plc), and, in connection with the Lavéra Divestiture, we entered into various arrangements with INEOS Europe AG and INEOS Group AG. Upon completion of the Lavéra

Acquisition the arrangements with INEOS Europe AG and INEOS Group AG will be intra-Group transactions. Please see “Business—Refining Divestiture, Grangemouth Divestiture and Lavéra Divestiture—The Grangemouth Divestiture,” “Business—Refining Divestiture, Grangemouth Divestiture and Lavéra Divestiture—The Lavéra Divestiture,” “Business—Refining Divestiture, Grangemouth Divestiture and Lavéra Divestiture—Contractual Arrangements with the Refining and Entrepreneurial JVs,” and “Business—Refining Divestiture, Grangemouth Divestiture and Lavéra Divestiture—Contractual Arrangements with the Lavéra, Sarralbe & Rosignano Petrochemicals Businesses.”

## RECENT DEVELOPMENTS

### Q4, 2023 Trading Statement

Based on management’s preliminary analysis and certain estimates, management estimates that EBITDA before exceptionals for the three-month period ended December 31, 2023 was approximately 15% higher compared to EBITDA before exceptionals of €392 million for the corresponding period in 2022 and approximately 12% higher compared to EBITDA before exceptionals of €403 million for the three-month period ended September 30, 2023.

Management estimates that EBITDA before exceptionals for the full year ended December 31, 2023 was approximately 41% lower compared to EBITDA before exceptionals of €2,841 million for the year ended December 31, 2022. Elevated inflation and interest rates, together with continued high energy costs in Europe have led to reduced demand levels and weak margins. North American markets were relatively robust, taking full benefit from their current cost advantage. Market conditions in Europe and Asia have remained weak in the quarter. Nevertheless, the business saw an improving trend in performance throughout the quarter.

Management estimates that EBITDA before exceptionals for O&P North America for the three-month period ended December 31, 2023 was approximately 15% lower compared to EBITDA before exceptionals of €176 million for the corresponding period in 2022. Management estimates that EBITDA before exceptionals for the full year ended December 31, 2023 was approximately 40% lower compared to EBITDA before exceptionals of €1,204 million for the year ended December 31, 2022. Ethylene markets were generally subdued in the quarter with lower demand, improved industry supply availability and reduced export opportunities. Polymer markets were soft with some erosion of margins for most products in the quarter, although downstream pipe markets remained solid.

Management estimates that EBITDA before exceptionals for O&P Europe for the three-month period ended December 31, 2023 was approximately 99% higher compared to EBITDA before exceptionals of €74 million for the corresponding period in 2022. Management estimates that EBITDA before exceptionals for the full year ended December 31, 2023 was approximately 37% lower compared to EBITDA before exceptionals of €656 million for the year ended December 31, 2022. Markets for olefins in the quarter were generally weak with most industry crackers being trimmed across Europe. Propylene markets were soft with weak demand across most derivatives due to high energy costs. European polymer markets were relatively stable but continue to be subdued on overall low demand.

Management estimates that EBITDA before exceptionals for Chemical Intermediates for the three-month period ended December 31, 2023 was approximately 9% higher compared to EBITDA before exceptionals of €142 million for the corresponding period in 2022. Management estimates that EBITDA before exceptionals for the full year ended December 31, 2023 was approximately 44% lower compared to EBITDA before exceptionals of €981 million for the year ended December 31, 2022. Overall demand in the Oligomers business was solid across the product portfolio, although there was some softness in co-monomers. There was modest demand improvement across most market sectors for the Oxide business, however European glycol markets remained weak. Demand for the Nitriles business was mixed, with balanced demand in the USA, but softer demand in Europe due to high energy costs, and Asia due to improved industry supply. Markets for the Phenol business were firm in the USA, but weaker in Europe and Asia.

Management estimates that net debt (including the Rain Facility, the Project ONE Facilities and the Project ONE Interim Facility) at the end of December 2023 was approximately 37% higher compared to net debt of €6,239 million at the end of December 2022. Management estimates that cash balances at the end of December 2023 were approximately 33% lower compared to €2,639 million at the end of December 2022. Management estimates that net debt leverage (excluding the Rain Facilities, the Project ONE Facilities and the Project ONE Interim Facility) was approximately 4.0 times EBITDA before exceptionals as at December 31, 2023.

The information as of and for the three-month period ended December 31, 2023 and the full year ended December 31, 2023 is based solely on preliminary internal information used by management. Our annual financial statements for the year ended December 31, 2023 have not yet been completed. This information is preliminary and based on a number of assumptions that are subject to inherent uncertainties and may change. It may not be indicative of the actual financial quarterly results or financial condition as of quarter end and may not be indicative of any other period. See "Forward Looking Statements."

**Substantially Concurrent Debt Tender Offers**

Substantially concurrently with the Offering, we have launched offers to purchase for cash (together, the "**Tender Offers**") (i) a portion of the 2025 Senior Secured Notes, (ii) a portion of the March 2026 Senior Secured Notes and (iii) a portion of the May 2026 Senior Secured Notes, the purchase price for which does not exceed (x) the sum of the net proceeds of the Offering and the New Senior Secured Term Loans less (y) the sum of (i) the aggregate purchase prices for the Lavéra Acquisition and the Bayport Acquisition (which we currently estimate to be approximately €1,040 million), (ii) the aggregate transaction fees and expenses in respect of the Lavéra Acquisition, the Bayport Acquisition, the Offering and the New Senior Secured Term Loans and the Tender Offers and (iii) €300 million (together, the "**Tender Offer Notes**"). The Tender Offers are being made upon terms and subject to the conditions set out in the separate tender offer memorandum dated as of January 22, 2024 (the "**Tender Offer Memorandum**"). The Tender Offers are conditioned upon the satisfaction or waiver of certain conditions, including, but not limited to, a condition that one or more members of the Group completes prior to the acceptance date of the Tender Offers one or more debt financings, on terms satisfactory to the Issuer in its sole discretion, that would result in aggregate net proceeds of at least €2,000 million equivalent.

We cannot assure you that the Tender Offers will be consummated in accordance with their respective terms, or at all, or that the Tender Offer Notes will be tendered and purchased in the Tender Offers. The Offering is not conditioned upon the consummating of the Tender Offers. This offering memorandum does not relate to the Tender Offers, which are only made upon the terms and subject to the conditions set out in the Tender Offer Memorandum.

**Other Recent Developments**

**Bayport Acquisition**

In December 2023, the Group agreed with LyondellBasell to acquire its Ethylene Oxide and Derivatives business, including the Bayport Underwood site in Texas, USA for $700 million, which includes a 420 kt Ethylene Oxide plant, which will have just completed a major turnaround prior to completion of the acquisition, a 375 kt Ethylene Glycols plant, a 165 kt Glycol Ethers plant and all associated third-party activities on the site. The Bayport Acquisition adds significant capacity to our operations in the U.S. and transforms our oxides business from a European business to a global one. The Bayport Acquisition is expected to be completed in the second quarter of 2024, subject to regulatory and other third-party approvals and satisfaction of other customary closing conditions. The purchase price for the Bayport Acquisition is intended to be financed with the proceeds from the Offering.

The Bayport Acquisition will form part of our Chemical Intermediates segment. In evaluating the Bayport Acquisition and the purchase price thereof, INEOS considered an average EBITDA over a cyclical period from 2018 to 2022 of an estimated $85 million. During the period EBITDA ranged from an estimated high of $185.9 million in 2018 to an estimated low of ($5.9) million in 2020. These EBITDA figures were derived from management accounts and not from audited financial data.

**Lavéra Acquisition**

In July 2023, affiliates of the Group announced their intention to acquire to acquire TotalEnergies' 50% share of Naphtachimie (720 ktpa steamcracker), Appryl (300 ktpa polypropylene business), Gexaro (270 ktpa aromatics business) and 3TC (naphtha storage), currently 50:50 joint ventures between TotalEnergies and the Lavéra Businesses, at Lavéra in the south of France (the target assets being collectively the "**TotalEnergies Lavéra Business**"). The acquisition also includes other infrastructure assets associated with the site, including full ownership of the southern sections of TotalEnergies' ethylene pipeline network running from Lavéra to the Lyon region. A 50% share of the central and northern sections of the pipeline, from the Lyon region to the Lorraine region, will be held equally by TotalEnergies and an affiliate of the Group. A binding sale and purchase agreement (subject to customary conditions to completion) was signed in October 2023. The Group will, immediately prior to the acquisition of the TotalEnergies Lavéra Business, complete the Lavéra Reorganization, following which the acquisition of the TotalEnergies Lavéra

Business will occur within the Group. The Lavéra Acquisition will bring the Lavéra Businesses back into the Group, now with full ownership and control and without the limitations of a joint venture, which we believe will allow us to unlock greater value in the assets. The Lavéra Acquisition is subject to regulatory approval and satisfaction of other customary closing conditions and is expected to be completed in the first half of 2024. The purchase price for the Lavéra Acquisition will be approximately €400 million in aggregate. This is intended to be financed with the proceeds from the Offering.

The Lavéra Acquisition will form part of our Olefins and Polymers Europe and Chemical Intermediates segments. In evaluating the Lavéra Acquisition and the purchase price thereof, INEOS considered an average EBITDA over a cyclical period from 2016 to 2022 of an estimated €227 million. During the period EBITDA ranged from an estimated high of €355.8 million in 2017 to an estimated low of €117.7 million in 2018. These EBITDA figures were derived from management accounts and not from audited financial data.

**Project ONE Permit Application**

On July 20, 2023, INEOS Olefins Belgium (IOB), a Restricted Subsidiary of the Group, received a decision from the Council for Permit Disputes in Flanders annulling the permit for Project ONE, the ethane cracker designed to be the most efficient and sustainable cracker currently in Europe, which IOB is building in the Port of Antwerp with a nameplate capacity of 1450kt of ethylene per year. As a result of the annulment, all construction on the Project ONE site in the Port of Antwerp had to be suspended. Works on Project ONE in other locations (for example in module yards around the world) have, however, continued during this period.

The Council ruled, amongst other things, that the so-called "appropriate assessment" of Project ONE, assessing the extent of any effects of the project on special areas of conservation (which formed part of IOB's permit application) had not been examined by the Flemish Government based on the concrete facts of the case; and that the appropriate assessment did not sufficiently substantiate that the nitrogen-based depositions of Project ONE will not have significant effects on the Brabantse Wal Special Protection Area, located in the province of Noord Brabant, Netherlands.

In its decision, the Council ordered the Flemish Government to take a new decision within six months from the day after the day of notification of the judgment. On August 18, 2023, IOB filed a "cassation" appeal to the Council of State against the ruling of the Council for Permit Disputes. As yet, no hearing date has been set for that appeal.

Separately, on October 4, 2023, IOB submitted an amended permit application for Project ONE containing an updated assessment on relevant protected nature sites and species. Other parts of the permit application remained as per the original application. The updated appropriate assessment (approximately 800 pages) aimed to address the ruling of the Council for Permit Disputes, analyzing the project in detail in relation to individual habitat types and individual species in relevant protected areas.

On January 7, 2024, following completion of the required procedural process, a new permit was issued for Project ONE by the Flemish Minister for Justice and Enforcement, Environment and Spatial Development and Energy and Tourism. The permit is immediately effective from the date of issue. Construction works on the Project ONE site in the Port of Antwerp have now resumed.

**Post-Q3 Transactions**

In December 2023, the Group declared a dividend of €697.5 million payable to its immediate parent, INEOS Holdings Luxembourg S.A., of which €250.0 million was paid in cash.

In December 2023, the Group extended the maturity date of the Securitization Program to December 2026.

The above-mentioned dividend and the extension of the Securitization Program are referred to herein as the "**Post-Q3 Transactions**".

## THE OFFERING

*The following overview of the Offering contains basic information about the Notes, the guarantees and the security. It is not intended to be complete and it is subject to important limitations and exceptions. For a more complete understanding of the Notes, the guarantees and the security including certain definitions of terms used in this overview, please see "Description of the Notes" and "Description of the Collateral and the Guarantees."*

| | |
|---|---|
| **Issuer** | INEOS Finance plc |
| **Notes Offered** | € aggregate principal amount of % Senior Secured Notes due 2029 (the "**Euro Notes**")<br><br>$ aggregate principal amount of % Senior Secured Notes due 2029 (the "**Dollar Notes**" and, together with the Euro Notes, the "**Notes**") |
| **Issue Date** | On or about , 2024 (the "**Issue Date**"). |
| **Maturity Date** | The Notes will mature on , 2029. |
| **Interest Rates and Payment Dates** | The interest rate on the Euro Notes will be %, payable semi-annually in arrear on and of each year, commencing , 2024.<br><br>The interest rate on the Dollar Notes will be %, payable semi-annually in arrear on and of each year, commencing , 2024.<br><br>Interest on the Notes will accrue from, and including, the Issue Date. |
| **Denominations** | The Euro Notes will be issued in denominations of €100,000 and any integral multiple of €1,000 in excess thereof. Notes in denominations of less than €100,000 will not be available.<br><br>The Dollar Notes will be issued in denominations of $200,000 and any integral multiple of $1,000 in excess thereof. Notes in denominations of less than $200,000 will not be available. |
| **Ranking of the Notes** | The Notes will be the general senior secured obligations of the Issuer and:<br><br>• will be guaranteed on a senior secured basis by the Guarantors;<br><br>• will be secured by the Collateral as set forth below under "Security; Enforcement of Security";<br><br>• will rank equally in right of payment with all existing and future obligations of the Issuer that are not subordinated to the Notes, including, without limitation, the obligations under the Senior Secured Term Loans and the Existing Notes;<br><br>• will rank effectively senior to all existing and future obligations of the Issuer that are unsecured or secured by liens junior to the liens securing the Notes to the extent of the value of the Collateral;<br><br>• will rank senior in right of payment to all existing and future obligations of the Issuer that are expressly subordinated in right of payment to the Notes; and<br><br>• will be effectively subordinated in right of payment to all of the liabilities of, including trade payables and letters of credit issued by, Lux I's subsidiaries that do not guarantee the Notes. |

**Guarantees** . . . . . . . . . . . . . . . On the Issue Date, the Notes will be jointly and severally guaranteed by the Parent, Lux I, INEOS Holdings Limited and certain of their subsidiaries (the "**Initial Guarantors**") and after the Issue Date (subject to certain approvals and security principles) by certain of the Company's other subsidiaries (the "**Subsequent Guarantors**" and, together with the Initial Guarantors, the "**Guarantors**"), together representing 95.9% of the Parent's consolidated EBITDA before exceptionals for the 12-month period ended September 30, 2023, and holding 87.1% of the Parent's consolidated total assets as of September 30, 2023 (in each case, calculated in accordance with, and in the manner provided by, the guarantor maintenance covenant in the Senior Secured Term Loans Agreement as in effect on the Issue Date after giving effect to the exclusion of the Consolidated EBITDA (as defined in the Senior Secured Term Loans Agreement) and consolidated total assets of certain subsidiaries of the Parent (including Unrestricted Subsidiaries), which represent approximately 3.1% of the Parent's consolidated EBITDA before exceptionals for the same period and hold approximately 14.8% of the Parent's consolidated total assets as of September 30, 2023).

Each Guarantor will also guarantee the Senior Secured Term Loans, the 2028 Senior Secured Notes, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes and the 2025 Senior Secured Notes on a *pari passu* basis. The obligations of each Guarantor will be subject to various limitations. See "Limitations on Validity and Enforceability of the Guarantees and the Security Interests" and "Risk Factors—Risks Relating to the Notes and Our Capital Structure—Guarantees and Collateral limitations—The guarantees and pledges of Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability."

**Ranking of the Guarantees** . . . . The guarantee of each Guarantor will, subject to any limitation of guarantee, be a general senior secured obligation of such Guarantor and:

- will rank equally in right of payment with all existing and future obligations of such Guarantor that are not subordinated in right of payment to such guarantee, including with respect to the guarantee of the Notes by each Guarantor, obligations under the Senior Secured Term Loans Agreement, the 2028 Senior Secured Notes, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes, the 2025 Senior Secured Notes, the guarantees by IGH and IHL under the Rain Facilities, the guarantee from IGH under the Rafnes Facility and the debt service undertaking by IGH, IHL and INEOS US I Inc. under the Project ONE Facilities and the Project ONE Interim Facility;
- will rank effectively senior to all existing and future obligations of such Guarantor that are unsecured or secured by liens junior to the liens securing the guarantees to the extent of the value of the Collateral;
- will rank senior in right of payment to all existing and future obligations of such Guarantor that are subordinated in right of payment to such guarantee; and
- will be effectively subordinated to any existing and future obligations and other liabilities of such Guarantor that are secured by liens senior to the liens securing such guarantee, or

secured by property and assets that do not secure such guarantee, to the extent of the value of the property and assets securing such obligations and other liabilities.

**Security; Enforcement of Security** . . . . . . . . . . . . . . . . Subject to the terms of the security documents, no later than 90 days after the Issue Date, the Notes and the related guarantees will be secured by first-priority liens (subject to certain exceptions) on the same assets that secure the Senior Secured Term Loans, the 2028 Senior Secured Notes, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes and the 2025 Senior Secured Notes. See also "Risk Factors—Post-Closing Collateral—The Post-Closing Collateral will not initially secure the Notes."

Certain security interests will, as a matter of local law, be granted as junior ranking security interests in relation to the security granted in respect of the Senior Secured Term Loans, the 2028 Senior Secured Notes, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes and the 2025 Senior Secured Notes. Nevertheless, the Intercreditor Deed provides that as a contractual matter among Senior Creditors (as defined in the Intercreditor Deed), the Notes will be secured on a *pari passu* basis with the 2028 Senior Secured Notes, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes, the 2025 Senior Secured Notes, the Senior Secured Term Loans, certain hedging obligations and certain cash management obligations and will be treated as such for purposes of the application of proceeds from the enforcement of such Collateral.

The existing first-ranking liens securing the Senior Secured Term Loans, the 2028 Senior Secured Notes, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes and the 2025 Senior Secured Notes that were created under New York, Luxembourg and Norwegian law will remain in place and will extend to secure the Notes. In some jurisdictions, the security documents creating the existing first-ranking liens securing the Senior Secured Term Loans, the 2028 Senior Secured Notes, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes and the 2025 Senior Secured Notes will be amended to extend such liens (or, with respect to Belgian security, to confirm that these liens extend) to the Notes (or, with respect to French and certain of the German security interests, junior ranking security interests will be granted). The existing first-ranking liens securing the Senior Secured Term Loans, the 2028 Senior Secured Notes, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes and the 2025 Senior Secured Notes that were created under English law, Scottish law, Jersey law and Singapore law will remain in place, and new liens over the same Collateral will be created in these jurisdictions to secure the Notes. In these jurisdictions where new liens are created, the ranking of these new liens relative to the existing liens will, as a matter of general law, depend on a number of factors, such as the nature of the liens, the order of creation of the liens, compliance with the jurisdiction's perfection requirements with respect to the liens and the order of giving notices with respect to the liens, and accordingly without the Intercreditor Deed, the new liens would be likely to rank after the existing liens. However, the Intercreditor Deed provides that, as a contractual matter, the liens securing the Notes, the 2028 Senior Secured Notes, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes, the 2025 Senior Secured Notes and the Senior Secured Term Loans will rank *pari passu* and will be treated as having equal priority with respect to the application of proceeds from the enforcement of any Collateral. See "Description of the Collateral and the Guarantees."

The liens on the Collateral securing the Senior Secured Term Loans, the 2028 Senior Secured Notes, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes and the 2025 Senior Secured Notes are already in place and will continue to remain in place and will either be amended to extend the security to the Notes, or, as mentioned above, new junior ranking liens will be created.

In addition, the Intercreditor Deed will provide that a simple majority in aggregate amount of all senior secured debt (including the Notes, any additional Notes, certain hedging obligations, certain cash management obligations, the Senior Secured Term Loans, the 2028 Senior Secured Notes, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes, the 2025 Senior Secured Notes and any other senior secured notes or credit facilities that are permitted to be issued under the Indenture and that the trustees or lenders in respect thereof accede to the Intercreditor Deed) under the Intercreditor Deed can instruct the Security Trustee with respect to enforcement of the security. For a description of security enforcement and other intercreditor provisions, please see "Description of Other Indebtedness—Intercreditor Deed."

**Additional Amounts** . . . . . . . . . All payments paid by or on behalf of the Issuer, any Guarantor or any surviving entity under or with respect to the Notes or any guarantee under the Notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future tax, duty, levy, impost, assessment, withholding or other governmental charges (including, without limitation, penalties, interest and other similar liabilities related thereto) of whatever nature (collectively, "**Taxes**"), unless such withholding or deduction is required by law or by the interpretation or administration of law, or by an applicable certification, identification, information or other reporting requirement or agreement, if entering into or complying with such requirement or agreement is required by law of a taxing authority therein or political subdivision thereof as a precondition to relief or exemption from such Tax. If any amount for, or on account of Taxes imposed or levied by or on behalf of any jurisdiction in which the Issuer, any Guarantor or, if applicable, any surviving entity is incorporated, organized or otherwise subject to Tax or from or through which any of the foregoing makes any payment on the Notes or by any taxing authority therein or political subdivision thereof, is required to be withheld or deducted from any payment made under or with respect to the Notes or any guarantee, the Issuer, Guarantor or surviving entity, as the case may be, will pay such additional amounts as may be necessary to ensure that the net amount received after such withholding or deduction will be not less than the amount that would have been received if such Taxes had not been required to be withheld or deducted, subject to certain exceptions. See "Description of the Notes—Payment of Additional Amounts."

**Optional Redemption of Notes** . . Prior to                    , 2026, the Issuer may redeem all or a portion of the Notes at a redemption price equal to 100% of the principal amount of such Notes plus the applicable "make-whole" premium set forth in this offering memorandum, plus accrued and unpaid interest to the redemption date.

On or after                    , 2026, the Issuer may redeem all or a portion of the Notes at the redemption prices set forth in this offering

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| | memorandum under the caption "Description of the Notes—Optional Redemption" plus accrued and unpaid interest to the redemption date. |
| | In addition, at any time prior to , 2026, the Issuer may redeem up to 40% of the aggregate principal amount of the Notes with the net cash proceeds from certain equity offerings at a redemption price equal to % of the aggregate principal amount of the Euro Notes or % of the aggregate principal amount of the Dollar Notes, as applicable, plus accrued and unpaid interest to, but not including, the redemption date; *provided* that at least 50% of the sum of the originally issued aggregate principal amount of the Notes of the applicable series and the initial aggregate principal amount of any Additional Notes of such series issued under the Indenture after the Issue Date remains outstanding immediately after each such redemption and each such redemption occurs within 180 days after the date of the relevant equity offering. |
| | In connection with any tender offer, or other offer to purchase, all of the Notes, if holders of not less than 90% of the Notes tender their Notes and such Notes are purchased, the Issuer may redeem all (but not less than all) of the Notes that remain outstanding. Such purchase may be made at a price equal to the highest price paid to each other holder in such tender offer plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the redemption date. Please see "Description of the Notes—Optional Redemption." |
| **Optional Redemption for Taxation Reasons** . . . . . . . . . . . . . . . . | In the event of certain developments affecting taxation, the Issuer may redeem all, but not less than all, of the Notes at 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts (as defined in "Description of the Notes—Payment of Additional Amounts"), if any, to the date of redemption. Please see "Description of the Notes—Redemption upon Changes in Withholding Taxes." |
| **Change of Control** . . . . . . . . . . | Upon the occurrence of certain events constituting a "change of control," the Issuer is required to offer to repurchase all outstanding Notes at a purchase price in cash of 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest, if any, to the date of purchase. See "Description of the Notes—Purchase of Notes upon a Change of Control." |
| **Certain Covenants** . . . . . . . . . . | The Indenture will contain covenants that, among other things, limit the ability of Lux I and its restricted subsidiaries to:<br>• incur or guarantee additional indebtedness and issue certain preferred stock;<br>• make restricted payments, including dividends or other distributions;<br>• prepay or redeem subordinated debt or equity;<br>• make certain investments;<br>• create or permit to exist certain liens;<br>• transfer, lease or sell certain assets;<br>• enter into arrangements that impose restrictions on the ability of our restricted subsidiaries to pay dividends or make other payments to Lux I; |

- engage in certain transactions with affiliates;
- consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis;
- impair the security interests for the benefit of the holders of the Notes; and
- amend certain documents.

Each of these covenants is subject to a number of important limitations and exceptions as described under "Description of the Notes—Certain Covenants."

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| **Transfer Restrictions** . . . . . . . . . | The Notes and the guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. We have not agreed to, or otherwise undertaken to, register the Notes (including by way of an exchange offer). |
| **Use of Proceeds** . . . . . . . . . . . . | The proceeds from the sale of the Notes will be used as set forth in "Use of Proceeds." |
| **No Established Market for the Notes** . . . . . . . . . . . . . . . . . | The Notes will be new securities for which there is no existing market. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained. |
| **Listing** . . . . . . . . . . . . . . . . . . | Application will be made to list the Notes on the Official List of the Luxembourg Stock Exchange, and to have the Notes admitted to trading on the Euro MTF Market. The Euro MTF Market is not a regulated market for purposes of MIFID II. |
| **Governing Law** . . . . . . . . . . . . . | The Indenture, the Notes and the guarantees are governed by the laws of the State of New York. The Intercreditor Deed is governed by the laws of England and Wales. The security documents are governed by the applicable local law for each security interest as described under "Description of the Collateral and the Guarantees." |
| **Trustee** . . . . . . . . . . . . . . . . . . | BNY Mellon Corporate Trustee Services Limited. |
| **Paying Agent** . . . . . . . . . . . . . . | The Bank of New York Mellon, London Branch. |
| **Registrar and Transfer Agent** . . . | The Bank of New York Mellon SA/NV, Dublin Branch. |
| **Security Trustee** . . . . . . . . . . . . | Barclays Bank PLC, as the security trustee under the Indenture and as the senior security agent under the Intercreditor Deed. |

## SUMMARY HISTORICAL CONSOLIDATED AND OTHER FINANCIAL INFORMATION

The following tables present the summary consolidated financial information and other financial information of INEOS Group Holdings S.A. as of and for each of the years ended December 31, 2022, 2021 and 2020, which have been extracted from the Audited Consolidated Financial Statements, included elsewhere in this offering memorandum. The Audited Consolidated Financial Statements were prepared in accordance with IFRS and have been audited by Deloitte Audit, *Société à responsabilité limitée*.

During 2022, the Group has re-presented receipts from derivative contracts of €257.8 million for the year ended December 31, 2021 and €0.7 million for the year ended December 31, 2020 which were previously presented as cash flows from investing activities, and are now shown net of payments on derivative contracts within interest paid and other finance items under cash flows from financing activities in the consolidated statement of cash flows of the 2022 Audited Consolidated Financial Statements. As a result, the financial line items "Net cash used in investing activities" and "Net cash from/(used in) financing activities" in the consolidated statement of cash flows for the years ended December 31, 2021 and 2020 are extracted from the unaudited comparative information included in the 2022 Audited Consolidated Financial Statements.

In addition, the following tables also present the summary unaudited condensed consolidated interim financial information and other financial information of INEOS Group Holdings S.A. as of September 30, 2023 and for the nine-month periods ended September 30, 2023 and September 30, 2022, which have been extracted from the Unaudited Interim Condensed Consolidated Financial Statements included elsewhere in this offering memorandum, unless otherwise indicated. The Unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34, the standard of IFRS applicable to interim financial statements.

The unaudited financial information for the 12 months ended September 30, 2023 is based on the Consolidated Financial Statements and has been prepared by subtracting the unaudited financial information of INEOS Group Holdings S.A. for the nine-month period ended September 30, 2022 extracted from the Unaudited Interim Condensed Consolidated Financial Statements from the corresponding financial information of INEOS Group Holdings S.A. for the year ended December 31, 2022 extracted from the 2022 Audited Consolidated Financial Statements and then adding the corresponding unaudited financial information of INEOS Group Holdings S.A. for the nine-month period ended September 30, 2023 extracted from the Unaudited Interim Condensed Consolidated Financial Statements.

The unaudited financial information for the 12 months ended September 30, 2023 has not been prepared in accordance with the requirements of Regulation S-X of the Securities Act, the EU Prospectus Regulation, the UK Prospectus Regulation or any generally accepted accounting standards. Such financial information has not been audited or reviewed in accordance with any generally accepted auditing standards. INEOS Group Holdings S.A.'s unaudited financial information for the 12 months ended September 30, 2023 has been prepared for illustrative purposes only and is not necessarily indicative of our results of operations for any future period and is not prepared in the ordinary course of our financial reporting. The unaudited financial information for the 12 months ended September 30, 2023 are non-IFRS financial measures.

The tables below also include certain unaudited consolidated financial information that has been adjusted to give *pro forma* effect to the Post-Q3 Transactions and the Transactions, as if they had taken place, with respect to unaudited *pro forma* net debt, on September 30, 2023, and to give *pro forma* effect to the Transactions, as if they had taken place, with respect to unaudited *pro forma* net cash interest expense, on October 1, 2022. The unaudited consolidated *pro forma* financial information has been prepared for illustrative purposes only and does not purport to represent what the actual consolidated financial position would have been if the Post-Q3 Transactions and the Transactions had taken place on September 30, 2023, with respect to unaudited *pro forma* net debt, or if the Transactions had taken place on October 1, 2022, with respect to unaudited *pro forma* cash interest expense, nor does it purport to project our consolidated financial position at any future date. The unaudited *pro forma* financial information set forth in this offering memorandum is based on available information and certain assumptions and estimates that we believe are reasonable but may differ from the actual amounts.

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

| | For the year ended December 31, | | | For the nine-month period ended September 30, | | For the 12-month period ended September 30, |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2023 | 2022 | 2023 |
| | (€ in millions) | | | | | |
| **Income Statement:** | | | | | | |
| **Revenue** | **20,927.0** | **18,826.7** | **11,303.7** | **11,323.1** | **16,711.2** | **15,538.9** |
| Total cost of sales | (18,313.2) | (15,357.7) | (10,040.0) | (10,261.7) | (14,401.5) | (14,173.4) |
| **Gross profit** | **2,613.8** | **3,469.0** | **1,263.7** | **1,061.4** | **2,309.7** | **1,365.5** |
| Distribution costs | (209.1) | (215.1) | (207.4) | (164.2) | (153.3) | (220.0) |
| Total administrative expenses | (403.4) | (389.5) | (396.4) | (375.7) | (307.5) | (471.6) |
| **Operating profit** | **2,001.3** | **2,864.4** | **659.9** | **521.5** | **1,848.9** | **673.9** |
| Share of profit/(loss) of associates and joint ventures using the equity accounting method | 147.2 | (42.5) | (210.0) | (115.4) | 134.2 | (102.4) |
| Profit/(loss) on disposal of investments | 270.6 | — | 78.3 | (0.4) | — | 270.2 |
| (Loss)/profit on disposal of fixed assets | (0.6) | 0.3 | 1.1 | (0.4) | — | (1.0) |
| **Profit before net finance costs** | **2,418.5** | **2,822.2** | **529.3** | **405.3** | **1,983.1** | **840.7** |
| Net finance (costs)/income | (135.9) | (280.3) | 22.1 | (350.6) | (325.7) | **(160.8)** |
| **Profit before tax** | **2,282.6** | **2,541.9** | **551.4** | **54.7** | **1,657.4** | **679.9** |
| Tax (charge)/credit | (282.0) | (449.6) | 24.8 | (51.3) | (266.7) | (66.6) |
| **Profit for the year/period** | **2,000.6** | **2,092.3** | **576.2** | **3.4** | **1,390.7** | **613.3** |

| | For the year ended December 31, | | | For the nine-month period ended September 30, | |
|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2023 | 2022 |
| | (€ in millions) | | | | |
| **Summary Statement of Cash Flows:** | | | | | |
| Cash flows from/(used in): | | | | | |
| Operating activities | 2,740.7 | 2,738.7 | 1,886.2 | 1,275.3 | 2,023.3 |
| Investing activities | (2,590.0) | (897.7) | (1,554.4) | (2,258.7) | (1,113.3) |
| Financing activities | 305.3 | (1,207.3) | 97.1 | 549.7 | (580.6) |

| | As of December 31, | | | As of September 30, |
|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2023 |
| | (€ in millions) | | | |
| **Summary Balance Sheet:** | | | | |
| Property, plant and equipment | 9,013.0 | 8,274.2 | 7,636.2 | 9,616.9 |
| Cash and cash equivalents | 2,639.1 | 2,106.1 | 1,342.2 | 2,219.9 |
| Working capital(1) | 3,297.5 | 2,901.7 | 1,824.8 | 2,134.5 |
| Total assets | 19,914.4 | 17,081.4 | 13,832.1 | 21,519.2 |
| Total equity | 5,521.4 | 3,353.0 | 1,461.6 | 5,524.9 |
| Total interest-bearing loans and borrowings(2) | 8,753.8 | 7,739.3 | 7,581.8 | 9,971.4 |
| Total indebtedness(3) | 8,877.6 | 7,785.2 | 7,630.6 | 10,302.3 |
| Net debt(4) | 6,238.5 | 5,679.1 | 6,288.4 | 8,082.4 |

| | For the year ended December 31, | | | For the nine-month period ended September 30, | | For the 12-month period ended September 30, |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2023 | 2022 | 2023 |
| | (€ in millions) | | | | | |
| **Other Financial Information:** | | | | | | |
| EBITDA before exceptionals(5) | 2,840.6 | 3,616.2 | 1,535.0 | 1,233.8 | 2,448.7 | 1,625.7 |
| Depreciation, amortization and impairment | 835.1 | 760.7 | 866.2 | 712.3 | 599.8 | 947.6 |
| Net cash interest expense(6) | 227.9 | 213.3 | 208.2 | 405.4 | 153.7 | 479.6 |
| Capital expenditures(7) | 1,036.4 | 809.0 | 1,311.0 | 986.8 | 674.9 | 1,348.3 |

| | As of and for the 12 months ended September 30, 2023 |
|---|---|
| | (€ in millions, except for ratio) |
| *Pro forma* net debt(8)(9) | 7,907.8 |
| *Pro forma* net cash interest expense(9)(10) | |
| Ratio of *pro forma* net debt to EBITDA before exceptionals(5)(8)(9) | 4.9x |

(1) Working capital represents net current assets (current assets less current liabilities).

(2) Total interest-bearing loans and borrowings represents net loans and borrowings after deducting debt issuance costs as presented in note 18 to each of the Audited Consolidated Financial Statements and note 10 to the Unaudited Interim Condensed Consolidated Financial Statements, included elsewhere in this offering memorandum.

(3) Total indebtedness represents gross long-term interest-bearing loans and borrowings plus gross short-term interest-bearing loans and borrowings before deduction of unamortized debt issuance costs. Under IFRS, debt issuance costs are deducted from the related debt amounts for the purposes of balance sheet presentation and are amortized over the life of the debt. See "Presentation of Financial and Non-IFRS Information."

(4) Net debt represents total indebtedness less cash and cash equivalents. See "Presentation of Financial and Non-IFRS Information."

(5) EBITDA before exceptionals represents profit for the period before net finance costs or income, tax charges or credits, depreciation, amortization and impairment, share of profit/(loss) of associates and joint ventures using the equity accounting method, profit/(loss) on disposal of investments, profit/(loss) on disposal of fixed assets, and exceptional items as defined in the Consolidated Financial Statements. In accordance with IFRS, we use both the FIFO and weighted average cost methods of accounting for purposes of determining our inventory cost in connection with the preparation of our audited annual consolidated financial statements. EBITDA before exceptionals is based on the FIFO and weighted average cost methods of accounting for inventory used in connection with the preparation of such financial statements. EBITDA before exceptionals is derived from income statement line items calculated in accordance with IFRS on a historical cost basis. Although our EBITDA-based measures should not be considered a substitute measure for operating profit, profit, cash flows from operating activities or other measures of performance as defined by IFRS, we believe that they provide useful information regarding our ability to meet future debt service requirements. The EBITDA-based measure presented may not be comparable to similarly titled measures used by other companies. See "Presentation of Financial and Non-IFRS Information—Use of Non-IFRS Financial Information." EBITDA before exceptionals includes the impact of IFRS 16 Leases. Excluding the impact of IFRS 16 Leases (of €241.2 million, reflecting €180.8 million in respect of the payment of the capital element of lease liabilities and €60.4 million in respect of interest expense payable on lease liabilities for the 12-month period ended September 30, 2023), our EBITDA before exceptionals for the 12-month period ended September 30, 2023 is €1,384.5 million. See "Presentation of Financial and Non-IFRS Information."

(6) Net cash interest expense comprises interest payable on senior notes, interest payable on bank loans and overdrafts and interest payable on securitization, less interest income on bank balances (2022: €27.0 million, 2021: €1.0 million, 2020: €2.5 million, nine-month period ended September 30, 2023: €61.3 million, nine-month period ended September 30, 2022: €10.0 million, 12-month period ended September 30, 2023: €78.3 million). See "Presentation of Financial and Non-IFRS Information."

(7) Capital expenditures represents payments to acquire property, plant and equipment as recorded on the consolidated cash flow statements for the periods indicated.

(8) *Pro forma* net debt represents total indebtedness less cash and cash equivalents giving *pro forma* effect to the Post-Q3 Transactions and the Transactions. We assume a different acceptance rate in each Tender Offer, which is presented herein solely for illustrative purposes. The actual amounts accepted in each Tender Offer may vary substantially. *Pro forma* net debt does not include lease liabilities (which are recognized as indebtedness under IFRS 16 Leases) of €1,144.2 million (composed of current lease liabilities of €183.7 million and non-current lease liabilities of €960.5 million) as of September 30, 2023. *Pro forma* net debt also excludes (i) the Rain Facilities, entered into in December 2022 by our Unrestricted Subsidiary INEOS China Holdings Limited, with an aggregate principal amount of RMB 1,045 million and $785 million and guaranteed by IHL and IGH, (ii) the Project ONE Facilities, entered into in December 2022, which provide for an aggregate principal amount of up to €3.5 billion with a current amount outstanding of €522 million and (iii) the Project ONE Interim Facility, which provides for an aggregate principal amount of up to €400 million with a current amount outstanding of €85 million. We expect the Project ONE Facilities to continue to be drawn in stages, beginning in the first quarter of 2023 and throughout the Project ONE construction period to 2026. See "Description of Other Indebtedness—Rain Facilities", "Description of Other Indebtedness—Project ONE Facilities" and "Description of Other Indebtedness—Project ONE Interim Facility."

(9) Gives *pro forma* effect to the Post-Q3 Transactions and the Transactions as if they had taken place, with respect to unaudited *pro forma* net debt, on September 30, 2023, and gives *pro forma* effect to the Transactions as if they had taken place, with respect to unaudited *pro forma* net cash interest expense, on October 1, 2022. For presentational purposes, euro equivalents of dollar-denominated indebtedness have been converted using an exchange rate of $1.0563 per €1.00, which is the exchange rate used for our balance sheet as of September 30, 2023. The Bloomberg Composite Rate on January 26, 2024, was $1.0853 per €1.00. The ratio of pro forma net debt including the Rain Facilities, the Project ONE Facilities and the Project ONE Interim Facility to EBITDA before exceptionals is 5.8x. The ratio of *pro forma* net debt excluding the Rain Facilities, the Project ONE Facilities and the Project ONE Interim Facility to EBITDA before exceptionals excluding the impact of IFRS 16 Leases would be 5.7x. Including the Rain Facilities, the Project ONE Facilities and the Project ONE Interim Facilities the ratio of *pro forma* net debt to EBITDA before exceptionals excluding the impact of IFRS 16 Leases would be 6.8x. The unaudited consolidated *pro forma* financial information has been prepared for illustrative purposes only and does not purport to represent what the actual consolidated financial position would have been if the Post-Q3 Transactions and the Transactions had occurred on September 30, 2023, with respect to unaudited *pro forma* net debt, or if the Transactions had occurred on October 1, 2022, with respect to unaudited *pro forma* net cash interest expense, nor does it purport to project our consolidated financial position at any future date. See "Capitalization" and "Use of Proceeds."

(10) *Pro forma* net cash interest expense comprises cash interest paid on unaudited *pro forma* debt balances (excluding lease liabilities) assuming that the Transactions had taken place, the 2028 Senior Secured Notes had been issued and the amounts outstanding under the Rain Facilities, the Project ONE Facilities, the 2027-II Senior Secured Term Loans, the 2030 Dollar Senior Secured Term Loans and the Project ONE Interim Facility had been drawn, on October 1, 2022. *Pro forma* net cash interest expense is calculated as follows:

| | **For the 12-month period ended September 30, 2023†** |
|---|---|
| | **(€ in millions)** |
| Cash interest expense on Notes offered hereby[(a)] | |
| Cash interest expense on New Senior Secured Term Loans[(b)] | |
| Cash interest expense on Existing Senior Secured Term Loans[(c)] | 405.0 |
| Cash interest expense on Existing Notes[(d)] | |
| Cash interest expense on Securitization Program[(e)] | 5.5 |
| Cash interest expense on Rafnes Facility and Köln CoGen Facility[(f)] | 20.6 |
| Cash interest expense on Inventory Financing Facility[(g)] | 10.7 |
| Cash interest expense on Gemini Facility[(h)] | 43.8 |
| Cash interest expense on Rain Facilities[(i)] | 79.9 |
| Cash interest expense on Project ONE Facilities[(j)] | 29.8 |
| Cash interest expense on Project ONE Interim Facility[(k)] | 5.6 |
| Interest income on bank balances[(l)] | (78.3) |
| Pro forma net cash interest expense[(m)] | |

† Unless otherwise indicated, euro equivalents of U.S. dollar amounts are translated at an exchange rate of $1.0563 per €1.00, which is the exchange rate used for our balance sheet as of September 30, 2023. The Bloomberg Composite Rate on January 26, 2024, was $1.0853 per €1.00.

(a) Represents the cash interest expense in connection with the debt incurred under the Notes.

(b) Represents the cash interest expense on the New Senior Secured Term Loans, applying an interest rate of % for the U.S. dollar-denominated term loans (assuming SOFR of 5.316% on September 30, 2023 plus an additional credit support adjustment of 0.1 % was applicable throughout the period) and % for the euro-denominated term loans (assuming EURIBOR of 3.858 % on September 30, 2023 was applicable throughout the period).

(c) Represents the cash interest expense on the outstanding principal amount of the Existing Senior Secured Term Loans after giving effect to the Transactions, assuming (i) SOFR of 5.316% on September 30, 2023 plus an additional credit support adjustment of 0.1 % was applicable throughout the period for all dollar-denominated Existing Senior Secured Term Loans and (ii) EURIBOR of 3.858 % on September 30, 2023 was applicable throughout the period for all euro-denominated Existing Senior Secured Term Loans. Net of interest rate swaps totalling $850 million which results in a €28.0 million reduction in the cash interest expense. See also "Risk Factors—Risks Relating to the Notes and Our Capital Structure—Changes or uncertainty in respect of EURIBOR, SOFR or other interest rate benchmarks may affect our sources of funding, increasing our interest cost and reducing cash flow."

(d) Represents cash interest expense on (i) the 2028 Senior Secured Notes, (ii) the May 2026 Senior Secured Notes, (iii) the March 2026 Senior Secured Notes and (iv) the 2025 Senior Secured Notes, as adjusted for the Transactions.

(e) Represents the cash interest expense on the Securitization Program during the 12-month period ended September 30, 2023.

(f) Represents the cash interest expense on the outstanding principal amount of the Köln CoGen Facility at the applicable rate during the period and the cash interest expense on the outstanding principal amount of the Rafnes Facility at the applicable rate during the period.

(g) Represents the cash interest expense on the Inventory Financing Facility during the 12-month period ended September 30, 2023.

(h) Represents the cash interest expense during the 12-month period ended September 30, 2023 on the Gemini HDPE term loan facility (assuming SOFR of 5.616% throughout the period including the credit support adjustment of 0.3%) entered into in connection with the acquisition of Gemini HDPE LLC, which is wholly owned by INEOS through Unrestricted Subsidiaries.

(i) Represents the cash interest expense on the Rain Facilities on the amount drawn at September 30, 2023 for the 12-month period ended September 30, 2023.

(j) Represents the cash interest expense on the Project ONE Facilities on the amount drawn at September 30, 2023 for the 12-month period ended September 30, 2023.

(k) Represents the cash interest expense on the Project ONE Interim Facility on the amount drawn at September 30, 2023 for the 12-month period ended September 30, 2023.

(l) Represents the interest income on bank balances before giving effect to the Post-Q3 Transactions.

(m) *Pro forma* net cash interest expense is based on current interest rates. Debt under the Senior Secured Term Loans, the Gemini Facility, the Rafnes Facility, the Securitization Program, the Rain Facilities, the Project ONE Facilities and the Project ONE Interim Facility is floating rate debt. After giving effect to the Transactions as of September 30, 2023, such floating rate debt represented €      million, or      %, of our total gross loans and borrowings as of September 30, 2023.

## Risks Relating to Our Businesses and Industries

***Cyclicality of the petrochemical industry—Changing market demands and prices may negatively affect our operating margins and impair our cash flows, which, in turn, could affect our ability to make payments on our debt or to make further investments in our businesses.***

Cyclicality and volatility in supply and demand in the petrochemical industry may affect our prices and may negatively impact our operating margins and cash flows and cause us to incur losses. For example, the recent decline in industry margins has adversely affected our business, results of operations and cashflows. A decline to fourth quarter of 2008 or second quarter of 2020 margin levels, or further, or prolonged periods of low margins, may have a material adverse effect on our business, results of operations and cash flow. Any cyclical downturn may affect our prices and may negatively impact our operating margins and cash flows and cause us to incur losses. Furthermore, increased volatility in industry margins could have a significant impact on our short-term results. In such cases, we would have to absorb any losses or borrow additional funds. If we experience significant margin volatility or if we incur losses over a prolonged period and are unable to obtain additional funds, our liquidity could be materially adversely affected and our ability to make debt payments could be impaired.

The relationship between supply and demand in the petrochemical industry in general, and in our various petrochemical segments historically, has been highly cyclical. This is primarily because product supply is driven by alternating periods of substantial capacity additions and periods in which no or limited capacity is added. Historically, the markets for some of our products have tended to follow trends in economic growth and have experienced alternating periods of constrained supply, causing prices and margins to increase, followed by periods of capacity additions, resulting in oversupply and declining prices and margins. In response, companies typically reduce capacity or limit further capacity additions, eventually causing the market to be relatively undersupplied. Any slowdown in growth for any reason could have a disproportionately negative effect on industry margins for our petrochemical products. For a discussion of the current market environment, see "Operating and Financial Review and Prospects—Overview—Key Factors Affecting Our Results of Operations," "Industry and Market Overview—Olefins & Polyolefins—Market Environment" and "Industry and Market Overview—Chemical Intermediates—Market Environment."

Historically, margins in the petrochemical industry have been volatile due to a number of factors, most of which are beyond our control. These factors include:

- short-term utilization rate fluctuations due to planned and unplanned plant outages;
- political and economic conditions, which drive rapid changes in prices for our key feedstocks, including the price of crude oil, gas and naphtha;
- customers' inventory management policies; and
- exchange rate fluctuations.

In addition, we and other petrochemical companies with large asset bases in Europe face pressures due to the fact that many of our key customers in Europe are subject to competition with low-cost producers in Asia. If our European customers are unable to successfully compete with Asian manufacturers, they could reduce their volume of purchases, including from us, or cease making such purchases altogether. To a lesser extent we are also exposed to the risk of our customers in North America being unable to compete in the global marketplace. Each of these risks could materially adversely affect our business, results of operations and financial condition.

***Raw materials and suppliers—If we are unable to pass on increases in raw material prices, or to retain or replace our key suppliers, our results of operations may be negatively affected.***

Our margins are largely a function of the relationship between the prices that we are able to charge for our products and the cost of the feedstocks and energy we require to make these products. The prices for a large portion of our raw materials are cyclical and are correlated closely to the prices of crude oil. Prices of oil rose during 2016 and continued to rise during 2017 and most of 2018, before falling again towards the end of 2018. Prices again rose in 2019, but fell significantly in early 2020 on the back of global uncertainties when the Organization of Petroleum Exporting Countries and other major oil producing nations ("**OPEC+**") were initially unable to reach an agreement on production levels for crude oil, at which point Saudi Arabia and Russia initiated efforts to aggressively increase production. The convergence of these events with the COVID-19 pandemic created the unprecedented dual impact of a dramatic decline in the demand for oil as a result of the significant slowdown in the global economy coupled with the risk of a substantial increase in supply. The result was a steep decline in oil prices during the first half of 2020, which negatively impacted our margins due to inventory holding losses, however, price increases in the second half of 2020 mitigated full year losses. Prices increased further in 2021 and have become more volatile as a result of sanctions against Russia imposed in early March 2022. After having reached a peak mid-2022, prices have slightly declined since but, at the date of this offering memorandum, remain significantly above 2021 levels.

While we attempt to match raw material price increases with corresponding product price increases, our ability to pass on increases in the cost of raw materials to our customers is, to a large extent, dependent upon our contractual arrangements and market conditions. There may be periods of time during which we are not able to recover increases in the cost of raw materials due to our contractual arrangements or to weakness in demand for, or oversupply of, our products. Specifically, timing differences in pricing between raw material prices, which may change daily, and product prices, which in many cases are negotiated only monthly or less often, sometimes with an additional lag in effective dates for increases, have had and may continue to have a negative effect on profitability. Even in periods during which raw material prices decline, we may suffer decreasing profits if raw material price reductions occur at a slower rate than decreases in the selling prices of our products.

Significant volatility in raw material costs tends to place pressure on product margins and working capital needs as sales price increases could lag behind raw material cost increases. Conversely, when raw material costs decrease, customers may seek relief in the form of lower sales prices. Even where we are able to pass on raw material price increases to our customers, timing differences between when we purchase raw materials and when we sell our products have had and may continue to have a negative effect on our results of operations. In addition, some of our customers take advantage of fluctuating prices by building inventories when they expect product prices to increase and reducing inventories when they expect product prices to decrease. Further, volatility in costs and pricing can result in commercial disputes with customers and suppliers with respect to interpretations of complex contractual arrangements. Significant adverse resolution of any such disputes could also reduce our profitability.

Recently, we have seen increasing pressure on our supply chain due to several factors, including labor availability, global logistics and increasing energy prices, that are in part due to the impact of the COVID-19 pandemic and the Russian invasion of Ukraine on the global economy. See "—Outbreaks of disease—The outbreak of contagious diseases may have a material adverse effect on our business, results of operations, financial condition and cash flows." and "—Invasion of Ukraine—The ongoing military action between Russia and Ukraine could adversely affect our business, financial condition and results of operations." If our suppliers are negatively affected by events beyond our control, including unforeseen public health crises, terrorist attacks, wars and other armed conflicts, including Hamas's attack against Israel and the ensuing war, and political instabilities, they could become unable to provide products and services as agreed, leading to follow-on consequences for our relationships with our customers, subcontractors and other third parties. See "—Wars and other armed conflicts—The ongoing military actions between Russia and Ukraine and between Israel and Hamas could adversely affect our business, financial condition and results of operations". In addition, sanctions imposed on Russia in connection with its conflict with Ukraine, Nordstream pipeline explosions and limitations on LNG imports can put severe pressure on gas supply, which we rely on for our production. Russia still supplies gas to some European countries and remains one of the largest global producers, putting pressure on regional and global markets. While this has been mitigated so far by the warm 2022/2023 winter, an increase of European LNG import capacity, high storage levels and increased usage of coal, we cannot rule out future disruptions as demand increases.

Climate change, and regulatory requirements related to addressing climate change, may also result in higher raw material and energy costs, higher operating costs or supply chain disruptions due to extreme weather events, extreme temperatures, or increased demand for limited resources or renewable fuel mandates, which may also impact our operations and sales, including profitability and customer retention. See "—Climate change—Existing and proposed regulations to address climate change by limiting greenhouse gas emissions may cause us to incur significant additional operating and capital expenses."

We obtain a significant portion of our raw materials from selected 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. Therefore, volatility in raw material prices or interruptions in supply could place increased pressure on our margins and reduce our cash flow, which could impair our ability to make debt payments or make further investments in our business.

If we fail to maintain our relationships with our current suppliers, our suppliers offer pricing and other terms that are not satisfactory to us or a supplier fails to supply raw materials that meet our quality, quantity and cost requirements, we may be unable to fill our customers' orders on a timely and cost-effective basis or in the required quantities, which could result in order cancellations, decreased revenues or loss of market share and damage to our reputation.

***Global economy—Our industry is affected by global economic factors including risks associated with economic recessions and our customers' access to credit.***

We face risks attendant to changes in consumer demand for goods that incorporate our products, economic environments, increasing energy prices, rising inflation and changes in interest rates, and instability in securities markets around the world, among other factors. In particular, a worsening economic climate can result in decreased industrial output and decreased consumer demand for products including automobiles, consumer goods and building materials, all of which incorporate our products. Adverse economic conditions can affect consumer and business spending generally, which would result in decreased demand for goods that incorporate our products and have an adverse effect on our results of operations.

Our financial results are substantially dependent upon the overall economic conditions in the United States, Europe and Asia. An extended recession in any of these locations or globally—or public perceptions that result in declining economic conditions—could substantially decrease the demand for our products and adversely affect our business. During 2020, as a result of the COVID-19 pandemic, margins and volumes were adversely impacted across all regions, as numerous countries experienced lockdowns resulting in lower market demand. During the second half of 2022 and into 2023, an era of high interest rates, rising inflation, geopolitical uncertainty and climate chaos is undermining economic confidence around the globe. Moreover, many of our customers rely on access to credit to adequately fund their operations. The inability of our customers to access credit facilities may adversely affect our business by reducing our sales, increasing our exposure to accounts receivable bad debts and reducing our profitability.

***Currency fluctuations—We are exposed to currency fluctuation risks in several countries that could adversely affect our profitability.***

Although we report our results in euro, we conduct a significant portion of our business in countries that use currencies other than the euro, and we are subject to risks associated with currency fluctuations.

Our results of operations may be affected by both the transaction effects and the translation effects of foreign currency exchange rate fluctuations. We are exposed to transaction effects when one of our subsidiaries incurs costs or earns revenue in a currency different from its functional currency. Fluctuations in exchange rates may also affect the relative competitive position of our manufacturing facilities, as well as our ability to market our products successfully in other markets. We are exposed to currency fluctuation when we convert currencies that we may receive for our products into currencies required to pay our debt, or into currencies in which we purchase raw materials, meet our fixed costs or pay for services, which could result in a gain or loss depending on fluctuations in exchange rates. In particular, a large proportion of our manufacturing costs, and our selling, general and administrative expenses are incurred in currencies other than the euro, principally the U.S. dollar and the British pound, reflecting the location of our sites and corporate and business support centers. In addition, a large proportion of our outstanding debt instruments is denominated in currencies other than the euro, including the U.S. dollar. At the same time, although many of our sales are invoiced in currencies other than the euro, our consolidated revenues are reported in euro. Our financial results in any given period are materially affected by fluctuations in the value of the euro relative to the U.S. dollar, British pound and other relevant currencies. If the value of the euro declines against currencies in which our obligations are denominated or increases against currencies in which our revenues are denominated, our results of operations and financial condition could be materially affected.

This could include the possibility of an increase in the amount of our U.S. dollar-denominated indebtedness when converted into euro, as was the case in 2018 and 2019 when the value of the U.S. dollar relative to the euro increased, before decreasing in 2020, increasing again in 2021 and most of 2022 and then decreasing again at the end of 2022 with periods of volatility in 2023 (although remaining below the peak 2022 levels and above 2021 levels).

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

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

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

- infections and quarantining of the Group's employees in areas in which the Group operates;
- the Group's ability to satisfy the terms of its contracts with customers in a timely or appropriate manner;
- cancellations, delays or downsizing of projects by the Group's customers;
- our customers, service providers or suppliers experiencing financial distress, filing for bankruptcy protection or insolvency, going out of business, or suffering disruptions in their businesses;
- weaker demand in all regions for some of our core products;
- logistical complexities in, and disruptions to, personnel travel and equipment and supply delivery to certain locations;
- the need to introduce measures to reduce the Group's costs and capital expenditure including reduction of its global workforce, implementation of a hiring and salary freeze and executive pay cuts, a review and deferral of the timing of planned turnarounds and a reduction in non-essential capital expenditures;
- increased risk of impairments as a result of the effects of the COVID-19 pandemic on the Group's profitability;
- liquidity challenges, including the inability to refinance debt, obtain additional financing or sell assets on commercially reasonable terms, if at all, exhaustion of borrowing capacity and the need to implement liquidity preservation measures, as well as impacts related to delayed customer payments and payment defaults associated with customer liquidity issues and bankruptcies;
- structural shifts in the global economy and its demand for petrochemical products as a result of changes in the way people work, travel and interact, or in connection with a global recession or depression;
- the risk that the Group's insurance coverage is not likely to cover losses associated with pandemics like COVID-19 under its policies; and
- cybersecurity issues, as digital technologies may become more vulnerable and experience a higher rate of cyberattacks in the environment of remote connectivity due to stay-at-home orders.

Although we have experienced no significant impact from the COVID-19 pandemic to date and do not currently expect any impact in 2024 and beyond, the Group's operations and financial results were negatively impacted by the COVID-19 pandemic in 2020 and any worsening of the current situation or the occurrence of new disruptions could have an adverse effect on our business, liquidity, financial condition and results of operations.

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

***International operations—We are exposed to risks related to conducting operations in several different countries.***

We currently have manufacturing facilities located in the United Kingdom, the United States, Germany, Belgium, Norway, Singapore and Canada. Notwithstanding the benefits of geographic diversification, our business is subject to risks related to the differing legal, political, social and regulatory requirements and economic conditions of many jurisdictions. Risks inherent in international operations include the following:

- general economic, social or political conditions in the countries in which we operate could have an adverse effect on our earnings from operations in those countries;
- risk of a widespread outbreak of an illness or other public health crisis, such as the COVID-19 outbreak, the timing and nature of which may differ across the various jurisdictions in which we operate, see also "—Outbreaks of disease—The outbreak of contagious diseases may have a material adverse effect on our business, results of operations, financial condition and cash flows.";
- compliance with a variety of laws and regulations, including sanctions, in various jurisdictions may be burdensome, see also "—Compliance—We are exposed to the risk of violations of anti-corruption laws, economic and trade sanctions or other similar regulations.";
- unexpected or adverse changes in laws or regulatory requirements in various jurisdictions may occur;
- the imposition of withholding taxes or other taxes or royalties on our income, or the adoption of other restrictions on foreign trade or investment, including currency exchange controls;
- adverse changes in export duties, quotas and tariffs and difficulties in obtaining export licenses;
- intellectual property rights may be more difficult to enforce;
- transportation and other shipping costs may increase;
- staffing difficulties, national or regional labor strikes or other labor disputes;
- the imposition of any price controls;
- difficulties in enforcing agreements and collecting receivables; and
- volatility of foreign exchange rates, see also "—Currency fluctuations—We are exposed to currency fluctuation risks in several countries that could adversely affect our profitability."

In addition, as we increase our footprint into new territories such as Asia, our business may be exposed to further economic and geopolitical risks as well as political and social instability which may adversely affect our business, financial condition, results of operations and cash flows. Furthermore, certain markets in which we may operate in the future are emerging markets that are rapidly developing and differ from the economies of most developed countries in material respects, including the macroeconomic challenges they face, the rapidly evolving nature of their financial and legal systems and the extent of government involvement. Operating in these markets presents certain risks, including political and economic instability, the inability to protect contractual or legal rights, market volatility and liquidity, rapid demographic and market changes, evolving laws and regulations in respect of the chemical industry, potential expropriation or nationalization of property or assets, and comparatively underdeveloped legal, financial and enforcement systems.

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

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

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

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

The U.S.-China trade war, that has imposed tariffs on our production in those countries since 2018 and 2019, has resulted in uncertainty in the global economy, reducing confidence and growth. Future actions of the U.S. administration and that of other governments, including China, with respect to tariffs or international trade agreements and policies remain unclear. The escalation of a trade war, tariffs, retaliatory tariffs or other trade restrictions on products and materials imported by us into or out of China may significantly hinder our ability to provide our products to customers in China or other affected locations. Such developments may result in a decrease in demand for our products as well as delays in payments from our customers and, due to the location of our production facilities and customer base, could disproportionately affect our products as compared to those of our competitors. All of the above could hinder our ability to compete effectively in the markets in which we operate in the future and our competitive position and results of operations may suffer as a result.

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

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

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

On October 7, 2023, Hamas infiltrated Israel's southern border from Gaza and conducted a series of attacks on civilian and military targets. Following the attack, Israel's security cabinet declared war against Hamas and launched a military campaign against Hamas-led Palestinian militant groups. We do not have operations in Israel or Gaza and revenue generated in these regions is not material to the Group. To date we have not experienced any material disruption to our operations from the ongoing military action between Israel and Hamas. However, the length, impact and outcome of the ongoing military conflict in the Middle East is highly unpredictable and there can be no assurances that further unforeseen events related to this conflict will not have a material adverse effect on our operations in the future. For example, conflict in and around the Red Sea could pose risks to transportation, shipping and picking up in the area. This may have an impact on the transport of modules and materials for Project ONE and may impact INEOS' businesses generally.

We are actively monitoring the situations in Ukraine and the Middle East and assessing their impact on our business. We have no way to predict the progress or outcome of the conflicts in Ukraine and the Middle East or their impact in these regions as the conflict, and any resulting government reactions, are rapidly developing and beyond our control. The extent and duration of the military actions, sanctions and resulting market disruptions could be significant and could potentially have substantial impact on the global economy and our business for an unknown period of time. Any of the abovementioned factors could affect our business, financial condition and results of operations. Any such disruptions may also magnify the impact of other risks described in this offering memorandum.

***Competition—We face significant competition in our industries, whether through efforts of new or current competitors or through consolidation of existing customers, which may adversely affect our competitive position, sales and overall operations.***

The markets for most of our products are highly competitive. We are exposed to the competitive characteristics of several different geographic markets and industries. Competition in most of our industries is based primarily on price and, to a lesser extent, on product performance, product quality, product deliverability and customer service. Our principal competitors vary from business to business and range from large global petrochemical companies to numerous smaller regional companies. Some of our competitors are larger and more vertically integrated than we are and therefore may be able to manufacture products more economically than we can. In addition, some of our competitors have greater financial, technical, research and technology and marketing resources than we do. Furthermore, some of our competitors are fully or partially state-owned and could have broader goals than maximizing profits, such as investing in the economies of their respective countries and providing local employment and therefore may continue to provide capacity and products even at unprofitable price points creating downward pricing pressure on our products. As the markets for our products expand, we expect that existing competitors may commit more resources to the markets in which we operate, further enhancing competition. All of the above could hinder our ability to compete effectively in the markets in which we operate in the future and our competitive position and results of operations may suffer as a result. For example, in the petrochemical industry in Europe, where the majority of our petrochemical assets are concentrated, and, to a lesser extent, in North America, we face competitive pressures from companies with facilities in the Middle East, which enjoy substantial cost advantages due to access to low-cost gas feedstock available in this region. In addition, our export business in Europe faces competitive pressures from export businesses in North America (including our own North American operations) due to the abundance and use of low-cost ethane in North America. These cost advantages are particularly significant when oil prices are high, as has been the case in recent years. The competitive pressure we experience could be exacerbated if the Chinese economy fails to grow as expected or Chinese capacity additions are more than expected, in which case more of the product manufactured in the Middle East to meet the growth expected in China could be redirected to Europe and North America, potentially resulting in greater supply to these markets and corresponding downward pricing pressure.

In addition, a number of our customers are participants in industries that are undergoing consolidation. We could lose these customers to competitors if they are acquired by, or consolidate with, other companies that have relationships with our competitors.

***Customers—We are subject to the risk of loss resulting from nonpayment or nonperformance by our customers.***

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

***Acquisition of DEA UK, certain subsidiaries of Fairfield Energy and DONG Energy A/S Oil & Gas business by INEOS Upstream Limited—We face a risk of loss if INEOS Upstream Holdings Limited is unable to repay the loans extended to the related party.***

INEOS Upstream Limited has acquired natural gas assets in the North Sea from a U.K. subsidiary of DEA Deutsche Erdoel AG, which is part of the LetterOne Group and from Fairfield Energy (collectively, the "**2015 Upstream Acquisitions**") by way of acquiring certain of its subsidiaries. INEOS Upstream Limited is a wholly-owned, oil and gas subsidiary of INEOS Limited, thereby making it our affiliate. In connection with the 2015 Upstream Acquisitions, the Group advanced a loan of $623.7 million to INEOS Upstream Limited, the proceeds of which have been on-lent to certain of its subsidiaries. Following a corporate reorganization, this loan has been novated to INEOS Upstream Holdings Limited. The loan is unsecured, matures in June 2024 and bears interest at 7% per annum.

On September 29, 2017, INEOS Upstream Limited acquired further natural gas assets in the North Sea through its acquisition of the entire oil and gas business of DONG Energy A/S (the "**DONG Acquisition**"). In connection with the DONG Acquisition, the Group advanced a loan of $376.2 million to INEOS Upstream Limited, the proceeds of which were on-lent to certain of its subsidiaries. Following a corporate reorganization, this loan has been novated to INEOS Upstream Holdings Limited. The loan is unsecured, matures in June 2024 and bears interest at 7% per annum.

As at September 30, 2023, the total aggregate amount outstanding on the 2015 Upstream Acquisition loan and the DONG Acquisition loan was $617.1 million (€584.2 million).

In the event that INEOS Upstream Holdings Limited is unable to repay the 2015 Upstream Acquisitions loan or the DONG Acquisition loan, the Group will suffer losses as a result.

***Inability to maximize utilization of assets—We may be adversely affected if we are unable to implement our strategy to maximize utilization of assets.***

Our results of operations are materially influenced by the degree to which we utilize our assets in order to achieve the most efficient production volumes. We cannot guarantee that we will be able to implement our strategy of maximizing utilization of assets in accordance with our plans or at all. For example, the number and length of turnarounds (scheduled outages of a unit in order to perform necessary inspections, tests to comply with industry regulations and any maintenance activities that may be necessary) and unplanned outages have had, and may in the future have, an impact on our operating results, even if such outages are covered by insurance.

***Joint ventures—Several of our petrochemical facilities are owned and operated in joint ventures with third parties. We do not control these joint ventures, and actions taken by our joint venture partners in respect of these joint ventures could materially adversely affect our business.***

Several of our petrochemical facilities are owned and operated in whole or part by joint ventures with one or more third parties. These facilities include Cedar Bayou in Texas, which is operated by Chevron Phillips Chemical Company LLC ("Chevron Phillips") in a 50:50 joint venture with Chevron Phillips, the Shanghai SECCO Petrochemical Company Limited facility in Shanghai, China ("**SECCO**"), which is operated by Sinopec in a 50:50 joint venture with an Unrestricted Subsidiary of the Group. In August 2023, the Group acquired a 50% interest in, through an Unrestricted Subsidiary, another 50:50 joint venture concerning the Tianjin Nangang Ethylene Project, which is currently under construction by Sinopec and is expected to be on-stream in the second half of 2024. While we have a certain amount of influence over each of these joint ventures, we do not control them and are therefore dependent on our respective joint venture partners to cooperate with us in making decisions regarding the relevant joint venture. Moreover, the day-to-day operation of the relevant facilities is the responsibility of the management team of the joint venture or our joint venture partner. Therefore, our ability to influence these operations on a day to day basis is limited and we may be unable to prevent actions that we believe are not in the best interests of our joint ventures or our Group as a whole. Any such actions could materially adversely affect our business, results of operations and financial condition.

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

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

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

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

In the European Union, our GHG emissions are currently regulated under the European Union Emissions Trading System (the "**EU ETS**"), an EU-wide system that imposes emissions limits and permits trading of allowances for industrial GHG emissions. The EU ETS has become, and is expected to continue to become, progressively more stringent over time, including by reducing the total number of allowances to emit GHGs as well as those that EU member states will allocate without charge to industrial facilities and by introducing and/or increasing fees for allowances. Such measures could result in increased costs for us to: (i) operate and maintain our facilities; (ii) install new emission controls; (iii) purchase or otherwise obtain allowances to emit GHGs; and (iv) administer and manage our GHG emissions program. Our costs to purchase emissions allowances under the EU ETS and UK ETS (discussed below) totaled approximately €20.0 million in 2022, and annual costs are expected to be similar for 2023 and 2024.

In line with the European Union's goal of achieving carbon neutrality by 2050 and a 55% reduction in GHGs by 2030, on July 14, 2021, the European Commission released a number of legislative proposals collectively called "Fit for 55". The proposals envision significant changes to current EU ETS functions and requirements, including: new national limits on GHG emissions, a new carbon border adjustment mechanism ("**CBAM**") to impose carbon pricing on imports into the European Union of selected products, further reduction of free $CO_2$ allowances allocated to heavy industry and extending emissions trading requirements to additional industrial sectors. Specifically with respect to CBAM, which was formally adopted by the EU on May 10, 2023, importers of certain goods (initially including cement, iron and steel, aluminium, fertilizers, hydrogen and electricity, as well as certain precursors) have to report emissions embedded in their goods in a transitional phase, which began on October 1, 2023. Once the definitive system is fully operational (expected in 2026), EU importers will also be required to surrender CBAM certificates purchased at prices that correspond to the carbon price that would have been paid if the goods had been produced in the EU (less any carbon price actually paid by the non-EU producer of the goods). Although the initial list of goods covered by CBAM is limited, such list may be expanded to include other imported goods, the process for obtaining carbon emissions information from non-EU producers or the cost and availability of future allowances or CBAM certificates. The Council and the European Parliament reached a provisional political agreement on certain points of the "Fit for 55" package in December 2022, and a majority of the proposals have since been adopted. The measures remain subject to the EU legislative process, including adoption or implementation by individual member states, and at this time we cannot predict the terms of any regulations that may be enacted in the future or the impact of any such regulations on our business, operations or financial condition.

The United Kingdom withdrew from the European Union on January 31, 2020 pursuant to Article 50 of the Treaty on European Union ("**Brexit**"). Accordingly, the UK government is no longer subject to the EU legislation that commits the EU member states to reducing carbon emissions, increasing energy efficiency and increasing renewable energy production, including in respect of the European Climate Law adopted by the European Commission. In addition, the United Kingdom is no longer a participant in the EU ETS. In January 2021, the United Kingdom implemented a UK Emissions Trading Scheme ("**UK ETS**"), which was subsequently extended through 2050. Like the EU ETS, the UK ETS has industrial sites receiving or purchasing allowances to emit GHGs and surrendering one allowance for each ton of carbon dioxide emitted. Companies which emit fewer GHGs than their allowances cover are able to sell the excess allowances, whereas those which emit more must buy additional allowances through the UK ETS. At present, no agreement to link the carbon pricing systems in the EU and the UK has been formalized. In December 2023, the UK government announced that it plans to make various reforms to the UK ETS, including aligning the UK ETS cap with the net zero trajectory beginning in 2024 and expanding the UK ETS to include $CO_2$ venting by the upstream oil and gas sector, the waste and maritime sectors as well as, subject to consultation, engineered GHG removals. Separately, the UK government has announced that it plans to implement its own CBAM by 2027, by applying a carbon price to imported goods from the following sectors: aluminium, cement, ceramics, fertiliser, glass, hydrogen, iron, and steel. Further details relating to the design and implementation of the UK CBAM will be subject to further consultation in 2024. In addition, as a result of the Paris Agreement, in June 2019, the UK government enacted legislation requiring reduction of GHG emissions to net zero by 2050, including a target to reduce GHG emissions by 68% of 1990 levels by 2030, and more recently committed to a target to reduce GHG emissions by 78% of 1990 levels by 2035. In connection with Brexit, the UK government also introduced legislation designed to transfer responsibility for the Industrial Emissions Directive ("**IED**"), which takes an integrated approach to controlling pollution and sets strict industry standards for the most polluting industries, and the BAT Conclusion, which contain emissions limits associated with Best Available Techniques ("**BAT**"), to competent authorities in the UK and to put in place a process for determining future UK BAT Conclusions for industrial emissions. The UK government's Clean Air Strategy for England sets out actions for determining future UK BAT for industrial emissions. Our operations in the UK will continue to operate under the legislative framework applied in the United Kingdom. The Environment Act 2021 received royal assent on November 9, 2021, and introduced certain provisions regarding targets, plans and policies for improving the natural environment and certain other matters, including provisions relating to air quality. Commencement regulations to bring certain provisions in the Environment Act 2021 into force have yet to be enacted.

In the United States, we are required to monitor and report to the U.S. Environmental Protection Agency ("**EPA**") annual GHG emissions from certain of our U.S. facilities. In addition, the EPA has promulgated regulations under the Clean Air Act ("**CAA**"), which subject the GHG emissions of certain newly constructed or modified facilities to pre-construction and operating permitting requirements. Pursuant to these requirements, newly constructed or modified facilities with the potential to emit certain quantities of GHGs are required to implement "best available control technology," which may include carbon efficiency standards, GHG emission concentration limits, specific technology requirements or other measures. Significant uncertainty exists as to how newer or stricter GHG regulations will in the future impact large stationary sources, such as our facilities in the United States, and what costs or operational changes these regulations may require. For example, in early 2024, the EPA is expected to finalize its butadiene maximum achievable control technology ("MACT") rule. At this time, the estimated cost for the Chocolate Bayou site to comply with this regulation by the deadline in 2026 is expected to be approximately $40 million, to be incurred over three years.

In addition, the U.S. Congress has from time to time considered adopting legislation to reduce emissions of GHGs and numerous U.S. states have already taken legal measures to reduce emissions of

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

In addition, our two joint-ventures in China with Sinopec are also subject to emission requirements under the laws of the People's Republic of China on Environmental Protection.

***Environmental matters—We will have ongoing costs and may have substantial obligations and liabilities arising from health, safety, security and environmental ("HSSE") laws, regulations and permits applicable to our operations.***

Our businesses are subject to a wide range of HSSE laws and regulations in all of the jurisdictions in which we operate. These requirements govern our facilities and our operations, including the manufacture, storage, handling, treatment, transportation and disposal of hazardous substances and wastes, water consumption, wastewater discharges, air emissions (including GHG emissions), noise emissions, the operation and closure of landfills, human health and safety, process safety and risk management and the clean-up of contaminated sites. Many of our operations require permits and controls to monitor or prevent pollution, and these permits are subject to modification, renewal and revocation by issuing authorities. We have incurred, and will continue to incur, substantial ongoing capital and operating expenditures to ensure compliance with current and future HSSE laws, regulations and permits or the enforcement of such requirements.

We expect that our operations will be subject in the future to new and increasingly stringent HSSE laws, regulations and permit conditions and that substantial costs will be incurred by us to ensure continued compliance. We anticipate that these laws, regulations and permit conditions, including in respect of GHG emissions reduction commitments or requirements, will continue to require us to incur substantial costs and impose additional operating and capital obligations. Given the nature of our business, violations of HSSE requirements, whether currently alleged or arising in the future, may result in substantial fines or penalties, the imposition of other civil or criminal sanctions, cleanup costs, claims for personal injury or property damages, or restrictions on, or the suspension of, our operating permits or activities or require the installation of costly pollution control equipment. Our facilities are subject to periodic inspections by regulatory authorities to assess compliance with applicable HSSE laws and regulations. If we do not predict accurately the amount or timing of costs of any future compliance, remediation requirements or private claims, our environmental provisions may be inadequate and the related impact on our business, financial condition or results of operations in any period in which such unanticipated costs need to be incurred could be material.

At certain sites where we operate, regulators have alleged, or we have otherwise identified potential or actual noncompliance with HSSE laws and/or the permits which authorize operations at these sites. Some of these allegations or instances of noncompliance are ongoing, and substantial amounts may need to be spent to attain and/or maintain compliance. In addition, we have in the past paid, and in the future may pay, penalties to resolve such matters. Our businesses and facilities have experienced, and in certain cases, are in the process of investigating or remediating, hazardous materials in the soil and groundwater at locations where we operate and/or adjacent properties and/or natural resources at public and private lands not owned by us.

Many of our sites have an extended history of industrial chemical processing, storage and related activities, and may currently be subject to engineering or institutional controls or restrictions or may become subject to such controls or restrictions in the future. We are currently, and from time to time have been or in the future may be, required to investigate and remediate releases of hazardous materials or contamination at or migrating from certain of these sites, as well as properties we formerly owned, leased or operated. We are, and in the future may be, responsible for investigating and cleaning up contamination at off-site locations where we or our predecessors disposed of or arranged for the disposal or treatment of hazardous wastes. Under some environmental laws, including the U.S. Comprehensive Environmental Response, Compensation, and Liability Act, commonly referred to as "Superfund," liability for contamination can be imposed retroactively, without regard to fault or knowledge, and on a joint and several basis. In addition, we could be subject to claims by government authorities, individuals and other third parties seeking damages for alleged personal injury or property or natural resource damages resulting from environmental contamination or hazardous exposure caused by our operations, facilities or products. The discovery of previously unknown contamination, or the imposition of new obligations to investigate or remediate contamination at our facilities, could result in substantial unanticipated costs. We could be required to establish or substantially increase financial reserves for such obligations or liabilities and, if we fail to accurately predict the amount or timing of such costs, the related impact on our business, financial condition or results of operations in any period in which such unanticipated costs need to be incurred could be material. In addition, HSSE laws and regulations can impose various financial responsibility requirements on us, and pursuant to these requirements we may be required to post bonds, create trust funds or provide other assurances that we will be able to address contamination at our sites and comply with our decommissioning obligations once our facilities reach the end of their useful lives.

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

Our operations involve significant water usage, with material annual industrial water costs expected to be incurred in 2023 and 2024 similar to those incurred in previous years. Changes to environmental regulations and other factors, such as water shortages as a result of climate change, could increase the cost and/or limit the availability of water, which would in turn impact our operating and production costs.

Our financial results may be adversely affected if environmental liability arises for which we are not adequately indemnified, or from a disposal of assets or businesses for which we provided a seller's indemnification in respect thereof. Although we believe that the indemnities given by the selling parties from whom we have acquired assets or businesses will help defray the costs associated with pre-acquisition environmental liabilities, our financial results may still be adversely affected to the extent that:

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

***Potential hazards—Our operations are subject to hazards which could result in significant liability to us.***

Our operations are subject to hazards associated with chemical manufacturing and the related use, storage, transportation and disposal of raw materials, products and wastes. These hazards include explosions, fires, severe weather (including but not limited to floods, hurricanes on the U.S. Gulf Coast or in Gulf waters or other adverse weather that may be increasing in intensity and/or frequency as a result of climate change) and natural disasters, accidents, mechanical failures, discharges or releases of toxic or hazardous substances or gases, transportation interruptions, human error, pipeline leaks and ruptures and terrorist activities. These hazards can cause, and have caused from time to time, personal injury and loss of life, severe damage to or destruction of property and equipment as well as environmental damages, and may result in suspension of our operations and the imposition of civil and criminal liabilities, including penalties and damage awards. For instance, in July 2023, an ethylene pipeline ruptured and ignited at a remote location in Texas, causing a fire that resulted in business losses estimated to be approximately €49 million. While we believe our insurance policies are in accordance with customary industry practices, such insurance may not cover all risks associated with the hazards of our business and is subject to limitations, including deductibles and maximum liabilities covered. We may incur losses beyond the limits, or outside the coverage, of our insurance policies, including liabilities for violations of environmental requirements and contamination. In addition, from time to time, various types of insurance for companies in our industries have not been available on commercially acceptable terms or, in some cases, have not been available at all. In the future, we may not be able to obtain coverage at current levels, and/or our premiums may increase significantly on coverage that we maintain. Costs associated with unanticipated events in excess of our insurance coverage could have a material adverse effect on our business, competitive or financial position or our ongoing results of operations. For additional related disclosure, see "Business—Health, Safety, Security and Environment."

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

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

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

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

Due to the nature of our business, we are at risk of business interruption due to the actions of third parties. For example, many of our vendors and subcontractors have operations that are also subject to HSSE risks, including those associated with the use, storage and transport of hazardous materials. Any future HSSE-related incidents affecting our vendors and subcontractors may result in significant regulatory actions, fines and other penalties, including restrictions, prohibitions or sanctions on their operations which could impair their ability to perform their contracts with us or could otherwise subject us to claims or liability, all of which could have a material adverse effect on our business, reputation, financial condition and results of operations. In addition, if any facilities experience damage or temporary closures due to incidents or events, including protests, caused by third parties, our reputation, business and results of operations may be adversely affected.

***Product stewardship regulation—Our business could be adversely affected by chemical safety regulation of our products and raw materials.***

We use and manufacture hazardous chemicals that are subject to regulation by the European Union and by many national, provincial and local governmental authorities in the countries in which we operate. In order to obtain regulatory approval of certain new products and production processes, we are required, among other things, to demonstrate to the relevant authorities that the product is safe for its intended uses and that we are capable of manufacturing the product in accordance with applicable regulations.

The process of obtaining approvals can be time-consuming and subject to unanticipated and significant delays. Approvals may not be granted to us on a timely basis, or at all. Any delay in obtaining, or any failure to obtain or maintain, these approvals would adversely affect our ability to introduce new products, to continue distributing existing products and to generate revenue from those products, which could have a material adverse effect on our business and prospects. New laws and regulations may be introduced in the future that could result in additional compliance costs, confiscation, recall or monetary fines, any of which could prevent or inhibit the development, distribution and sale of our products.

In addition, some of our products (including our raw materials) are subject to extensive environmental and industrial hygiene regulations that require the registration and safety analysis of and, in some cases, impose restrictions on, their component substances. For example, in connection with the European Union's Registration, Evaluation and Authorization of Chemicals ("**REACH**") Regulation and/or the European Union's Classification, Labelling and Packaging ("**CLP**") Regulation, any key raw material, chemical or substance, including some of our products, could be classified as having a toxicological, health-related or otherwise adverse or relevant effect, including impacts on the environment, on users of our products, or workers handling these products. In the event of such a classification, those key raw materials, chemicals, substances and/or products could be banned or restricted for certain uses. The European Commission aims to propose a revision of the REACH regulation in 2024. At this time we cannot predict the impact of any such revision. We manufacture, process, or use certain substances classified as substances of very high concern under REACH, including 2-methoxyethanol and propylene oxide, and the continued use of these substances may require authorization from the European Chemicals Agency ("**ECHA**"). If we cannot obtain authorization, we may need to discontinue use of such substances.

In June 2016, amendments to the U.S. Toxic Substances Control Act ("**TSCA**") became effective, and it is possible that they could result in risk screening by the EPA of substances we produce or use, and this risk screening could lead to new or more stringent regulatory obligations and/or restrictions, including prohibitions on the manufacture and sale of certain substances. Since December 19, 2016, the EPA has designated 20 chemical substances as high-priority and 20 chemical substances as low-priority that are the subject of the EPA's initial chemical risk evaluations, as required by TSCA. This list includes multiple chemicals we manufacture, including carbon tetrachloride, methylene chloride and 1,3-butadiene. The list of substances is expected to be expanded over time.

In Ontario, Canada, the Toxics Reduction Act (which was repealed on December 31, 2021) required a review of the use of toxic substances including certain raw materials from which our products are synthesized. Among other things, this statute required tracking, preparation and publication of toxic substance reduction plans and government and public reporting. The Chemicals Management Plan, which was created in 2006 under the Canadian Environmental Protection Act, 1999, governs the assessment and management of risks associated with chemical substances to human health and the environment, including government and public reporting. Similar regulations are being considered in other jurisdictions, including the United States, which could result in additional requirements, including notification, testing, labelling and record-keeping obligations, on our operations.

We are further subject to emerging laws and regulations governing workplace exposure to certain chemicals. For example, benzene has been identified as a genotoxic carcinogen. ECHA's Committee for Risk Assessment ("**RAC**") proposed reducing the occupational exposure limit ("**OEL**") for benzene to 0.05 ppm as the maximum allowable concentration in air at workplaces in the European Union. In response, the EU Commission published the fourth revision of the Carcinogenic and Mutagenic Directive ("**CMD**") which sets out a revised OEL for benzene of 0.5 ppm for a transitional period from April 2024 to April 2026 and 0.2 ppm from April 2026. The European Commission will assess a further reduction of the OEL for benzene according to the CMD. The CMD also sets out a new OEL of 0.45 ppm for acrylonitrile, a monomer used in many plastics, which becomes effective April 2026. Because we produce benzene and acrylonitrile, we will become subject to these OELs. As another example, butadiene has been classified as a known human carcinogen by the International Agency for Research on Cancer, the U.S. National Toxicology Program and the EPA. The U.S. Occupational Safety and Health Administration currently limits the permissible employee exposure to butadiene. If studies on the health effects of butadiene result in additional regulations in the United States or new regulations in Europe that further restrict or prohibit the use of, and exposure to, butadiene, we could be required to change our operations, which could affect the quality of our products and increase our costs.

Growing concern about the sources and impacts of per- and polyfluoroalkyl substances ("**PFAS**") may also lead to increased regulation of such substances in jurisdictions where the Group operates. For instance, in January 2023, the EPA proposed a rule that would prevent the manufacture, processing, or use of an estimated 300 PFAS without a complete EPA review and risk determination. In December 2022, the EPA also proposed a rule that would eliminate an exemption that allowed facilities to avoid reporting information on PFAS when those chemicals were used in limited concentrations. In October 2023, the EPA published a final rule that requires all manufacturers (including importers) of PFAS and PFAS-containing articles in any year since 2011 to report information to the EPA on PFAS uses, production volumes, disposal, exposures and hazards. In addition, in the EU several national authorities submitted to ECHA a universal proposal to restrict PFAS. A consultation was launched in 2023. The European Commission, together with the EU Member States, will evaluate and determine if any PFAS restrictions will be formally proposed or enacted. Such enacted and proposed regulations, and other being considered or adopted in jurisdictions in which the Group operates, could require the Group to incur significant costs including, inter alia, relating to compliance, modifying operations, and altering product inputs.

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

***ESG—A failure to understand, manage and provide greater transparency of our exposure to environmental, social and governance (ESG) related risks may have increasingly adverse implications for us and our stakeholders.***

ESG-related risks may directly or indirectly impact our business and the achievement of our strategy and consequently our key stakeholders, which range from our employees, customers, investors and suppliers, to policymakers, regulators, industry organizations and local communities. For example, new and proposed laws and regulations in the UK, EU and the U.S. requiring the identification, quantification and disclosure of ESG risks, including those relating to sustainability, climate change, supply chain, human capital, diversity and cybersecurity, are under consideration or being adopted, or may be in the future. These requirements have resulted in, and may continue to result in, our need to make additional investments and implement new practices and reporting processes, which will require management attention and the incurrence of additional compliance risk. Any failure or perceived failure to accurately report on our current or future ESG-related commitments, including our GHG emissions reduction commitments, and any differences between our commitments and those of any companies to which we are or may be compared, could harm our reputation, adversely affect our ability to effectively compete or expose us to potential legal liability. In addition, any failure or perceived failure to transparently and consistently implement our ESG strategy across our business or to achieve our goals and commitments, may adversely impact our financial condition and reputation and may negatively impact our stakeholders, each of whom, in turn, have ESG-related expectations, concerns and aims, which may differ, both within and across the markets in which we operate. For more information on our ESG strategy, see "Business—Sustainability."

***ESG—Increasing scrutiny and changing expectations from investors, lenders and other market participants with respect to ESG performance and policies may impose additional costs on us or expose us to additional obligations or risks.***

Companies across all industries are facing increasing scrutiny related to ESG issues, including those relating to sustainable development, renewable resources, environmental stewardship, supply chain management, climate change, diversity and inclusion, workplace conduct, employee well-being, human rights, philanthropy and support for local communities. Investor advocacy groups, certain institutional investors, investment funds, lenders, employees and other market participants are increasingly focused on ESG practices, performance and disclosures. In recent years, financial stakeholders have placed increased importance on the environmental and social cost and impact of their investments and consider that the petrochemicals industry faces ESG risks that some other industries do not. The increased focus and activism related to ESG and similar matters may hinder access to or increase the cost of capital, as investors and lenders may decide to reallocate capital or to not commit capital as a result of their assessment of a company's ESG practices. We have made certain voluntary commitments with respect to ESG performance, such as a 33% reduction in GHG emissions by 2030 (as compared to 2019) and achievement of net zero by 2050, and achieving these commitments will require us to implement facility upgrades that we expect to require significant capital investments. If we fail to meet applicable standards or expectations with respect to these issues across all of our operations and activities, our reputation and brand image could be damaged, we may lose the trust of our stakeholders (including investors, customers and employees), and our business, financial condition and results of operations could be adversely impacted. In addition, while we seek to report our ESG practices and performance in alignment with certain relevant reporting frameworks and to engage with leading sustainability rating agencies and other stakeholders, these frameworks and ratings providers may not be the same as those evaluated by our stakeholders, may emphasize different aspects of ESG practices and performance, or may not accurately reflect our ESG performance in certain respects. In addition, changes in consumer and market demands, regulatory requirements and other ESG-related considerations may negatively impact our perceived ESG performance or otherwise impact our reputation and accordingly our business and financial results.

***ESG Risk Ratings—The third-party ESG Risk Ratings referenced in this offering memorandum may not accurately reflect our risks based on environmental, social and governance matters. Any actual or perceived lack of transparency or underperformance regarding ESG matters as a result of increasing scrutiny and changing expectations from investors, lender and other market participants may adversely affect the value of the Notes.***

The impact of our ESG-related risks and practices, including with respect to various environmental, social and governance matters in our business and in the local communities in which we operate, has been and will continue to be independently assessed by non-accredited ratings organizations and various stakeholders in the ESG community. These rating agencies and stakeholders may not view our ESG policies as sufficiently transparent or consistent with their performance standards or goals. If this view were shared in the broader ESG community, our reputation could be damaged which, in certain cases, could effectively limit our access to capital markets and result in scrutiny regarding our commitment to ESG principles and standards.

In addition, ESG ratings may vary among the different ESG ratings organizations and are subject to differing methodologies, assumptions and priorities used by such organizations to assess ESG performance and risks. Each ESG rating provider's rating should be evaluated independently of any other ESG rating provider's rating. There is no guarantee that the methodology used by any particular ESG rating provider will conform with the expectations or requirements of any investor or any present or future applicable standards, recommendations, criteria, laws, regulations, guidelines or listing rules. As a result, our ESG ratings are not necessarily indicative of our current or future operating or financial performance, our commitment to ESG standards and principles, or any future ability to service our indebtedness including the Notes, and are only current as of the dates on which they were issued. Any ESG rating obtained by the Group or its affiliates provides no guarantee as to the actual environmental and/or social impacts of the Group or its affiliates. In addition, individual company ratings may be based on only publicly available information and in other cases may be based on information supplied by the relevant companies. As such, the quality of information in respect of each company included in our rankings may not be comparable and therefore there may be limitations on the utility of these rankings. Prospective investors must determine for themselves the relevance of any such ESG rating information contained in this offering memorandum or elsewhere in making an investment decision. Moreover, ESG ratings are not a recommendation by us or any other entity or person to buy, sell or hold the Notes. Each of the Initial Purchasers and their affiliates makes no representations as to the accuracy or validity of the ESG Risk Ratings and assume no liability with respect to the consequences of any reliance that may be placed on this information. As of the date of this offering memorandum, none of Sustainalytics, which has provided an ESG rating for INEOS Group Holdings S.A. as disclosed in "Business—Sustainability—Sustainalytics Rating", and EcoVadis, which has provided an ESG rating for INEOS AG, one of our ultimate parent undertakings, as disclosed in "Business—Sustainability—EcoVadis Gold Award", is subject to any regulatory or other governmental oversight in respect of its determination of ESG ratings or the underlying methodologies it uses to make such determinations and may revise or replace entirely the methodology it applied to derive its ESG ratings. No assurance can be given that the ESG Risk Ratings will remain constant for any given period of time or that the ESG Risk Ratings will not be withdrawn entirely by Sustainalytics or EcoVadis if, in their judgment, circumstances in the future so warrant. The past or future issuance of any ESG ratings which reflect low performance on ESG matters or high ESG-related risk, or are not consistent with our own views on our commitment to implement ESG principles and standards throughout our business and our commitment to our business and local communities as an ESG company, could adversely affect the value of the Notes.

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

Increasingly, governmental authorities are considering, or have already adopted, legislation that requires a minimum amount of recycled content in certain products and applications. For now, officially adopted legislation focuses mostly on packaging. For example, in the European Union the Packaging and Packaging Waste Regulation ("PPWR") requires a minimum recycled content of between 10% and 35% for the plastic part of packaging by 2030. In the U.S., minimum recycled content requirements are being defined at the state level. For example, California requires 25% of plastics to be recycled by 2025 and 65% by 2032. Industry-specific regulations have been adopted in some jurisdictions, such as the End-of-Life Vehicles ("ELV") Directive for automotive applications in the European Union and the Waste Electrical and Electronic Equipment ("WEEE") regulations in the United Kingdom and European Union for electronics and household applications.

In order to maintain our competitive market share, we will have to invest in recycling technologies to support our customers. This ongoing investment and research carries various risks, such as significant capital expenditure requirements that could divert available resources, as well as implementation failure. We are pursuing partnership and cooperation agreements for multiple recycling technologies but there is a risk that we invest in the wrong technology or fail to successfully implement the chosen technology. Regulations on recycled content require waste access in large volumes and high purity levels for recycled materials. As waste collection, sorting and cleaning infrastructure is just being developed, there is a risk of lack of sufficient feedstock.

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

***Tax Burden—Our tax burden could increase due to changes in tax law or the application or interpretation thereof, or as a result of current or future tax audits or investigations.***

Our tax burden is dependent on certain aspects of tax laws across several different jurisdictions and their application and interpretation. Changes in tax laws or their interpretation or application could increase our tax burden. As a result of future tax audits or other review actions of the relevant financial or tax authorities, additional taxes could be identified, which could lead to an increase in our tax obligations, either as a result of the relevant tax payment being levied directly on us or as a result of us becoming liable for tax as a secondary obligor due to a primary obligor's (such as, for example, an employee's) failure to pay. Due to our international focus, we are exposed to tax risks, in particular with regard to transfer pricing rules that apply in several jurisdictions. Pursuant to these rules, related enterprises must conduct any inter-company transactions at conditions that would apply among unrelated third parties concluding comparable agreements (the "arm's length principle") and provide sufficient documentation thereof, subject to particular rules applicable to them in the relevant jurisdiction. Although we have adopted a transfer pricing policy, tax authorities may, and from time to time do, challenge our compliance with applicable transfer pricing rules, and we therefore must seek to ensure that our transfer pricing policies accurately reflect the operating model of our business. Any successful challenge to our arrangements, including with respect to exit charges, could cause us to face a higher tax burden and be subject to tax penalties or fines, which could have a material adverse impact on our business, financial condition, results of operations and cash flows.

***Litigation—We are subject to certain risks related to litigation filed by or against us, and adverse results may harm our business.***

We cannot predict with certainty the cost of defense, the cost of prosecution or the ultimate outcome of litigation and other proceedings filed by or against us, including remedies or damage awards, and adverse results in any litigation and other proceedings may materially harm our business. Litigation and other proceedings may include, but are not limited to, actions relating to intellectual property, commercial arrangements (including disputes with contractors, suppliers and customers), environmental matters, permits, health and safety, joint venture agreements, mergers and acquisitions, labor and employment or other harms resulting from the actions of individuals or entities outside of our control. For example, appeals contesting our first full environmental permit for Project ONE were filed with the Council for Permit Disputes in Flanders, Belgium, resulting in the annulment of the permit. Although a second permit was granted by the Flemish Minister for Justice and Enforcement, Environment and Spatial Development and Energy and Tourism on January 7, 2024, had our application been unsuccessful and a new permit not granted, this would have had a material adverse effect on our ability to successfully complete Project ONE within the anticipated timeframe and, if we were unsuccessful after significant expenditure had been incurred on the project, this could have had a material adverse effect on our business. Although at this time no appeals to the new permit have been filed, it is expected that one or more parties could challenge the issuance of the new permit prior to the expiration of the appeals period in February 2024. Any such appeal, if successful, could significantly delay the project and significantly increase costs. If ultimately a permit cannot be retained, it is possible that the project may not be completed, which would require us to write off significant sunk costs and leave us with significant debt in connection with facility financing for Project ONE. Other challenges to our permit for Project ONE, or for other operations, if filed in the future, could have a material adverse effect on our business. See also "Business—Legal proceedings."

In the case of intellectual property litigation and proceedings, adverse outcomes could include the cancellation, invalidation or other loss of material intellectual property rights used in our business and injunctions prohibiting our use of business processes or technology that are subject to third-party patents or other third-party intellectual property rights or the imposition of license fees to be paid to the holders of any such third-party intellectual property rights. Litigation based on environmental matters or human exposure to hazardous substances in the workplace or from our products could result in significant liability for us. Adverse outcomes could have a material adverse effect on our business.

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

The sale of our products involves the risk of product liability claims arising out of the use of, or exposure to, our products or the chemicals in them. While most of our products have some hazardous properties, some of them, such as acrylonitrile, require specialized handling procedures due to their acute and chronic toxicity. Furthermore, our polymer products have widespread end uses in a variety of consumer industries, including food packaging and medical applications. A successful product liability claim or series of claims against us in excess of our insurance coverage for payments for which we are not otherwise indemnified or have not otherwise provided for could have a material adverse effect on our business, financial condition or results of operations and cash flows. In particular, we could be required to increase our debt or divert resources from other investments in our business in order to discharge any such claims.

In addition, we have licensed our polyethylene, polypropylene, polystyrene, polyvinylchloride, vinyl chloride monomer, ethylene dichloride and acrylonitrile technologies to third parties. Generally, our licensing agreements provide that any liability arising from the implementation of such technology is retained by us during the first 18 months of the agreements. As a result, we are liable for any damages arising from the implementation by our licensees of our technology during this period.

***Key personnel—Our success depends on the continued service of certain key personnel.***

Our success depends in significant part upon the continued service of our shareholders, directors and senior management, including James A. Ratcliffe, Andrew Currie and John Reece and the executive officers at each of our business divisions. In addition, our future growth and success also depends on our ability to attract, train, retain and motivate skilled managerial, sales, administration, operating and technical personnel. We generally do not have employment agreements with, and we do not maintain any "key man" life insurance for, any member of our senior management. The loss of one or more of our key management or operating personnel, or the failure to attract and retain additional key personnel, could have a material adverse impact on our business, financial condition and results of operations.

***Relations with employees and service providers—We depend on good relations with our workforce and service providers, and any significant disruption could adversely affect us.***

As of September 30, 2023, we had approximately 7,500 employees (measured as full-time equivalents ("**FTEs**")) in our operations around the world, not including employees of our joint ventures. The majority of our employees are unionized. In addition, a majority of our employees resides in countries in which employment laws provide greater bargaining or other rights to employees than the laws of the United States. These employment rights may require us to expend greater time and expenses in altering or amending employees' terms of employment or making staff reductions. For example, most of our employees in Europe are represented by works councils which generally must approve changes in conditions of employment, including salaries and benefits. Further, a labor disturbance or work stoppage at any of our facilities as a result of any changes to our employment terms and conditions or for any other reason could have a material adverse effect on that facility's operations and, potentially, on our business, results of operations and financial condition.

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

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

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

Some of our patents and patent applications are jointly owned with third parties. In many countries, both owners have full rights under a jointly-owned patent. In the absence of a specific agreement, such third parties may use our jointly-owned patents to compete with us or grant a license to our competitors. In addition, co-owners may not cooperate with us to enforce or to defend a jointly-owned patent where necessary to protect our rights.

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, there can be no assurances that:

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

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

In the past we have received communications asserting that our products or their applications infringe on a third party's proprietary rights. Currently, there is no material pending litigation against us regarding any intellectual property claim but we cannot assure you that there will not be future claims. Such claims, regardless of merit, could subject us to costly litigation and divert our technical and management personnel from their regular responsibilities. Furthermore, if such claims are adversely determined against us, we could be forced to suspend the manufacture of products using the contested intellectual property and our business, financial condition and operating results could be adversely affected if any such products are material to our business.

We may also initiate lawsuits to defend the ownership of our inventions and our intellectual property. Like defending against litigation, initiating litigation relating to intellectual property rights is costly and may divert technical and management personnel from their normal responsibilities. Furthermore, we may not prevail in any such litigation or proceeding. A determination in an intellectual property litigation or proceeding that results in a finding of a non-infringement by others to our intellectual property or an invalidation of our patents may result in the use by competitors of our technologies or processes and sale by competitors of products that resemble our products, which may adversely affect our ability to compete as well as create increased supply and corresponding downward pricing pressure.

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

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

Although our businesses' IT governance, risk management and compliance programs provide availability, confidentiality and an overall security approach to all systems and business processes, including cybersecurity controls (like intrusion detection/intrusion prevention, firewalls, mobile device management, malware and virus protection, notebook encryption, secure VPN access, network segmentation, industrial control system security monitoring, email and internet security, security information and event management, threat and vulnerability management), any failure of these programs could result in a cybersecurity incident. Increased reliance on technology carries with it an increased risk of cybersecurity issues, including phishing and end point vulnerability, which has been particularly heightened in light of the current environment of remote working in response to the COVID-19 pandemic.

In addition, certain cyber incidents, such as surveillance, may remain undetected for an extended period. Our systems for protecting against cybersecurity risks may not be sufficient. As cyber incidents continue to evolve, we will likely be required to expend additional resources to continue to modify or enhance our protective measures or to investigate and remediate any vulnerability to cyber incidents. Further, the General Data Protection Regulation (Regulation (EU) 2016/679), came into effect in Europe in May 2018, which has created a range of new compliance obligations, and increased financial penalties for non-compliance significantly. The General Data Protection Regulation (Regulation (EU) 2016/679) has been incorporated into domestic law in the United Kingdom, with minor amendments, by virtue of the EUWA. While our IT compliance programs contain certain procedures to cover ("GDPR") by providing records of processing activities, performing assessments on technical and organizational security measures and stipulating contractual agreements with external service providers and business partners and our demand, change and project management procedures have been implemented, which guarantee the involvement of the legal department and IT security team to assess new business applications and systems, identifying GDPR relevance and security vulnerabilities upfront, any failures of these programs could result in potential liability for our business, losses of confidential information, reputational consequences, financial damages, higher insurance premiums, damage to assets, safety issues, operational downtime or delays, and revenue losses, adversely impacting our prospects, results of operations and financial condition. The significance of any such event is difficult to quantify, but may in certain circumstances be material to the Group and could have adverse effects on our business, financial condition and results of operations.

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

We have designed and continue to design our internal controls with the objective of providing reasonable assurance that (1) our transactions are properly authorized; (2) our assets are safeguarded against unauthorized or improper use; and (3) our transactions are properly recorded and reported, all to permit the preparation of our consolidated financial information in conformity with applicable accounting principles. We design our internal controls through the use of internal resources, external consultants and, as the case may be, with joint venture partners.

Any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. Any failure to maintain adequate internal controls or to be able to produce accurate consolidated financial information on a timely basis could increase our operating costs and materially impair our ability to operate our business.

***The Senior Secured Term Loans Agreement, the Existing Indentures and the Indenture—Our Senior Secured Term Loans Agreement and the Existing Indentures impose, and the Indenture will impose, significant operating and financial restrictions, which may prevent us from capitalizing on business opportunities and taking certain actions.***

Our Senior Secured Term Loans Agreement and the Existing Indentures impose, and the Indenture will impose, significant operating and financial restrictions on us. These restrictions include limitations on our ability to:

- make investments and other restricted payments, including dividends;
- incur additional indebtedness;
- sell our assets or consolidate or merge with or into other companies;
- enter into joint ventures; and
- make capital expenditures.

Our Senior Secured Term Loans Agreement and the Existing Indentures contain, and the Indenture will contain, covenants that may adversely affect our ability to finance our future operations and capital needs and to pursue available business opportunities. A breach of any of these covenants could result in a default in respect of the related debt. If a default were to occur, the relevant holders or the relevant lenders (as applicable) of such debt could elect to declare the debt, together with accrued interest and other fees, immediately due and payable and, subject to certain limitations, proceed against any Collateral securing that debt. Refer to “Description of Other Indebtedness” for further information.

***Future acquisitions or developments—Any future acquisitions or developments may prove difficult for us to consummate.***

We have a history of making acquisitions and in the future we may acquire companies or assets engaged in similar or complementary businesses to our own if we identify appropriate acquisition targets, including acquisitions of interests from our joint venture partners. For example, in April 2023, we acquired the entire asset base of Mitsui Phenols Singapore Ltd from Mitsui Chemicals. Following announcement of the intention to do so in July 2023, in October 2023, affiliates of the Group agreed to acquire TotalEnergies’ 50% share of certain petrochemical assets at Lavéra currently operated as 50:50 joint ventures between TotalEnergies and the Lavéra Businesses, as well as certain other infrastructure assets associated with the site, including part of TotalEnergies’ ethylene pipeline network in southern France. The Group will, immediately prior to the acquisition of the TotalEnergies Lavéra Businesses, complete the Lavéra Reorganization, following which the acquisition of the TotalEnergies Lavéra Business will occur within the Group. The Lavéra Acquisition is subject to regulatory approval and satisfaction of other customary closing conditions and is expected to be completed in the first half of 2024. In December 2023, the Group agreed with LyondellBasell to acquire its Ethylene Oxide and Derivatives business, including the Bayport Underwood site in Texas, USA for $700 million. The Bayport Acquisition is expected to be completed in the second quarter of 2024, subject to regulatory and other third-party approvals and satisfaction of other customary closing conditions.

In addition, we also intend to organically grow our business. INEOS announced its major capital investment in Antwerp, Belgium on January 14, 2019 (“**Project ONE**”) consisting of a new Ethane Steam Cracker and a Propane Dehydrogenation Unit, for the production of ethylene and propylene, respectively, along with associated utilities, tankage and infrastructure. Following a strategic review in 2020, INEOS has determined that the demand for propylene in the quantities previously envisaged was less urgent. As a result, Project ONE was rescoped to only consist of an ethane steam cracker with a nameplate capacity of approximately 1,450 kta and associated utilities, tankage and infrastructure. Any additional European propylene capacity will be considered separately in the future.

INEOS has selected Technip Energies to provide the operating technology for the new ethane cracker. We believe that Project ONE remains the largest investment in the European chemicals industry for the past 20 years and we expect it to be among the most efficient and sustainable of its kind. It is planned to be equipped with the best available technologies with a high efficiency in use of raw materials and energy,

$CO_2$ emissions that are expected to be less than half of the currently best performing similar units in Europe from the outset and a clear path to carbon neutrality on a Scope 1 and Scope 2 basis within 10 years of start-up of the cracker. Latest estimates suggest that the project will represent a capital investment of approximately €4.2 billion (of which approximately €1.1 billion was invested by the end of 2023 and approximately €1.5 billion is expected to be invested in 2024) largely funded by debt secured on the Project ONE assets. Construction on site began in the summer of 2022, but was suspended in the second half of 2023. Works on Project ONE in other locations (for example in module yards around the world) have, however, continued during this period. Works on the Project ONE site in the Port of Antwerp resumed in January 2024 when a new environmental permit was granted by the Flemish Minister for Justice and Enforcement, Environment and Spatial Development and Energy and Tourism on appeal. See also "—Litigation—We are subject to certain risks related to litigation filed by or against us, and adverse results may harm our business."

In addition, we acquired an interest in the SECCO facility in Shanghai, China, which is operated by Sinopec in a 50:50 joint venture with an Unrestricted Subsidiary of the Group. In August 2023, we completed, through an Unrestricted Subsidiary, another 50:50 joint venture concerning the Tianjin Nangang Ethylene Project, which is currently under construction by Sinopec and is expected to be on-stream in the second half of 2024. To date we have not paid any costs associated with the construction of the ethylene complex. Under the terms of our agreement with Sinopec we are due to pay our share of the net investment within a few months of completion. The total expected net payment is RMB 5.4 billion, the bulk of which we expect to pay in 2024. It is our intention to fund the majority of the purchase price through incremental limited recourse financing arrangements, similar to the Rain Facilities. We may not be able to successfully implement our strategic and operational initiatives for these joint ventures, and an inability to realize the full extent of anticipated benefits could have a material adverse effect on our business, financial condition and results of operations.

The success of these and other projects and the ability to complete them within the expected budget and schedule will depend in part on us continuing to adequately addressing any technical, regulatory, environmental, labor, litigation and legal challenges or other issues that may arise in connection with such projects. We may be required to make significant additional capital expenditure beyond that planned or exceed the respective anticipated timeframe in order to resolve issues that may arise. There can be no assurance that the projects will be completed or that each would be completed at the anticipated cost or within the indicated timeframe, or, once completed, operate at the anticipated rates or capacity. We may not be able to successfully implement our strategic and operational initiatives, and an inability to realize the full extent of anticipated benefits of such projects could have a material adverse effect on our business, financial condition and results of operations.

Moreover, restrictions in the Senior Secured Term Loans Agreement, the Existing Indentures and the Indenture may limit or preclude our ability to make certain acquisitions or capital expenditures. Further, we may use debt financing for any permitted acquisitions or capital expenditures, which would increase our debt service requirements. In order to manage any acquisitions or development projects we successfully complete, we will need to expand and continue to improve our operational, financial and management information systems. If making acquisitions or integrating any acquired business or development projects divert too much management attention from the operations or our core businesses, this could adversely affect our financial condition and results of operations. Any acquisition or development project that we make could be subject to a number of risks, including, as applicable:

- problems with effective integration of operations;
- the inability to maintain key pre-acquisition business relationships;
- increased operating costs;
- costs related to achieving or maintaining compliance with laws, rules or regulations;
- the loss of key employees of the acquired company;
- exposure to unanticipated liabilities; and
- difficulties in realizing projected efficiencies, synergies and cost savings.

We cannot assure you that any acquisition or development project we consummate will ultimately provide the benefits we originally anticipate. Furthermore, we may not succeed in identifying attractive acquisition candidates or financing and completing potential acquisitions on favorable terms and development projects may experience delays and cost overruns. In addition, we may make investments in joint ventures or Unrestricted Subsidiaries for future acquisitions or development projects. In that case, such joint ventures or Unrestricted Subsidiaries will not be bound by the covenants in the Senior Secured Term Loans Agreement and the Indenture (including with respect to limitations on indebtedness and restricted payments, including dividends).

***Credit and capital market conditions—Adverse conditions in the credit and capital markets may limit or prevent our ability to borrow or raise capital.***

While we believe we have facilities in place that should allow us to borrow or otherwise raise funds as needed, adverse conditions in the credit and financial markets could prevent us from obtaining financing, if the need arises. Our ability to invest in our businesses and refinance maturing debt obligations could require access to the credit and capital markets and sufficient bank credit lines to support cash requirements. If we are unable to access the credit and capital markets, we could experience a material adverse effect on our financial position or results of operations.

***Pension plans—Significant changes in pension fund investment performance or assumptions relating to pension costs may adversely affect the valuation of pension obligations, the funded status of pension plans, and our pension cost.***

Our funding policy for pension plans is to accumulate plan assets that, over the long run, will approximate the present value of projected benefit obligations. Our pension cost is materially affected by the discount rate used to measure pension obligations, the level of plan assets available to fund those obligations at the measurement date and the expected long-term rate of return on plan assets. Significant changes in investment performance or a change in the portfolio mix of invested assets may result in corresponding increases and decreases in the valuation of plan assets, particularly equity securities, or in a change of the expected rate of return on plan assets. Any change in key actuarial assumptions, such as the discount rate, would impact the valuation of pension obligations, affecting the reported funded status of our pension plans as well as the net periodic pension cost in the following fiscal years. Any declines in the fair values of the pension plans' assets could require additional payments by us in order to maintain specified funding levels. Any decrease in interest rates will result in an increase of pension liabilities. Our pension plans are subject to legislative and regulatory requirements of applicable jurisdictions.

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

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

In the event that concerns around the economies and financial system of the Eurozone and the stability and sustainability of the euro are not resolved, it is possible that one or more countries may default on their debt obligations and/or cease using the euro and re-establish their own national currency or that the Eurozone may collapse. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations and for parties subject to other contractual provisions referencing the euro such as supply contracts would be determined by laws in effect at such time.

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

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

***Risks Relating to the Notes and Our Capital Structure***

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

We are, and after the issuance of the Notes will continue to be, significantly indebted and as of September 30, 2023, after giving *pro forma* effect to the Transactions, we would have had total consolidated loans and borrowings of € million as compared to total equity of €1,863.1 million. In addition, IHL and IGH have guaranteed indebtedness of our Unrestricted Subsidiary, INEOS China Holdings Limited, under the Rain Facilities with an aggregate principal amount of RMB 1,045 million and $785.0 million. We also would have had €540.8 million available for future borrowings under the unused portion of our Securitization Program. Our substantial indebtedness could have important consequences to holders of the Notes by adversely affecting our financial position including, but not limited to:

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

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

In addition, we may be able to incur substantial additional debt in the future, including indebtedness in connection with any future acquisition and indebtedness in connection with any inventory financing or similar arrangements. The terms of the Existing Indentures and the Senior Secured Term Loans Agreement permit, and the Indenture will permit, our subsidiaries to do so, in each case, subject to certain limitations. If new debt is added to our current debt levels, the risks that we now face could intensify. Moreover, some of the debt we may incur in the future could be structurally senior to the Notes, and may be secured by collateral that does not secure the Notes. For example, in connection with Project ONE, we entered into project financing agreements to fund the majority of the capital expenditure plus associated financing costs during construction. The indebtedness is secured by the Project ONE assets and, during the construction phase, supported by a debt service undertaking provided by IGH, IHL and INEOS US I Inc. The Project ONE assets will not form part of the Collateral that secures the Notes. See also "Description of Other Indebtedness—Project ONE Facilities" and "Description of Other Indebtedness—Project ONE Interim Facilities."

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

***Restrictive covenants and financial covenants in our debt instruments—We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities. We are also subject to financial covenants in certain of our debt instruments which require us to maintain minimum levels of financial performance. If we default under these covenants, we will not be able to meet our payment obligations.***

The Senior Secured Term Loans Agreement and the Existing Indentures contain, and the Indenture will contain, a number of significant covenants that restrict some of our and our subsidiaries' corporate activities, including our and their ability to:

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

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

Also, the Senior Secured Term Loans Agreement requires us and some of our subsidiaries to comply with certain affirmative covenants. See "Description of Other Indebtedness—Senior Secured Term Loans."

Our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under the Senior Secured Term Loans Agreement. This would permit the lenders to take certain actions, including declaring all amounts that we have borrowed under the Senior Secured Term Loans Agreement to be due and payable, together with accrued and unpaid interest. A failure to pay such amounts would also result in an event of default under the Existing Indentures and the Indenture. If we are unable to repay our debt to the lenders, they could proceed against the Collateral that secures the debt under the Senior Secured Term Loans Agreement, the Existing Notes, certain hedging liabilities and certain cash management liabilities, and the Notes. If the debt under our Senior Secured Term Loans Agreement, the Existing Notes or any other material financing arrangement that we enter into were to be accelerated, our assets may be insufficient to repay in full the Notes and our other debt.

Further, our other debt instruments may include maintenance financial covenants. For instance, our Unrestricted Subsidiary, INEOS China Holdings Limited as borrower is subject to financial covenants under the terms of the Rain Facilities, which are tested by reference to SECCO EBITDA, as well as net debt incurred by SECCO. IGH and IHL are both guarantors under the Rain Facilities. The EBITDA covenant is tested with effect from the 12-month period expiring December 31, 2023, while the net debt covenant is tested with effect from December 31, 2023. With SECCO's EBITDA being, as of the date of this offering memorandum, negative, INEOS China Holdings Limited may not be able to meet the financial covenants under the Rain Facilities, which would require us to make certain sinking fund payments to cure any default. If INEOS China Holdings Limited breaches any of these covenants and any such breaches are not cured, the lenders of the Rain Facilities may be permitted to take certain actions, including declaring all amounts that INEOS China Holdings Limited has borrowed (and IGH and IHL have guaranteed) under the Rain Facilities to be due and payable, together with accrued and unpaid interest. This may have an impact on our ability to continue to make payments in respect of the Notes when due. See also "Description of Other Indebtedness—Rain Facilities."

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

Unless the maturity date of the Securitization Program is extended, the Securitization Program will mature in December 2026. We satisfy a significant amount of our short-term liquidity needs with amounts available under the Securitization Program. While we have in principle agreed to terms with our securitization providers, our ability to refinance the Securitization Program could be affected by a number of factors, including volatility in the financial markets, contractions in the availability of credit, including in interbank lending, and changes in investment markets, including changes in interest rates, exchange rates and returns from equity, property and other investments. Our liquidity will be adversely affected if we are unable to refinance the Securitization Program on acceptable terms or at all, and we can provide no assurance we will be able to do so.

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

***No Revolving Credit Facility—We do not have a revolving credit facility, which may adversely affect our short-term liquidity.***

We do not have a revolving credit facility. While we believe we have sufficient cash on our balance sheet to meet our working capital needs, such amounts may not be sufficient. Should we require cash in an amount exceeding the cash available for cash collateralized letters of credit, our short-term liquidity will be adversely affected.

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

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

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

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

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

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

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

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

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

When issued, the Notes will only be guaranteed by the Initial Guarantors. We will agree in the Indenture to take such necessary actions to cause the Subsequent Guarantors to guarantee the Notes within 90 days from (and excluding) the Issue Date (the date of such Subsequent Guarantor guaranteeing the Notes being the "**Subsequent Guarantor Accession Date**"). There can be no assurance, however, that we will be successful in procuring such guarantees and liens within the time periods specified, the failure of which would result in an "event of default" under the Indenture. Liens on Collateral to be granted by the Issuer and the Initial Guarantors will (subject to certain limited exceptions) be granted on the Issue Date. We will agree in the Indenture to take such necessary actions so that no later than 90 days from (excluding ) the Issue Date, as specified in the Indenture, certain additional collateral that secures the Senior Secured Term Loans Agreement, the Existing Senior Secured Notes, certain hedging liabilities and certain cash management liabilities will be granted to secure the Notes (the "**Post-Closing Collateral**"). See also "Description of the Collateral and the Guarantees," "Limitations on Validity and Enforceability of the Guarantees and the Security Interests" and "—Guarantees and Collateral limitations—The guarantees and pledges of Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability."

***Finance Subsidiary Issuer—The Issuer is a finance company with no independent operations and is dependent on payments under the Notes Proceeds Loan to provide it with funds to meet its obligations under the Notes.***

The Issuer is a wholly-owned finance company that conducts no business operations. It has limited assets, no subsidiaries and a limited ability to generate revenues. Upon completion of the Offering, the only significant assets of the Issuer will be its rights under each of the Notes Proceeds Loan, the Existing Senior Secured Notes Proceeds Loans and the Senior Secured Term Loans Euro Proceeds Loans made by it to IHL. The Issuer's material liabilities will include the Notes, the Existing Senior Secured Notes, the euro-denominated Senior Secured Term Loans, the guarantee of obligations under the dollar-denominated Senior Secured Term Loans and any additional debt it may incur in the future.

As such, the Issuer will be dependent upon payments from IHL in order to make any payments under the Notes. If IHL fails to make scheduled payments on the Notes Proceeds Loan, the Existing Senior

Secured Notes Proceeds Loans or the Senior Secured Term Loans Euro Proceeds Loans, it is not expected that the Issuer will have any other sources of funds that would allow it to make payments on its indebtedness.

In addition, IHL is a holding company that conducts no independent business operations. The ability of our subsidiaries to make payments to IHL to fund payments on the Notes Proceeds Loan, the Existing Senior Secured Notes Proceeds Loans and the Senior Secured Term Loans Proceeds Loans, and the ability of our subsidiaries to make upstream payments in general, will depend upon their cash flows and earnings which, in turn, will be affected by all of the factors discussed in these "Risk Factors" and elsewhere in this offering memorandum.

The payment of dividends and the making, or repayment, of loans and advances to IHL by IHL's direct subsidiaries and such payments by its indirect subsidiaries to their respective parent entities are subject to various restrictions. Existing and future debt of certain of these subsidiaries may prohibit the payment of dividends or the making, or repayment, of loans or advances to IHL or its parent entities. The terms of the Intercreditor Deed also restrict certain intra-group payments (other than payments under the Notes Proceeds Loan, the Existing Senior Secured Notes Proceeds Loans and the Senior Secured Term Loans Proceeds Loans). In addition, the ability of any of IHL's direct or indirect subsidiaries to make certain distributions may be limited by the laws of the relevant jurisdiction in which the subsidiaries are organized or located, including financial assistance rules, corporate benefit laws and other legal restrictions which, if violated, might require the recipient to refund unlawful payments.

Although the Existing Indentures and the Senior Secured Term Loans Agreement limit, and the Indenture will limit, the ability of IHL's subsidiaries to enter into future consensual restrictions on their ability to pay dividends and make other payments to IHL, there are significant qualifications and exceptions to these limitations. We cannot assure you that arrangements with IHL's subsidiaries and the funding permitted by the agreements governing existing and future indebtedness of IHL's subsidiaries will provide IHL with sufficient dividends, distributions or loans to fund payments on the Notes Proceeds Loan, the Existing Senior Secured Notes Proceeds Loans and the Senior Secured Term Loans Euro Proceeds Loans when due. See "Description of Other Indebtedness" and "Description of the Notes."

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

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

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

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

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

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

The Notes and the guarantees thereof granted under the Indenture are secured by security interests in the same Collateral that secures the obligations under the Senior Secured Term Loans, the Existing Senior Secured Notes, certain hedging liabilities and certain cash management liabilities. The Collateral may also secure additional debt to the extent permitted by the terms of the Indenture, the Existing Senior Secured Notes Indenture, the Senior Secured Term Loans Agreement and the Intercreditor Deed, including certain hedging obligations and cash management arrangements. Your rights as a holder of the Notes to the Collateral would be diluted by any increase in the first-priority debt secured by the Collateral or a reduction of the Collateral securing the Notes.

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

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

If there is an event of default on the Notes, the holders of the Notes will be secured only to the extent of the value of the assets that have been granted as security for the Notes. Not all of the INEOS Group's assets secure the Notes. For example, in connection with Project ONE, we entered into project financing agreements to fund the majority of the capital expenditure plus associated financing costs during construction, which is secured by the Project ONE assets that will not form part of the Collateral that secures the Notes. In addition, the assets of our Unrestricted Subsidiaries, including the entities that own the Gemini assets and our Chinese joint venture interests, are not part of the Collateral. In addition, in the future, the obligations to provide additional guarantees and grant additional security over assets, whether as a result of the acquisition or creation of future assets or subsidiaries or otherwise, is subject to agreed security principles under the Indenture and, in certain circumstances, indirectly through the Senior Secured Term Loans Agreement, subject to certain other agreed security principles. To the extent that lenders under the Senior Secured Term Loans are granted security, the negative pledge in the Indenture may require such security to also be granted for the benefit of the holders of the Notes. The agreed security principles set forth in the Senior Secured Term Loans Agreement contain a number of limitations on the rights of the lenders to be granted security in certain circumstances. The operation of the agreed security principles may result in, among other things, the amount recoverable under any Collateral provided being limited or security not being granted or perfected over a particular type or class of assets. Accordingly, the agreed security principles may affect the value of the security provided by the Issuer and the Guarantors.

To the extent that the claims of the holders of the Notes exceed the value of the assets securing the Notes and other obligations, those claims will rank equally with the claims of the holders of all other existing and future senior unsecured indebtedness ranking *pari passu* with the Notes. As a result, if the value of the assets pledged as security for the Notes is less than the value of the claims of the holders of the Notes, those claims may not be satisfied in full before the claims of certain unsecured creditors are paid.

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

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

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

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

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

Our operating subsidiaries are separate and distinct legal entities and those of our subsidiaries that do not guarantee the Notes (including our Unrestricted Subsidiaries) have no obligation, contingent or otherwise, to pay any amounts due pursuant to the Notes or to make any funds available therefor, whether by dividends, loans, distributions or other payments, and do not guarantee the payment of interest on, or principal of, the Notes. Generally, claims of creditors of a non-Guarantor subsidiary, including trade creditors, and claims of any preferred stockholders of the subsidiary, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of its parent entity, including claims against IHL by the Issuer under the Notes Proceeds Loan, the Existing Senior Secured Notes Proceeds Loans and the Senior Secured Term Loans Euro Proceeds Loans and by noteholders under the guarantees. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of any of our non-Guarantor subsidiaries, the creditors of the Guarantors (including the holders of the Notes) will have no right to proceed against such subsidiary's assets and holders of their indebtedness and their trade creditors and preferred stockholders will generally be entitled to payment in full of their claims from the assets of those subsidiaries before any Guarantor, as direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary. As such, the Notes, each guarantee, the Notes Proceeds Loan, the Existing Senior Secured Notes Proceeds Loans and the Senior Secured Term Loans Euro Proceeds Loans are each structurally subordinated to the creditors (including trade creditors) and any preferred stockholders of our non-Guarantor subsidiaries. For example, in connection with Project ONE, we entered into project financing agreements to fund the majority of the capital expenditure plus associated financing costs during construction. See "Description of Other Indebtedness—Project ONE Facilities." The indebtedness will be secured by the Project ONE assets and, during the construction phase, supported by a debt service undertaking provided by IGH, IHL and INEOS US I Inc. The Project ONE assets will not form part of the Collateral that secures the Notes and are all held by non-Guarantors.

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

No later than 90 days after the Issue Date, the Notes will be secured by the same Collateral that secures the Senior Secured Term Loans and the Existing Senior Secured Notes. In addition, under the terms of the Indenture, we will be permitted in the future to incur additional indebtedness and other obligations that may share in the liens on the Collateral securing the Notes and the liens on the collateral securing our other secured debt.

The Intercreditor Deed provides that a common security trustee, who will serve as the Security Trustee for the secured parties under the Senior Secured Term Loans Agreement, the Existing Senior Secured Notes Indentures and the Indenture will (subject to certain limited exceptions) act with respect to the Collateral only at the direction of creditors holding a simple majority of the aggregate amount of outstanding first-priority secured debt (including the Notes, any additional notes, the Senior Secured Term Loans, the Existing Senior Secured Notes, certain hedging liabilities, certain cash management liabilities and any other senior secured notes or credit facilities that are permitted to be issued under the Indenture and that the trustees or lenders in respect thereof accede to the Intercreditor Deed) and only such creditors will be able to instruct the Security Trustee to enforce the security. No noteholder will have any separate right to enforce or to require the enforcement of the Collateral. See "Description of Other Indebtedness—Intercreditor Deed." As a result, the holders of the Notes will not be able to force a sale of such Collateral or otherwise independently pursue the remedies of a secured creditor under the relevant security documents for so long as any amounts under any other first priority senior secured debt (including the debt outstanding under the Senior Secured Term Loans, the Existing Senior Secured Notes and any other senior secured notes or debt that are permitted to be issued under the Indenture, and that the trustees or lenders in respect thereof accede to, the Intercreditor Deed) remains outstanding in an amount equal to or greater than 50% of the aggregate principal amount of the total first-priority senior secured debt. The creditors under the Senior Secured Term Loans and the holders of the Existing Senior Secured Notes may have interests that are different from the interests of holders of the Notes and they may not elect to pursue their remedies under the security documents at a time when it would otherwise be advantageous for the holders of the Notes to do so.

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

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

Further, the security interests in the Collateral that will constitute security for the obligations of the Issuer under the Notes and the Indenture will not be granted directly to the holders of the Notes, but rather to the Security Trustee on behalf of the holders of the Notes. The Indenture will also operate so-called "Parallel Debt" obligations to satisfy a requirement under the laws of Belgium, Germany, Switzerland and France (and any other applicable jurisdictions with similar requirements) that the Security Trustee, as grantee of certain types of Collateral, be a creditor of the relevant security provider or, in regard to Germany, the secured claim. The Parallel Debt is in the same amount and payable at the same time as the obligations of the Issuer and the Guarantors under the Indenture and the Notes (the "**Principal Obligations**"). Any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. Although the Security Trustee will have, pursuant to the Parallel Debt, a claim against the Issuer and the Guarantors for the full principal amount of the Notes, holders of the Notes bear some risks associated with a possible insolvency or bankruptcy of the Security Trustee. In addition, there is no assurance that such a structure will be effective before courts in the governing law jurisdictions of the security documents as there is no judicial or other guidance as to its efficacy, and therefore the ability of the Security Trustee to enforce the Collateral may be restricted. See "Limitations on Validity and Enforceability of the Guarantees and the Security Interests."

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

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

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

- in connection with any sale, assignment, transfer or other disposition of such Collateral (other than capital stock in Lux I) to a Person that is not the Parent, a Parent Intermediate Holdco (as defined under "Description of the Notes—Certain Definitions"), Lux I or a Restricted Subsidiary (as defined under "Description of the Notes—Certain Definitions") or, subject to certain requirements, to any other Person that is not the Issuer or a Guarantor, in each case, if the sale, assignment, transfer or other disposition does not violate the requirements described under "Description of the Notes—Certain Covenants—Limitation on Sale of Assets" or is otherwise permitted by the Indenture;
- if such Collateral is an asset of a Guarantor (other than the Parent any Parent Intermediate Holdco or Lux I) or any of its Subsidiaries (as defined under "Description of the Notes—Certain Definitions"), in connection with any sale, assignment, transfer or other disposition of capital stock of that Guarantor or Subsidiary (or of the capital stock of any direct or indirect parent company of such Guarantor or Subsidiary, in each case, other than the Parent, any Parent Intermediate Holdco, Lux I or the Issuer) as a result of which such Guarantor or such Subsidiary ceases to be a Restricted Subsidiary, if such sale, assignment, transfer or other disposition does not violate the requirements of the covenant set forth under "Description of the Notes—Certain Covenants—Limitation on Sale of Assets" or is otherwise permitted by the Indenture;
- in the case of any Guarantor that is released from its Guarantee (as defined under "Description of the Notes—Certain Definitions") pursuant to the terms of the Indenture, any Security Document (as defined under "Description of the Notes—Certain Definitions") or the Intercreditor Deed or any additional intercreditor deed (which release shall be of the liens on the property and assets, and capital stock, of such Guarantor);
- in connection with any Permitted Receivables Financing (as defined in the "Description of the Notes—Certain Definitions"), which release shall be of the liens on receivable assets transferred in connection therewith;
- if Lux I designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture (which release shall be of the liens on the property and assets, and capital stock, of such Restricted Subsidiary);
- upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as described under "Description of the Notes—Defeasance or Covenant Defeasance of Indenture" and "Description of the Notes—Satisfaction and Discharge";
- as described under "Description of the Notes—Modifications and Amendments" and "Description of the Notes—Certain Covenants—Limitation on Liens";
- in connection with an enforcement sale pursuant to or other sales contemplated and permitted by the Intercreditor Deed;
- in the case of any Collateral (other than any capital stock in Lux I), upon written notice by Lux I to the Trustee and the Security Trustee if the Collateral is intended to secure (A) Indebtedness incurred under certain capital lease obligations or purchase money obligations or other Indebtedness of the Parent, any Parent Intermediate Holdco, Lux I or any Restricted Subsidiary incurred for the purpose of financing all or any part of the acquisition, development, construction or improvement of real or personal, movable or immovable, property or assets (including Capital Stock) used or to be used in the business of Lux I and its Restricted Subsidiaries, or any refinancing of any such Indebtedness, or (B) Indebtedness incurred under any lines of credit, bilateral facilities, working capital or overdraft facilities or other operating facilities permitted to be incurred by the covenant described under "Description of the Notes—Certain Covenants—Limitation on Indebtedness"; *provided* that the Fair Market Value (as defined in "Description of the Notes—Certain Definitions") of all the Collateral released from liens under this provision of the Indenture (excluding any portion thereof to the extent Liens thereon are subsequently granted in favor of the Security Trustee, for the benefit of the holders of the Notes, and with the Fair Market Value of any property or assets being measured at the time of the release and without giving effect to subsequent changes in value) does not exceed €50.0 million in the aggregate;
- in the case of any Escrowed Proceeds (as defined in "Description of the Notes—Certain Definitions"), in accordance with the release provisions set forth in the applicable security documents creating liens thereon;

- with respect to liens on any Proceeds Loan (as defined under "Description of the Notes—Certain Definitions"), upon the payment in full or other discharge of such Proceeds Loan (including as a result of any merger or consolidation of the payor or the payee thereunder);
- to release and/or re-take any Lien on any Collateral to the extent otherwise permitted by the terms of the Indenture, the security documents governing the Collateral or the Intercreditor Deed or any additional intercreditor agreement;
- to the extent set forth in "Description of the Notes—Certain Covenants—Consolidation, Merger, Sale of Assets", in connection with any merger, consolidation, amalgamation, sale, assignment, conveyance, transfer or other disposition made in compliance with the covenant described under "Description of the Notes—Certain Covenants—Consolidation, Merger, Sale of Assets";
- in accordance with the covenant described under "Description of the Notes—Certain Covenants—Impairment of Security Interests";
- with respect to all Collateral upon the full and final payment and performance of all obligations of the Issuer under the Notes and the Indenture;
- in connection with a Permitted Reorganization (as defined in "Description of the Notes—Certain Definitions");
- in the case of a Guarantor that is released from its Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and Capital Stock, of such Guarantor;
- in connection with any inventory financing or similar arrangement incurred pursuant to clause (22) of the definition of Permitted Indebtedness (as defined in "Description of the Notes—Certain Covenants—Limitation on Indebtedness") (which release shall be of the Liens on the inventory and related assets transferred in connection therewith);
- if the Lien granted in favor of each of the Senior Secured Credit Facilities and the Existing Senior Secured Notes is released (only to the extent that there is no other Indebtedness secured by a Lien on the assets constituting such Collateral that would result in the requirement for the Notes and/or the Guarantees to be secured on such property or assets pursuant to the covenant described under the caption "Description of the Notes—Certain Covenants—Limitation on Liens", it being understood that the foregoing limitation will not be applicable to the extent that such Indebtedness is secured by a Permitted Lien, provided that, for the purposes of this provision only, clauses (a) and (bb) of the definition of "Permitted Liens" in the "Description of the Notes" shall not apply and clause (hh) of the definition of "Permitted Liens" in the "Description of the Notes" shall not apply to any Indebtedness that was outstanding on the Issue Date);
- in connection with the funding of, or by, German pension trusts or in respect of sale and leaseback transactions funded directly or indirectly by any such pension trusts;
- with respect to Liens on any Capital Stock of INEOS Belgium (as defined in "Description of the Notes—Certain Definitions" and the entity that owns the Project ONE companies), any of its Restricted Subsidiaries that is not a Guarantor, any other Restricted Subsidiary that is not a Guarantor or any Project Finance Entity (as defined in "Description of the Notes—Certain Definitions"), in connection with incurrence of Indebtedness by any such Restricted Subsidiary or any of its Restricted Subsidiaries or by any such Project Finance Entity; and
- in the case of any Collateral, upon written notice by the Company to the Trustee and the Security Trustee, if the release of the Lien on such Collateral is for bona fide purposes in connection with any commercial transaction, so long as the Fair Market Value of the Collateral being released does not exceed €2.5 million in the aggregate for any release or series of related releases (as defined in "Description of the Notes—Certain Definitions").

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

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

- with respect to any Subsidiary Guarantor, in connection with any sale, assignment, transfer (including any transfer to certain joint ventures) or other disposition of the capital stock of such Subsidiary Guarantor (or of the capital stock of any direct or indirect parent company of such Subsidiary Guarantor (other than the Parent, any Parent Intermediate Holdco, Lux I or the Issuer) that results in such Subsidiary Guarantor ceasing to be a Restricted Subsidiary, if such sale, assignment, transfer or other disposition does not violate the requirements of the covenant set forth under the heading "Description of the Notes—Certain Covenants—Limitation on Sale of Assets";
- with respect to any Subsidiary Guarantor, if such Subsidiary Guarantor is designated as an "Unrestricted Subsidiary" in accordance with the applicable provisions of the Indenture;
- with respect to any Guarantor, as provided under "Description of the Notes—Certain Covenants—Suspension of Covenants on Achievement of Investment Grade Status" or "—Certain Covenants—Limitation on Issuance of Guarantees of Indebtedness by Restricted Subsidiaries";
- with respect to any Guarantor, upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided under "Description of the Notes—Defeasance or Covenant Defeasance of Indenture" and "Description of the Notes—Satisfaction and Discharge";
- with respect to any Guarantor, as described under "Description of the Notes—Consolidation, Merger, Sale of Assets";
- with respect to any Guarantor, as described in clause (e) in the first paragraph under "Description of the Notes—Modifications and Amendments";
- with respect to any Subsidiary Guarantor that is an Immaterial Subsidiary (as defined under "Description of the Notes—Certain Definitions"), upon written notice from Lux I to the Trustee so long as no Event of Default has occurred and is continuing;
- with respect to any Subsidiary Guarantor, upon written notice from Lux I to the Trustee, so long as no Event of Default has occurred and is continuing; *provided* that, after giving effect to such release, the Consolidated EBITDA (as defined in the Senior Secured Term Loans Agreement) of the Issuer and the Guarantors is at least 85% of the Consolidated EBITDA of the Parent, Lux I and its Restricted Subsidiaries and the consolidated total assets of the Issuer and the Guarantors is at least 85% of the consolidated total assets of the Parent, Lux I and its Restricted Subsidiaries, in each case, calculated in accordance with, and in the manner provided by and subject to the same exceptions as those set forth in, the Senior Secured Term Loans Agreement as in effect on the Issue Date (after giving effect to the modifications included in Exhibit L-1 thereto);
- upon the full and final payment and performance of all obligations of the Issuer under the Notes and the Indenture; and
- with respect to any Guarantor, upon written notice from Lux I to the Trustee, as part of any Permitted Reorganization (as defined under "Description of the Notes—Certain Definitions").

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

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

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

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

***Enforcement in multiple jurisdictions—Enforcing your rights as a noteholder or under the guarantees granted under the Indenture or security across multiple jurisdictions may prove difficult.***

The Notes will be issued by the Issuer, a company incorporated under the laws of England and Wales, and will be guaranteed by the Guarantors, which are incorporated or organized under the laws of Belgium, Canada, England and Wales, Germany, Jersey, Luxembourg, Norway, Singapore, Switzerland and certain states in the United States. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in Belgium, England and Wales, Germany, Jersey, Luxembourg, Norway, Singapore, Switzerland and certain states in the United States. Proceedings could also be initiated in Canada, France or Scotland to enforce noteholders' rights against Collateral located in Canada, France or Scotland. Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. Your rights under the Notes, the guarantees and the Collateral will be subject to the insolvency and administrative laws of several jurisdictions and there can be no assurance that you will be able to effectively enforce your rights in such complex, multiple bankruptcy, insolvency or similar proceedings.

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

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

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

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

To the extent that holders of other secured debt or third parties enjoy liens (including statutory liens) or other prior ranking security interests, whether or not permitted by the Indenture, such holders or third parties may have rights and remedies with respect to certain Collateral securing the Notes and the guarantees that, if exercised, could reduce the proceeds available to satisfy the obligations under the Notes and the guarantees. In addition, certain security interests will, as a matter of local law, be granted as junior ranking security interests in relation to the security granted in respect of the Senior Secured Term

Loans and the Existing Senior Secured Notes. The existing first-ranking liens securing the Senior Secured Term Loans and the Existing Senior Secured Notes that were created under Luxembourg, Norwegian and New York law will remain in place and will extend to secure the Notes. In some jurisdictions, the Security Documents creating the existing first-ranking liens securing the Senior Secured Term Loans and the Existing Senior Secured Notes will be amended to extend such liens to the Notes (or, with respect to French and certain of the German security, junior ranking security interests will be granted). The existing first-ranking liens securing the Senior Secured Term Loans and the Existing Senior Secured Notes that were created under English law, Scottish law, Jersey law and Singapore law will remain in place, and new liens over the same Collateral will be created in these jurisdictions to secure the Notes. In these jurisdictions where new liens are created, the ranking of these new liens relative to the existing liens will, as a matter of general law, depend on a number of factors, such as the nature of the liens, the order of creation of the liens, compliance with the jurisdiction's perfection requirements with respect to the liens and the order of giving notices with respect to the liens, and accordingly without the Intercreditor Deed, the new liens would be likely to rank after the existing liens. Therefore, you may not be able to recover on such security interests or, in respect of security interests under German law, accessory security interests, because the beneficiaries of the senior ranking security interests will have a prior claim to all proceeds from the enforcement of the same, although the Intercreditor Deed provides for certain *pari passu* rules of allocation agreed as between the parties to it. See the specific local law security interests described under "Description of the Collateral and the Guarantees—Summary of the Collateral and the Guarantees and Collateral for the Notes," "Limitations on Validity and Enforceability of Guarantees and the Security Interests" and "Description of Other Indebtedness—Intercreditor Deed."

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

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

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

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

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

***Sufficiency of liens—We will not have the U.S. mortgage documents delivered at the Issue Date.***

In order to ensure that each of the U.S. mortgage liens secures the obligations under the Notes, several of the mortgages already existing on the Issue Date may need to be amended and searches in the real property records where the owned U.S. real property is located may need to be conducted. There can be no assurance as of the Issue Date that, among other things, (i) the U.S. mortgages definitively secure the obligations under the Notes, (ii) the U.S. real property encumbered by each mortgage includes all of the relevant U.S. property that it was intended to include, (iii) we own the rights to the owned properties that we purport to own in each mortgage and that our title to such owned U.S. real property is not encumbered by liens not permitted by the Indenture and (iv) no encroachments, adverse possession claims, or other restrictions exist with respect to such owned U.S. real properties which could result in a material adverse effect on the value or utility of such owned U.S. real properties.

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

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

***Perfection of security interests—Your rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.***

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

Prior to the renewal of certain registrations with the Belgian National Pledge Register on October 22, 2020 of security interests on the Belgian security, the liens on the Belgian security for the benefit of the Senior Secured Term Loans, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes and the Schuldschein Loan did not constitute, as a matter of Belgian law, first-ranking liens due to the failure of the security trustee under the Belgian security documents to renew certain registrations with the Belgian National Pledge Register.

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

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

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

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

- the relevant guarantee was incurred with actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor or, in certain jurisdictions, even when the recipient was simply aware that the Guarantor was insolvent when it granted the relevant guarantee;
- the Guarantor did not receive fair consideration or reasonably equivalent value for the relevant guarantee and the Guarantor was: (i) insolvent or rendered insolvent because of the relevant guarantee; (ii) undercapitalized or became undercapitalized because of the relevant guarantee; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;
- the relevant guarantees were held to exceed the corporate objects of the Guarantor or not to be in the best interests or for the corporate benefit of the Guarantor; or
- the amount paid or payable under the relevant guarantee was in excess of the maximum amount permitted under applicable law.

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

- the sum of its debts, including contingent liabilities, is greater than the fair value of all its assets;
- the present fair saleable value of its assets is less than the amount required to pay the probable liability on its existing debts and liabilities, including contingent liabilities, as they become due; or
- it cannot pay its debts as they become due.

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

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

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

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

The Issuer and certain of the Guarantors are incorporated under the laws of England and Wales. Therefore, any insolvency proceedings by or against the Issuer or such Guarantors would likely be based on English insolvency laws. IGH and certain of the other Guarantors are incorporated under the laws of Luxembourg. Therefore, any insolvency proceedings by or against IGH or such other Guarantors would likely be based on Luxembourg insolvency laws. The other Guarantors are incorporated or organized or have assets located in Belgium, Canada, France, Germany, Jersey, Norway, Scotland, Singapore, Switzerland and the United States. See "Limitations on Validity and Enforceability of the Guarantees and the Security

Interests" for a description of the insolvency and similar laws in Luxembourg, Belgium, Canada, England and Wales, France, Germany, Jersey, Norway, Scotland, Singapore, Switzerland and the United States, which could limit the enforceability of the guarantees and the security interests.

The procedural and substantive provisions of the insolvency and similar laws in many of the jurisdictions in which the Guarantors are organized are generally more favorable to secured creditors than comparable provisions of U.S. law and afford debtors and unsecured creditors only limited protection from secured creditors. The lenders under the Senior Secured Term Loans and the holders of the Existing Senior Secured Notes have, and the holders of the Notes will have, first ranking security on substantially all of the assets of IHL and substantially all of the assets of the Guarantors. As a result, after the enforcement of the assets securing the Senior Secured Term Loans, the Existing Senior Secured Notes or the Notes, the Senior Security Agent (as defined in the Intercreditor Deed) at the request of the senior creditors under the Intercreditor Deed whose senior credit participations constitute the simple majority in aggregate principal amount of the total senior credit participations will have effective control of and the right to direct the disposition of the assets of IHL and those subsidiaries.

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

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

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

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

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

- the liquidity of any market in the Notes;
- your ability to sell your Notes; or
- the prices at which you would be able to sell your Notes.

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

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

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

In addition, the Indenture will allow the Issuer to issue additional Notes in the future which could adversely impact the liquidity of the Notes.

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

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

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

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

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

Similarly, upon the occurrence of an Event of Default under the Indenture, unless and until definitive registered notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear, Clearstream or the DTC, as applicable. The Issuer cannot assure you that the procedures to be implemented through Euroclear, Clearstream or the DTC will be adequate to ensure the timely exercise of rights under the relevant Notes. See "Book-Entry; Delivery and Form."

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

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

***Interest rate risks—Certain of our borrowings bear interest at floating rates that could rise significantly, increasing our interest cost and reducing cash flow.***

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

***Changes or uncertainty in respect of EURIBOR, SOFR or other interest rate benchmarks may affect our sources of funding, increasing our interest cost and reducing cash flow.***

Some of our sources of funding are linked to EURIBOR, SOFR or other interest rate benchmarks. See "Description of Other Indebtedness—Senior Secured Term Loans." Various interest rate benchmarks are the subject of recent national and international regulatory guidance and proposals for reform, including the EU Benchmarks Regulation (Regulation (EU) 2016/1011). The Bank of England has established the Sterling Over Night Index Average rate (SONIA) as the primary sterling interest rate benchmark in replacement of sterling LIBOR, and the publication of the one-week and two-month LIBOR for U.S. dollars ceased immediately after December 31, 2021. In addition, immediately after June 30, 2023, publication of the overnight and 12-month LIBOR for U.S. dollars and the one-month, three-month and six-month LIBOR for U.S. dollars were discontinued, except, in the case of one-month, three-month and six-month LIBOR for U.S. dollars, on a synthetic basis through September 2024. As a result of these developments, the Senior Secured Term Loans Agreement was amended in November 2022 to accommodate the phase-out of LIBOR for U.S. dollars. Any further significant change to the setting or existence of EURIBOR, SOFR or other interest rate benchmarks could affect the ability of amounts available to us to meet our obligations under our sources of funding or could have a material adverse effect on the value or liquidity of, and the amount payable under, our sources of funding, including our ability to make payments on the Notes. The discontinuation of or changes in the manner of administration of EURIBOR, SOFR or other interest rate benchmarks could result in adjustment to the conditions applicable to our sources of funding or other consequences as relevant to our sources of funding including, without limitation, early redemption, discretionary valuation, delisting or other consequences. No assurance can be provided that relevant changes will not be made to EURIBOR, SOFR or any other relevant benchmark rate or that such benchmarks will continue to exist. Furthermore, under the Senior Secured Term Loans Agreement, the administrative agent and the borrowers are required to endeavor to amend the Senior Secured Term Loans Agreement to replace EURIBOR or SOFR with a replacement benchmark rate in certain circumstances such as if the administrator of EURIBOR or SOFR or the supervisor for the administrator of EURIBOR or SOFR announces that such administrator has ceased or will cease to provide the applicable benchmark rate, permanently or indefinitely, or if the supervisor for the administrator of EURIBOR or SOFR announces a specific date after which EURIBOR or SOFR shall no longer be used for determining interest rates for loans denominated in the applicable currency.

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

The Group or its subsidiaries may incur substantial additional debt. Prior to the maturity of the Notes, we will be required to refinance or repay certain other debt, including our obligations under the Senior Secured Term Loans Agreement and the Existing Indentures. In connection with the Group's financial strategy, the Group continually evaluates different financing alternatives, and the Group may decide to enter into new credit facilities, access the debt capital markets or incur other indebtedness from time to time. Any such offering or incurrence of debt will be made at the Group's election or the election of its relevant subsidiaries, and if such debt is in the form of securities, would be offered and sold pursuant to, and on the terms described in, an additional offering memorandum. The interest rate with respect to any such additional debt will be set at the time of the pricing or incurrence of such debt and may be less than or greater than the interest rate applicable to the Group's existing debt, including, in the case of a refinancing, the debt that is being refinanced, which would have a corresponding effect on the Group's net cash interest expense on a *pro forma* basis. In addition, the maturity date of any such additional debt will be set at the time of pricing or incurrence of such debt and may be earlier or later than the maturity date of the Group's existing debt. The other terms of such additional debt would be as agreed with the relevant lenders or holders thereof and could be more or less favorable than the terms of the Group's existing indebtedness. There can be no assurance that the Group will elect to raise any such additional debt or that any effort to raise such debt will be successful, and there can be no assurance as to the timing of such offering or incurrence, the amount or terms of any such additional debt. If the Group incurs new debt in addition to its current debt, the related risks that the Group now faces, even in a refinancing transaction, as described above and elsewhere in these "Risk Factors," could intensify. If we are unable to obtain new debt financing as needed, we would have to consider other options, such as selling assets; restructuring all or a portion of our debt before maturity; obtaining additional equity capital; foregoing opportunities such as acquisitions; or reducing or delaying our business activities and capital investments. For example, in connection with Project ONE, we entered into project financing agreements to fund the majority of the capital expenditure plus associated financing costs during construction. The indebtedness is secured by the Project ONE assets, that will not form part of the Collateral that secures the Notes, and, during the construction phase, supported by a debt service undertaking provided by IGH, IHL and INEOS US I Inc. In addition, in connection with our acquisition of the SECCO joint venture interest, our Unrestricted Subsidiary, INEOS China Holdings Limited, incurred RMB 1,045 million and $785.0 million of indebtedness, which is also guaranteed by IHL and IGH. See also "Description of Other Indebtedness—Project ONE Facilities" and "Description of Other Indebtedness—Rain Facilities."

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

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

## THE TRANSACTIONS

We intend to use the proceeds from the Offering, along with the proceeds from the New Senior Secured Term Loans, (i) to refinance a portion of existing secured debt up to €640,000,000; (ii) to pay the purchase price of US$700 million for the acquisition of LyondellBasell's ethylene oxide and derivatives business and the aggregate purchase price of €400 million for an INEOS affiliate's and TotalEnergies' cracker and derivative assets in Lavéra, France; (iii) for general corporate purposes, including to prefund Project ONE (being the INEOS Group's major capital investment in Antwerp, Belgium, which was announced on January 14, 2019) and (iv) to pay transaction fees and expenses. See "Use of Proceeds."

On or about the Issue Date, we expect to (i) draw the New Senior Secured Term Loans and (ii) make certain amendments to the Senior Secured Term Loans Agreement to reflect the New Senior Secured Term Loans and the evolving needs of the Group (the "**New Term Loan Borrowing**").

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

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

## USE OF PROCEEDS

The gross proceeds from the sale of the Euro Notes will be €        million and the gross proceeds from the sale of the Dollar Notes will be $        million. The proceeds of the Notes offered hereby, together with borrowings under the New Senior Secured Term Loans, will be applied (i) to refinance a portion of existing secured debt up to €640,000,000; (ii) to pay the purchase price of US$700 million for the acquisition of LyondellBasell's ethylene oxide and derivatives business and the aggregate purchase price of €400 million for an INEOS affiliate's and TotalEnergies' cracker and derivative assets in Lavéra, France; (iii) for general corporate purposes, including to prefund Project ONE (being the INEOS Group's major capital investment in Antwerp, Belgium, which was announced on January 14, 2019) and (iv) to pay transaction fees and expenses.

### Sources and Uses

The following table sets forth the expected estimated sources and uses of funds with respect to the Transactions. Actual amounts are subject to adjustments and may vary from estimated amounts depending on several factors, including differences from our estimates of fees and other expenses.

| Sources of Funds | (€ in millions)(1) | Uses of Funds | (€ in millions)(1) |
|---|---|---|---|
| Notes offered hereby(2) | | Purchase of the Tender Offer Notes(4) | 630 |
| New Senior Secured Term Loans(3) | | Financing of the Bayport Acquisition(5) | 640 |
| | | Financing of the Lavéra Acquisition(6) | 400 |
| | | Estimated transaction fees and expenses(7) | 30 |
| | | Cash to balance sheet, including to prefund Project ONE | 300 |
| **Total sources** | **2,000.0** | **Total uses** | **2,000.0** |

(1) Unless otherwise indicated, euro equivalents of U.S. dollar amounts are translated at an exchange rate of $0.9467 per €1.00, which is the exchange rate used for our balance sheet as of September 30, 2023. The Bloomberg Composite Rate on January 26, 2024, was $1.0853 per €1.00.

(2) Represents $        million principal amount of Dollar Notes and €        million principal amount of Euro Notes.

(3) Represents $        million principal amount of dollar-denominated New Senior Secured Term Loans and €        million principal amount of euro-denominated New Senior Secured Term Loans.

(4) Represents the aggregate purchase price (excluding accrued interest) of the Tender Offer Notes expected to be purchased in the Tender Offers. We assume a different acceptance rate in each Tender Offer, which is presented herein solely for illustrative purposes. The actual amounts accepted in each Tender Offer may vary substantially.

(5) Represents the purchase price of $700 million for the Bayport Acquisition. See "Summary—Recent Developments—Bayport Acquisition."

(6) Represents the aggregate purchase price of approximately €400 million for the Lavéra Acquisition. See "Summary—Recent Developments—Lavéra Acquisition."

(7) Includes underwriting discounts, fees and expenses of approximately €30 million.

## CAPITALIZATION

The following table sets forth our cash and cash equivalents and consolidated capitalization as of September 30, 2023, on (i) a historical basis, (ii) an adjusted basis after giving *pro forma* effect to the Post-Q3 Transactions, as if they had occurred on September 30, 2023, and (iii) on a further adjusted basis after giving *pro forma* effect to the Transactions. This table should be read in conjunction with "Presentation of Financial and Non-IFRS Information," "Use of Proceeds," "Operating and Financial Review and Prospects," "Description of Other Indebtedness" and the Consolidated Financial Statements and related notes thereto included elsewhere in this offering memorandum. Actual amounts may vary from estimated amounts depending on several factors, including differences from our estimate of fees and expenses, fluctuations in cash on hand between September 30, 2023, and the Issue Date and fluctuations in applicable exchange rates.

| | At September 30, 2023(1) | | |
|---|---|---|---|
| | **Actual** | **As Adjusted for the Post-Q3 Transactions(11)** | **As Further Adjusted for the Transactions** |
| | | **(€ in millions)** | |
| **Cash and cash equivalents(2)** | **2,219.9** | **1,969.9(12)** | **2,269.9** |
| **Loans and borrowings(3)** | | | |
| Existing Senior Secured Term Loans | 5,266.3(4) | 5,266.3 | 5,266.3 |
| New Senior Secured Term Loans(5) | — | — | |
| 2028 Senior Secured Notes | 802.3 | 802.3 | 802.3 |
| May 2026 Senior Secured Notes(6) | 770.0 | 770.0 | 557.0 |
| March 2026 Senior Secured Notes(6) | 325.0 | 325.0 | 112.0 |
| 2025 Senior Secured Notes(6) | 550.0 | 550.0 | 337.0 |
| Notes offered hereby(7) | — | — | |
| Securitization Program | 19.1 | 19.1 | 19.1 |
| Köln CoGen Facility | 81.0 | 81.0 | 81.0 |
| Rafnes Facility | 305.0 | 305.0 | 305.0 |
| Inventory Financing Facility | 170.5 | 170.5 | 170.5 |
| Project ONE Facilities | 522.0 | 522.0 | 522.0 |
| Project ONE Interim Facility | 85.0 | 85.0 | 85.0 |
| Other | 19.2 | 19.2 | 19.2 |
| Rain Facilities(8) | 878.6 | 878.6 | 878.6 |
| Gemini Term Loans(9) | 508.3 | 508.3 | 508.3 |
| **Total gross loans and borrowings** | **10,302.3** | **10,302.3** | **11,662.7** |
| Unamortized debt issuance costs | (330.9) | (330.9) | (360.9) |
| **Interest-bearing loans and borrowings** | **9,971.4** | **9,971.4** | **11,302.4** |
| **Total equity(10)** | **2,560.6** | **1,863.1** | **1,863.1** |
| **Total capitalization(11)** | **12,532.0** | **11,834.5** | **13,165.5** |

(1) Unless otherwise indicated, euro equivalents of U.S. dollar amounts are translated at an exchange rate of $1.0563 per €1.00, which is the exchange rate used for our balance sheet as of September 30, 2023. The Bloomberg Composite Rate on January 26, 2024, was $1.0853 per €1.00.

(2) Includes restricted cash used as collateral against bank guarantees and letters of credit. As of September 30, 2023, the outstanding amount of such obligations was €142.3 million.

(3) Loans and borrowings does not include lease liabilities of €1,144.2 million as of September 30, 2023.

(4) Represents €2,214.7 million and $3,223.4 million aggregate principal amount of Existing Senior Secured Term Loans, with a carrying value of €3,051.6 million-equivalent of Existing Senior Secured Term Loans denominated in euro and dollars.

(5) Represents €          million and $          million aggregate principal amount of New Senior Secured Term Loans.

(6) Assumes an aggregate purchase consideration of €630 million and a repurchase at 98.25 %, 99.25 % and 98.00 % for the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes and the 2025 Senior Secured Notes, respectively, equally split across tranches. The actual amounts accepted in each Tender Offer may vary substantially.

(7) Represents $          million principal amount of Dollar Notes and €          million principal amount of Euro Notes.

(8) Represents $785 million and RMB 1,044.7 million under the Rain Facilities, borrowed by an Unrestricted Subsidiary and guaranteed by IGH and IHL, entered into in connection with the Group's acquisition, through an Unrestricted Subsidiary, of a 50% interest in SECCO from Sinopec.

(9) Represents $536.9 million under the Gemini Term Loan Agreement entered into in connection with the acquisition of Gemini HDPE LLC, which is wholly owned by the Group through Unrestricted Subsidiaries.

(10) Includes the €697.5 dividend payable to INEOS Holdings Luxembourg S.A., of which €250.0 million was paid in cash with the rest being a non-cash payment against receivables.

(11) Total capitalization includes interest-bearing loans and borrowings and total equity.

(12) As adjusted amounts represent amounts as of September 30, 2023, as adjusted to give effect to the Post-Q3 Transactions cash dividend. As adjusted amounts do not give effect to any other subsequent developments.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables present the summary consolidated financial information and other financial information of INEOS Group Holdings S.A. as of and for each of the years ended December 31, 2022, 2021 and 2020, which have been extracted from the Audited Consolidated Financial Statements, included elsewhere in this offering memorandum. The Audited Consolidated Financial Statements were prepared in accordance with IFRS and have been audited by Deloitte Audit, *Société à responsabilité limitée*.

During 2022, the Group has re-presented receipts from derivative contracts of €257.8 million for the year ended December 31, 2021 and €0.7 million for the year ended December 31, 2020 which were previously presented as cash flows from investing activities, and are now shown net of payments on derivative contracts within interest paid and other finance items under cash flows from financing activities in the consolidated statement of cash flows of the 2022 Audited Consolidated Financial Statements. As a result, the financial line items "Net cash used in investing activities" and "Net cash from/(used in) financing activities" in the consolidated statement of cash flows for the years ended December 31, 2021 and 2020 are extracted from the unaudited comparative information included in the 2022 Audited Consolidated Financial Statements.

In addition, the following tables also present the summary unaudited condensed interim consolidated financial information and other financial information of INEOS Group Holdings S.A. as of September 30, 2023 and for the nine-month periods ended September 30, 2023 and September 30, 2022, which have been extracted from the Unaudited Interim Condensed Consolidated Financial Statements included elsewhere in this offering memorandum, unless otherwise indicated. The Unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34, the standard of IFRS applicable to interim financial statements.

The unaudited financial information for the 12 months ended September 30, 2023 is based on the Consolidated Financial Statements and has been prepared by subtracting the unaudited financial information of INEOS Group Holdings S.A. for the nine-month period ended September 30, 2022 extracted from the Unaudited Interim Condensed Consolidated Financial Statements from the corresponding financial information of INEOS Group Holdings S.A. for the year ended December 31, 2022 extracted from the 2022 Audited Consolidated Financial Statements and then adding the corresponding unaudited financial information of INEOS Group Holdings S.A. for the nine-month period ended September 30, 2023 extracted from the Unaudited Interim Condensed Consolidated Financial Statements.

The unaudited financial information for the 12 months ended September 30, 2023 has not been prepared in accordance with the requirements of Regulation S-X of the Securities Act, the EU Prospectus Regulation, the UK Prospectus Regulation or any generally accepted accounting standards. Such financial information has not been audited or reviewed in accordance with any generally accepted auditing standards. INEOS Group Holdings S.A.'s unaudited financial information for the 12 months ended September 30, 2023 has been prepared for illustrative purposes only and is not necessarily indicative of our results of operations for any future period and is not prepared in the ordinary course of our financial reporting.

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

| | For the year ended December 31, | | | For the nine-month period ended September 30, | | For the 12-month period ended September 30, |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2023 | 2022 | 2023 |
| | (€ in millions) | | | | | |
| **Income Statement:** | | | | | | |
| **Revenue** | **20,927.0** | **18,826.7** | **11,303.7** | **11,323.1** | **16,711.2** | **15,538.9** |
| Total cost of sales | (18,313.2) | (15,357.7) | (10,040.0) | (10,261.7) | (14,401.5) | (14,173.4) |
| **Gross profit** | **2,613.8** | **3,469.0** | **1,263.7** | **1,061.4** | **2,309.7** | **1,365.5** |
| Distribution costs | (209.1) | (215.1) | (207.4) | (164.2) | (153.3) | (220.0) |
| Total administrative expenses | (403.4) | (389.5) | (396.4) | (375.7) | (307.5) | (471.6) |
| **Operating profit** | **2,001.3** | **2,864.4** | **659.9** | **521.5** | **1,848.9** | **673.9** |
| Share of profit/(loss) of associates and joint ventures using the equity accounting method | 147.2 | (42.5) | (210.0) | (115.4) | 134.2 | (102.4) |
| Profit/(loss) on disposal of investments | 270.6 | — | 78.3 | (0.4) | — | 270.2 |
| (Loss)/profit on disposal of fixed assets | (0.6) | 0.3 | 1.1 | (0.4) | — | (1.0) |
| **Profit before net finance costs** | **2,418.5** | **2,822.2** | **529.3** | **405.3** | **1,983.1** | **840.7** |
| Net finance (costs)/income | (135.9) | (280.3) | 22.1 | (350.6) | (325.7) | **(160.8)** |
| **Profit before tax** | **2,282.6** | **2,541.9** | **551.4** | **54.7** | **1,657.4** | **679.9** |
| Tax (charge)/credit | (282.0) | (449.6) | 24.8 | (51.3) | (266.7) | (66.6) |
| **Profit for the year/period** | **2,000.6** | **2,092.3** | **576.2** | **3.4** | **1,390.7** | **613.3** |

| | For the year ended December 31, | | | For the nine-month period ended September 30, | |
|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2023 | 2022 |
| | (€ in millions) | | | | |
| **Summary Statement of Cash Flows:** | | | | | |
| Cash flows provided by/(used in): | | | | | |
| Operating activities | 2,740.7 | 2,738.7 | 1,886.2 | 1,275.3 | 2,023.3 |
| Investing activities | (2,590.0) | (897.7) | (1,554.4) | (2,258.7) | (1,113.3) |
| Financing activities | 305.3 | (1,207.3) | 97.1 | 549.7 | (580.6) |

| | As of December 31, | | | As of September 30, |
|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2023 |
| | (€ in millions) | | | |
| **Summary Balance Sheet:** | | | | |
| Property, plant and equipment | 9,013.0 | 8,274.2 | 7,636.2 | 9,616.9 |
| Cash and cash equivalents | 2,639.1 | 2,106.1 | 1,342.2 | 2,219.9 |
| Working capital[(1)] | 3,297.5 | 2,901.7 | 1,824.8 | 2,134.5 |
| Total assets | 19,914.4 | 17,081.4 | 13,832.1 | 21,519.2 |
| Total equity | 5,521.4 | 3,353.0 | 1,461.6 | 5,524.9 |
| Total interest-bearing loans and borrowings[(2)] | 8,753.8 | 7,739.3 | 7,581.8 | 9,971.4 |
| Total indebtedness[(3)] | 8,877.6 | 7,785.2 | 7,630.6 | 10,302.3 |
| Net debt[(4)] | 6,238.5 | 5,679.1 | 6,288.4 | 8,082.4 |

| | For the year ended December 31, | | | For the nine-month period ended September 30, | | For the 12-month period ended September 30, |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2023 | 2022 | 2023 |
| | (€ in millions) | | | | | |
| **Other Financial Information:** | | | | | | |
| EBITDA before exceptionals(5) | 2,840.6 | 3,616.2 | 1,535.0 | 1,233.8 | 2,448.7 | 1,625.7 |
| Depreciation, amortization and impairment | 835.1 | 760.7 | 866.2 | 712.3 | 599.8 | 947.6 |
| Net cash interest expense(6) | 227.9 | 213.3 | 208.2 | 405.4 | 153.7 | 479.6 |
| Capital expenditures(7) | 1,036.4 | 809.0 | 1,311.0 | 986.8 | 674.9 | 1,348.3 |

(1) Working capital represents net current assets (current assets less current liabilities).

(2) Total interest-bearing loans and borrowings represents net loans and borrowings after deducting debt issuance costs as presented in note 19 to each of the Audited Consolidated Financial Statements and note 11 to the Unaudited Interim Condensed Consolidated Financial Statements, included elsewhere in this offering memorandum.

(3) Total indebtedness represents gross non-current interest-bearing loans and borrowings plus gross current interest-bearing loans and borrowings before deduction of unamortized debt issuance costs. Under IFRS, debt issuance costs are deducted from the related debt amounts for the purposes of balance sheet presentation and are amortized over the life of the debt. See "Presentation of Financial and Non-IFRS Information."

(4) Net debt represents total indebtedness less cash and cash equivalents. See "Presentation of Financial and Non-IFRS Information."

(5) EBITDA before exceptionals represents profit for the period before net finance costs or income, tax charges or credits, depreciation, amortization and impairment, share of profit/(loss) of associates and joint ventures using the equity accounting method, profit/(loss) on disposal of investments, profit/(loss) on disposal of fixed assets, and exceptional items as defined in the Consolidated Financial Statements. In accordance with IFRS, we use both the FIFO and weighted average cost methods of accounting for purposes of determining our inventory cost in connection with the preparation of our audited annual consolidated financial statements. EBITDA before exceptionals is based on the FIFO and weighted average cost methods of accounting for inventory used in connection with the preparation of such financial information. EBITDA before exceptionals is derived from income statement line items calculated in accordance with IFRS on a historical cost basis. Although our EBITDA-based measures should not be considered a substitute measure for operating profit, profit, cash flows from operating activities or other measures of performance as defined by IFRS, we believe that they provide useful information regarding our ability to meet future debt service requirements. The EBITDA-based measure presented may not be comparable to similarly titled measures used by other companies. See "Presentation of Financial and Non IFRS Information." EBITDA before exceptionals includes the impact of IFRS 16 Leases. Excluding the impact of IFRS 16 Leases (of €241.2 million, reflecting €180.8 million in respect of the payment of the capital element of lease liabilities and €60.4 million in respect of interest expense payable on lease liabilities for the 12-month period ended September 30, 2023), our EBITDA before exceptionals for the 12-month period ended September 30, 2023 is €1,384.5 million. See "Presentation of Financial and Non-IFRS Information."

(6) Net cash interest expense comprises interest payable on senior notes, interest payable on bank loans and overdrafts and interest payable on securitization, less interest income on bank balances (2022: €27.0 million, 2021: €1.0 million, 2020: €2.5 million, nine-month period ended September 30, 2023: €61.3 million, nine-month period ended September 30, 2022: €10.0 million, 12-month period ended September 30, 2023: €78.3 million). See "Presentation of Financial and Non-IFRS Information."

(7) Capital expenditures represents payments to acquire property, plant and equipment as recorded on the consolidated cash flow statements for the periods indicated.

## OPERATING AND FINANCIAL REVIEW AND PROSPECTS

*The following discussion is based upon the Audited Consolidated Financial Statements and should be read in conjunction with the Audited Consolidated Financial Statements and related notes thereto included elsewhere in this offering memorandum. The 2022 Audited Consolidated Financial Statements, the 2021 Audited Consolidated Financial Statements and the 2020 Audited Consolidated Financial Statements were prepared in accordance with IFRS and have been audited by Deloitte Audit, Société à responsabilité limitée. The unaudited condensed consolidated interim financial information and other financial information of INEOS Group Holdings S.A. as of September 30, 2023, and for the nine-month periods ended September 30, 2023, and 2022, has not been audited and has been extracted from the Unaudited Interim Condensed Consolidated Financial Statements and related notes thereto, included elsewhere in this offering memorandum.*

*During 2022, the Group has re-presented receipts from derivative contracts of €257.8 million for the year ended December 31, 2021 and €0.7 million for the year ended December 31, 2020 which were previously presented as cash flows from investing activities, and are now shown net of payments on derivative contracts within interest paid and other finance items under cash flows from financing activities in the consolidated statement of cash flows of the 2022 Audited Consolidated Financial Statements. As a result, the financial line items "Net cash used in investing activities" and "Net cash from/(used in) financing activities" in the consolidated statement of cash flows for the years ended December 31, 2021 and 2020 are extracted from the unaudited comparative information included in the 2022 Audited Consolidated Financial Statements.*

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

### Overview

We are one of the world's largest chemical companies as measured by revenue. Our business has highly integrated world class chemical facilities and production technologies. We have leading global market positions for a majority of our key products and a strong and stable customer base. We currently operate 34 manufacturing sites in seven countries throughout the world. We are led by a highly experienced management team with, on a combined basis, over 100 years of experience in the chemical industry. As of September 30, 2023, our total chemical production capacity was approximately 25,000 kta, of which 57% was in Europe and 43% was in North America.

We operate our business through three segments: Olefins & Polymers Europe, Olefins & Polymers North America and Chemical Intermediates. The products we manufacture are derived from crude oil and natural gas, and include olefins, polymers and various petrochemical products directly or indirectly derived from olefins. Our products serve a broad and diverse range of end markets, including packaging, construction, automotive, white goods/durables, agrochemicals and pharmaceuticals.

Our highly integrated, world class production facilities and technological know-how allow us to process raw materials into higher value-added products. In Europe, we own two sites integrated with crackers and polymer units. Typically, these two sites account for approximately 76% of our European olefin and polymer volumes. The polyolefins plants on our two major sites in Europe normally receive more than 95% of their feedstock supply from our integrated crackers. Following the completion of the Lavéra Acquisition, we will also own the Naphtachimie steam cracker, which is one of Europe's largest with a capacity of 720 ktpa of ethylene. This cracker is integrated with the downstream derivative plants which make up the Lavéra Businesses. Similarly, in the United States, much of our olefin feedstock requirements for our polymer business is supplied by either our Chocolate Bayou cracker in Texas or by integrated third-party facilities, such as the Tesoro facility in Carson, California. The Bayport Acquisition site in Bayport, Texas, USA is also integrated with third-party facilities. We believe that with our highly integrated facilities we are able to capture attractive margins across the value chain, enjoy greater certainty of feedstock supply, reduce logistical costs, improve energy management and optimize our product slate.

We benefit from the cost advantages of operating large scale, well invested, highly integrated facilities strategically located near major transportation facilities and customer locations. Since January 1, 2007, we and our predecessors have invested approximately €12 billion (including investments in divested assets) in our production facilities to ensure that they operate efficiently, resulting in integrated, and state of the art production units. This includes significant investments of almost €3.6 billion in the last five years to further enhance our assets' capabilities. We believe these investments allow us to operate at lower cost and higher utilization rates than most of our competitors, and enable us to maintain positive margin and cash flows even during downturns in industry cycles or customer demand. For the 12-month period ended September 30, 2023, our revenue was €15.5 billion and our EBITDA before exceptionals was €1.6 billion.

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

Since April 1998, when INEOS was established with the acquisition of the Belgian "Oxide" assets from Inspec plc, we have significantly expanded, both through a series of strategic acquisitions of businesses and assets from major chemical companies, and through organic growth. The combination of INEOS and Innovene in December 2005 represented a transformational milestone for our company, providing global scale and further upstream integration.

In 2011, we transferred our Refining Business, our Entrepreneurial (Refining) Business and certain infrastructure assets to three joint ventures outside the INEOS Group. Please see "Business—Refining Divestiture, Grangemouth Divestiture and Lavéra Divestiture—The Refining Divestiture" for a further description of the disposal of our Refining Business and Entrepreneurial (Refining) Business.

In 2013, we completed the Grangemouth Divestiture to a newly created subsidiary of INEOS Holdings AG, our indirect parent company. See "Business—Refining Divestiture, Grangemouth Divestiture and Lavéra Divestiture—The Grangemouth Divestiture."

In 2014, we divested the olefins and polymers assets and Chemical Intermediates assets of the Lavéra site. See "Business—Refining Divestiture, Grangemouth Divestiture and Lavéra Divestiture—The Lavéra Divestiture."

In 2015, we completed the purchase of the remaining 50% interest in the Noretyl ethylene cracker at Rafnes, Norway from the INOVYN group (formerly the Kerling Group), a related party. In 2015, we also acquired aromatics and cumene assets from Axiall Corporation. The acquisition comprised the world's largest cumene plant in Pasadena, Texas. In addition, Axiall's phenol, acetone and alpha-methylstyrene business was transferred to the INEOS phenol facility at Mobile, Alabama.

In 2016, the Group acquired 100% of the shares of WLP Holding Corporation, one of the largest high density polyethylene (HDPE) pipe manufacturers in North America. Moreover, in 2016, following a strategic review of the INEOS Technologies business, we decided to cease marketing its polyolefins licensing technology externally and to transfer the remaining parts of the INEOS Technologies business to existing businesses within the Group to provide a clearer focus on individual product lines.

In 2019, the Group acquired the INESCO combined heat and power plant at the Antwerp site in Belgium.

In December 2020, the Group acquired the remaining 50% interest in the Gemini HDPE joint venture from Sasol Chemicals. The principal activity of the company is the production of high density polyethylene in La Porte, Texas, United States. The acquisition increased the Group's interest in Gemini to 100% through Unrestricted Subsidiaries (as defined in the Indentures and the Senior Secured Term Loans Agreement). Prior to the acquisition the Group reflected its 50% interest in Gemini as a joint venture. A Restricted Subsidiary (as defined in the Indentures and the Senior Secured Term Loans Agreement) of the Group is the operator of the facility and has the exclusive right to supply Gemini with the required components necessary for the production of a specified quantity of the HDPE products and to take such quantity of the HDPE products and, as compensation, pays a toll fee. See "Description of Other Indebtedness—Gemini HDPE Term Loans."

In December 2021, the Group acquired the assets of Charter Plastics in Titusville, United States, a manufacturer of high density polyethylene (HDPE) pipe products.

In the summer of 2022, the Group began construction of a new ethane steam cracker in Antwerp, Belgium, for the production of ethylene with a nameplate capacity of approximately 1,450 kta, along with associated utilities, tankage and infrastructure ("**Project ONE**"). We believe Project ONE is the largest investment in the European chemicals industry for the past 20 years and we expect it to be among the most efficient and sustainable of its kind. It is planned to be equipped with the best available technologies with a high efficiency in use of raw materials and energy, $CO_2$ emissions that are expected to be less than half of the currently best performing similar units in Europe from the outset and a clear path to carbon neutrality on a Scope 1 and Scope 2 basis within 10 years of start-up of the cracker. See also "Other Recent Developments," "Risk Factors—Future acquisitions or developments—Any future acquisitions or developments may prove difficult for us to consummate," "Risk Factors—Litigation—We are subject to certain risks related to litigation filed by or against us, and adverse results may harm our business" and "Business—Facilities—Project ONE."

In December 2022, the Group acquired for approximately RMB 10.5 billion, through an Unrestricted Subsidiary, a 50% interest in the Shanghai SECCO Petrochemical Company Limited facility in Shanghai, China ("**SECCO**"). The remaining 50% is owned by Sinopec and its affiliates. SECCO has a capacity of 4,200 kta of petrochemicals, including ethylene, propylene, polyethylene, polypropylene, styrene, polystyrene, acrylonitrile, butadiene, benzene and toluene. In August 2023, the Group acquired, through an Unrestricted Subsidiary, 50% interest in a joint venture with Sinopec which now holds a new petrochemical complex in Tianjin, China currently under construction by Sinopec (the "**Tianjin Nangang Ethylene Project**"). The Tianjin Nangang Ethylene Project is expected to be on-stream in the second half of 2024 and includes a new 500 kta HDPE (High-Density Polyethylene) plant.

On March 31, 2023, the Group completed the acquisition of the entire asset base of Mitsui Phenols Singapore Ltd from Mitsui Chemicals for a total consideration of $273.0 million, which was funded by cash on hand. The acquisition comprised the entire asset base of Mitsui Phenols on Jurong Island, Singapore, which has more than 1,000 ktpa of capacity, including for cumene, phenol, acetone, alpha-methylstyrene and bisphenol A. This acquisition allows us to support our global customers more effectively, developing new markets and relationships in Asia.

In July 2023, affiliates of the Group announced their intention to acquire TotalEnergies' 50% share of Naphtachimie (720 ktpa steamcracker), Appryl (300 ktpa polypropylene business), Gexaro (270 ktpa aromatics business) and 3TC (naphtha storage), currently 50:50 joint ventures between TotalEnergies and the Lavéra Businesses. The acquisition includes other infrastructure assets associated with the site, including full ownership of the southern sections of TotalEnergies' ethylene pipeline network running from Lavéra to the Lyon region. A 50% share of the central and northern sections, from the Lyon region to the Lorraine region, will be held equally TotalEnergies and an affiliate of the Group. A binding sale and purchase agreement (subject to customary conditions to completion) was signed in October 2023. The Group will, immediately prior to the acquisition of the TotalEnergies Lavéra Business, complete the Lavéra Reorganization, following which the acquisition of the TotalEnergies Lavéra Business will occur within the Group. The Lavéra Acquisition is subject to regulatory approval and satisfaction of other customary closing conditions and is expected to be completed in the first half of 2024.

In December 2023, the Group agreed with LyondellBasell to acquire its Ethylene Oxide and Derivatives business, including the Bayport Underwood site in Texas, USA for $700 million, which includes a 420 kt Ethylene Oxide plant, a 375 kt Ethylene Glycols plant, a 165 kt Glycol Ethers plant and all associated third-party activities on the site. The Bayport Acquisition is expected to be completed in the second quarter of 2024, subject to regulatory and other third-party approvals and satisfaction of other customary closing conditions.

***Key Factors Affecting Our Results of Operations***

Our results of operations are driven by a combination of factors affecting the petrochemical and chemical intermediate markets generally, including general economic conditions, prices of raw materials, global supply and demand for our products and environmental legislation, including climate change initiatives. Our results of operations are also impacted by company-specific structural and operational factors. Set forth below is an overview of the key drivers that have affected the historical results of operations, and are expected to affect our future results of operations.

*Supply and Demand in the Petrochemical Industry*

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

After a sharp drop in operating rates as a result of demand destruction during the COVID-19 pandemic, and excessive capacity addition in Asia, NexantECA's analysis of the global supply and demand for ethylene indicates that the rate of capacity addition will exceed consumption growth in the near term. Operating rates fell by three percentage points to 87% in 2020, remained flat at this level through 2021, and were further depressed by heavy capacity addition and weak demand growth in 2022. While the effect of higher energy, commodity and borrowing costs resulting from the conflict in Ukraine was mostly negative regarding demand for ethylene derivatives in 2022, the withdrawal of Western technology licensors from Russia has significantly reduced near-term capacity growth in Russia. NexantECA forecasts that capacity addition peaked in 2022, and capacity addition over 2024-2025 will be around 50 percent lower. NexantECA notes that the pressure on operating rates and margins will be more severe in Asia, where the capacity addition is concentrated, than in Europe or the United States. Nevertheless, the rate of margin recovery in the petrochemical industry is highly dependent on the actual speed of global macro-economic growth. In addition to the global petrochemical cycle, margins are also susceptible to potentially significant swings in the short term. This volatility, which may be global or isolated in individual regions, can be caused by a number of factors, including fluctuations in utilization rates due to planned or unplanned plant outages, political and economic conditions driving rapid changes in prices for key feedstocks, exchange rate fluctuations and changes in inventory management policies by petrochemical customers (such as inventory building or de-stocking in periods of expected price increases).

*Asset Utilization*

Our results of operations are materially influenced by the degree to which we utilize our assets in order to achieve maximum production volumes. As a low-cost producer, we believe in operating our facilities at full capacity. We believe this allows us to maintain positive margins and cash flows, even during downturns in industry cycles or customer demand, more readily than some of our competitors who have higher production costs. We intend to achieve growth in production volume by improving utilization rates within the defined availability of an asset, improving availability of an asset by minimizing planned and unplanned facility downtime and improving capacity of an asset through de-bottlenecking projects.

For example, the number and length of turnarounds (scheduled outages of a unit in order to perform necessary inspections and testing to comply with industry regulations and to permit us to carry out any maintenance activities that may be necessary) carried out in any given period can impact operating results.

When possible, we seek to schedule the timing of turnarounds to coincide with periods of relatively low demand for the products of the relevant units. Olefins crackers typically undergo major turnarounds every four or five years, with each turnaround lasting four to six weeks. Turnarounds for polymers and derivatives units are more frequent, typically every one to two years, but generally last only seven to 10 days. Likewise, unplanned outages, such as the incident on a pipeline in Chocolate Bayou in 2023, the freezing weather conditions in Texas during the latter part of the first quarter of 2021 and the outages at our Green Lake and Seal Sands sites in 2019, can impact our operating results, even if such outages are covered by insurance. Similarly, planned or unplanned outages of our competitors can positively affect our operating results by decreasing the supply of product in the market.

*Oil and Gas Price Movements*

Feedstock costs are a significant component of the operating costs of our petrochemical business. The costs of the feedstocks we require to make our petrochemical products (naphtha, ethane, butane and propane) are principally driven by the price of oil and natural gas. According to the U.S. Energy Administration, the spot price for Brent crude oil decreased from approximately $92 per barrel in January 2008 to approximately $78 per barrel in December 2023, while the natural gas Citygate price in Texas decreased from $8.23 per thousand cubic feet in January 2008 to $3.78 per thousand cubic feet in October 2023. During 2022 the crude oil price rapidly increased, reaching a high of approximately $123 per barrel in June before finishing the year at approximately $81 per barrel as compared to approximately $74 per barrel at the end of 2021. During 2023 the crude oil price reached a high of approximately $94 per barrel in September before finishing the year at approximately $78 per barrel as compared to approximately

$81 per barrel at the end of 2022. The average price of crude oil, and thus the price of petrochemical products, increased to an average of approximately $101 per barrel in 2022 as compared to an average of approximately $82 per barrel for the year ended December 31, 2023.

Our ability to pass on price increases for crude is limited due to the impact of time lags resulting from the repricing intervals of our contracts with suppliers and customers, particularly in the petrochemical business. While most of our feedstock contracts reprice daily, our contracts with customers generally reprice on a monthly basis. A further limitation is that many of our customers take advantage of fluctuating prices by building inventories when they expect product prices to increase and reducing inventories when they expect prices to decrease. The effect of these time lags and our customers' inventory management policies on our ability to pass through feedstock price increases is magnified in periods of high volatility. In addition, changes in oil and gas prices have a direct impact on our working capital levels and on inventory losses, especially in the event of a sudden decrease in oil and gas prices. While negatively affecting our EBITDA before exceptionals, these inventory losses and cost of sales adjustments are non-cash in nature. In general, increases in feedstock prices lead to an increase in our working capital and decreases in feedstock prices lead to a decrease in our working capital.

*Implementation of Cost Reduction*

We have historically focused on implementing our strategies of reducing costs by making rapid reductions in underlying fixed costs and implementing an efficient corporate and management structure and maximizing the utilization of our assets. Our ability to continue to reduce costs will impact, among other things, our profitability and capacity plans.

*Debt Structure*

As of September 30, 2023, we had €10,302.3 million (including €508.3 million of debt under the Gemini HDPE term loan facility and €878.6 million of debt under the Rain Facilities) (December 31, 2022: €8,877.6 million (including €521.0 million under the Gemini HDPE term loan facility and €632.8 million under the Rain Facilities) of outstanding indebtedness. Our future results of operations, and in particular our net finance charges, will be significantly affected by the amount of our outstanding indebtedness, including the interest we pay on our indebtedness. The servicing of this indebtedness will impact, among other things, our cash flows and our cash balance.

In February 2023, the Group issued €400.0 million Senior Secured Notes due 2028 and $425.0 million Senior Secured Notes due 2028 and new euro-denominated Senior Secured Term Loans of €700.0 million and U.S. dollar-denominated Senior Secured Term Loans of $1,200.0 million.

As part of the Group's purchase of the 50% interest in the SECCO joint venture in Shanghai, China from Sinopec on December 31, 2022, the Group entered into the Rain Facilities, consisting of term loan facilities of RMB 1,045 million and $525.0 million, maturing June 2026. In April 2023, the Group successfully completed a syndication of the term loan facilities. As part of the syndication, which increased the number of lenders to 10, the term loan facilities were increased to RMB 1,045 million and $785.0 million.

In addition, on December 22, 2022, the Group entered into project financing agreements in connection with Project ONE to borrow loans of up to €3.5 billion under the Project ONE Facilities to fund the majority of the capital expenditure plus associated financing costs during construction. On July 20, 2023 the Group received a decision from the Council for Permit Disputes annulling the permit for Project ONE. As a result of the annulment of the permit, further drawings were suspended from that date. On January 7, 2024, a new permit was issued. We expect the drawstop to be lifted on or around February 22, 2024, the date that is 45 days after the new permit was granted. In September 2023, the Group entered into the Project ONE Interim Facility providing for loans in an aggregate principal amount of €400 million which is partially guaranteed by Gigarant (a special purpose vehicle of the Flemish government). This is a short dated facility repayable within 364 days. The Group expects to repay the Project ONE Interim Facility from borrowings under the Project ONE Facilities once the drawstop is lifted.

In November 2022, the Group raised €800 million of Senior Secured Term Loans which were partly used to redeem a portion of the euro-denominated Senior Secured Term Loans due 2024. Additionally the Group raised $1.2 billion of Senior Secured Term Loans which were partly used to redeem a portion of the U.S. dollar-denominated Senior Secured Term Loans due 2024. In November 2021, the Group raised €1.1 billion of Senior Secured Term Loans which were used to fully redeem the outstanding Senior Notes due 2024.

In December 2020, as part of the Group's purchase of the remaining 50% interest in the Gemini HDPE plant in Texas, United States, from Sasol Chemicals the Group amended and upsized the existing Gemini Term Loan facility within the acquired legal entity, an Unrestricted Subsidiary. The amended loan facility was upsized to $600 million and the maturity extended to October 31, 2027. A Restricted Subsidiary of the Group is the operator of the HDPE plant and has the exclusive right to supply Gemini with the required components necessary for the production of a specified quantity of the HDPE products and to take such quantity of the HDPE products and, as compensation, pays a toll fee. See "Description of Other Indebtedness—Gemini HDPE Term Loans."

In October 2020, the Group issued €325 million Senior Secured Notes due March 2026 and new euro-denominated Senior Secured Term Loans of €375 million which mature on October 27, 2027.

*Foreign Exchange Rate Fluctuations*

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

Our reporting currency is the euro, and our results of operations will be impacted by the relative strength of the euro against other currencies, including the U.S. dollar and the British pound. In the first half of 2020, the value of the euro relative to the U.S. dollar decreased in the context of the COVID 19 outbreak before increasing again during the second half of 2020 and throughout the first half of 2021, before decreasing again during the second half of 2021 and most of 2022, until a slight recovery at the end of the year with periods of volatility in 2023 (although remaining below the peak 2022 levels and above 2021 levels).

*Environmental Considerations*

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

*COVID-19*

Our results of operations were, and may in the future be affected by the COVID-19 pandemic and subsequent variants of COVID-19. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic and there is elevated concern globally about the impact that the COVID-19 crisis will have on the global economy. While the Group produces a variety of chemicals which are used in the production of medical equipment, including face masks, ventilators, gloves, eye visors and anti-bacterial hand gel, and are also widely used in food packaging with respect to which demand has increased due to COVID-19, demand for durables such as for use in the automotive and construction industry declined in 2020 before recovering in 2021.

For example, sales volumes were approximately 2% lower in the year ended December 31, 2020 as compared to the same period in 2019 as the COVID-19 virus pandemic impacted demand across all regions, as numerous countries entered lockdowns throughout 2020. The biggest decrease was in the Chemical Intermediates segment as volumes were adversely impacted by lower market demand. The Group's results were also adversely impacted by the sharp fall in raw material costs which led to significant inventory holding losses during 2020. Nevertheless, demand for packaging, medical, food and cleaning applications was strong, largely offsetting the automotive and construction downturn as a result of the COVID-19 pandemic.

In early March 2020, the Group developed contingency plans for the COVID-19 pandemic, with the primary objectives of maintaining the safety of personnel and the reliable operation of the Group's plants. This resulted in a number of changes to standard working practices and shift patterns to reduce personnel on site to those defined as operationally critical in order to adhere to social distancing rules in line with local government advice.

Any safety critical activity was formally risk assessed to take cognizance of additional controls necessary to protect core personnel from COVID-19, hence safeguarding safety critical work at all times. The Group implemented a number of measures to conserve cash during 2020, including:

- implementing policies to control all discretionary fixed costs and halting all non-essential recruitment;
- reviewing all capital projects in each of the businesses and taking decisions to defer or reduce discretionary expenditure where it was safe to do so, and delaying planned site maintenance turnarounds where possible; and
- applying for corporate tax refunds and deferrals where available.

Throughout the pandemic all of the Group's plants continued to operate fully and supply chains operated without significant disruption. Protecting employees and ensuring that they remained healthy was the first priority of the Group. All plants had sufficient resources and implemented measures to ensure that this remained the case throughout the pandemic.

**Results of Operations**

The consolidated financial information of INEOS is prepared in accordance with IFRS. The income statement data for the years ended December 31, 2022, December 31, 2021 and December 31, 2020 and the nine-month periods ended September 30, 2023 and September 30, 2022 represent the consolidated results of the Group.

***Description of Key Line Items***

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

- *Revenue.* Group revenue represents the invoiced value of products sold or services provided to third parties net of sales discounts and value-added taxes. It also excludes our share of joint venture revenue. The pricing for products sold is determined by market prices (market contracts and arrangements) or is linked by a formula to published raw material prices plus an agreed additional amount (formula contracts). Services provided to third parties include administrative and operational services provided to other chemical companies with units on our sites, and services under tolling arrangements. Under tolling arrangements, customers pay for or provide raw materials to be converted into a certain specified product, for which we charge a toll fee.
- *Cost of sales and cost of sales before exceptional items.* Cost of sales and cost of sales before exceptional items include fixed and variable production costs. Such production costs typically include the costs of raw materials, packaging, utilities, direct wages and salaries, repairs and maintenance, waste disposal and effluent treatment, consumables, attributable depreciation charges and directly attributable overheads, including wages and salaries, depreciation charges and overheads that are attributable to production. Fixed costs included in the cost of sales are rent, depreciation, repairs and maintenance, while variable costs include raw materials, packaging, consumables and wages and salaries.
- *Exceptional impairment charge.* Exceptional impairment charge is an expense which, because of its size or nature, is disclosed to give a proper understanding of the underlying results for the period. These expenses are mainly related to the impairment of property, plant and equipment. For the periods under review, this relates to the termination of work at a site in Belgium.
- *Distribution costs.* Distribution costs typically include the costs of warehousing, carriage and freight, together with sales and distribution wages and salaries and depreciation on property, plant and equipment used for sales and distribution.
- *Administrative expenses and administrative expenses before exceptional items.* Administrative expenses and administrative expenses before exceptional items typically include indirect wages and salaries and indirect overheads. Indirect overheads would include such items as insurance costs, legal and professional fees and office supplies. Administrative expenses before exceptional items

also include the depreciation of property, plant and equipment not directly attributable to production or sales and distribution.

- *Exceptional administrative gains/(expenses).* Exceptional administrative gains/(expenses) are those gains/(expenses) which, because of their size or nature, are disclosed to give a proper understanding of the underlying results for the period. These gains/(expenses) are mainly related to closure and demolition costs, business restructuring and the provision for severance payments.
- *Share of profit/(loss) of associates and joint ventures using the equity accounting method.* Share of profit/(loss) of associates and joint ventures using the equity accounting method relates to the results from the investment in associated undertakings and joint ventures. For the periods under review, this includes the Group's share in the Refining Business JV through its shares in INEOS Investments. These shares were sold to a related party in December 2022. In 2023, this also includes the Group's share of losses from the SECCO joint venture with Sinopec which we acquired, through Unrestricted Subsidiaries, in December 2022.
- *Profit/(loss) on disposal of investments.* Profit/(loss) on disposal of investments relates to the profit/(loss) from the disposal of associates and joint ventures.
- *Finance income and Total finance income.* Finance income and Total finance income include interest receivable on funds invested, expected return on defined benefit pension plan assets, net fair value gain on derivatives and net foreign exchange gains.
- *Finance costs and finance costs before exceptional items.* Finance costs and finance costs before exceptional items include interest payable, finance charges on finance leases, unwinding of the discount on provisions, net fair value losses derivatives and foreign exchange losses.
- *Exceptional finance costs.* Exceptional finance costs are those costs which, because of their size or nature, are disclosed to give a proper understanding of the underlying results for the period. These costs are mainly related to call premia and the write-off of unamortized debt issue costs following modification or redemption of debt.

***Nine-Month Period Ended September 30, 2023 Compared to Nine-Month Period Ended September 30, 2022***

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

| | Nine-Month Period Ended September 30, | | | |
|---|---|---|---|---|
| | 2023 | | 2022 | |
| | €m | % | €m | % |
| **Revenue** | **11,323.1** | **100.0%** | **16,711.2** | **100.0%** |
| Cost of sales | (10,261.7) | (90.6%) | (14,401.5) | (86.2%) |
| **Gross profit** | **1,061.4** | **9.4%** | **2,309.7** | **13.8%** |
| Distribution costs | (164.2) | (1.5%) | (153.3) | (0.9%) |
| Administrative expenses | (375.7) | (3.3%) | (307.5) | (1.8%) |
| **Operating profit** | **521.5** | **4.6%** | **1,848.9** | **11.1%** |
| Share of (Loss)/profit of associates and joint ventures using the equity accounting method | (115.4) | (1.0%) | 134.2 | 0.8% |
| Loss on disposal of investments | (0.4) | 0.0% | — | 0.0% |
| Loss on disposal of property, plant and equipment | (0.4) | 0.0% | — | 0.0% |
| **Profit before net finance costs** | **405.3** | **3.6%** | **1,983.1** | **11.9%** |
| Finance income | 176.5 | 1.6% | 56.0 | 0.3% |
| Finance costs before exceptional items | (518.6) | (4.6%) | (381.7) | (2.3%) |
| Exceptional finance costs | (8.5) | (0.1%) | — | 0.0% |
| **Profit before tax** | **54.7** | **0.5%** | **1,657.4** | **9.9%** |
| Tax charge | (51.3) | (0.5%) | (266.7) | (1.6%) |
| **Profit for the period** | **3.4** | **0.0%** | **1,390.7** | **8.3%** |

***Consolidated Results***

*Revenue.* Revenue decreased by €5,388.1 million, or 32.2%, to €11,323.1 million in the nine-month period ended September 30, 2023 as compared to €16,711.2 million for the same period in 2022. The decrease in revenues was driven primarily by lower volumes and a decrease in selling prices. Overall sales volumes for the Group were approximately 12% lower in the nine-month period ended September 30, 2023 as compared to the same period in 2022. The decrease in selling prices followed the decrease in crude oil prices, which decreased to an average of $82/bbl for the nine-month period ended September 30, 2023 as compared to $105/bbl in the same period in 2022.

*Cost of sales.* Cost of sales decreased by €4,139.8 million, or 28.7%, to €10,261.7 million in the nine-month period ended September 30, 2023 as compared to €14,401.5 million for the same period in 2022. The decrease in cost of sales was largely due to lower volumes and the decrease in crude oil prices, which has meant lower feedstock prices across the Group in the nine-month period ended September 30, 2023, as compared to the same period in 2022.

*Gross profit.* Gross profit decreased by €1,248.3 million, or 54.0%, to €1,061.4 million in the nine-month period ended September 30, 2023, as compared to €2,309.7 million for the same period in 2022. During the nine-month period ended September 30, 2023 high energy costs, particularly in Europe, and continued high inflation rates have led to reduced demand levels and erosion of margins from the previous strong performance in the same period in 2022. The decrease in profitability was driven by lower margins, inventory holding losses and a decrease in volumes which were approximately 12% lower in the nine-month period ended September 30, 2023 as compared to the same period in 2022. The profitability of the O&P North America business decreased due to lower volumes and a decrease in margins. Ethylene markets were weaker in the nine-month period ended September 30, 2023 as compared to the same period in 2022 with lower demand, improved industry supply availability and reduced export opportunities. Polymer markets were softer with erosion of margins for most products during 2023, although pipe markets remained solid. O&P North America sales volumes in 2023 were adversely impacted by an incident on a pipeline at the O&P North America Chocolate Bayou, Texas facility, which resulted in reduced operating rates and the adverse impact of a tornado event at the Battleground, Texas site. The O&P Europe business also experienced a decrease in volumes which was partially offset by higher margins in the nine-month period ended September 30, 2023. The market for olefins in the nine-month period ended September 30, 2023 was generally weaker than the same period in 2022, with most industry crackers being trimmed across Europe. Propylene markets were long with weak demand across most derivatives in 2023 due to high energy costs which adversely impacted the economics of all derivatives. European polymer markets were weaker with reduced demand and increased levels of imports in the nine-month period ended September 30, 2023 as compared to the same period in 2022. The increase in margins was driven by the Trading and Shipping business which experienced higher margins in the nine-month period ended September 30, 2023 as compared to the same period in 2022. The O&P segments were also adversely impacted by inventory holding losses of approximately €82 million in the nine-month period ended September 30, 2023, as compared to inventory holding gains of €56 million in the same period in 2022. Chemical Intermediates experienced a decline in profitability in the nine-month period ended September 30, 2023 as compared to the same period in 2022 as all businesses experienced a decrease in volumes in the nine-month period ended September 30, 2023 as compared to the same period in 2022 with volumes in the Oxide business being adversely impacted by an incident on a supplier pipeline at the Plaquemine, Louisiana site where a force majeure was declared.

*Distribution costs.* Distribution costs increased by €10.9 million, or 7.1%, to €164.2 million in the nine-month period ended September 30, 2023 as compared to €153.3 million for the same period in 2022. The increase in distribution costs reflected inflationary pressures on freight costs which was only partially offset by lower sales volumes in the period.

*Administrative expenses.* Administrative expenses increased by €68.2 million, or 22.2%, to €375.7 million in the nine-month period ended September 30, 2023 as compared to €307.5 million for the same period in 2022, mainly as a result of inflationary cost pressures and a one-off impairment of intangible fixed assets within the O&P North America business of €26.1 million. In addition the Group had higher other operating expenses in the nine-month period ended September 30, 2023, as compared to the same period in 2022.

*Operating profit.* Operating profit decreased by €1,327.4 million, or 71.8%, to €521.5 million in the nine-month period ended September 30, 2023 as compared to €1,848.9 million for the same period in 2022.

*Share of profit/(loss) of associates and joint ventures using the equity accounting method.* Share of (loss)/profit of associates and joint ventures was a loss of €115.4 million in the nine-month period ended September 30, 2023 as compared to a profit of €134.2 million for the same period in 2022. The share of loss from associates and joint ventures in the nine-month period ended September 30, 2023 primarily reflected the Group's share of losses from the SECCO joint venture with Sinopec which was acquired in December 2022. The share of profit from associates and joint ventures in the nine-month period ended September 30, 2022 primarily reflected the Group's share of the results of the Refining joint venture with PetroChina. On December 23, 2022 the Group disposed of its non-voting ordinary shares in INEOS Investments to INEOS Limited, a related party, with an effective date of November 30, 2022, so after this date the Group no longer had any economic interest in the Refining joint venture.

*Loss on disposal of investments*. There was a loss on disposal of investments of €0.4 million in the nine-month period ended September 30, 2023.

*Loss on disposal of property, plant and equipment*. There was a loss on disposal of property, plant and equipment of €0.4 million in the nine-month period ended September 30, 2023.

*Profit before net finance costs.* Profit before net finance costs decreased by €1,577.8 million, or 79.6%, to €405.3 million in the nine-month period ended September 30, 2023 as compared to €1,983.1 million for the same period in 2022.

*Finance income.* Finance income increased by €120.5 million, or 215.2%, to €176.5 million in the nine-month period ended September 30, 2023 as compared to €56.0 million for the same period in 2022. The income in the nine-month period ended September 30, 2023 primarily related to interest income from loans to related parties, including INEOS Upstream and INEOS Industries, together with higher interest rates on cash balances held by the Group.

*Finance costs before exceptional items.* Finance costs before exceptional items increased by €136.9 million, or 35.9%, to €518.6 million in the nine-month period ended September 30, 2023 as compared to €381.7 million for the same period in 2022. The increase in finance costs for the nine-month period ended September 30, 2023 reflected the higher level of indebtedness and higher interest costs on the Group's variable rate debt and refinanced fixed rate debt as a result of higher interest rates in the nine-month period ended September 30, 2023 as compared to the same period in 2022. In addition, there was a lower net fair value gain on derivatives of €43.2 million in the nine-month period ended September 30, 2023, as compared to a gain of €159.3 million for the same period in 2022. These increases were partly offset by lower foreign exchange losses of €13.9 million in the nine-month period ended September 30, 2023 as compared to €309.1 million in the same period in 2022.

*Exceptional finance costs.* Exceptional finance costs of €8.5 million were charged in the nine-month period ended September 30, 2023 following an assessment of the Rain Facilities syndication as the amendment was deemed to be a substantial modification which resulted in the write-off of unamortized issue costs.

*Profit before tax.* Profit before tax decreased by €1,602.7 million, or 96.7%, to €54.7 million in the nine-month period ended September 30, 2023, as compared to a profit of €1,657.4 million for the same period in 2022.

*Tax charge.* Tax charge decreased by €215.4 million, or 80.8%, to €51.3 million in the nine-month period ended September 30, 2023, as compared to €266.7 million for the same period in 2022 primarily due to the decreased profitability of the Group. After adjusting for the loss from the share of associates and joint ventures, the effective tax rate of approximately 30% in the nine-month period ended September 30, 2023 reflects the anticipated tax rate for the Group for the full year. After adjusting for the profit from the share of associates and joint ventures, the effective tax rate of approximately 18% in the nine-month period ended September 30, 2022 reflected the anticipated tax rate for the Group for the full year. The higher anticipated effective tax rate for the nine-month period ended September 30, 2023 as compared to the same period in 2022 reflected the decreased level of profitability of the Group in countries with lower corporate tax rates.

*Profit for the period.* Profit for the period decreased by €1,387.3 million, or 99.8%, to €3.4 million in the nine-month period ended September 30, 2023, as compared to €1,390.7 million for the same period in 2022.

***Business segments***

The Group reports under three business segments: O&P North America, O&P Europe and Chemical Intermediates.

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

| | Nine-Month Period Ended September 30, | |
|---|---|---|
| | 2023 | 2022 |
| | (€ in millions) | |
| *Revenue* | | |
| O&P North America | 3,069.6 | 4,529.4 |
| O&P Europe | 4,756.5 | 7,459.7 |
| Chemical Intermediates | 5,222.6 | 7,920.2 |
| Eliminations | (1,725.6) | (3,198.1) |
| | **11,323.1** | **16,711.2** |
| *EBITDA before exceptionals* | | |
| O&P North America | 570.9 | 1,028.7 |
| O&P Europe | 264.3 | 581.7 |
| Chemical Intermediates | 398.6 | 838.3 |
| | **1,233.8** | **2,448.7** |

***O&P North America***

*Revenue.* Revenue in the O&P North America segment decreased by €1,459.8 million, or 32.2%, to €3,069.6 million in the nine-month period ended September 30, 2023, as compared to €4,529.4 million for the same period in 2022. The decrease was primarily driven by lower prices and lower sales volumes in the nine-month period ended September 30, 2023 as compared to the same period in 2022. The weighted average sales price for the whole business was approximately 30% lower in the nine-month period ended September 30, 2023 as compared to the same period in 2022 as olefins and polymers experienced a decrease in price. Overall sales volumes decreased by approximately 3% in the nine-month period ended September 30, 2023 as compared to the same period in 2022 as the business experienced lower olefin, polypropylene, polyethylene and pipe volumes. Volumes were adversely impacted in the nine-month period ended September 30, 2023 following a pipeline incident at the Chocolate Bayou, Texas facility which resulted in lower production of ethylene and polyethylene, a tornado at the Battleground facility in Texas which impacted polyethylene sales, an unplanned outage at the Styrolution Bayport plant and a planned outage at the Oligomers LAO plant at Chocolate Bayou which adversely impacted olefins sales.

*EBITDA before exceptionals.* EBITDA before exceptionals in the O&P North America segment decreased by €457.8 million, or 44.5%, to €570.9 million in the nine-month period ended September 30, 2023 as compared to €1,028.7 million in the same period in 2022. The decrease in profitability in the nine-month period ended September 30, 2023 as compared to the same period in 2022 was largely due to lower margins and sales volumes. During the nine-month period ended September 30, 2023 the business experienced lower olefin, polyethylene and polypropylene margins which was partially offset by higher pipe margins. Overall sales volumes decreased by approximately 3% in the nine-month period ended September 30, 2023 as compared to the same period in 2022 for the reasons mentioned above. Inventory holding losses were approximately €7 million in the nine-month period ended September 30, 2023, as compared to losses of approximately €16 million in the same period in 2022.

***O&P Europe***

*Revenue.* Revenue in the O&P Europe segment decreased by €2,703.2 million, or 36.2%, to €4,756.5 million in the nine-month period ended September 30, 2023 as compared to €7,459.7 million for the same period in 2022. The decrease in revenues was driven primarily by lower selling prices and lower sales volumes in the nine-month period ended September 30, 2023 as compared to the same period in 2022. The decrease in selling prices was driven by weakened demand and the general price environment, which was lower in the nine-month period ended September 30, 2023 as compared to the same period in 2022, as crude oil prices fell to an average of $82/bbl for the nine-month period ended September 30, 2023 as compared to an average of $105/bbl for the nine-month period ended September 30, 2022. Overall sales volumes decreased by approximately 17% in the nine-month period ended September 30, 2023 as compared to the same period in 2022 as ethylene suffered from weakened demand which caused destocking with most industry crackers being trimmed across Europe, while propylene experienced a very weak market as high energy costs impacted the economics for all derivatives. The trading and shipping business experienced higher sales volumes in the nine-month period ended September 30, 2023 as compared to the same period in 2022, primarily due to higher ethane sales.

*EBITDA before exceptionals.* EBITDA before exceptionals in the O&P Europe segment decreased by €317.4 million, or 54.6%, to €264.3 million in the nine-month period ended September 30, 2023, as compared to €581.7 million in the same period in 2022. The results for the nine-month period ended September 30, 2023 decreased compared to the same period in 2022, primarily due to decreased volumes and inventory holding losses. Overall sales volumes were approximately 17% lower in the nine-month period ended September 30, 2023 as compared to the same period in 2022 due to reduced demand and high energy costs adversely impacting the economics of all derivatives. Inventory holding losses were approximately €75 million in the nine-month period ended September 30, 2023 as compared to gains of approximately €72 million in the nine-month period ended September 30, 2022. Partially offsetting the decrease was an increase in margins which was driven by the Trading and Shipping business which experienced higher margins in the nine-month period ended September 30, 2023 as compared to the same period in 2022.

***Chemical Intermediates***

*Revenue.* Revenue in the Chemical Intermediates segment decreased by €2,697.6 million, or 34.1%, to €5,222.6 million in the nine-month period ended September 30, 2023 as compared to €7,920.2 million for the same period in 2022. The Oxide business revenues decreased in the nine-month period ended September 30, 2023 as compared to the same period in 2022 driven by lower volumes and lower prices. Sales volumes were approximately 17% lower in the nine-month period ended September 30, 2023 as compared to the same period in 2022 as the business experienced what we believe are bottom of cycle market conditions. The high energy costs and higher inflation have led to consumer uncertainty and weaker market conditions in the nine-month period ended September 30, 2023 with several customers closing units due to lack of demand. Volumes were also adversely impacted by an incident on a supplier pipeline at the Plaquemine, Louisiana site in the third quarter of 2023. Lower demand and competition from cheaper imports has put product pricing under considerable pressure, especially for commodity products. This has led to a significant decrease in prices in the nine-month period ended September 30, 2023 as compared to the same period in 2022, although prices for specialty products have seen less price pressure due to the limited impact from cheaper imports. The Oligomers business revenues were lower in the nine-month period ended September 30, 2023 as compared to the same period in 2022, primarily as a result of lower prices and to a lesser extent volumes. Regional prices in 2023 moved in line with the underlying raw material prices of ethylene and naphtha. Regional feedstock prices were lower in the nine-month period ended September 30, 2023 as compared to the same period in 2022 with lower European and US ethylene prices impacting LAO and PAO prices, while lower naphtha prices impacted PIB and SO pricing. Sales volumes were approximately 3% lower in the nine-month period ended September 30, 2023 as compared to the same period in 2022, as a result of lower LAO, PAO, and SO sales volumes. The decrease in LAO sales volumes was seen in the European and Asian markets, partially offset by higher North American volumes. PAO sales volumes were lower in North America and Asia, partially offset by higher European sales volumes while SO sales volumes were lower across all three regions. Nitriles revenues decreased in the nine-month period ended September 30, 2023 as compared to the same period in 2022, driven by lower prices and lower sales volumes. Weakened demand and lower US propylene prices also led to the average acrylonitrile sales price decreasing by approximately 33% in the nine-month period ended September 30, 2023 as compared to the same period in 2022. The business also experienced lower acrylonitrile sales volumes which decreased by approximately 14% in the nine-month period ended September 30, 2023 as compared to the same period in 2022 due to lower demand. The Phenol business revenues decreased in the nine-month period ended September 30, 2023 as compared to the same period in 2022, driven by lower prices and lower volumes. Selling prices moved in line with the underlying raw material prices with acetone and phenol prices moving lower in both the European and the North American markets due to significant decreases in propylene and benzene feedstock prices. Sales volumes were approximately 22% lower in the nine-month period ended September 30, 2023 as compared to the same period in 2022 as weakened market demand particularly in Europe led to lower phenol and acetone sales volumes, although this was partially offset by the acquisition of Mitsui Phenols Singapore Ltd on March 31, 2023, which added additional sales volumes in the nine-month period ended September 30, 2023.

*EBITDA before exceptionals.* EBITDA before exceptionals in the Chemical Intermediates segment decreased by €439.7 million, or 52.5%, to €398.6 million in the nine-month period ended September 30, 2023 as compared to €838.3 million for the same period in 2022. The Oxide business results in the nine-month period ended September 30, 2023 were lower compared to the same period in 2022 due to lower volumes and lower margins. Higher energy costs have led to high inflation rates which have resulted in weak market conditions in the nine-month period ended September 30, 2023 as compared to the same period in 2022. As a result, consumer uncertainty has adversely impacted volumes, which decreased by approximately 17% in the nine-month period ended September 30, 2023 as compared to the same period in

2022. The Oxide business is experiencing bottom of cycle conditions as cheaper European imports have caused significant margin pressure especially on commodity products in the nine-month period ended September 30, 2023 as compared to the same period in 2022. The business results have also been adversely impacted in the third quarter of 2023 by an incident on a supplier pipeline at the Plaquemine, Louisiana site where a force majeure was declared. The Oligomers business profitability decreased in the nine-month period ended September 30, 2023 as compared with the same period in 2022. The business experienced a decrease in sales volumes of approximately 3% in the nine-month period ended September 30, 2023 as compared to the same period in 2022, as a result of lower LAO, PAO and SO sales volumes, partially offset by higher PIB sales volumes. The business experienced higher PAO and SO margins, but lower LAO and PIB margins in the nine-month period ended September 30, 2023 as compared with the same period in 2022. LAO margins were lower in North America and Europe, partially offset by higher margins in Asia. Lower production costs in 2023 as compared to the same period in 2022 led to an increase in PAO margins which were higher in North America and Europe, partially offset by lower margins in Asia. SO margins were only higher in Europe, while PIB margins decreased in both North America and Asia in the nine-month period ended September 30, 2023 as compared with the same period in 2022. The Nitriles business experienced a decrease in profitability in the nine-month period ended September 30, 2023 as compared to the same period in 2022, driven by lower margins and decreased sales volumes. Acrylonitrile margins and volumes decreased as a result of weakened demand and poor Asian export margins, although the third quarter of 2023 saw firm demand in North America. The Phenol business profitability decreased in the nine-month period ended September 30, 2023 as compared to the same period in 2022, primarily due to lower volumes and margins and higher fixed costs. Sales volumes were approximately 22% lower in the nine-month period ended September 30, 2023 as compared to the same period in 2022 as weakened market demand in Europe led to lower phenol and acetone sales volumes. The acquisition of Mitsui Phenols Singapore Ltd on March 31, 2023 added additional sales volumes as well as additional fixed costs in the nine-month period ended September 30, 2023 as compared to the same period in 2022.

### *Year on Year Comparisons*

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

| | INEOS Group Holdings S.A. | | | | | |
|---|---|---|---|---|---|---|
| | For the year ended December 31, | | | | | |
| | 2022 | | 2021 | | 2020 | |
| | €m | % | €m | % | €m | % |
| **Revenue** | **20,927.0** | **100.0** | **18,826.7** | **100.0** | **11,303.7** | **100.0** |
| Cost of sales before exceptional items | (18,313.2) | (87.5) | (15,357.7) | (81.6) | (9,921.5) | (87.8) |
| Exceptional impairment charge | — | — | — | — | (118.5) | (1.0) |
| Total cost of sales | (18,313.2) | (87.5) | (15,357.7) | (81.6) | (10,040.0) | (88.8) |
| **Gross profit** | **2,613.8** | **12.5** | **3,469.0** | **18.4** | **1,263.7** | **11.2** |
| Distribution costs | (209.1) | (1.0) | (215.1) | (1.1) | (207.4) | (1.8) |
| Administrative expenses before exceptional items | (399.2) | (1.9) | (398.4) | (2.1) | (387.5) | (3.4) |
| Exceptional administrative (expenses)/gains | (4.2) | — | 8.9 | — | (8.9) | (0.1) |
| Total administrative expenses | (403.4) | (1.9) | (389.5) | (2.1) | (396.4) | (3.5) |
| **Operating profit** | **2,001.3** | **9.6** | **2,864.4** | **15.2** | **659.9** | **5.8** |
| Share of profit/(loss) of associates and joint ventures using the equity accounting method | 147.2 | 0.7 | (42.5) | (0.2) | (210.0) | (1.9) |
| Profit on disposal of investments | 270.6 | 1.3 | — | — | 78.3 | 0.7 |
| (Loss)/profit on disposal of fixed assets | (0.6) | — | 0.3 | — | 1.1 | — |
| **Profit before net finance costs** | **2,418.5** | **11.6** | **2,822.2** | **15.0** | **529.3** | **4.7** |
| Total finance income | 279.9 | 1.3 | 248.2 | 1.3 | 318.3 | 2.8 |
| Finance costs before exceptional items | (415.8) | (2.0) | (525.0) | (2.8) | (296.2) | (2.6) |
| Exceptional finance costs | — | — | (3.5) | — | — | — |
| Total finance costs | (415.8) | (2.0) | (528.5) | (2.8) | (296.2) | (2.6) |
| **Profit before tax** | **2, 282.6** | **10.9** | **2,541.9** | **13.5** | **551.4** | **4.9** |
| Tax (charge)/credit | (282.0) | (1.3) | (449.6) | (2.4) | 24.8 | 0.2 |
| **Profit for the year** | **2,000.6** | **9.6** | **2,092.3** | **11.1** | **576.2** | **5.1** |

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

***Consolidated Results***

*Revenue.* Revenue increased by €2,100.3 million, or 11.2%, to €20,927.0 million in the year ended December 31, 2022 as compared to €18,826.7 million for the same period in 2021. The increase in revenues was driven by higher selling prices and the appreciation of the U.S. dollar against the euro, partly offset by lower sales volumes. Selling prices followed the increase in crude oil prices, which increased to an average of $101 per barrel for the year ended December 31, 2022 as compared to $71 per barrel in the same period in 2021. In addition, the appreciation of the U.S. dollar by approximately 11% against the euro in the year ended December 31, 2022 as compared to the same period in 2021, has increased the reported euro revenues. Overall sales volumes for the Group were approximately 4% lower in the year ended December 31, 2022 as compared to the same period in 2021 with all businesses experiencing a decrease in sales volumes apart from the O&P Europe and Oligomers businesses.

*Cost of sales before exceptional items.* Cost of sales before exceptional items increased by €2,955.5 million, or 19.2%, to €18,313.2 million in the year ended December 31, 2022 as compared to €15,357.7 million for the same period in 2021. The increase in cost of sales was largely due to the increase in crude oil prices, resulting in higher feedstock prices across the Group in the year ended December 31, 2022, as compared to the same period in 2021. Energy costs were also notably higher, especially in Europe, in the year ended December 31, 2022, as compared to the same period in 2021.

*Gross profit.* Gross profit decreased by €855.2 million, or 24.7%, to €2,613.8 million in the year ended December 31, 2022 as compared to €3,469.0 million for the same period in 2021. The decrease in profitability was driven by inventory holdings losses, lower margins and lower volumes. Overall sales volumes for the Group were approximately 4% lower in the year ended December 31, 2022 as compared to the same period in 2021 with all businesses experiencing a decrease in sales volumes apart from the O&P Europe and Oligomers businesses. Inventory holding losses within the O&P segments were approximately €93 million in year ended December 31, 2022, as compared to inventory holding gains of €279 million in the same period in 2021. In O&P North America olefins, polyethylene and polypropylene all experienced a decrease in margins following higher energy and feedstock costs along with lengthening domestic supplies, although this was partially offset by higher pipe margins. In addition, export opportunities were reduced during the period due to the appreciation of the U.S. dollar, along with improved industry supply. O&P Europe saw an increase in margins in the year ended December 31, 2022 as compared to the same period in 2021. This was offset, however, by higher fixed costs and the adverse impact of a scheduled maintenance turnaround of the Rafnes cracker. The increase in fixed costs was a result of the start of the ATEX pipeline in the Trading and Shipping business, along with the entry into service of two new VLEC vessels and their associated costs. The scheduled maintenance turnaround of the Rafnes cracker resulted in a change in product mix which resulted in lower margin products from other sites replacing the lost volumes at the Rafnes site. Chemical Intermediates experienced a decrease in profitability in the year ended December 31, 2022 as compared to the same period in 2021, following decreases in profitability in the Nitriles and Phenol business driven primarily by lower sales volumes. This was partially offset by an increase in profitability in the Oligomers business following higher margins and increased sales volumes during 2022 as compared to 2021. Partly offsetting the decrease in Group profitability was the appreciation of the U.S. dollar by approximately 11% against the euro in the year ended December 31, 2022 as compared to the same period in 2021, which increased the reported euro results.

*Distribution costs.* Distribution costs decreased by €6.0 million, or 2.8%, to €209.1 million in the year ended December 31, 2022 as compared to €215.1 million for the same period in 2021. The decrease in distribution costs reflects lower sales volumes and improved logistical contracts which have reduced freight costs in certain parts of Europe.

*Administrative expenses before exceptional items.* Administrative expenses before exceptional items increased by €0.8 million, or 0.2%, to €399.2 million in the year ended December 31, 2022 as compared to €398.4 million for the same period in 2021, mainly as a result of higher research and development costs in the year ended December 31, 2022, as compared to the same period in 2021.

*Exceptional administrative (expenses)/gains.* Exceptional administrative expenses of €4.2 million were charged for the year ended December 31, 2022, which related to a provision for early retirement costs as part of a restructuring of the Köln site within the O&P Europe business. In December 2019 the Group took the decision to close the Nitriles facility at Seal Sands, United Kingdom. Poor operating performance and uneconomic capital expenditure requirements to meet safety and environmental obligations led to the decision. During the year ended December 31, 2021 an exceptional administrative gain of €8.9 million was credited to the income statement following the final true up of the original closure cost provision made in December 2019 as a result of lower than expected demolition costs.

*Operating profit.* Operating profit decreased by €863.1 million, or 30.1%, to €2,001.3 million in the year ended December 31, 2022 as compared to €2,864.4 million for the same period in 2021.

*Share of profit/(loss) of associates and joint ventures using the equity accounting method.* Share of profit/(loss) of associates and joint ventures using the equity accounting method was a profit of €147.2 million in the year ended December 31, 2022 as compared to a loss of €42.5 million for the same period in 2021. The share of profit of associates and joint ventures using the equity accounting method primarily reflected the Group's share of the results of the Refining joint venture with PetroChina as margins in the European refining market have strengthened in the year ended December 31, 2022 as compared to the same period in 2021.

*Profit on disposal of investments.* Profit on disposal of investments was €270.6 million in the year ended December 31, 2022. On December 23, 2022 the Group disposed of its non-voting ordinary shares in INEOS Investments (Jersey) Limited to INEOS Limited, a related party with an effective date of November 30, 2022 which resulted in a profit on disposal of €270.6 million. From November 30, 2022 the Group no longer had any economic interest in the Refining joint venture.

*(Loss)/profit on disposal of fixed assets.* There was a loss on disposal of fixed assets of €0.6 million in the year ended December 31, 2022 as compared to a profit of €0.3 million for the same period in 2021.

*Profit before net finance costs.* Profit before net finance costs decreased by €403.7 million, or 14.3%, to €2,418.5 million in the year ended December 31, 2022 as compared to €2,822.2 million for the same period in 2021.

*Total finance income.* Total finance income increased by €31.7 million, or 12.8%, to €279.9 million in the year ended December 31, 2022 as compared to €248.2 million for the same period in 2021. The increase in income in the year ended December 31, 2022 primarily related to net fair value gain on derivatives of €186.2 million as compared to €76.1 million for the same period in 2021 along with interest income from loans to related parties, including INEOS Upstream, and interest received on increased cash balances held by the Group.

*Finance costs before exceptional items.* Finance costs before exceptional items decreased by €109.2 million, or 20.8%, to €415.8 million in the year ended December 31, 2022 as compared to €525.0 million for the same period in 2021. The decrease in finance costs in the year ended December 31, 2022 reflected a decrease in net foreign exchange, partially offset by an increase in interest payable on borrowings. The decrease in net foreign exchange losses was primarily associated with short-term intra-group funding, which experienced net foreign exchange losses of €62.2 million in the year ended December 31, 2022 as compared to net foreign exchange losses of €234.4 million in the same period in 2021. Interest payable on variable rate borrowings increased in the year ended December 31, 2022 as compared the same period in 2021 due to an increase in base rates during 2022, along with a higher level of borrowings in 2022 as compared to 2021.

*Exceptional finance costs.* Exceptional finance costs of €3.5 million were charged for the year ended December 31, 2021 following the write-off of deferred issue costs as a result of the early redemption of the Senior Notes due 2024 in November 2021.

*Profit before tax.* Profit before tax decreased by €259.3 million, or 10.2%, to €2,282.6 million in the year ended December 31, 2022, as compared to €2,541.9 million for the same period in 2021.

*Tax charge.* Tax charge decreased by €167.6 million, or 37.3%, to €282.0 million in the year ended December 31, 2022, as compared to €449.6 million for the same period in 2021 primarily due to the decreased profitability of the Group. After adjusting for the profit/(loss) from the share of associates and joint ventures, the effective tax rate for the Group for the year ended December 31, 2022 was 15%, as compared to 17% in 2021. The effective tax rate for the Group was lower than the standard rate in Luxembourg of 24.94% as profits were made in regions with lower rates which more than offset profits made in regions with higher rates than the standard rate.

*Profit for the year.* Profit for the year decreased by €91.7 million, or 4.4% to €2,000.6 million in the year ended December 31, 2022, as compared to €2,092.3 million for the same period in 2021.

***Business segments***

The Group reports under three business segments: O&P North America, O&P Europe and Chemical Intermediates.

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

| | For the year ended December 31, 2022 | For the year ended December 31, 2021 |
|---|---|---|
| | (€ in millions) | |
| *Revenue* | | |
| **Continuing operations** | | |
| O&P North America | 5,723.9 | 5,527.3 |
| O&P Europe | 9,177.7 | 7,526.0 |
| Chemical Intermediates | 9,802.9 | 8,496.2 |
| Eliminations | (3,777.5) | (2,722.8) |
| | **20,927.0** | **18,826.7** |
| *EBITDA before exceptionals* | | |
| **Continuing operations** | | |
| O&P North America | 1,204.4 | 1,577.2 |
| O&P Europe | 655.6 | 948.2 |
| Chemical Intermediates | 980.6 | 1,090.8 |
| | **2,840.6** | **3,616.2** |

***O&P North America***

*Revenue.* Revenue in the O&P North America segment increased by €196.6 million, or 3.6%, to €5,723.9 million in the year ended December 31, 2022, as compared to €5,527.3 million for the same period in 2021. The increase was primarily driven by the appreciation of the U.S. dollar by approximately 11% against the euro in the year ended December 31, 2022 as compared to the same period in 2021 as the underlying US dollar revenues have decreased. Sales volumes decreased by approximately 1% in the year ended December 31, 2022, as compared to the same period in 2021 driven by lower olefin sales which were only partially offset by higher polyethylene volumes from the Gemini plant as unplanned downtime in 2021 adversely impacted volumes in 2021. Pipe volumes also increased in the year ended December 31, 2022 as compared to the same period in 2021 due to additional sales volumes from the Charter Plastics business which was acquired on December 31, 2021. The weighted average sales price for the whole business was lower in the year ended December 31, 2022 as compared to the same period in 2021 as a result of lower olefin and polymer prices, partially offset by higher pipe prices.

*EBITDA before exceptionals.* EBITDA before exceptionals in the O&P North America segment decreased by €372.8 million, or 23.6%, to €1,204.4 million in the year ended December 31, 2022 as compared to €1,577.2 million in the same period in 2021. The decrease in profitability in the year ended December 31, 2022 as compared to the same period in 2021 was largely due to lower margins and the adverse impact of inventory holding losses. Olefins, polyethylene and polypropylene all experienced a decrease in margins following higher energy and feedstock costs along with lengthening domestic supplies, although this was partially offset by higher pipe margins. In addition, export opportunities were reduced during the period due to the appreciation of the U.S. dollar, along with improved industry supply. Inventory holding losses were approximately €80 million in the year ended December 31, 2022, as compared to inventory holding gains of approximately €75 million in the same period in 2021. The decrease in profitability was partly offset by the appreciation of the U.S. dollar by approximately 11% against the euro in the year ended December 31, 2022 as compared to the same period in 2021 which has increased the reported euro results.

***O&P Europe***

*Revenue.* Revenue in the O&P Europe segment increased by €1,651.7 million, or 21.9%, to €9,177.7 million in the year ended December 31, 2022 as compared to €7,526.0 million for the same period in 2021. The increase in revenues was driven primarily by higher selling prices and increased sales volumes in the year ended December 31, 2022 as compared to the same period in 2021. The increase in selling prices was driven by the general price environment, which was higher in the year ended December 31, 2022 as compared to the same period in 2021, as crude oil prices rose to an average of $ 101 per barrel for the year ended December 31, 2022 as compared to $71 per barrel in the same period in 2021. As a result, all prices increased in the year ended December 31, 2022, as compared to the same period in 2021. Total sales volumes were approximately 1% higher in the year ended December 31, 2022 as compared to the same period in 2021. The increase in sales volumes was driven by the Trading and Shipping business which experienced higher sales volumes in the year ended December 31, 2022 as compared to the same period in 2021, primarily due to higher ethane and butane sales. Olefin sales volumes were slightly lower in the year ended December 31, 2022 as compared to the same period in 2021 due to weakening markets with lower demand caused by inflation as a result of the high energy prices. Polymer sales volumes decreased in the year ended December 31, 2022 as compared to the same period in 2021 due to reduced demand and an increased level of imports as compared to the same period in 2021.

*EBITDA before exceptionals.* EBITDA before exceptionals in the O&P Europe segment decreased by €292.6 million, or 30.9%, to €655.6 million in the year ended December 31, 2022, as compared to €948.2 million in the same period in 2021. The results for the year ended December 31, 2022 decreased compared to the same period in 2021, primarily due to inventory holding losses, higher fixed costs and the impact on product mix, which was only partially offset by an increase in margins. Inventory holding losses were approximately €13 million in the year ended December 31, 2022 as compared to gains of approximately €204 million in the year ended December 31, 2021. Fixed costs rose in the year ended December 31, 2022 as compared to the same period in 2021, mainly as a result of the start of the ATEX pipeline in the Trading and Shipping business, along with the entry into service of two new VLEC ships and their associated costs. The product mix effect mainly arose as a result of the scheduled turnaround maintenance of the Rafnes cracker during the year ended December 31, 2022. While the reduction in volumes due to the turnaround was largely offset by higher volumes at other sites, these offsetting volumes were in lower margin products than those produced at the Rafnes site.

***Chemical Intermediates***

*Revenue.* Revenue in the Chemical Intermediates segment increased by €1,306.7 million, or 15.4%, to €9,802.9 million in the year ended December 31, 2022 as compared to €8,496.2 million for the same period in 2021. The Oxide business revenues increased in the year ended December 31, 2022 as compared to the same period in 2021 driven by higher prices. The increase in pricing was driven by rising raw material and natural gas prices which were mainly passed on to customers through the formula based pricing of most products. Sales volumes in the year ended December 31, 2022 were in line with 2021. Most of 2022 experienced strong European demand as competitor logistical supply issues limited European imports, which had a favorable impact on European supply demand balance; however higher European gas prices and geopolitical pressures started to adversely impact demand in the latter part of 2022. The Oligomers business revenues were higher in the year ended December 31, 2022 as compared to the same period in 2021, as a result of higher prices and increased sales volumes. Regional prices in the year ended December 31, 2022 moved in line with the underlying raw material prices of ethylene and naphtha. Regional feedstock prices were higher in the year ended December 31, 2022 as compared to the same period in 2021 with higher European and U.S. ethylene prices impacting PAO and LAO prices, while increased naphtha prices impacted PIB and SO pricing. Sales volumes were approximately 11% higher in the year ended December 31, 2022 as compared to the same period in 2021 as higher LAO sales volumes were only partially offset by lower PAO, PIB and SO sales volumes. The increase in LAO sales volumes was seen across all regions and included good co-monomer demand with the business benefitting from additional production volumes from the new LAO facility in Chocolate Bayou, United States. Nitriles revenues increased in the year ended December 31, 2022 as compared to the same period in 2021, driven by higher prices partly offset by lower volumes. The average acrylonitrile sales price increased by over 12% in the year ended December 31, 2022 as compared to the same period in 2021, driven by higher ammonia pricing as a result of higher natural gas prices. Acrylonitrile sales volumes decreased in the year ended December 31, 2022 as compared to the same period in 2021 due to lower demand as a result of high European and North American cost positions which adversely impacted demand. The Phenol business revenues increased in the year ended December 31, 2022 as compared to the same period in 2021, driven primarily by higher prices, partly offset by lower sales volumes. Selling prices moved in line with the underlying raw material prices with acetone and phenol prices moving significantly higher due to increases in European propylene and global benzene feedstock prices. Sales volumes were lower in the year ended December 31, 2022 as compared to the same period in 2021 as a result of lower phenol and acetone sales as weaker market demand led to lower volumes, predominately in the European market.

*EBITDA before exceptionals.* EBITDA before exceptionals in the Chemical Intermediates segment decreased by €110.2 million, or 10.1%, to €980.6 million in the year ended December 31, 2022 as compared to €1,090.8 million for the same period in 2021. The Oxide business results in the year ended December 31, 2022 were in line with the same period in 2021. Margins at the start of 2022 were maintained at the levels experienced in 2021 as increases in underlying raw material costs were successfully passed on through higher rates than the standard market pricing formulas in the first half of 2022 before higher energy costs and geopolitical pressures started to put some pressure on margins in the second half of 2022. Sales volumes in the year ended December 31, 2022 were in line with the same period in 2021, driven by strong European demand as competitor logistical supply issues limited European imports, which had a favorable impact on European market balances in the first half of 2022 before high European gas prices and geopolitical pressures started to adversely impact demand in the latter part of 2022. The Oligomers business profitability increased in the year ended December 31, 2022 as compared with the same period in 2021, primarily due to higher margins and increased sales volumes. Margins were higher across all product lines in the year ended December 31, 2022 as compared with the same period in 2021 due to higher overall realizations being increased above higher raw material and energy costs. The business also benefitted from higher LAO sales volumes following good co-monomer demand and the additional production volumes from the new LAO facility in Chocolate Bayou, United States. The Nitriles business experienced a decrease in profitability in the year ended December 31, 2022 as compared to the same period in 2021, driven by tower volumes and to a lesser extent lower margins. Acrylonitrile sales volumes decreased in the year ended December 31, 2022 as compared to the same period in 2021 due to lower demand as a result of high European and North American cost positions. Acrylonitrile margins were lower in the year ended December 31, 2022 as compared to the same period in 2021 as higher feedstock costs squeezed margins. The Phenol business profitability decreased in the year ended December 31, 2022 as compared to the same period in 2021, largely due to a decrease in volumes. Volumes were lower due to reduced market demand for phenol and acetone, predominantly in the European market.

***Year Ended December 31, 2021 Compared With Year Ended December 31, 2020***

***Consolidated Results***

*Revenue.* Revenue increased by €7,523.0 million, or 66.6%, to €18,826.7 million for the year ended December 31, 2021 as compared to €11,303.7 million for the year ended December 31, 2020. The increase in revenues was driven primarily by higher prices and increased sales volumes. The increase in selling prices followed the significant rise in crude oil prices, which increased to an average of $71 per barrel for the year ended December 31, 2021 as compared to $42 per barrel in the same period in 2020. The largest price increases were in the O&P businesses which experienced higher prices across all product lines reflecting healthy demand and tight markets as economies began to recovery from the COVID-19 pandemic. Overall sales volumes for the Group were approximately 9% higher in the year ended December 31, 2021 as compared to the year ended December 31, 2020 with the O&P and Phenol businesses experiencing the biggest increase from resurgent economies, after 2020 volumes were adversely impacted by the effects of the COVID-19 pandemic.

*Cost of sales before exceptional items.* Cost of sales before exceptional items increased by €5,436.2 million, or 54.8%, to €15,357.7 million for the year ended December 31, 2021 as compared to €9,921.5 million for the year ended December 31, 2020. The increase in cost of sales was largely due to the increase in crude oil prices in 2021, resulting in higher feedstock prices across the Group as well as increased volumes in the year ended December 31, 2021, as compared to the same period in 2020.

*Exceptional impairment charge.* Exceptional impairment charges of €118.5 million were charged for the year ended December 31, 2020 in relation to certain plant and equipment following the Group's decision to terminate work on a propane dehydrogenation unit and associated infrastructure at its site in Antwerp, Belgium.

*Gross profit.* Gross profit increased by €2,205.3 million, or 174.5%, to €3,469.0 million for the year ended December 31, 2021 as compared to €1,263.7 million for the year ended December 31, 2020. The increase in profitability was driven by higher margins, increased sales volumes and inventory holding gains. Sales volumes were approximately 9% higher in the year ended December 31, 2021 as compared to the same period in 2020 as the Group experienced higher volumes driven by tighter markets from a combination of stronger demand from resurgent economies and industry supply constraints. This also led to an increase in margins across all businesses within the Group due to the favorable market conditions during the year ended December 31, 2021 as compared to the same period in 2020. O&P North America experienced higher margins across all product lines in the year ended December 31, 2021 as compared to the same period in 2020, particularly polyethylene and polypropylene, due to a combination of strong demand from a resurgent U.S. economy and industry supply constraints, while olefin margins benefitted from a tighter market. Overall margins in O&P Europe increased during the year ended December 31, 2021 as compared to the same period in 2020 following higher olefin margins due to a stronger market, with demand for butadiene and benzene being particularly strong as compared to the unfavorable market conditions in 2020. The polymers business experienced an increase in margins due to logistical challenges in the market which reduced the level of European imports, coupled with strong U.S. and European demand in both the durables and consumables markets. Inventory holding gains within the O&P segments were approximately €279 million in the year ended December 31, 2021 as compared to inventory holding losses of €43 million in the same period in 2020, reflecting the increased raw material costs during 2021. Chemical Intermediates experienced an increase in profitability across all businesses in the year ended December 31, 2021 as compared to the same period in 2020 with the Oxide business experiencing record margins. This was driven by commodity products within the Oxide business, with both glycol margins and volumes increasing due to lower European imports, competitor outages and strong European and Asian demand. Partially offsetting the increase in profitability across the Group was the depreciation of the U.S. dollar by approximately 5% against the euro in the year ended December 31, 2021 as compared to the same period in 2020 which decreased the reported euro results.

*Distribution costs.* Distribution costs increased by €7.7 million, or 3.7%, to €215.1 million for the year ended December 31, 2021 as compared to €207.4 million for the year ended December 31, 2020. The increase in distribution costs in the year ended December 31, 2021 as compared to the same period in 2020 reflected the higher sales volumes across the Group in 2021, partially offset by the depreciation of the U.S. dollar by approximately 5% against the euro in the year ended December 31, 2021 as compared to the same period in 2020 which decreased the reported euro costs.

*Administrative expenses before exceptional items.* Administrative expenses before exceptional items increased by €10.9 million, or 2.8%, to €398.4 million for the year ended December 31, 2021 as compared to €387.5 million for the year ended December 31, 2020. The increase in administrative expenses was primarily due to higher employee performance bonus accruals (including long term incentive plans) following a stronger than budgeted performance across all businesses within the Group in the year ended December 31, 2021 as compared to the year ended December 31, 2020.

*Exceptional administrative gains/(expenses).* An exceptional administrative gain of €8.9 million was credited in the year ended December 31, 2021, which related to the final true-up of the original closure cost provision made in December 2019 in respect of the Nitriles facility at Seal Sands, UK following lower than expected demolition costs. Exceptional administrative expenses of €8.9 million were charged for the year ended December 31, 2020, which related to a provision for early retirement costs as part of a restructuring of the Köln site within the O&P Europe business.

*Operating profit.* Operating profit increased by €2,204.5 million, or 334.1%, to €2,864.4 million for the year ended December 31, 2021 as compared to €659.9 million for the year ended December 31, 2020.

*Share of (loss)/profit of associates and joint ventures using the equity accounting method.* Share of (loss)/profit of associates and joint ventures using the equity accounting method was a loss of €42.5 million for the year ended December 31, 2021 as compared to €210.0 million for the year ended December 31, 2020. The share of loss of associates and joint ventures using the equity accounting method primarily reflected the Group's share of the results of the Refining joint venture with PetroChina as margins in the European refining market have remained weak during 2021. In 2020 refining volumes were adversely impacted by the COVID-19 virus pandemic which reduced demand for many refined products. In addition falling crude oil prices during 2020 resulted in significant inventory holding losses for the year ended December 31, 2020.

*Profit on disposal of investments.* Profit on disposal of investments for the year ended December 31, 2020 was €78.3 million and related to the disposal of the Group's previously held equity interest in the Gemini HDPE joint venture following the Group's acquisition of the remaining 50% interest in the joint venture from Sasol on December 31, 2020.

*Profit on disposal of fixed assets.* Profit on disposal of fixed assets for the year ended December 31, 2021 was €0.3 million as compared to €1.1 million for the year ended December 31, 2020.

*Profit before net finance costs.* Profit before net finance costs increased by €2,292.9 million, or 433.2%, to €2,822.2 million for the year ended December 31, 2021 as compared to €529.3 million for the year ended December 31, 2020.

*Total Finance income.* Total finance income decreased by €70.1 million, or 22.0%, to €248.2 million for the year ended December 31, 2021 as compared to €318.3 million for the year ended December 31, 2020. The decrease in total finance income for the year ended December 31, 2021 as compared to 2020 primarily reflected a decrease in foreign exchange gains and interest income on cash balances and other loan receivables, partly offset by an increase in net fair value gains on derivatives. The decrease in net foreign exchange gains primarily associated with short-term intra-group funding was an exchange movements gain of €121.4 million in the year ended December 31, 2021 as compared to an exchange movements gain of €250.2 million for the same period in 2020. This was partly offset by a net fair value gain on derivatives of €76.1 million during the year ended December 31, 2021 as compared to a net fair value gain of €5.8 million for the same period in 2020.

*Finance costs before exceptional items.* Finance costs before exceptional items increased by €228.8 million, or 77.2%, to €525.0 million for the year ended December 31, 2021 as compared to €296.2 million for the year ended December 31, 2020. The increase in finance costs for the year ended December 31, 2021 primarily reflected an increase in foreign exchange losses primarily associated with short-term intra-group funding which was a loss of €234.4 million in the year ended December 31, 2021 as compared to a loss of €21.8 million for the same period in 2020. There were also additional interest and amortization of issue costs on the Senior Secured Term Loans and Senior Secured Notes due March 2026 issued in October 2020.

*Exceptional finance costs.* Exceptional finance costs of €3.5 million were charged for the year ended December 31, 2021 following the write-off of deferred issue costs as a result of the early redemption of the Senior Notes due 2024 in November 2021.

*Profit before tax.* Profit before tax increased by €1,990.5 million, or 361.0%, to €2,541.9 million for the year ended December 31, 2021 as compared to €551.4 million for the year ended December 31, 2020.

*Tax (charge)/credit.* Tax charge increased by €474.4 million, to a charge of €449.6 million for the year ended December 31, 2021 as compared to a credit of €24.8 million for the year ended December 31, 2020 primarily due to the increased profitability of the Group. In 2020, the Group recognized tax refunds due in the United States in accordance with the recently enacted CARES Act. This Act allowed the Group to carry back net operating losses in the United States for a period of up to five years to obtain retroactive tax refunds at the tax rates applicable for the years the losses are utilized. Net operating losses were created in the United States by the application of 100% tax depreciation on significant capital expenditure projects that were placed into service in the years ended December 31, 2020 and 2019. The effective tax rate for the Group for the year ended December 31, 2021 was lower than the standard rate in Luxembourg of 24.94%, as profits were made in regions with lower rates (such as the United Kingdom and Switzerland) which more than offset profits made in regions with higher rates than the standard rate (such as Germany and Belgium).

*Profit for the year.* Profit for the year increased by €1,516.1 million, or 263.1%, to €2,092.3 million for the year ended December 31, 2021 as compared to €576.2 million for the year ended December 31, 2020.

***Business Segments***

The Group reports under three business segments: O&P North America, O&P Europe and Chemical Intermediates.

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

| | For the year ended December 31, | |
|---|---|---|
| | 2021 | 2020 |
| | (€ in millions) | |
| *Revenue* | | |
| O&P North America | 5,527.3 | 2,785.0 |
| O&P Europe | 7,526.0 | 4,658.3 |
| Chemical Intermediates | 8,496.2 | 5,352.9 |
| Eliminations | (2,722.8) | (1,492.5) |
| | **18,826.7** | **11,303.7** |
| *EBITDA before exceptionals* | | |
| O&P North America | 1,577.2 | 554.2 |
| O&P Europe | 948.2 | 395.3 |
| Chemical Intermediates | 1,090.8 | 585.5 |
| | **3,616.2** | **1,535.0** |

***O&P North America***

*Revenue.* Revenue in the O&P North America segment increased by €2,742.3 million, or 98.5%, to €5,527.3 million for the year ended December 31, 2021, as compared to €2,785.0 million for the year ended December 31, 2020. The increase was driven by higher prices and higher volumes in the year ended December 31, 2021 as compared to the year ended December 31, 2020. The weighted average sales price for the whole business was higher in the year ended December 31, 2021 as compared to the same period in 2020, as the olefins, polymers and pipe businesses all experienced a rise in prices during 2021. Sales volumes increased by approximately 11% in the year ended December 31, 2021 as compared to the same period in 2020 driven by higher sales volumes within the olefins, polymers and pipe businesses. The increase in the olefin volumes was driven by the debottleneck project at the Chocolate Bayou, United States site and additional feedstock sales. The increase in additional polyethylene volumes was mainly due to the acquisition of the remaining 50% interest in the HDPE plant at the Battleground site in Texas, United States on December 31, 2020.

*EBITDA before exceptionals.* EBITDA before exceptionals in the O&P North America segment increased by €1,023.0 million, or 184.6%, to €1,577.2 million for the year ended December 31, 2021 as compared to €554.2 million for the year ended December 31, 2020. The increase in the year ended December 31, 2021 as compared to the year ended December 31, 2020 was driven by higher margins and volumes. Margins were higher across all product lines in the year ended December 31, 2021 as compared to the same period in 2020, particularly polyethylene and polypropylene, due to a combination of strong demand from a resurgent U.S. economy and industry supply constraints, while olefin margins benefitted from a tighter market. Total sales volumes increased approximately 11% in the year ended December 31, 2021 as compared to the same period in 2020 driven by higher sales volumes within the olefins, polymers and pipe businesses. Inventory holding gains were €75 million in the year ended December 31, 2021, as compared to inventory holding gains of €54 million in the same period in 2020. Partially offsetting the increase in EBITDA before exceptionals was the depreciation of the U.S. dollar by approximately 5% against the euro in the year ended December 31, 2021 as compared to the same period in 2020 which decreased the reported euro results.

***O&P Europe***

*Revenue.* Revenue in the O&P Europe segment increased by €2,867.7 million, or 61.6%, to €7,526.0 million for the year ended December 31, 2021 as compared to €4,658.3 million for the year ended December 31, 2020. The increase in revenues was driven by higher selling prices and increased sales volumes in the year ended December 31, 2021 as compared to the year ended December 31, 2020. The increase in selling prices was driven by the general price environment, which was higher in the year ended December 31, 2021 as compared to the same period in 2020, as crude oil prices increased to an average of $71 per barrel for the year ended December 31, 2021 as compared to an average of $42 per barrel for the year ended December 31, 2020, which in turn led to an increase in prices across all product lines. The naphtha price increased continuously throughout 2021, averaging 71% higher than in 2020. Feedstock, such as butane and propane also rose by 90% and 85% respectively in 2021 as compared to 2020. Sales prices also saw strong increases reflecting the economic recovery from the COVID-19 pandemic, healthy demand and tight markets. Sales volumes increased by approximately 10% in the year ended December 31, 2021 as compared to the same period in 2020 driven by higher olefin and polypropylene volumes which reflected the market recovery in 2021, as 2020 was adversely impacted by the COVID-19 pandemic.

*EBITDA before exceptionals.* EBITDA before exceptionals in the O&P Europe segment increased by €552.9 million, or 139.9%, to €948.2 million for the year ended December 31, 2021, as compared to €395.3 million for the year ended December 31, 2020. The results for the year ended December 31, 2021 increased compared to the year ended December 31, 2020 due to higher margins, increased volumes and higher inventory holding gains. Sales volumes increased by approximately 10% in the year ended December 31, 2021 as compared to the same period in 2020 driven by higher olefin and polypropylene volumes. Inventory holding gains were €204 million in the year ended December 31, 2021 as compared to losses of €97 million in the year ended December 31, 2020. The inventory holding gains were driven by the increase in feedstock prices, particularly naphtha, butane and propane which all experienced significant increases during the year ended December 31, 2021. Overall margins increased in 2021 as compared to 2020 following higher olefin margins due to a stronger market, with demand for butadiene and benzene being particularly strong as compared to the unfavorable market conditions in 2020. The polymers business experienced an increase in margins due to logistical challenges in the market which reduced the level of European imports, coupled with strong U.S. and European demand in both the durables and consumables markets. The Trading & Shipping business experienced lower margins in the year ended December 31, 2021 as compared to the same period in 2020 as higher freight costs adversely impacted profitability.

***Chemical Intermediates***

*Revenue.* Revenue in the Chemical Intermediates segment increased by €3,143.3 million, or 58.7%, to €8,496.2 million for the year ended December 31, 2021 as compared to €5,352.9 million for the year ended December 31, 2020. The Oxide business revenues increased in the year ended December 31, 2021 as compared to the year ended December 31, 2020 driven by higher prices and increased sales volumes. Overall prices increased in the year ended December 31, 2021 as compared to the same period in 2020, as pricing closely followed the rise in underlying raw material costs of ethylene and propylene, with high demand and limited supply also contributing to rising prices. Sales volumes were approximately 8% higher in the year ended December 31, 2021 as compared to the same period in 2020, most notably in the commodity area where ethylene and propylene glycols performed much stronger due to the absence of U.S. imports as a result of the extreme weather seen in Texas in early 2021, outages at some competitors and improved demand due to the resurgence of the economy from the COVID-19 pandemic. The Oligomers business revenues were higher in the year ended December 31, 2021 as compared to the year ended December 31, 2020 as a result of higher prices and increased sales volumes. Regional prices ordinarily move in line with the underlying raw material prices of ethylene and naphtha. Regional feedstock prices were higher in the year ended December 31, 2021 as compared to the same period in 2020 with higher European and U.S. ethylene prices and increased naphtha prices impacting selling prices. Sales volumes were approximately 5% higher in the year ended December 31, 2021 as compared to the year ended December 31, 2020 as LAO, PAO and SO all experienced higher sales volumes. The increase in sales volumes were primarily due to strong demand across most customer industries as economies began to open up again from the COVID-19-related disruptions experienced during 2020. LAO volumes also benefitted from additional production from the new LAO plant at Chocolate Bayou, United States which became operational in the fourth quarter of 2021. Nitriles revenues increased in the year ended December 31, 2021 as compared to the year ended December 31, 2020, driven by higher prices. The average acrylonitrile sales price increased by 75% in the year ended December 31, 2021 as compared to the same period in 2020, driven by higher propylene prices and the U.S. market predominately being cost plus pricing. Excluding the impact of the closure of the Seal Sands, UK plant in December 2020, the sales volumes of acrylonitrile for the year ended December 31, 2021 was in line with the volumes achieved in 2020 despite limited product availability from unplanned outages at Green Lake and a force majeure declaration in Köln during 2021. The Phenol business revenues increased in the year ended December 31, 2021 as compared to the year ended December 31, 2020, driven primarily by higher prices and increased volumes. Selling prices moved in line with the underlying raw material prices with acetone and phenol prices moving significantly higher due to historically high U.S. and European propylene and benzene feedstock prices as well as a tighter market in 2021. Sales volumes were approximately 11% higher in the year ended December 31, 2021 as compared to the year ended December 31, 2020 as a result of higher phenol and acetone sales. The increased volumes were driven by much improved European demand in the year ended December 31, 2021 as compared to the same period in 2020.

*EBITDA before exceptionals.* EBITDA before exceptionals in the Chemical Intermediates segment increased by €505.3 million, or 86.3%, to €1,090.8 million for the year ended December 31, 2021 as compared to €585.5 million for the year ended December 31, 2020. The Oxide business results for the year ended December 31, 2021 increased as compared to the year ended December 31, 2020, mainly driven by record margins and increased volumes. The increase in margins in the year ended December 31, 2021 as compared to the same period in 2020 was driven by commodity products with glycol margins and volumes both increasing due to lower U.S. imports related to the after-effects of the earlier freezing weather conditions in Texas at the start of 2021, competitor outages and strong European and Asian demand. EO and EO derivatives also experienced increased margins due to improved European demand from a resurgent economy. The Oligomers business profitability increased in the year ended December 31, 2021 compared with the year ended December 31, 2020, as a result of increased sales volumes and higher margins. Sales volumes were approximately 5% higher in the year ended December 31, 2021 as compared to the year ended December 31, 2020 as LAO, PAO and SO all experienced higher sales volumes primarily due to strong demand across most customer industries as economies began to open up again from COVID-19-related disruptions. Overall margins were higher in the year ended December 31, 2021 as compared with the year ended December 31, 2020 which was driven by higher LAO margins in North America and Asia. The increase in overall margins was partly offset by lower PAO and SO margins which were adversely impacted by higher production and conversion costs. The Nitriles business experienced an increase in profitability in the year ended December 31, 2021 as compared to the year ended December 31, 2020, due to higher margins and lower fixed costs. Margins were higher in the year ended December 31, 2021 as compared to the year ended December 31, 2020 due to stronger market conditions, as recovery from the COVID-19 pandemic continued throughout 2021 with average acrylonitrile margins increasing by 39% for the year ended December 31, 2021 as compared to the year ended December 31, 2020. Fixed costs were lower in the year ended December 31, 2021 as compared to the same period in 2020 mainly due to the cost savings from the closure of the Seal Sands, UK plant in December 2020. The Phenol business profitability increased in the year ended December 31, 2021 as compared to the year ended December 31, 2020, primarily due to higher margins and increased volumes. Volumes were higher in the year ended December 31, 2021 as compared to the same period in 2020, driven by higher phenol and acetone volumes following significantly improved European demand during 2021. Margins were higher in the year ended December 31, 2021 as compared to the same period in 2020, driven by higher European and U.S. benzene prices and increased phenol adders in 2021, partly offset by weaker acetone margins.

**Liquidity and Capital Resources**

***Capital Resources***

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

Our primary sources of liquidity are cash flows from operations of subsidiaries, cash on our balance sheet and borrowings under the Securitization Program and Inventory Financing Facility. Our ability to generate cash from our operations depends on future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive market, legislative, regulatory and other factors, many of which are beyond our control.

We believe that our operating cash flows, together with the cash resources and future borrowings under the Securitization Program, the Project ONE Facilities and Inventory Financing Facility, will be sufficient to fund our working capital requirements, anticipated capital expenditures and debt service requirements as they become due, although this may not be the case.

We have also historically paid dividends to our shareholders. We may make strategic decisions, including the payment of dividends, the size of which may change or increase from time to time, depending on the performance of the business, and may not necessarily be in line with past practice.

In addition, we may engage in strategic transactions, including future debt incurrence in the capital and leverage finance markets, including inventory financing or similar arrangements, or repurchases of our debt (on the open market or otherwise) with cash on hand or from the proceeds of future debt incurrences, which may impact the availability of cash resources.

***Financing Arrangements***

The Group's capital structure includes a mixture of secured term loans and secured notes. These various debt instruments are denominated in both euro and U.S. dollars where appropriate, to approximately match the main currencies of the cash flows generated by the Group's operations.

The Group has a €800.0 million Securitization Program in place, which matures in December 2026. The Group also has an Inventory Financing Facility in place, which matures in June 2024, although this is extendable by mutual agreement.

The Group has a €300.0 million LC Facility in place. Under the terms of the facility the Group undertakes to provide cash collateral to cover any letters of credit, guarantees, bonds or indemnities issued under the facility.

Following the Group's purchase of the remaining 50% interest in the Noretyl ethylene cracker at Rafnes, Norway from the Kerling group in July 2015, the Group assumed the obligations of a loan facility of Noretyl AS. In November 2019, following the repayment of the initial loan, the loan facility was amended and restated with a new facility amount of €250.0 million. In November 2022 the Group amended and extended the existing Rafnes facility to €305.0 million, resulting in an additional drawdown of €126.5 million. The new facility matures in November 2027.

As part of a project at the Group's Köln site to replace part of its incineration or cogeneration unit, the Group entered into a €120.0 million loan facility, which matures in December 2024, together with a €60.0 million additional loan facility which matures in June 2026.

As part of the Group's purchase of the remaining 50% interest in the Gemini HDPE plant in Texas, USA, from Sasol Chemicals on December 31, 2020, the Group amended and upsized the existing Gemini Term Loan facility within the acquired legal entity, an Unrestricted Subsidiary. The amended loan facility was upsized to $600.0 million and matures on October 31, 2027.

As of September 30, 2023, excluding unamortized debt issuance costs, the Group had a total of €5,266.3 million Senior Secured Term Loans, €802.3 million Senior Secured Notes due 2028, €550.0 million Senior Secured Notes due 2025, €325.0 million Senior Secured Notes due March 2026 and €770.0 million Senior Secured Notes due May 2026.

As part of the Group's purchase of the 50% interest in the SECCO joint venture in Shanghai, China from Sinopec on December 31, 2022, the Group entered into the Rain Facilities with an aggregate principal amount of RMB 1,045 million and $525.0 million through an Unrestricted Subsidiary. In April 2023, the Group successfully completed syndication of the Rain Facilities increasing the Rain Facilities to RMB 1,045 million and $785.0 million. The Rain Facilities are fully drawn, guaranteed by IGH and IHL, and mature in June 2026.

In addition, on December 22, 2022, the Group entered into project financing agreements in connection with Project ONE to borrow loans of up to €3.5 billion to fund the majority of the capital expenditure plus associated financing costs during construction. The Project ONE Facilities are, during the construction phase, supported by debt service undertakings provided by IGH, IHL and INEOS US I Inc. We expect the Project ONE Facilities to be drawn in stages, beginning in the first quarter of 2023 and throughout the construction period to 2026. See "Description of Other Indebtedness—Rain Facilities" and "Description of Other Indebtedness—Project ONE Facilities."

We or our affiliates may repay, redeem or repurchase any of our outstanding debt instruments, including term loans and notes, at any time and from time to time in the open market, in privately negotiated transactions, pursuant to one or more tender or exchange offers or otherwise, upon such terms and with such consideration as we or any such affiliate may determine. The amounts involved may be material.

***Capital Expenditures***

As part of our strategy to focus capital investments on improving returns, we have instituted measures to ensure the most efficient uses of capital investment. We intend to manage capital expenditures to maintain our well-invested asset base.

Capital expenditure incurred during the years ended December 31, 2022, 2021 and 2020 and the nine months ended September 30, 2023 and 2022 were €1,036.4 million, €809.0 million, €1,311.0 million, €986.8 million and €674.9 million, respectively, analyzed by business segment as follows:

| | For the year ended December 31, | | | For the nine-month period ended September 30, | |
|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2023 | 2022 |
| | | | (€ in millions) | | |
| O&P North America | 243.6 | 163.2 | 547.0 | 158.0 | 174.0 |
| O&P Europe | 489.6 | 285.8 | 407.6 | 669.9 | 309.2 |
| Chemical Intermediates | 303.2 | 360.0 | 356.4 | 158.9 | 191.7 |
| **Total** | **1,036.4** | **809.0** | **1,311.0** | **986.8** | **674.9** |

In the nine-month period ended September 30, 2023, the Group spent €986.8 million (nine-month period ended September 30, 2022: €674.9 million) on property, plant and equipment. The main capital expenditures in the O&P North America segment related to turnaround expenditure. The main capital expenditures in the O&P Europe segment related to the completion of the cogeneration project at the Köln, Germany site, expenditure on a new ARG compressor, a turnaround on a polyethylene unit, a turnaround on a cracker and aromatics unit and expenditure on Project ONE. The main expenditure in the Chemical Intermediates segment was further growth expenditure by the Oligomers business on the LAO platform at Chocolate Bayou, USA and by the Phenol business on the new cumene unit project at Marl, Germany. There was also turnaround expenditure by the Oligomers business at Chocolate Bayou, USA. The remaining capital expenditure related primarily to sustenance expenditure.

The main capital expenditures in the nine-month period ended September 30, 2022 related to turnaround expenditures in the O&P North America segment. The main capital expenditures in the O&P Europe segment related to the completion of the cogeneration project at the Köln, Germany site, together with expenditure on a scheduled cracker turnaround at the Rafnes, Norway site and expenditure on Project ONE. The main expenditure in the Chemical Intermediates segment was further growth expenditure by the Phenol business on the new cumene unit project at Marl. There was further growth expenditure by the Oligomers business on the LAO and PAO platforms at Chocolate Bayou, USA. In Nitriles, there was expenditure on the new port facility at the Green Lake site. The remaining capital expenditure related primarily to sustenance expenditure.

The main capital expenditures for the year ended December 31, 2022 related to turnaround expenditure in the O&P North America segment. The main capital expenditures in the O&P Europe segment related to the completion of the cogeneration project at the Köln, Germany site, together with expenditure on a scheduled cracker turnaround at the Rafnes, Norway site and expenditure on Project ONE. The main expenditure in the Chemical Intermediates segment was further growth expenditure by the Phenol business on the new cumene unit project at Marl. There was further growth expenditure by the Oligomers business on the LAO and PAO platforms at Chocolate Bayou, United States. In Nitriles, there was expenditure on the new port facility at the Green Lake site. The remaining capital expenditure related primarily to sustenance expenditure.

The main capital expenditures for the year ended December 31, 2021 related to further expenditure within the O&P North America segment on a debottleneck project at the Chocolate Bayou, United States site and expenditure on an SAP system upgrade. The main capital expenditures in the O&P Europe segment were at the Köln, Germany site on completion of the cogeneration project and the lifecycle cracker project, together with turnaround spend at the Lillo, Belgium and Köln, Germany sites. The main expenditure in the Chemical Intermediates segment was further growth expenditure by the Phenol business on the new cumene unit project at Marl, Germany and new Phenol terminal at Pasadena, United States together with turnaround spend at the site in Mobile, United States. There was further growth expenditure by the Oligomers business on the LAO and PAO platforms and barge dock at the site in Chocolate Bayou, United States. There was also expenditure within the Oxide business on a planned turnaround and catalyst change at the Köln, Germany site and planned turnarounds at the Antwerp, Belgium and Hull, UK sites. The remaining capital expenditure related primarily to sustenance expenditure.

The main capital expenditures for the year ended December 31, 2020 related to further expenditure within the O&P North America segment on a furnace replacement project, debottleneck and major scheduled turnaround on one of the crackers at Chocolate Bayou, United States, together with expenditure on an office building at the site and a number of smaller turnarounds and projects. The main capital expenditures in the O&P Europe segment were at the Köln, Germany site on completion of the cogeneration project and further expenditure on a new jetty, together with a major scheduled turnaround on one of the crackers at the site. In addition, there was expenditure on a planned propane dehydrogenation unit (the "**PDH Unit**") and new ethane cracker at the Antwerp, Belgium site (the PDH Unit was subsequently cancelled and impaired). The main expenditure in the Chemical Intermediates segment was further growth expenditure by the Oligomers business on the LAO and PAO platforms as well as a barge dock. There was also expenditure within the Oxide business at the Antwerp, Belgium site in respect of a planned turnaround. The Phenol business also had expenditure on a new cumene unit project at Marl, Germany. The remaining capital expenditure related primarily to sustenance expenditure.

We expect that our aggregate capital expenditure for 2023 will be approximately €1.5 billion, which includes €0.7 billion in relation to Project ONE. We expect that our aggregate capital expenditure for 2024 will be approximately €1.85 billion, which includes €1.5 billion in relation to Project ONE.

***Working Capital***

We anticipate that our working capital requirements will vary due to changes in raw material costs, which affect inventory and account receivables levels, and sales volumes. Working capital levels typically develop in line with raw material prices, although timing factors can affect flows of capital. We expect to fund our working capital requirements with cash generated from operations and drawings under our Securitization Program and Inventory Financing Facility.

***Cash Flows***

During the years ended December 31, 2022, 2021 and 2020 and the nine-month periods ended September 30, 2023 and 2022, our net cash flow was as follows:

| | For the year ended December 31, | | | For the nine-month period ended September 30, | |
|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2023 | 2022 |
| | | | (€ in millions) | | |
| Cash flow from operating activities | 2,740.7 | 2,738.7 | 1,886.2 | 1,275.3 | 2,023.3 |
| Cash flow used in investing activities | (2,590.0) | (639.9) | (1,553.7) | (2,258.7) | (1,113.3) |
| Cash flow from/(used in) financing activities | 305.3 | (1,465.1) | 96.4 | 549.7 | (580.6) |

*Cash flows from operating activities*

Net cash flow from operating activities was an inflow of €1,275.3 million for the nine-month period ended September 30, 2023 (inflow of €2,023.3 million in the nine-month period ended September 30, 2022). The inflow was due to the profit generated from operations and working capital inflows of €237.0 million in the nine-month period ended September 30, 2023 (outflow of €321.4 million in the nine-month period ended September 30, 2022). The working capital inflows in the nine-month period ended September 30, 2023 primarily reflected the lower working capital levels of the Group due to lower sales volumes.

Net cash flow from operating activities was an inflow of €2,740.7 million for the year ended December 31, 2022 (inflow of €2,738.7 million in the year ended December 31, 2021). The inflow was due to the profit generated from operations and working capital inflows of €41.6 million in the year ended December 31, 2022 (outflows of €736.3 million in the year ended December 31, 2021). The working capital inflows in the year ended December 31, 2022 primarily reflected the lower working capital levels of the Group due to a reduction in overall sales volumes of approximately 4% for the year ended December 31, 2022 as compared to the year ended December 31, 2021.

Net cash flow from operating activities was an inflow of €2,738.7 million for the year ended December 31, 2021 compared to an inflow of €1,886.2 million for the year ended December 31, 2020. The inflow was due to the profit generated from operations, partly offset by working capital outflows of €736.3 million for the year ended December 31, 2021 compared to an inflow of €319.0 million for the year ended December 31, 2020. The working capital outflows for the year ended December 31, 2021 primarily reflected the higher working capital levels of the Group due to increased raw material prices, and consequently product prices, as crude oil prices increased significantly to an average of $71 per barrel for the year ended December 31, 2021 as compared to an average of $42 per barrel for the year ended December 31, 2020. In addition, overall sales volumes increased by approximately 9% for the year ended December 31, 2021 as compared to the year ended December 31, 2020 which also resulted in higher levels of working capital.

Taxation payments of €192.3 million were made in the nine-month period ended September 30, 2023 (payments of €112.8 million in the nine-month period ended September 30, 2022). The payments in the nine-month period ended September 30, 2023 primarily reflected tax payments in Germany, UK, Belgium, Norway, USA and Canada. The payments in the nine-month period ended September 30, 2022 primarily reflected tax payments in US, Switzerland, Germany, Belgium and Canada, partially offset by tax refunds in the US (including a refund under the CARES Act).

Taxation payments of €148.1 million were made in the year ended December 31, 2022 (payments of €109.7 million in the year ended December 31, 2021). The payments in the year ended December 31, 2022 primarily reflected tax payments in Germany, Switzerland, Belgium, Canada and the United States, partially offset by tax refunds in the United States (including a refund under the CARES Act).

Taxation payments of €109.7 million were made for the year ended December 31, 2021 compared to receipts of €68.2 million for the year ended December 31, 2020. The payments for the year ended December 31, 2021 primarily reflected tax payments in Switzerland, Germany, Belgium, Norway, Canada and the United States, some of which had been deferred from 2020 in response to the coronavirus pandemic. These payments were partially offset by further tax refunds of $270.7 million from the United States under the CARES Act.

*Cash flows used in investing activities*

Interest receipts of €67.3 million were received in the nine-month period ended September 30, 2023 (€11.1 million in the nine-month period ended September 30, 2022) which related primarily to interest received on cash balances held by the Group.

On March 31, 2023, the Group completed the acquisition of the entire asset base of Mitsui Phenols Singapore Ltd from Mitsui Chemicals, a leading Japanese chemicals manufacturer, for a total consideration of $273.0 million (€257.5 million). Cash balances acquired with the business were €42.9 million.

In January, 2023 the Group provided a loan of €309.3 million via INEOS Industries Holdings Limited to INEOS Grangemouth Limited, a related party, to facilitate the repayment of its Senior Term and Revolving Loan Facilities. The loan facility is unsecured, matures in January 2028 and bears interest at 5.75% per annum.

In April 2023, the Group provided a loan of €811.9 million via INEOS Industries Holdings Limited to INEOS Upstream Holdings Limited, a related party, to partly fund its acquisition of US onshore oil and gas assets in the Eagle Ford shale from Chesapeake Energy. The loan facility is unsecured, matures in April 2028 and bears interest at 8.5% per annum.

In the nine-month period ended September 30, 2023, the Group spent €3.0 million (€1.8 million in the nine-month period ended September 30, 2022) on intangible assets primarily related to the purchase of carbon emission credits.

In the nine-month period ended September 30, 2022, the Group paid an initial deposit of €449.8 million in relation to the 50% joint venture investment in Shanghai SECCO Petrochemical Company Limited which completed in December 2022.

In the year ended December 31, 2022, the Group spent €128.8 million (December 31, 2021: €31.0 million, December 31, 2020: €53.6 million) on intangible assets primarily related to the purchase of carbon emission credits.

In the year ended December 31, 2022, the Group acquired 50% of SECCO from Sinopec. Total consideration was RMB 10,870 million (€1,460.7 million), which was partly funded by new term loan facilities which mature in June 2026.

On December 31, 2021, the Group acquired the business and assets of Charter Plastics in Titusville, United States for cash consideration of €56.4 million ($63.5 million). The business manufactures high density polyethylene (HDPE) pipe products.

In July 2014, the Group set up a joint venture with Sasol to build and operate an HDPE plant at the Battleground site in Texas, United States. The plant became fully operational in the fourth quarter of 2017. The Group received €0.7 million from the joint venture during the year ended December 31, 2020. On December 31, 2020 the Group acquired the remaining 50% interest in the joint venture for cash consideration of €187.3 million to become the 100% owner of the plant. Cash balances acquired with the business were €6.2 million. The purchase agreement provided for corrections for actual net working capital contributions compared to target which resulted in a final consideration payment of €0.4 million during the year ended December 31, 2021.

In October 2020, the Group invested €1.6 million into a joint venture set up with a Chinese partner to jointly develop Acrylonitrile technology for use within the Chinese market, and to protect against misuse of technology where appropriate. During 2021, the Group invested a further €3.3 million into the joint venture.

On November 1, 2016, the Group acquired 100% of the shares of WLP Holding Corporation, one of the largest high-density polyethylene (HDPE) pipe manufacturers in North America. During the year ended December 31, 2020, the Group paid a further €15.6 million in relation to the acquisition. This payment was the final instalment of the contingent consideration which was subject to the acquired business achieving certain targets over a three-year period.

There were no other significant cash flows used in investing activities for the years ended December 31, 2022, 2021 and 2020 and the nine-month periods ended September 30, 2023 and 2022 other than the acquisition of property, plant and equipment (see "—Capital Expenditures" above).

*Cash flows (used in)/from financing activities*

Payments of €436.9 million were made in the nine-month period ended September 30, 2023 (€134.7 million in the nine-month period ended September 30, 2022) in respect of interest and other finance items. The payments during the first nine months of 2023 related primarily to monthly cash payments in respect of the Senior Secured Term Loans and the Project ONE Facilities, semi-annual interest payments on the Senior Secured Notes due 2026 and Senior Secured Notes due 2025, quarterly interest payments on the Gemini Term Loans and Rain Facilities and interest paid on lease liabilities of €42.7 million, partially offset by the net settlement of derivative contracts of €45.3 million. The interest payments during the first nine months of 2022 related primarily to monthly cash payments in respect of the Senior Secured Term Loans, quarterly interest payments on the Gemini Facility, semi-annual interest payments on the Senior Secured Notes due 2025 and Senior Secured Notes due 2026 and interest paid on lease liabilities of €36.5 million, partially offset by the net settlement of derivative contracts of €66.4 million.

Interest payments of €205.4 million were made in the year ended December 31, 2022 (December 31, 2021: €208.2 million, December 31, 2020: €348.4 million). The interest payments during 2022 related primarily to monthly cash payments in respect of the Senior Secured Term Loans, quarterly interest payments on the Gemini Facility, semi-annual interest payments on the Senior Secured Notes due 2025 and Senior Secured Notes due 2026 and interest paid on lease liabilities of €51.7 million, partially offset by the net gain on settlement of derivative contracts of €123.4 million.

The interest payments during the year ended December 31, 2021 related primarily to monthly cash payments in respect of the Senior Secured Term Loans, quarterly interest payments on the Gemini Term Loans, and semi-annual interest payments on the 2025 Senior Secured Notes, the March 2026 Senior Secured Notes and the May 2026 Senior Secured Notes. In addition, there was interest paid on lease liabilities of €41.9 million, partially offset by the net gain on settlement of derivative contracts of €91.3 million. There were also semi-annual interest payments on the Senior Notes due 2024, together with a final interest payment when these Senior Notes were redeemed in November 2021.

The interest payments during the year ended December 31, 2020 related primarily to monthly cash payments in respect of the Senior Secured Term Loans, semi-annual interest payments on the Senior Notes due 2024, Senior Secured Notes due 2025 and Senior Secured Notes due May 2026 and interest paid on lease liabilities of €46.3 million, together with the net loss on settlement of derivative contracts of €89.3 million.

The Group made no repayments on the Securitization Program during the nine-month period ended September 30, 2023 (no repayments in the nine-month period ended September 30, 2022). Additional debt issue costs of €0.1 million were paid during the nine-month period ended September 30, 2022. The Group made no repayments on the Securitization Program during the year ended December 31, 2022 (December 31, 2021: €99.1 million, December 31, 2020: €172.1 million). In December 2021, the Group entered into an amendment agreement to extend the maturity of the securitization Program to December 2024 and paid associated debt issue costs of €0.2 million in relation to the securitization Program amendment. Additional debt issue costs of €0.1 million were paid during the year ended December 31, 2022.

The Group made repayments of €32.1 million on the Inventory Financing Facility during the nine-month period ended September 30, 2023 (repayments of €25.2 million in the nine-month period ended September 30, 2022). The Group made repayments of €40.5 million (December 31, 2021: drawdowns of €114.2 million, December 31, 2020: repayments of €62.1 million) during the year ended December 31, 2022.

In December 2022, the Group entered into project financing agreements in connection with Project ONE to borrow loans of up to €3.5 billion under the Project ONE Facilities to fund the majority of the capital expenditure plus associated financing costs during construction. In February 2023 the Group received certain guarantees which meant it could start drawing under the Project ONE Facilities. During the nine-month period ended September 30, 2023, the Group made drawdowns under the Project ONE Facilities of €522.0 million and paid debt issue costs of €202.4 million relating to legal and advisory fees, upfront fees to banks, agency fees to the facilities agents and the upfront Export Credit Agency Guarantee premiums paid to UKEF, CESCE and SACE. On July 20, 2023 the Group received a decision from the Council for Permit Disputes annulling the permit for Project ONE. As a result of the annulment of the permit, further drawings were suspended from that date. On January 7, 2024, a new permit was reissued. We expect the drawstop to be lifted on or around February 22, 2024, the date that is 45 days after the permit was reinstated. In September 2023, the Group entered into the Project ONE Interim Facility providing for loans in an aggregate principal amount of €400 million which is partially guaranteed by Gigarant (a special purpose vehicle of the Flemish government). This is a short dated facility repayable within 364 days. During the nine-month period ending September 30, 2023, the Group made drawdowns under the Project ONE Interim Facility of €85.0 million and paid debt issue costs of €2.0 million The Group expects to repay the Project ONE Interim Facility from borrowings under the Project ONE Facilities once the drawstop is lifted.

In February 2023, the Group issued new Senior Secured Term Loans and the 2028 Senior Secured Notes. The Senior Secured Term Loans included loans of €700.0 million maturing in November 2027 and $1.2 billion (€1,103.9 million) maturing in February 2030. The Group paid debt issue cost of €32.3 million in relation to the new Senior Secured Term Loans. The 2028 Senior Secured Notes consisted of notes of €400 million and $425 million (€390.9 million) and mature in May 2028. Debt issue cost of €8.4 million was paid by the Group in relation to the 2028 Senior Secured Notes. The proceeds were used to fully redeem the remaining Senior Secured Term Loans due 2024 of €1,982.1 million, as well as increasing the liquidity of the Group.

The Group made scheduled repayments of €17.0 million on the Senior Secured Term Loans during the nine-month period ended September 30, 2023 (scheduled repayments of €34.0 million in the nine-month period ended September 30, 2022). The Group made scheduled repayments of €46.1 million (December 31, 2021: €38.3 million, December 31, 2020: €35.1 million) on the Senior Secured Term Loans during the year ended December 31, 2022. Further debt issue costs of €0.2 million were paid during the nine-month period ended September 30, 2023 associated with the Senior Secured Term Loans issued in November 2022 (€1.4 million associated with the Senior Secured Term Loans issued in November 2021 were paid in the nine-month period ended September 30, 2022).

As part of a Köln, Germany project to replace part of the site's incineration and cogeneration unit, the Group entered into a €120.0 million loan facility. The Group made scheduled loan repayments of €12.0 million on the Köln CoGen Facility during the nine-month period ended September 30, 2023 (scheduled repayments of €18.0 million during the nine-month period ended September 30, 2022). The Group made scheduled loan repayments of €24.0 million on the Köln CoGen Facility during the year ended December 31, 2022 (December 31, 2021: €24.0 million, December 31, 2020: €24.0 million).

As part of this project the Group also entered into an additional loan facility of €60.0 million in May 2021. The Group paid associated debt issue costs of €0.3 million in relation to the additional loan facility during the year ended December 31, 2021. The first repayments under this additional facility started in September 2022 with scheduled loan repayments of €7.5 million being made in the nine-month period ended September 30, 2023 (scheduled repayments of €3.8 million during the nine-month period ended September 30, 2022).

In November 2019 following the repayment of the initial Rafnes Facility, the term loan was amended and restated with a new amount of €250.0 million. In November 2022 the Group amended and extended the existing Rafnes Facility to €305 million, resulting in an additional drawdown of €126.4 million. The new Rafnes Facility is to be repaid in six equal semi-annual instalments commencing in May 2025, with the Rafnes Facility maturing in November 2027. Under the previous Rafnes Facility the Group made scheduled payments of €35.7 million during the nine-month period ended September 30, 2022. The Group made scheduled payments of €35.7 million during the year ended December 31, 2022 (December 31, 2021: €35.7 million, December 31, 2020: nil).

In August 2020, the Group entered into a new €19.2 million bank loan agreement to fund capital expenditure on a freight rail car fleet covering North America for the Oligomers business. The Group has made scheduled loan repayments of €0.3 million during the nine-month period ended September 30, 2023

(€0.7 million repayments in the nine-month period ended September 30, 2022). During the year ended December 31, 2022, scheduled loan repayments of €0.9 million (December 31, 2021: €0.8 million, December 31, 2020: €0.3 million) were made under the loan agreement.

In October 2019, the Group entered into a new IKB facility to fund some specific capital expenditure within the Nitriles business, resulting in a drawdown of €1.0 million in 2019. The Group fully repaid the IKB facility during the year ended December 31, 2021 after making scheduled loan repayments of €0.6 million (December 31, 2020: €0.4 million).

As part of the Group's purchase of the remaining 50% interest in the Gemini HDPE plant in Texas, USA, from Sasol Chemicals on December 31, 2020, the Group amended and upsized the existing Term Loan facility within the acquired Gemini HDPE LLC legal entity. The Group has made scheduled loan repayments of €17.5 million during the nine-month period ended September 30, 2023 (scheduled repayments of €16.6 million in the nine-month period ended September 30, 2022). During the year ended December 31, 2022, the Group made scheduled loan repayments of €23.0 million (December 31, 2021: €16.8 million).

In March 2019, the Group entered into a €141 million floating rate Schuldschein Loan facility, which was due to mature in March 2024. The Group paid associated debt issue costs of €2.5 million in relation to the Schuldschein Loan during the year ended December 31, 2019. In December 2022, the Group repaid the Schuldschein Loan in full.

In November 2020, the Group entered into a separate bank loan agreement to fund specific capital expenditure on a new cumene unit at Marl, Germany for the Phenol business. During the nine-month period ended September 30, 2023 the Group made scheduled repayments of €7.9 million (scheduled repayments of €1.3 million in the nine-month period ended September 30, 2022). During the year ended December 31, 2022, the Group made scheduled loan repayments of €23.0 million (December 31, 2021: €16.8 million).

During the year ended December 31, 2022, the Group acquired 50% of SECCO from Sinopec which was partly funded by the Rain Facilities, new RMB and US dollar term loan facilities which mature in June 2026, of RMB 1,045 million and $525.0 million. In April 2023, the Group successfully completed a syndication of the acquisition financing originally funded in December 2022. As part of the syndication the Project Rain Facilities were increased to RMB 1,045 million and $785.0 million resulting in an inflow of €236.1 million. During the nine-month period ended September 30, 2023 the Group paid further debt issue costs of €3.0 million in relation to the Project Rain Facilities.

During the nine-month period ended September 30, 2023 the Group made payments of €126.6 million (€109.1 million in the nine-month period ended September 30, 2022) in respect of the capital element of lease liabilities. During the year ended December 31, 2022 the Group made payments of €163.3 million (December 31, 2021: €141.9 million, December 31, 2020: €168.2 million) in respect of the capital element of lease liabilities.

The Group made a dividend payment of €200.0 million in the nine-month period ended September 30, 2022. The Group made total dividend payments of €200.0 million (December 31, 2021: €800.0 million, December 31, 2020: nil) in the year ended December 31, 2022.

*Net debt*

Total net debt as at September 30, 2023 was €8,082.4 million (December 31, 2022: €6,238.5 million). The Group held net cash balances of €2,219.9 million as at September 30, 2023 (December 31, 2022: €2,639.1 million) which included restricted cash of €142.3 million used as collateral against bank guarantees and letters of credit. The Group had availability under the undrawn Securitization Program of €540.8 million as at September 30, 2023.

Total net debt as at December 31, 2022 was €6,238.5 million (December 31, 2021: €5,679.1 million). The Group held net cash balances of €2,639.1 million as at December 31, 2022 (December 31, 2021: €2,106.1 million) which included restricted cash of €160.0 million used as collateral against bank guarantees and letters of credit. The Group had availability under the undrawn Securitization Program of €616.0 million as at December 31, 2022.

Total net debt as at December 31, 2021 was €5,679.1 million (December 31, 2020: €6,288.4 million). The Group held net cash balances of €2,106.1 million as at December 31, 2021 (December 31, 2020:

€1,342.2 million) which included restricted cash of €146.4 million used as collateral against bank guarantees and letters of credit. The Group had availability under the undrawn Securitization Program of €782.0 million as at December 31, 2021.

The Group entered into three interest rate swap contracts effective June 2020 to hedge the variable interest rate exposure on $1.2 billion of the USD-denominated Senior Secured Term Loans. On a quarterly basis, the Group receives 3-month USD-SOFR CME Term and pays a fixed rate. These derivative instruments expire in June 2025. The Group terminated two of these contracts totaling $850 million in October 2023 in return for cash proceeds determined by the fair value of the derivatives at the time of the termination. The Group entered into a further interest rate swap contract effective April 2023 to hedge the variable interest rate exposure on $500 million of the USD-denominated Senior Secured Term Loans. On a quarterly basis, the Group will receive 3-month USD-SOFR CME Term and pay a fixed rate. This derivative instrument expires in April 2025.

The Group entered into several interest rate swap contracts and zero-cost collar contracts with a hedge coordinating bank in advance of reaching financial close under the Project ONE Facilities. These derivative instruments are based on an accreting gross notional profile up to €2,450 million. At financial close effective February 2023, the Group novated these derivative instruments to the wider banking syndicate involved in the Project ONE Facilities. Under the interest rate swap contracts on a 6-month (bi-annual) basis the Group receives 6-month Euribor and pays a fixed rate. Under the zero-cost collar contracts on a 6-month (bi-annual) basis the Group receives 6-month Euribor and pays a fixed rate against the Cap and receives a fixed rate and pays 6-month Euribor against the floor. These derivative instruments expire March 2028. As at September 30, 2023, the gross notional profile of these derivative instruments was €783.1 million.

**Quantitative and Qualitative Disclosures About Market Risk**

In the ordinary course of our business, we are exposed to a variety of market risks arising from fluctuations in foreign currency exchange rates, interest rates and commodity prices. To manage these risks effectively, we may enter into hedging transactions and use derivative financial instruments, pursuant to established internal guidelines and policies, to mitigate the adverse effects of these market risks. We do not enter into financial instruments for trading or speculative purposes.

In the case of commodities, this exposure principally arises from movements in the prices of the feedstocks we require to make our products. To manage this exposure, we generally acquire raw materials and sell finished products at posted or market-related prices, which are typically set on a quarterly, monthly or more frequent basis in line with industry practice. We seek to minimize reductions in our margins by passing through feedstock cost increases to our customers through higher prices for our products.

Our cash flows and earnings are subject to exchange rate fluctuations. In our European petrochemical business, product prices, certain feedstock costs and most other costs are denominated in euro and British pounds. From time to time, we may enter into foreign currency exchange instruments to minimize the short-term impact of movements in foreign exchange rates.

**Critical Accounting Estimates and Judgements**

We have reviewed our selection and application of principal accounting policies and related financial disclosures. The preceding discussion of past performance is based upon our consolidated financial information, which has been prepared in accordance with IFRS. Our significant accounting policies are described in Note 1 to the audited consolidated financial information. The application of these accounting policies requires that management make estimates and judgments. On an ongoing basis, we evaluate our estimates, which are based on historical experience and market and other conditions, and on assumptions that we believe to be reasonable. Actual results may differ from these estimates due to actual market and other conditions, and assumptions being significantly different than was anticipated at the time of the preparation of these estimates. Such differences may affect our financial results. We have chosen to highlight certain policies that we consider critical to the operations of our business and understanding our consolidated financial information. These policies have been discussed and agreed upon with our audit committee. We believe the following estimates affect the application of our most critical accounting policies and require our most significant judgments.

The following area is considered to involve a significant degree of judgment or estimation (this section should be read in conjunction with notes 1 and 31 to the consolidated financial statements of INEOS Group Holdings S.A. as of and for the years ended December 31, 2020, December 31, 2021 and note 30 of the consolidated financial statements as of and for the year ended December 31, 2022, respectively (included elsewhere in this offering memorandum).

### *Taxation*

Management is required to estimate the tax payable in each of the jurisdictions in which the Group operates. This involves estimating the actual current tax charge or credit together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. The calculation of the Group's total tax charge necessarily involves a significant degree of estimation in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

The Group has, from time to time, contingent tax liabilities arising from trading and corporate transactions in the countries in which it operates. After appropriate consideration, management makes provision for these liabilities based on the probable level of economic loss that may be incurred and which is reliably measurable.

The breadth of the Group's structure with operations in many geographic locations makes the use of estimates and assumptions more challenging. The resolution of issues is not always within the control of the Group and can be reliant upon the efficiency of the legal processes in the relevant jurisdictions in which the Group operates, and as a result, issues can, and often do, take many years to resolve.

### Impairment

Goodwill impairment testing is performed annually or if there is an indication of impairment. Goodwill impairments tests are based on cash generating units and compare the recoverable amount of the unit with the respective carrying amount. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs of disposal and its value in use. The value in use is determined using a discounted cash flow method, considering earnings forecasts of the unit. The management of the Group identified the operating segments as cash generating units (CGU) for purposes of testing goodwill for impairment. Each unit or group of units to which goodwill is allocated shall represent the lowest level within the entity at which the goodwill is monitored for internal management purpose. The goodwill is internally monitored at the level of business units.

Impairment losses on intangible assets and property, plant and equipment are recognized when the recoverable amount of the cash generating unit which includes the asset is lower than the respective carrying amount. In accordance with the definition of a cash generating unit under IAS 36, the individual production plants generally do not represent separate cash generating units, but are part of larger asset groups that form the cash generating units. Since the assessment of whether goodwill or property, plant and equipment are impaired is based on long-term business plans for the cash generating units and the determination of an appropriate discount rate, management used significant estimates and assumptions in making these assessments.

### Post-Retirement Benefits

The Group operates a number of defined benefit post-employment schemes. Under IAS 19 Revised Employee Benefits, management is required to estimate the present value of the future defined benefit obligation of each of the defined benefit schemes. The costs and year end obligations under defined benefit schemes are determined using actuarial valuations. The actuarial valuations involve making numerous assumptions, including:

- Future rate of increase in salaries;
- Inflation rate projections;
- Discount rate for scheme liabilities; and
- Expected rates of return on the scheme assets.

### Investments

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

The key accounting judgement taken in the preparation of the financial statements relates to our interest in the Refining Business formerly owned by Group. The Refining Business is now owned by Petro China and INEOS Investments, which in turn is held under common control by the Group's controlling shareholders. The Group had an economic interest in INEOS Investments via non-voting ordinary shares in INEOS Investments until December 2022, when these shares were sold to a related party.

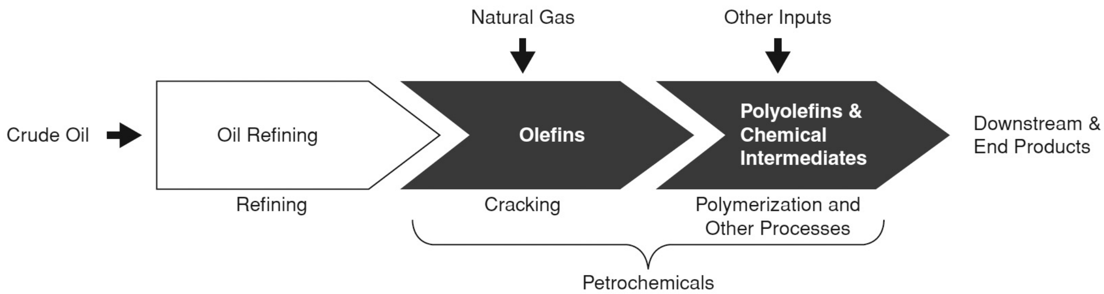
The Group has evaluated its interest in INEOS Investments and in the Refining Business, and has concluded that, until the sale in December 2022, it had effective control over INEOS Investments by virtue of the facts that the Group is subject to exposure and rights to the variable returns from INEOS Investments, INEOS Investments was held under common control with the Group's controlling shareholders and had the same directors as the Group. As a result, INEOS Investments was treated as a subsidiary of the Group, and therefore the Refining Business was treated as a joint venture under the equity accounting method, and the Group reflected its 50% share in the profits and losses of the Refining Business in its income statement.

## INDUSTRY AND MARKET OVERVIEW

Certain parts of the projections and other information set forth in this section have been derived from external sources including reports of NexantECA, an independent consultant to the chemical industry, among others. Industry surveys and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We believe that these industry publications, surveys and forecasts are reliable but we have not independently verified them and cannot guarantee their accuracy or completeness. See "Historical and Current Market and Industry Data."

### Overview

The petrochemicals markets comprise all products derived from crude oil and natural gas, and include olefins, polymers and various petrochemical chemical intermediate products directly or indirectly derived from olefins. We participate in the majority of these market segments, with a significant proportion of our profitability being derived from the chemical intermediates sector.




In the refining industry, crude oil is refined into a number of products, including naphtha and liquid petroleum gas, a significant proportion of which is used as feedstock for the production of olefins, such as ethylene and propylene. In turn, a significant portion of these olefins are used as feedstock for the manufacture of polymers and petrochemical derivatives, such as chemical intermediates.

Olefins are the basic building blocks used to create a variety of petrochemical products. Petrochemicals are widely used in consumer and industrial applications ranging from plastics and packaging to construction and cosmetics. Owing to their physical properties and affordability, petrochemicals and their derivatives continue to replace more traditional materials, such as metal, glass, ceramics and wood, in an expanding list of end-use applications.

Chemical intermediates are high value-added chemical products used as key components in a wide variety of consumer and industrial products. The chemical intermediates industry is less cyclical than the olefins industry; however, demand for chemical intermediate products is affected by trends in demand in the various industries that are end users of the products.

The industry overview detailed below summarizes the outlook for our key activities in the petrochemical and chemical intermediates industries.

### Olefins & Polyolefins

#### *Overview*

Olefins are the basic building blocks used to create a wide variety of petrochemical products. The key olefins manufactured by the petrochemical industry are ethylene and propylene and these olefins are in turn used to produce polyolefins and other olefin derivatives, such as ethylene oxide, acrylonitrile, vinyl chloride monomer, cumene and oxo-alcohols. Butadiene, benzene and other aromatics are co-products of olefin manufacture, produced primarily from steam cracking of naphtha. Polyolefins is the term used to collectively describe polypropylene and polyethylene polymers, the world's most widely used plastic materials. Polyolefins are manufactured by the process of polymerization whereby individual molecules of ethylene and propylene are aggregated in polymer chains.

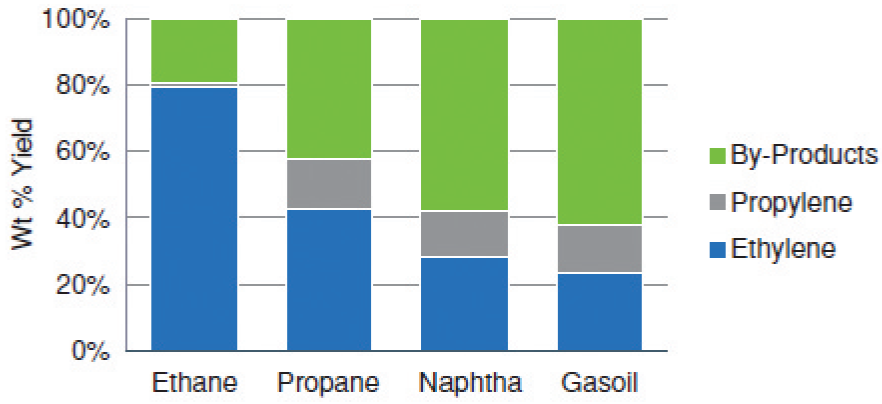
#### *Manufacturing*

Olefins are produced primarily by the steam cracking of hydrocarbon feedstocks. In steam cracking, a gaseous or liquid hydrocarbon feed, such as naphtha, liquefied petroleum gas or ethane, is diluted with steam and briefly heated in a furnace without the presence of oxygen. Typically, the reaction temperature is very high, at around 850°C, but the reaction is only allowed to take place very briefly. In modern cracking furnaces, the reaction time is further reduced to milliseconds, resulting in gas velocities faster than the speed of sound, to improve yield. After the cracking temperature has been reached, the gas is quickly quenched to stop the reaction in a transfer line heat exchanger. The products produced in the reaction depend on the composition of the feed, the hydrocarbon-to-steam ratio and on the cracking temperature and furnace residence time.

Light hydrocarbon feeds, such as ethane, liquefied petroleum gas or light naphtha, yield product streams rich in the lighter alkenes, including ethylene, propylene and butadiene. Heavier hydrocarbon feeds (full-range and heavy naphthas, as well as other refinery products) yield some of these products too, but also yield products rich in aromatic hydrocarbons and hydrocarbons suitable for inclusion in gasoline or fuel oil. Higher cracking temperatures (also referred to as higher levels of "severity") favor the production of ethylene and benzene, whereas lower cracking temperatures (lower levels of "severity") produce higher amounts of propylene, C4-hydrocarbons and liquid products.

Depending on feedstock, varying levels of ethylene, propylene and other by-products are achieved. Ethane produces the most ethylene but the least propylene. Naphtha produces substantially less ethylene, roughly one-third of that of ethane, but produces more propylene and significantly more by-products.

**Product Yield by Feedstock**




Source: NexantECA—2023

The main polyolefins are the thermoplastics, polyethylene and polypropylene, which are produced by the polymerization of the olefin monomers ethylene and propylene, respectively. Polyolefins can either be homopolymers (a combination of the same monomers) or copolymers (polymers that are produced from a combination of two or more monomers).

Polyolefins are produced using a number of different technologies that are widely available, including one high-pressure process and three low-pressure processes (Solution, Slurry and Gas Phase). All of the technologies are constantly being adapted to improve product qualities and reduce production costs. For commodity products, produced on modern scale technology, the cost structure of these technologies is similar. Increased cost structures for producing specialty products are typically justified by premium margins.

The following is a summary of the four processes:

***High-Pressure Process***

This was the original process used to produce polyethylene and is still in use today. This process is a free radical polymerization that does not require the use of a catalyst, operating at pressures above 1,000 and up to 3,500 bar and temperatures from 150° to 340°C. Originally conducted in a high-pressure autoclave, current processes more commonly use a tubular reactor. This process is used to produce low-density polyethylene, characterized by long-chain branching, considerable flexibility and clarity. Because of the high-pressures involved, this process involves higher risk than low-pressure processes and requires expensive and specialized equipment; consequently, fewer high-pressure processes have been constructed in recent years.

***Low-Pressure Processes***

These processes typically operate below 200 bar and have lower capital intensity but require the aid of a catalyst. In addition, it is common to add a comonomer (butene or hexene in the case of polyethylene, and ethylene in the case of polypropylene) to tailor the resultant polymer properties.

- ***Solution Process.*** This process operates at temperatures above the melting point of the polyolefin (above 130°C for polyethylene and above 140°C for polypropylene) and employs metallocene or Ziegler-Natta catalysts and a solvent to dissolve the growing polymer chains. This process is best suited to make high-density polyethylene (having very few chain branches, and those branches that do exist are short-only a few carbon atoms in length) and linear low-density polyethylene (having many short-chain branches, which may be contrasted to low-density polyethylene with many long-chain branches). Solution processes have the ability to produce narrow molecular weight distribution polyolefins.
- ***Slurry (or Suspension) Process.*** This process is a continuous low temperature (60° – 105°C, 20 – 35 bar for polyethylene or 60° – 85°C, 35 – 50 bar for polypropylene) process in which polymer forms as a solid particle in the presence of a catalyst while suspended in a liquid slurry. In the case of polyethylene, the polymerization takes place in an inert liquid carrier such as isobutane. In the case of polypropylene, the polymerization takes place in liquid hexane, heptane, or even liquid propylene monomer. When propylene is utilized as the carrier liquid, the process is often referred to as "bulk slurry." The carrier liquid serves to aid in the removal of heat as it carries the growing polymer particles through the reaction process. The catalyst may be chromium on silica (polyethylene only), Ziegler-Natta, or metallocene. The reactor may be a stirred tank or a pipe-loop reactor, in either case jacketed to aid in removal of the heat of reaction. One or more reactors may be placed in series to broaden the molecular weight distribution and produce bimodal polyolefins. This process is best suited to making high-density polyethylene and homopolymer polypropylene. One advantage of this process over other high-density polyethylene processes is the ability to make rapid grade transitions, which makes it particularly well suited to the manufacture of specialty polyethylene products.
- ***Gas Phase.*** As the name implies, polymerization occurs with the solid polymer particles produced on a heterogeneous catalyst in the gas phase. Like the slurry process, the catalyst may be chromium on silica (polyethylene only), Ziegler-Natta, or metallocene. In the reactor, the growing polyolefin particles are fluidized and cooled by the gaseous reactants and/or nitrogen, or sub-fluidized and mechanically agitated. Liquid monomer may be added and flashed to aid in the removal of heat. The reaction takes place at low temperature (80°-100°C for polyethylene and about 60°-85°C for polypropylene) and pressure (15-35 bar). A gas phase process has advantages over slurry and solution processes in that the heat of reaction is very effectively removed and operates with lower hydrocarbon inventories. In addition, high-ethylene content copolymers of polypropylene can be produced in this process. This process is best suited to the manufacture of linear low-density polyethylene, high-density polyethylene and all types of polypropylene, including homopolymer, random copolymer, impact copolymer and soft thermoplastic polyolefin.

Post-polymerization, any catalyst is deactivated, the polyolefin is freed of any solvent, unreacted monomer or liquid diluent, and the resulting polyolefin flake or crumb is combined with additives and extruded into pellets prior to sale to downstream fabricators.

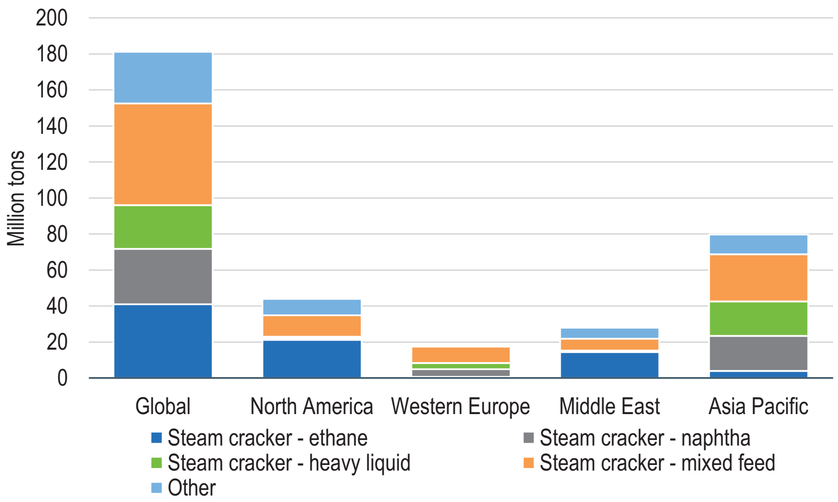
Several of these technologies have recently been adapted to run multiple reactions in series, yielding a product with a wider bi-modal molecular weight distribution that provides superior strength or unique characteristics such as high-impact resistance.

All polyolefin groups participate in mature markets and therefore larger plants of all process technologies are being built with capacities of 300,000-500,000 tonnes per year.

***Feedstock***

The predominant feedstock for Europe and North East Asia is naphtha. The Middle East predominantly uses natural gas liquids ("**NGLs**"), although there is very little very low cost ethane available for new crackers, which are designed to crack a range of the heavier NGLs (*i.e.*, propane, butane and heavier condensates). These feedstocks are tradable as fuel, and thus have a significant opportunity value, which earlier tranches of essentially "distressed" ethane did not (ethane is not practically tradable as a fuel). North American crackers have always had considerable in-built feedstock flexibility, enabling operators to select the most economic feedstock (be it NGLs or naphtha) on the day. The recent widespread exploitation of shale gas has caused fuel gas prices to fall well below those of other regions and has also given rise to an abundance of associated NGLs (mainly ethane and propane). These NGLs are currently available to local cracker operators at a fraction of the equivalent cost of naphtha, thus bestowing a large commercial advantage on North American NGL-based cracker operators. NGLs are the predominant feedstock for North American crackers.

**Ethylene Source by Feedstock**

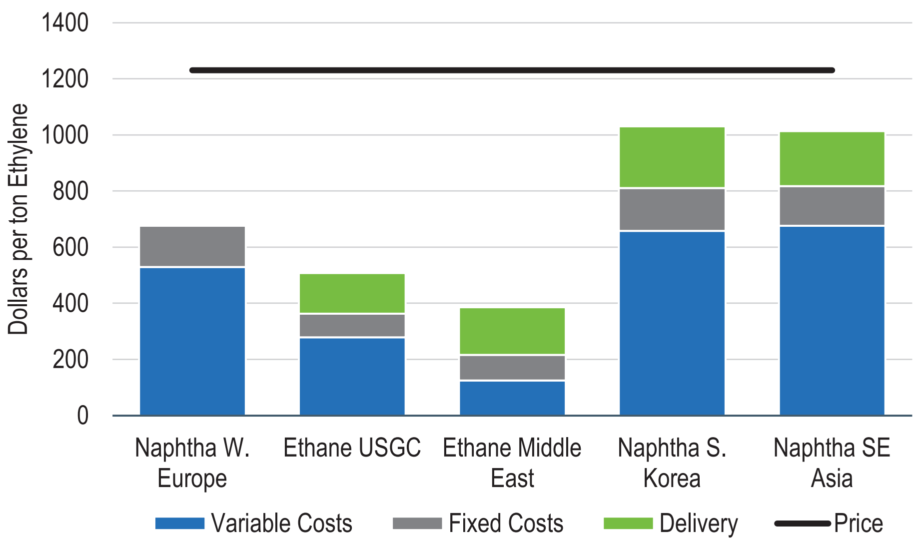



Source: NexantECA—2023

The prices of naphtha and NGLs are influenced by numerous factors, including the balance between supply and demand, oil and gas prices, and geopolitical factors. Because gas is not as readily transportable between regions as oil, and the amount of interregional trade in gas is therefore limited, gas prices tend to vary by geographic region. In an environment of relatively high oil prices, olefin facilities located in the Middle East enjoy the advantage of direct access to gas feedstocks, which are priced lower than naphtha. Producers who are back-integrated to refineries have the ability to capture margins across the value chain and to optimize feedstock types.

The relative costs of the various raw material sources in the manufacture of ethylene, compared to current fully delivered Northwest European pricing for ethylene are as follows:

**World Ethylene Manufacturing and Delivered Cost Competitiveness**
**Q3 2023—Dollars per ton of Ethylene**




Source: NexantECA—2023

***Products***

According to NexantECA, worldwide demand for petrochemical products has grown at a rate greater than the growth rate of GDP over the last 15 years, reflecting in part the ongoing substitution of thermoplastics for other industrial materials, including paper, wood, glass and metal, and the change in consumption patterns of developing nations. NexantECA projects demand growth for petrochemical products to be moderate as compared to historical levels, but nonetheless to grow slightly faster than GDP on a worldwide basis as this penetration matures in established markets, and despite petrochemical growth rates which can be below GDP growth rates for certain products in North America and Western Europe. Between 2023 and 2028, NexantECA projects GDP to grow at an average annual growth rate of 2.3% in North America, 1.9% in Western Europe and 4.1% in Northeast Asia. According to NexantECA, in Northeast Asia, China's economic growth over 2023-2028 is expected to ease to 4.9%, but the growth is still expected to be higher than the other countries in the region.

NexantECA's view of GDP and demand growth rates for petrochemical products varies by region and product type, as detailed in the table below:

| | Average annual GDP and demand growth rates (%) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2010–2023 | | | | 2023–2028(2) | | | |
| | North America | Western Europe | Northeast Asia | Global | North America | Western Europe | Northeast Asia | Global |
| GDP(1) | 2.0 | 1.2 | 4.6 | 2.6 | 2.3 | 1.9 | 4.1 | 3.2 |
| Ethylene | 2.9 | −0.8 | 4.8 | 3.0 | 3.4 | 1.4 | 3.2 | 3.4 |
| Propylene | 0.4 | −0.5 | 6.2 | 3.7 | 3.0 | 1.3 | 3.4 | 3.7 |
| Butadiene | −1.0 | −0.2 | 3.0 | 1.9 | 0.5 | 1.4 | 2.2 | 3.0 |
| Polyethylene | 1.4 | 0.6 | 5.6 | 3.6 | 2.1 | 0.8 | 4.3 | 3.7 |
| High-density polyethylene | 1.8 | 0.6 | 5.6 | 3.6 | 1.9 | 0.7 | 4.6 | 3.7 |
| Low-density polyethylene | −0.5 | −0.4 | 4.0 | 2.0 | 1.5 | 0.4 | 3.8 | 3.0 |
| Linear low-density polyethylene | 1.8 | 1.6 | 6.6 | 4.7 | 2.8 | 1.1 | 4.3 | 4.0 |
| Polypropylene | 1.0 | 0.1 | 6.3 | 4.3 | 1.5 | 1.1 | 4.6 | 4.2 |

Source: NexantECA—2023

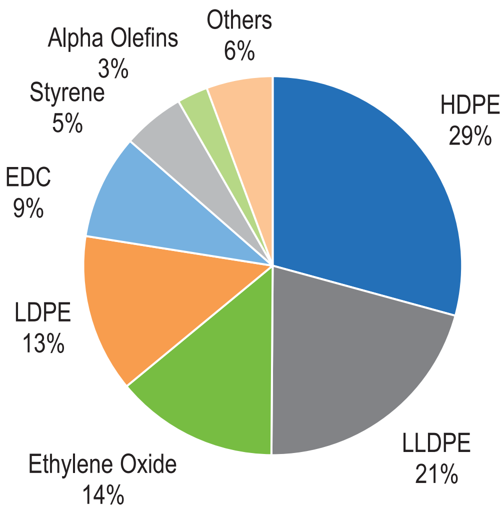
(1) The GDP growth figure for each region refers to gross domestic product for the countries in the region. The growth rates for products for each region reflect the growth of domestic demand in that region.

(2) NexantECA's expected growth rates.

Set forth below is a description of the principal petrochemical products detailed above and their applications.

- ***Ethylene.*** According to NexantECA, ethylene is the world's most widely used petrochemical in terms of volume, accounting for over one-third of the global production of primary petrochemicals. It is the key building block used to produce a large number of higher value added chemicals, including polyethylene, polyvinyl chloride via ethylene dichloride and styrene via ethylbenzene. Ethylene is a flammable gas and is a primary olefin obtained through a cracking process, as described above. Because ethylene is a gas, it must be transported either by pipeline or in the form of a highly pressurized and refrigerated liquid, which is an expensive means of transportation.

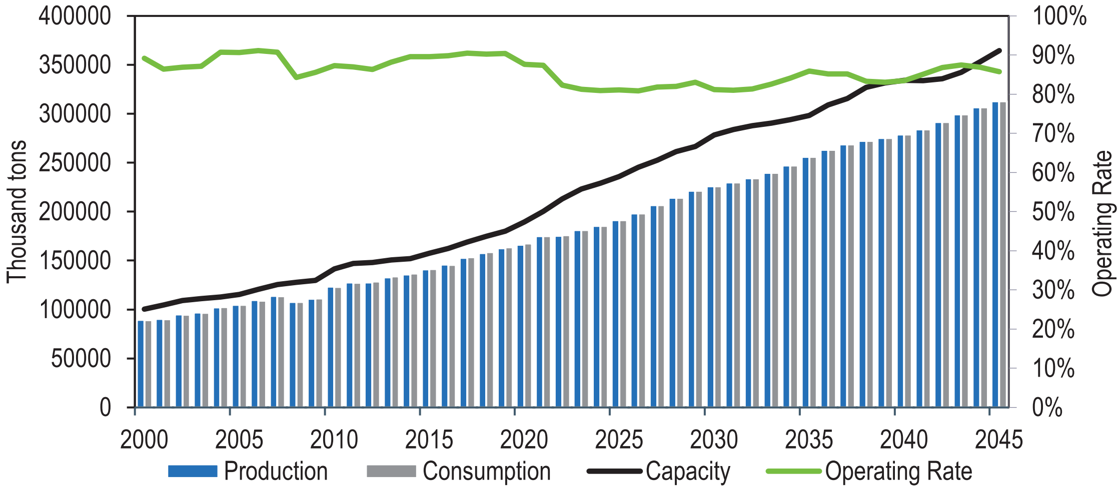
**Global Ethylene Demand**
**2023—Estimated**



Source: NexantECA—2023

While ethylene itself has no consumer applications, demand for ethylene is driven essentially by its use as feedstock for various thermoplastics, including polyethylene and other polymer derivatives. Thermoplastics are plastics that soften when heated and harden again when cooled. Aside from being the feedstock for polyethylene production, demand for ethylene is also driven by the manufacture of ethylene oxide and derivatives, ethylene dichloride and ethyl benzene. These products are in turn used mainly in the production of other thermoplastics: PET, PVC and polystyrene, respectively. According to NexantECA, the global market for ethylene is forecast to grow at 3.4% per annum through 2028 versus forecast GDP growth of 3.2% during the same period, driven by polyethylene applications such as high-density polyethylene and linear low-density polyethylene. The following table sets forth the historical and projected supply and demand trends for ethylene globally.

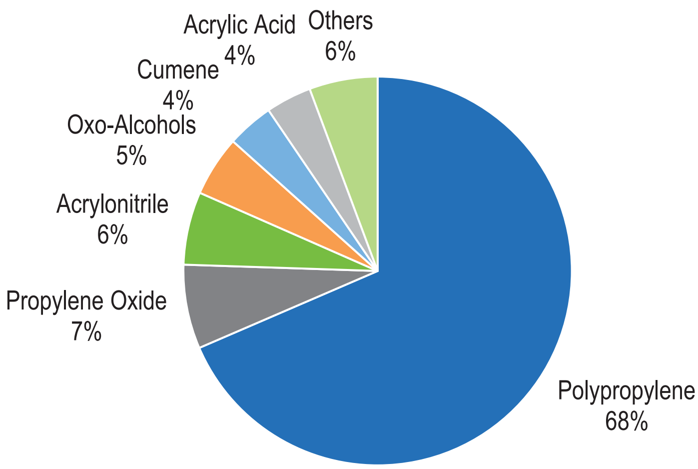
**Global Ethylene Supply and Demand**




Source: NexantECA—2023

- ***Propylene.*** Propylene is a flammable gas which is derived as a co-product either of the refinery fluid catalytic cracker process used to make gasoline or of the steam cracking process used to make ethylene. More recently, propylene is also being produced from processes such as propane dehydrogenation and metathesis. Propylene is an important feedstock for a significant number of industrial products and is the main feedstock for polypropylene and acrylonitrile. Propylene is marginally easier to transport than ethylene and may be shipped by pipeline, road, rail or ship.

**Global Chemical and Polymer Grade Propylene Demand**
**2023—Estimated**

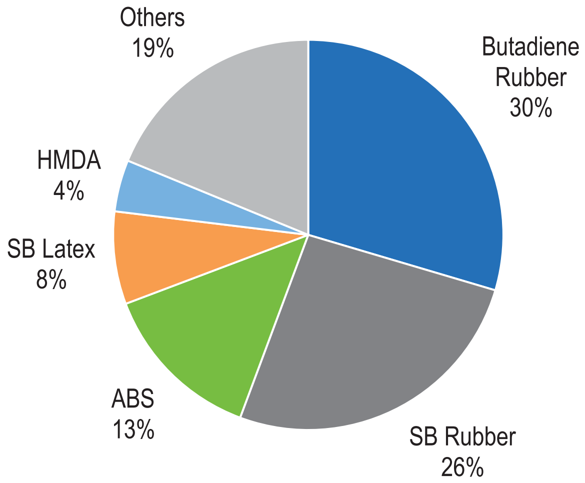



Source: NexantECA—2023

Global propylene demand is driven essentially by its use as feedstock for various thermoplastics and by the level of demand for propylene derivatives, particularly polypropylene, propylene oxide, acrylonitrile, oxo-alcohols, cumene and acrylic acid. Growth in the demand for polypropylene has stemmed from the substitution of non-polymers (paper, wood, glass and metal, etc.) for polypropylene due to its relative cost advantage and superior performance. According to NexantECA, the global market for propylene is projected to grow at 3.7 % per annum through 2028, driven mainly by polypropylene demand. NexantECA expects that the demand for polypropylene in Asia will continue to grow at higher rates than North America and Europe, primarily as a result of growth in the Chinese market.

- ***Butadiene.*** Butadiene is a gas and is one of the co-products of the steam cracking process used to manufacture ethylene and propylene. Butadiene is used primarily in the production of polymers, principally synthetic rubbers such as styrene-butadiene rubber, which is used to make tires and other rubber products. Other polymers made from butadiene include acrylonitrile-butadiene styrene and styrene-butadiene latex. Butadiene is also used to make ethylidene norbornene monomer.

**Global Butadiene Demand**
**2023—Estimated**

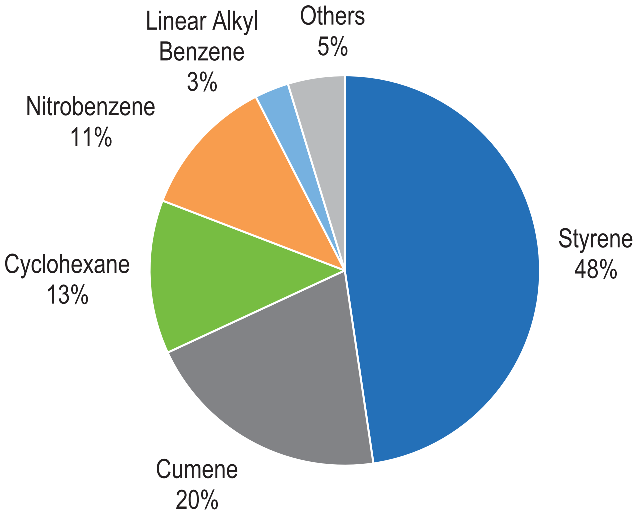



Source: NexantECA—2023

Butadiene demand is driven primarily by growth in consumption of synthetic rubber. According to NexantECA, the global market for butadiene is projected to grow at an average of 3.0% per annum through 2028. Demand is tightly linked to the market for synthetic rubber, which is, in turn, mainly consumed in the automotive sector.

- ***Benzene.*** Benzene is used to produce a number of petrochemical intermediates, such as styrene, cumene for phenol and acetone, cyclohexane and nitrobenzene. It is mainly produced from refinery processes or as a co-product of steam cracker operations.

**Global Benzene Demand**
**2023—Estimated**



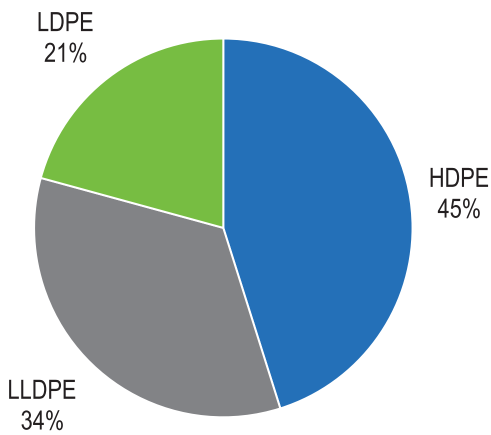

Source: NexantECA—2023

Styrene is the largest chemical outlet for benzene at around 48% of demand. The second largest outlet for benzene, accounting for 20% of demand, is cumene, which is nearly all consumed in phenol production with acetone formed as a co-product. For 2023, NexantECA estimated the global benzene demand to be 53.9 million tons, with 68 % being consumed in the production of ethylbenzene for the styrenics industry and cumene for the phenolics industry. NexantECA forecasts an average global growth rate in demand of approximately 3.3% per year in the 2023-2028 period.

- ***Polyethylene.*** Polyethylene is the world's most widely used thermoplastic and is made by the polymerization of ethylene. Polyethylene is often classified by its density, because greater density corresponds with greater material rigidity.

The world's largest volume polyethylene is high density polyethylene (HDPE), which has a relatively high degree of tensile strength. Plastic containers represent the most common household use of high density polyethylene. At the opposite end of the spectrum is low density polyethylene (LDPE), which was the first type of polyethylene to be developed. Flexible packaging represent the most common household use of low density polyethylene. Both high density polyethylene and low density polyethylene are also commonly used for molding applications. Linear low density polyethylene (LLDPE), which was developed in the 1970s, can usually be manufactured at a slightly lower cost than low density polyethylene and has similar basic properties. While low density polyethylene and linear low density polyethylene are to a certain extent substitutable for each other, one may be more suitable than the other for a specific application.

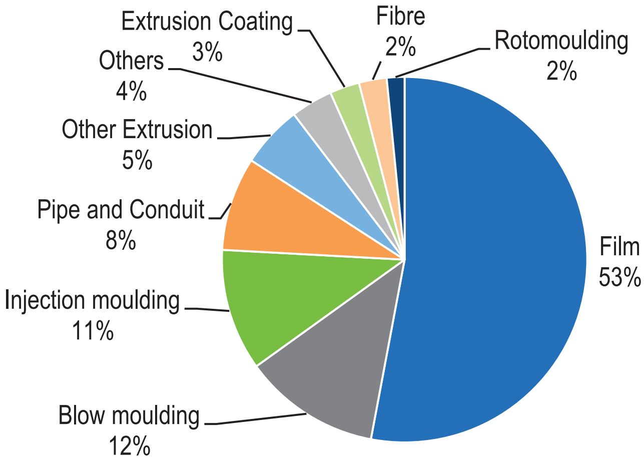
**Global Polyethylene Demand by Product**
**2023—Estimated**




Source: NexantECA—2023

Film is the largest single use of global polyethylene production and the primary driver of demand, representing approximately one half of worldwide polyethylene consumption. Film includes a myriad of end use applications, from food packaging to trash bags, stretch films and shrink films. Blow molding and injection molding are the next largest uses and are also important demand drivers. In the blow molded category, blow molded bottles are the single largest end use. NexantECA forecasts an average global growth rate in demand for polyethylene of approximately 3.7% per year in the 2023-2028 period.

**Global Polyethylene Demand by Application**
**2023—Estimated**



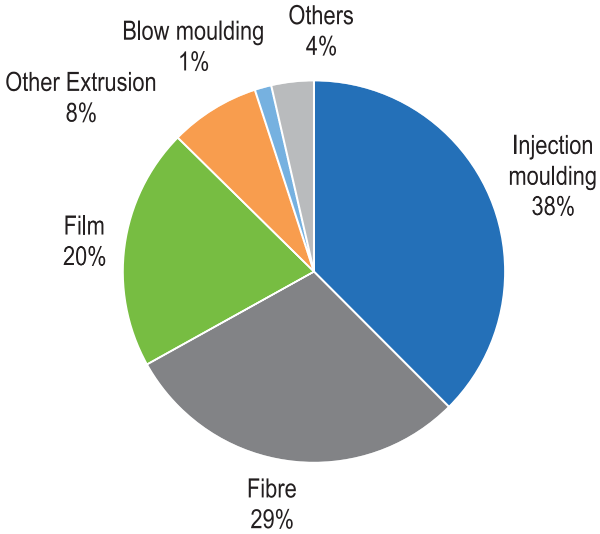

Source: NexantECA—2023

- ***Polypropylene.*** Polypropylene is the world's second most widely used thermoplastic after polyethylene and is among the fastest growing categories of thermoplastics. It is manufactured by the polymerization of propylene. The rapid growth of polypropylene-based products reflects the superior cost and performance characteristics of this material. As one of the industry's most versatile polymers, polypropylene is achieving a portion of its growth by displacing other polymers, such as polyethylene and polystyrene.

The largest end use segment of the polypropylene industry is injection molding, followed by film and sheet applications. Injection molded polypropylene includes a wide variety of end uses, such as packaging, automotive and appliances. End use segments for films and sheets include food bags, tape and wrappings for consumer goods. Polypropylene is a thermoplastic characterized by its rigidity and resistance to high temperatures, chemicals and fatigue combined with a greater density. Polypropylene has a heat distortion temperature of 140°C to 200°C, which makes it particularly suitable for "hot fill" applications, which are manufactured using injection molding. As a result, polypropylene is the most significant material used in molded containers and automotive applications. Polypropylene fibers are also used in fabrics and carpets.

According to NexantECA, the global polypropylene market is projected to grow at 4.2% per annum through 2028. NexantECA expects that the demand for polypropylene in Asia will continue to grow at higher rates than North America and Europe, primarily as a result of growth in the Chinese market.

**Global Polypropylene Demand by Applications**
**2023—Estimated**




Source: NexantECA—2023

***Market Environment***

Although the major costs of production are related to the costs of the relevant feedstocks and the scale of operation, the olefins industry is primarily regional. This is due to high transportation costs. Prices are also indirectly arbitraged by the trade flows in olefin derivatives (principally polymers), the markets for which are becoming increasingly global. Polyolefins, in common with other segments of the chemicals industry, are subject to cyclical supply and demand, although polyolefin demand growth has been historically strong, driven by the broadening range of end uses.

The petrochemical industry is highly commoditized. Some polyolefins have subgrades that have properties enabling them to be differentiated from commodity grades. These products account for a small portion of the overall market, but carry a premium in the market and allow differentiation in the sector.

The construction of a new olefin manufacturing unit takes approximately five years from initial design to completion. Producers are more likely to add capacity in periods when current or expected future demand is strong and margins are, or are expected to be, high. Investments in new capacity can result in overcapacity, which typically leads to a reduction of margins. In response to falling margins, producers typically shut uncompetitive assets or limit further capacity additions, eventually causing the market to be relatively undersupplied. The alternation between periods of substantial capacity addition and periods of limited capacity addition or reduction results in recognizable swings in petrochemical capacity utilization, which typically result in swings in industry margins. This long-term pattern is often referred to as the petrochemical cycle. The point in time of a given cycle with the lowest average margin across a product line is referred to as the "bottom of the cycle." The point with the highest average margin is called the "peak of the cycle."

According to NexantECA, ethylene capacity grew by 12.5 million tons in 2022, while consumption increased by only 1.1 million tons as the market struggled with recessionary and inflationary pressures. Operating rates dropped by five percent globally as a result and are set to remain at trough levels until around 2027. The North American petrochemical industry has benefitted greatly due to the abundance of low NGL feedstocks as well as low energy costs. While U.S. gas prices have historically shown a strong correlation with oil prices, they have now decoupled due to the abundant supply from shale gas exploitation. NGL-based ethylene production in the United States remains highly competitive relative to other regions. The growth in NGL supply in North America sparked a wave of investment in new capacity in the United States which has now passed its peak. In a market where the marginal production is from oil-based capacity, the cost basis for oil-based production sets the global price level. Export competitiveness and profitability of U.S. producers depends to a large extent on crude oil prices which set the prices of ethylene derivatives via naphtha cracking economics. The high crude oil prices since late 2021 have therefore ensured favorable conditions for U.S. ethylene production. While Europe suffers from stubbornly slow demand growth, and high energy costs, its producers have benefitted from high valuations from the heavier steam cracker co-products. Several steam crackers in Europe have been closed, and some further closures of higher cost plants may now be necessary as a result of weak demand and poor competitiveness versus North America and the Middle East.

INEOS has taken the lead in securing ethane exports from the United States, now followed by SABIC and Borealis. Furthermore, ExxonMobil and TotalEnergies also now purchase ethane from the new storage facilities built by INEOS in Europe. Despite project delays due to issues with environmental permitting and very high construction costs, the U.S. ethylene capacity build is now toward the higher range of expectations. Energy security concerns and the increased LNG demand from Europe to replace Russian gas is supportive of shale exploitation, with the Biden administration calling for increased production and export capacity.

With little additional low-priced feedstock available in the Middle East, Chinese capacity developments occupy an increasing share of forecast capacity growth. According to NexantECA, Saudi Aramco is, however, aiming to develop unconventional gas production and use its "TC2C" (thermal crude to chemicals) technology to convert crude oil into chemical feedstocks. These two initiatives should provide for higher capacity growth in the Middle East in the medium term, although there are currently no firm projects relating specifically to these new sources of supply.

Additions of methanol-to-olefins (MTO) capacity in China are now much reduced according to NexantECA, and capacity growth in China is from several new and very large refinery-integrated steam crackers, and coastal crackers based mostly on NGLs imported from the United States.

Addition of new ethylene capacity averaged below six million tons per year from 2015-2019, but accelerated to 11 million tons per year over 2020-2022. Capacity addition has remained high throughout 2023, but will decline significantly beginning in 2024. Expansion of the supply base in recent years has been largely due to new investments in Asia, with capacity growth in the United States now restricted to one active cracker project. In NexantECA's view, Asia will continue to lead global capacity investments in the coming years with steam cracker developments in China and other Asian countries such as India, Indonesia and South Korea. The ethylene capacity base in Asia will expand by a total of 18 million tons per year over 2023-2028, while capacity growth in North America will be around 8 million tons per year. NexantECA states that ethylene production in China from methanol peaked at 22% in 2017, but declined to 14% by 2023 as a result of more rapid addition of steam cracking capacity and very high coal prices in China. High coal prices and the dual-control emissions legislation count against new MTO project development. Investments in North America, stimulated by abundant supplies of low cost NGL, have driven a resurgence in new capacity, although capacity addition in the United States has also now dropped. NexantECA states that U.S. ethylene capacity increased by 16 million tons per year over 2015-2023, and that only six million tons of new U.S. ethylene capacity may be seen in the U.S. by 2028. Only around two million tons per year of firm capacity developments are currently underway, while some other projects are under discussion. Ethylene is consumed in many diverse products and industry sectors, however overall consumption is largely driven by economic activity. It is important to note that the world needs approximately 6 million tons per annum of new capacity to meet growth at the rate that NexantECA predicts of 3.4% per annum over 2023-2028. This means 4 to 5 new crackers per year just to meet global growth. Exports of surplus ethane are driving modifications of existing crackers in other regions, and also some new NGL cracking capacity is under development in China, which is to be based on imported ethane and propane, as well as some new domestic supply. Reduced availability of advantaged feedstocks will restrict future investments in the Middle East, and following the startup of Sadara, there is currently only one firm cracker project in Saudi Arabia. Ethylene capacity is being added in Iran, but supply growth is contingent on a significant near-term increase in ethane supply. Despite commissioning more gas production assets in the South Pars field, Iran continues to face severe gas shortages which restrict petrochemicals production.

NexantECA's forecast shows global operating rates remaining at around 81-82% over the next four years, with the implication that cracker operators will experience pressure on margins with the long-standing relationship between profitability and operating rates maintained. NexantECA further states that the next cyclical peak around 2028 will be lower than normal due to the ongoing heavy capacity addition, but notes that capacity rationalization in some areas is progressing more rapidly than expected, which may allow for a steeper recovery in operating rates over the next five years.

The average age of many naphtha crackers in Europe and Asia is now around 40 years and these older assets are becoming increasingly expensive to maintain in a safe and economic operating condition. Often, the need for a major scheduled turnaround (typically every 3 to 5 years) is the point at which the viability of these aging assets is reassessed, and a pragmatic decision is taken to close them. There have been several such closures in Europe in recent years (including the Company's old "G4" naphtha cracker unit at Grangemouth). Versalis closed its 490,000 tons per year cracker at Porto Marghera in early 2022. Ethylene production in Singapore, Taiwan and Japan has come under severe pressure in 2023 as a result of heightened competition from China, suggesting closures are likely among Asian export-focussed naphtha cracker operators.

The new ethylene export terminal in the United States may periodically increase pressure on the older assets. In addition, the high incidence of unplanned outages of petrochemical assets in all regions has over the last two years been a major feature influencing the supply/demand balance of many products (including, ethylene, polyolefins, acrylonitrile and phenol). As existing plants continue to age it will become more difficult to forecast an aggregate improvement in industry reliability, and thus, this may be expected to affect the actual supply/demand balance and thus the margins for the affected products. NexantECA also notes that the cyclical nature of the industry is likely to continue, but timing is notoriously difficult to forecast and is largely based on assumptions of an eight-year business cycle longer term.

While margins are primarily determined by the position in the cycle and relative feedstock/ product positions, they are also susceptible to potentially significant swings in the short term. This volatility, which may be global or isolated in individual regions, can be caused by a number of factors, including fluctuations in utilization rates due to planned or unplanned plant outages, political and economic conditions driving rapid changes in prices for key feedstocks, exchange rate fluctuations and changes in inventory management policies by petrochemical customers (such as inventory building or restocking). According to NexantECA, integrated polyolefin margins in Western Europe recovered above their long term average by mid-2022 despite high feedstock prices. Production reliability has improved considerably after the rush to realize a long-awaited recovery in profitability, restoring a lengthy supply base. European producers face increased pressures from low cost imports, with high cost naphtha remaining the dominant feedstock even after further penetration of imported NGLs. Abundant supplies of NGL feedstock will continue to provide a strong cost advantage to U.S. producers despite increasing demand for new domestic crackers and export infrastructure for NGLs and ethylene. INEOS is however uniquely placed to take advantage of these developments due to its Dragon Class vessels which are capable of carrying both ethane and ethylene, and its Zwijndrecht import terminal in Belgium which is capable of receiving large ocean-going vessels. Accordingly, INEOS vessels have been observed lifting larger ethylene cargoes out of the United States than other companies, ensuring advantaged supply for its European downstream operations.

Integrated polyolefin margins in the United States have come down from their recent record highs as global derivative pricing has fallen along with crude oil prices, and the increasing supply surplus seeks more distant export markets outside traditional opportunities in South America. Resin prices are set to fall below European prices and approach the floor set in Asia. Management believes that new plant builds are likely to be less than those expected by NexantECA and due to aging of industry assets, industry reliability is considered unlikely to improve in the medium term. Consequently, the supply/demand balance—the key driver of industry profitability—is likely to be better than that assumed by NexantECA.

**Chemical Intermediates**

***Overview***

Chemical intermediates are higher-value-added chemical products used as key components in a wide variety of consumer and industrial products. Olefins are a key raw material and are used to produce a wide range of products, including phenol, acetone, alpha olefins, ethylene oxide and derivatives and nitriles.

***Manufacturing***

Chemical intermediates are manufactured without exception in built-for-purpose plants that utilize technology specific to the product or products produced. Integration or close proximity to raw materials is not absolutely essential, but we believe it offers a strategic advantage by reducing logistics costs because large volumes of raw materials are often required. We also believe that scale is often critical to the successful manufacture of chemical intermediates because manufacturing costs per tonne produced decrease as plant size increases. Competition therefore tends to drive research and technology efforts toward developing technologies which support larger plant outputs as well as higher yields. Therefore, successive generations of plants are typically larger than previous generations and often produce higher yields.

***Feedstock***

For most processes, feedstock costs are the most significant cost item. The costs of the feedstocks required (such as, ethylene, propylene, and benzene) are principally driven by the price of oil and natural gas.

***Products***

The worldwide demand growth rates for our principal chemical intermediates are summarized below:

| | Average annual demand growth rates (%) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2010–2023 | | | | 2023–2028 | | | |
| | North America | Western Europe | Northeast Asia | Global | North America | Western Europe | Northeast Asia | Global |
| Acrylonitrile | 2.8 | −0.8 | 3.0 | 2.0 | 3.8 | 0.5 | 3.8 | 3.8 |
| Ethylene oxide | 3.8 | 0.4 | 4.5 | 2.8 | 0.8 | 2.0 | 4.3 | 2.5 |
| Propylene oxide | 0.2 | −1.1 | 5.7 | 2.5 | 1.7 | 1.5 | 3.8 | 3.1 |
| Mono ethylene glycol | 0.1 | 0.6 | 6.1 | 4.8 | 2.5 | 1.9 | 3.6 | 3.8 |
| Phenol | −1.4 | −0.3 | 4.4 | 1.9 | 2.3 | 1.5 | 4.7 | 3.6 |

Source: NexantECA—2023

Set forth below is a description of the principal chemical intermediates we provide, their applications and their demand outlook:

- ***Ethylene Oxide and Derivatives.*** This range includes ethylene oxide, ethylene glycol, propylene oxide and propylene glycols.

Ethylene oxide is a highly hazardous product to transport. As a result, customers and end-use applications tend to be co-located or closely located to ethylene oxide production facilities. This leads to a regional market place for ethylene oxide with many opportunities for differentiation.

The most common derivative of ethylene oxide is ethylene glycol. This is very safe to transport and is viewed as a commodity petrochemical. As such, the market place for ethylene glycol is global, with pricing highly influenced by supply-demand balances. Ethylene glycol is primarily used in the manufacture of polyesters and antifreeze/coolants.

Propylene oxide is also a hazardous product to transport, but is moved routinely over modest distances. It is sold into a regional market with opportunities for differentiation. The major application of propylene oxide is in the manufacture of polyols followed by propylene glycol, which in turn is primarily used to produce polyesters, paints and coatings, aircraft de-icing chemicals, antifreeze and industrial coolants. Propylene glycol is a safe product to transport and trades in a commodity market place. Other ethylene oxide derivatives are manufactured by reacting ethylene oxide with bases, such as glycol, ammonia and other alcohols.

Ethylene oxide demand is driven by the market requirement for ethylene oxide derivatives, principally ethylene glycol. As a result of increased consumption of polyester, ethylene glycol has become the second largest application for ethylene after polyethylene. Similarly, propylene oxide demand is driven by the market requirement for propylene oxide derivatives, principally propylene glycol.

NexantECA forecasts that global demand for ethylene oxide will continue to grow steadily, although the penetration of coal/oxalate based mono ethylene glycol production in China will curtail growth rates below those seen historically. NexantECA estimates that 53% of Chinese mono ethylene glycol was produced from coal in 2023, displacing conventional production from ethylene oxide.

Extremely high coal prices undermined coal-based MEG economics in 2022 and 2023, even against the backdrop of much higher crude oil prices. Catalyst improvements enabled a major increase in MEG production via the coal/oxalate route in 2016, notably reducing China's import requirement for MEG by over one million tons versus 2015. Jiutai New Material is building a new 1 million tons per year MEG plant in China, using a new Davy syngas/methanol/formaldehyde based MEG process. The process potentially offers a lower cost route from coal to MEG, without the restrictions of small line size which affect the economics of the coal/oxalate process. After a period of relatively modest investment in ethylene oxide from 2010-2018, capacity has increased by 19 million tons per year, significantly depressing operating rates. Supply growth in North America and Asia accounts for most of the new supply, with relatively little coming from the Middle East. New capacity and increased recycling of polyester have depressed operating rates towards a trough of 60% in 2023, although some new project delays and higher than expected demand in China may help avoid this. Management notes that the Company's business is not particularly sensitive to the supply/demand dynamics of glycol because the Company's Oxide Business is primarily a specialties business, adding value to ethylene oxide, and is therefore not particularly sensitive to changes in glycol supply/demand.

- ***Acrylonitrile.*** Acrylonitrile is a well-established commodity that has been in commercial use for more than 70 years. It is used in the production of acrylic fiber, acrylonitrile butadiene styrene and styrene-acrylonitrile. Acrylic fiber is used in a wide variety of consumer products, including clothing and carpets. Acrylonitrile is manufactured from propylene, ammonia and air with the use of a purpose-made special catalyst. Acrylonitrile is toxic, flammable and, unless chemical stabilizers are added for storage and shipment, explosive. The building of new production plants for acrylonitrile is particularly expensive.

Historically, acrylonitrile demand has been driven by demand for acrylic fiber. More recently, acrylonitrile butadiene styrene (ABS) and styrene-acrylonitrile polymers have taken over as the main drivers of demand for acrylonitrile. As with other petrochemicals, the growth in demand for acrylonitrile butadiene styrene and styrene-acrylonitrile polymers has been greatest in Asia, while demand in North America and Europe has declined. Currently, Asia is a major net importer of acrylonitrile and derivatives, with a significant proportion of the Asian imports coming from North America. Acrylonitrile is sometimes viewed as a mature product, with global annual demand growth rate forecast at an average of 3.8% through to 2028 according to NexantECA.

- ***Alpha olefins.*** Alpha olefins include linear alpha olefins and poly alpha olefins. Linear alpha olefins are hydrocarbons in a chain formation with physical characteristics and commercial uses that vary according to the length of the hydrocarbon chain. Ethylene is the primary feedstock for the production of linear alpha olefins, and linear alpha olefins, in turn, are important feedstocks for the manufacture of certain types of polyethylene. Linear alpha olefins have many applications in the petrochemical industry, including as surfactant intermediates, base oil for synthetic lubricants and drilling fluids. Demand for linear alpha olefins has increased substantially since they first became commercially available.

Poly alpha olefins, which are made by merging several linear alpha olefins together, are primarily used as synthetic lubricants. Poly alpha olefins are value-added products as compared with linear alpha olefins, and, accordingly, command higher margins. However, poly alpha olefins account for only approximately 10% of the overall market for alpha olefins.

Producers of linear alpha olefins may be divided into two groups: "full-range" producers, which manufacture the entire range of linear alpha olefins and "on purpose" or "single product" producers, which specialize in those linear alpha olefins which historically have experienced the fastest growth. Demand for linear alpha olefins has experienced an increasing divergence between demand for linear alpha olefins with shorter carbon chains, which has grown more quickly, and demand for linear alpha olefins with higher carbon chains, which on average has experienced slower growth. As a result, the industry has focused on developing single product technologies to target the fastest growing linear alpha olefins. Demand for poly alpha olefins is driven by the need for higher performing lubricants offering improved fuel economy, lower emissions, improved cold start properties and longer drain intervals.

- ***Phenol and acetone.*** Phenol and acetone are produced simultaneously from cumene in the four-stage Hock production process and are essential starting materials for a wide range of applications in the electrical/electronics, automotive, construction and household/furniture industries. In the production of downstream substances, neither phenol nor acetone may be substituted. The markets for phenol and acetone are traditionally viewed as regional because of the physical difficulty of transporting and storing phenol and the resulting high freight costs, with regional production responding mainly to regional demand. Individual regions experience independent cost bases, though there are limits to interregional price differentials, set by freight costs.

NexantECA projects global phenol demand to grow on average at 3.6% per annum to 2028. Current announced capacity additions indicate that the global industry will operate at between 80% and 84% of capacity between now and 2028. More capacity—as yet unannounced—may be added, but we believe that this will not significantly adversely affect the supply and demand balance.

*Market Environment*

Chemical intermediates are sometimes classified within the generic description of petrochemical products, essentially because they, like polyolefins, tend to utilize olefins or olefins derivatives as their primary feedstock. However, unlike polyolefins, the market place for chemical intermediate products often involves a global customer base. There are also far fewer competitors for each product, with technology ownership and scale of operation being key to obtaining leading market positions. Access to the whole global market may, in some cases, not be possible when margins are insufficient to accommodate incremental freight costs to distant regions.

The relationship between supply and demand for chemical intermediates tends to be cyclical, although to a lesser extent than for olefins and polymers. Suppliers tend to have more ability to pass cost increases through to their customers. Margins typically increase when demand approaches available supply. This is primarily because product supply is driven by periods of substantial capacity additions and followed by periods in which no or limited capacity is added.

In addition, product demand fluctuates with overall economic conditions. Market volatility for chemical intermediates varies by product, with the wide range of applications for the different products providing a natural hedge for demand across the range.

## BUSINESS

*In this offering memorandum, all references to "***INEOS Group***," "***INEOS***," "***we***," "***us***" or "***our***" are to INEOS Group Holdings S.A. and its consolidated subsidiaries. Any projections and other forward-looking statements in this section are not guarantees of future performance and actual results could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See "Risk Factors" and "Forward-Looking Statements."*

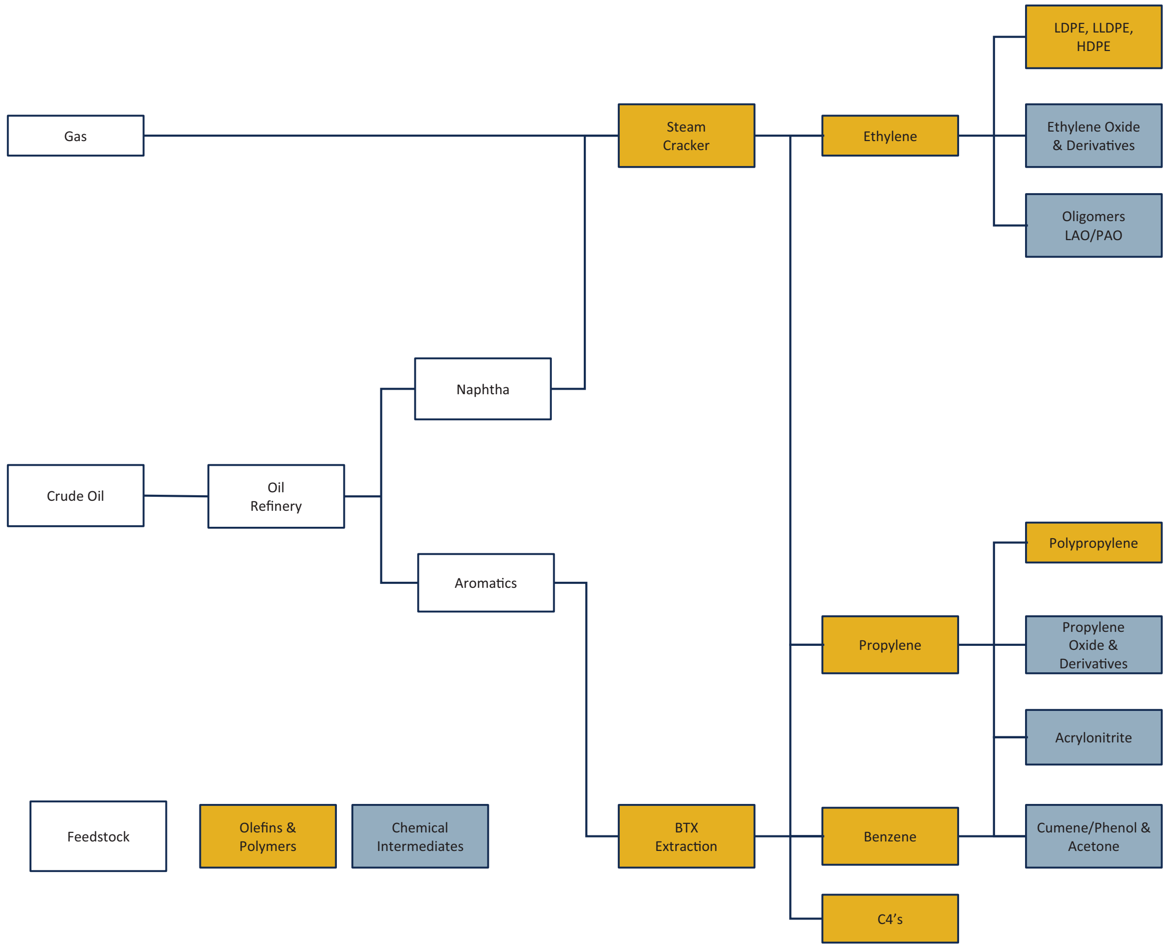
### Introduction

We are one of the world's largest chemical companies as measured by revenue. Our business has highly integrated world class chemical facilities and production technologies. We have leading global market positions for a majority of our key products and a strong and stable customer base. We currently operate 34 manufacturing sites in seven countries throughout the world. We are led by a highly experienced management team with, on a combined basis, over 100 years of experience in the chemical industry. As of September 30, 2023, our total chemical production capacity was approximately 25,000 kta, of which 57% was in Europe and 43% was in North America.

We operate our business through three segments: Olefins & Polymers Europe, Olefins & Polymers North America and Chemical Intermediates. The products we manufacture are derived from crude oil and natural gas, and include olefins, polymers and various petrochemical products directly or indirectly derived from olefins. Our products serve a broad and diverse range of end markets, including packaging, construction, automotive, white goods/durables, agrochemicals and pharmaceuticals.

Our highly integrated, world class production facilities and technological know-how allow us to process raw materials into higher value-added products. In Europe, we own two sites integrated with crackers and polymer units. Typically, these two sites account for approximately 76% of our European olefin and polymer volumes. The polyolefins plants on our two major sites in Europe normally receive more than 95% of their feedstock supply from our integrated crackers. Following the completion of the Lavéra Acquisition, we will also own the Naphtachimie steam cracker, which is one of Europe's largest with a capacity of 720 ktpa of ethylene. This cracker is integrated with the downstream derivative plants which make up the Lavéra Businesses. Similarly, in the United States, much of our olefin feedstock requirements for our polymer business is supplied by either our Chocolate Bayou cracker in Texas or by integrated third-party facilities, such as the Tesoro facility in Carson, California. The Bayport Acquisition site in Bayport, Texas, USA is also integrated with third-party facilities. We believe that with our highly integrated facilities we are able to capture attractive margins across the value chain, enjoy greater certainty of feedstock supply, reduce logistical costs, improve energy management and optimize our product slate.

The extent of our business integration from upstream to downstream for our major products is summarized as follows:




We benefit from the cost advantages of operating large scale, well invested, highly integrated facilities strategically located near major transportation facilities and customer locations. Since January 1, 2007, we and our predecessors have invested approximately €12 billion (including investments in divested assets) in our production facilities to ensure that they operate efficiently, resulting in integrated, and state of the art production units. This includes significant investments of almost €3.6 billion in the last five years to further enhance our assets' capabilities. We believe these investments allow us to operate at lower cost and higher utilization rates than most of our competitors, and enable us to maintain positive margin and cash flows even during downturns in industry cycles or customer demand. For the 12-month period ended September 30, 2023, our revenue was €15.5 billion and our EBITDA before exceptionals was €1.6 billion.

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

Since April 1998, when INEOS was established with the acquisition of the Belgian "Oxide" assets from Inspec plc, we have significantly expanded, both through a series of strategic acquisitions of businesses and assets from major chemical companies, and through organic growth. The combination of INEOS and Innovene in December 2005 represented a transformational milestone for our company, providing global scale and further upstream integration.

In 2011, we transferred our Refining Business, our Entrepreneurial (Refining) Business and certain infrastructure assets to three joint ventures outside the INEOS Group. Please see "Business—Refining

Divestiture, Grangemouth Divestiture and Lavéra Divestiture—The Refining Divestiture" for a further description of the disposal of our Refining Business and Entrepreneurial (Refining) Business.

In 2013, we completed the Grangemouth Divestiture to a newly created subsidiary of INEOS Holdings AG, our indirect parent company. See "Business—Refining Divestiture, Grangemouth Divestiture and Lavéra Divestiture—The Grangemouth Divestiture."

In 2014, we divested the olefins and polymers assets and Chemical Intermediates assets of the Lavéra site. See "Business—Refining Divestiture, Grangemouth Divestiture and Lavéra Divestiture—The Lavéra Divestiture."

In 2015, we completed the purchase of the remaining 50% interest in the Noretyl ethylene cracker at Rafnes, Norway from the INOVYN group (formerly the Kerling Group), a related party. In 2015, we also acquired aromatics and cumene assets from Axiall Corporation. The acquisition comprised the world's largest cumene plant in Pasadena, Texas. In addition, Axiall's phenol, acetone and alpha-methylstyrene business was transferred to the INEOS phenol facility at Mobile, Alabama.

In 2016, the Group acquired 100% of the shares of WLP Holding Corporation, one of the largest high density polyethylene (HDPE) pipe manufacturers in North America. Moreover, in 2016, following a strategic review of the INEOS Technologies business, we decided to cease marketing its polyolefins licensing technology externally and to transfer the remaining parts of the INEOS Technologies business to existing businesses within the Group to provide a clearer focus on individual product lines.

In 2019, the Group acquired the INESCO combined heat and power plant at the Antwerp site in Belgium.

In December 2020, the Group acquired the remaining 50% interest in the Gemini HDPE joint venture from Sasol Chemicals. The principal activity of the company is the production of high density polyethylene in La Porte, Texas, United States. The acquisition increased the Group's interest in Gemini to 100% through Unrestricted Subsidiaries (as defined in the Indentures and the Senior Secured Term Loans Agreement). Prior to the acquisition the Group reflected its 50% interest in Gemini as a joint venture. A Restricted Subsidiary (as defined in the Indentures and the Senior Secured Term Loans Agreement) of the Group is the operator of the facility and has the exclusive right to supply Gemini with the required components necessary for the production of a specified quantity of the HDPE products and to take such quantity of the HDPE products and, as compensation, pays a toll fee. See "Description of Other Indebtedness—Gemini HDPE Term Loans."

In December 2021, the Group acquired the assets of Charter Plastics in Titusville, United States, a manufacturer of high density polyethylene (HDPE) pipe products.

In the summer of 2022, the Group began construction of a new ethane steam cracker in Antwerp, Belgium, for the production of ethylene with a nameplate capacity of approximately 1,450 kta, along with associated utilities, tankage and infrastructure ("**Project ONE**"). We believe Project ONE is the largest investment in the European chemicals industry for the past 20 years and we expect it to be among the most efficient and sustainable of its kind. It is planned to be equipped with the best available technologies with a high efficiency in use of raw materials and energy, $CO_2$ emissions that are expected to be less than half of the currently best performing similar units in Europe from the outset and a clear path to carbon neutrality on a Scope 1 and Scope 2 basis within 10 years of start-up of the cracker. See also "Other Recent Developments," "Risk Factors—Future acquisitions or developments—Any future acquisitions or developments may prove difficult for us to consummate," "Risk Factors—Litigation—We are subject to certain risks related to litigation filed by or against us, and adverse results may harm our business" and "Business—Facilities—Project ONE."

In December 2022, the Group acquired for approximately RMB 10.5 billion, through an Unrestricted Subsidiary, a 50% interest in the Shanghai SECCO Petrochemical Company Limited facility in Shanghai, China ("**SECCO**"). The remaining 50% is owned by Sinopec and its affiliates. SECCO has a capacity of 4,200 kta of petrochemicals, including ethylene, propylene, polyethylene, polypropylene, styrene, polystyrene, acrylonitrile, butadiene, benzene and toluene. In August 2023, the Group acquired, through an Unrestricted Subsidiary, 50% interest in a joint venture with Sinopec which now holds a new petrochemical complex in Tianjin, China currently under construction by Sinopec (the "**Tianjin Nangang Ethylene Project**"). The Tianjin Nangang Ethylene Project is expected to be on-stream in the second half of 2024 and includes a new 500 kta HDPE (High-Density Polyethylene) plant.

On March 31, 2023, the Group completed the acquisition of the entire asset base of Mitsui Phenols Singapore Ltd from Mitsui Chemicals for a total consideration of $273.0 million, which was funded by cash on hand. The acquisition comprised the entire asset base of Mitsui Phenols on Jurong Island, Singapore, which has more than 1,000 ktpa of capacity, including for cumene, phenol, acetone, alpha-methylstyrene and bisphenol A. This acquisition allows us to support our global customers more effectively, developing new markets and relationships in Asia.

In July 2023, affiliates of the Group announced their intention to acquire TotalEnergies' 50% share of Naphtachimie (720 ktpa steamcracker), Appryl (300 ktpa polypropylene business), Gexaro (270 ktpa aromatics business) and 3TC (naphtha storage), currently 50:50 joint ventures between TotalEnergies and the Lavéra Businesses. A binding sale and purchase agreement (subject to customary conditions) was signed in October 2023.The acquisition includes other infrastructure assets associated with the site, including full ownership of the southern sections of TotalEnergies' ethylene pipeline network running from Lavéra to the Lyon region. A 50% share of the central and northern sections, from the Lyon region to the Lorraine region, will be held equally TotalEnergies and an affiliate of the Group. The Group will, immediately prior to the acquisition of the TotalEnergies Lavéra Business, complete the Lavéra Reorganization, following which the acquisition of the TotalEnergies Lavéra Business will occur within the Group. The Lavéra Acquisition is subject to regulatory approval and satisfaction of other customary closing conditions and is expected to be completed in the first half of 2024.

In December 2023, the Group agreed with LyondellBasell to acquire its Ethylene Oxide and Derivatives business, including the Bayport Underwood site in Texas, USA for $700 million, which includes a 420 kt Ethylene Oxide plant, a 375 kt Ethylene Glycols plant, a 165 kt Glycol Ethers plant and all associated third-party activities on the site. The Bayport Acquisition is expected to be completed in the second quarter of 2024, subject to regulatory and other third-party approvals and satisfaction of other customary closing conditions.

The following table provides an overview of our capacity, global market position and leading regional market positions with respect to our key petrochemical products.

| Key products | Full-year capacity as of September 30, 2023[(1)] (kilotonnes) | Selected market positions[(1)] |
|---|---|---|
| Ethylene | 5,707 | #1 in Western Europe<br>#7 in U.S. |
| Propylene | 2,066 | #4 in Western Europe<br>#11 in U.S. |
| Butadiene | 535 | #1 in Western Europe |
| Polyethylene | 3,838 | #1 in Western Europe<br>#7 in U.S. |
| Polypropylene | 1,923 | #5 in Western Europe<br>#5 in U.S. |
| Ethylene oxide[(2)] | 1,500 | #2 in Western Europe<br>#7 Globally |
| Ethanolamines | 233 | #2 in Western Europe*<br>#3 in U.S.*<br>#3 Globally* |
| Phenol | 2,180 | #1 Globally<br>#1 in Western Europe<br>#1 in U.S. |
| Acetone | 1,328 | #1 Globally<br>#1 in Western Europe<br>#1 in U.S. |
| Acrylonitrile | 1,304 | #1 Globally<br>#1 in Western Europe<br>#1 in U.S. |
| Linear alpha olefins | 1,002 | #1 in Western Europe<br>#3 in U.S.<br>#3 in Globally |
| Poly alpha olefins | 230 | #1 in Western Europe<br>#1 Globally<br>#1 in U.S. |

Sources: NexantECA and INEOS

* Merchant market sales

(1) The assets of INEOS Chemicals Grangemouth Limited and INEOS Commercial Services UK Limited were transferred out of IGH on October 1, 2013 in connection with the Grangemouth Divestiture, and the Lavéra Divestiture assets were transferred out of IGH on July 1, 2014; therefore, their capacity has been excluded from the full-year capacity figures. However, for the estimation of market ranking for IGH their capacities have been included since these assets remain within the broader INEOS family of companies and there has been no restriction to, or change in, the competitive dynamic that the assets exercise within the European market as a part of the INEOS family of companies. Therefore, in management's view, it is helpful to consider the Grangemouth and Lavéra assets in order to reflect the relative overall commercial strength of the INEOS family of companies, which is the same as that of O&P Europe within IGH. Following completion of the Lavéra Acquisition, the capacity of the Lavéra Businesses (and the TotalEnergies Lavéra Business) will form part of the IGH Group, increasing capacity of the Group by 3,770 ktpa.

(2) Following completion of the Bayport Acquisition, our capacity of ethylene oxide will increase by 420 ktpa, giving us a #2 market position in the U.S. and improving our market position globally to #4.

*Olefins & Polymers Europe and Olefins & Polymers North America*

In our olefins and polymers businesses, we produce olefins, other cracker products, such as butadiene and benzene, and a broad range of polyolefin polymers. We are among the largest producers of olefins and polymers in the world. The focus of our olefins business in Europe and North America is on ethylene and propylene, which are the two largest volume olefins globally and are key building blocks for polymers. The olefins we make are primarily used as feedstock for our derivatives businesses. In addition, we sell olefins to third-party customers for a variety of industrial and consumer applications, including the manufacture of plastics, rubber and fiber. In our polymers business, we focus on polyethylene and polypropylene.

We operate a total of 19 sites for olefins and polyolefins, including our large integrated olefins cracker and polyolefin facilities at Köln, Germany, Rafnes, Norway, and Chocolate Bayou, Texas, United States and nine polyethylene pipe manufacturing sites within the United States. These facilities support our highly competitive proprietary polyolefin process technologies. The technologies include our cost-effective gas phase polypropylene technology, our specialized technology for high-density polyethylene and our flexible proprietary “swing” technology for both linear low-density and high-density polyethylene.

The North American and European markets for olefins and polyolefins are quite distinct, with separate pricing structures and distribution channels. As a result, each market may experience different rates of growth and levels of return. Therefore, we operate these two businesses separately and report them as two distinct segments—INEOS Olefins & Polymers Europe and INEOS Olefins & Polymers North America. For the 12-month period ended September 30, 2023, our Olefins & Polymers Europe and Olefins & Polymers North America businesses contributed €6.5 billion and €4.3 billion of revenue (excluding intersegmental eliminations) and €338.2 million and €746.6 million of EBITDA before exceptionals, respectively (including, in each case, intersegmental eliminations).

We are also focused on expanding our presence in Asia with the development of a number of joint ventures with Sinopec in China (See “Business—Olefins & Polymers Asia”).

*Chemical Intermediates*

Chemical intermediates are higher-value-added chemical products used as key components in a wide variety of consumer and industrial products. In our Chemical Intermediates business, we utilize olefins as key raw materials and produce a wide range of products, including phenol, acetone, alpha olefins, ethylene oxide and derivatives, acrylonitrile, ammonia and nitriles.

We have four main product groups within our Chemical Intermediates business: INEOS Nitriles, INEOS Oligomers, INEOS Oxide and INEOS Phenol. We have a total of 17 manufacturing sites globally, with many of our plants integrated either directly with their key raw materials on-site, or integrated via pipeline connection.

We are the world’s leading producer of phenol, which is an essential starting material for a wide range of applications in the electrical/electronics, automotive, construction and household/furniture industries. Our main product in the nitriles sector is acrylonitrile, which is used in the production of acrylic fibers and acrylonitrile butadiene styrene plastic. We are also among the largest volume suppliers of linear and poly alpha olefins in the world. According to NexantECA, we are the second largest producer of ethylene oxide in Western Europe. We have a range of associated products, including ethylene glycol, propylene oxide, propylene glycol and acetate esters. We manufacture and supply high-quality catalysts and additives in support of various technologies to major companies around the world, and also to our own manufacturing assets. For the 12-month period ended September 30, 2023, our Chemical Intermediates revenue and EBITDA before exceptionals were €7.1 billion and €540.9 million, respectively, excluding intersegmental eliminations.

**Our Competitive Strengths**

We believe that the factors set forth below provide us with a competitive advantage in the markets in which we compete:

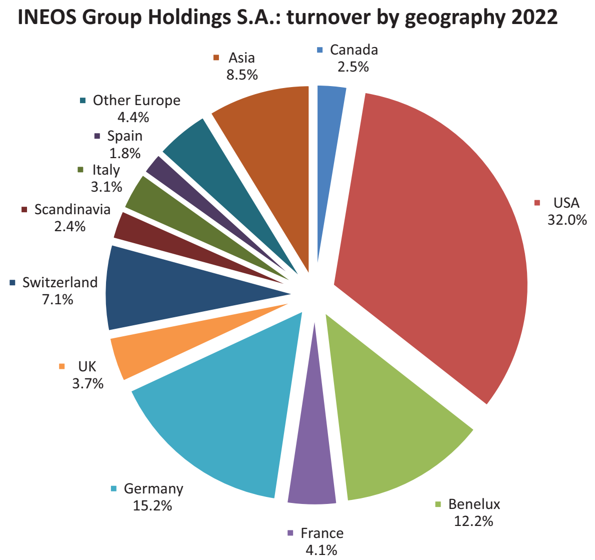
- ***Diversified Portfolio of Businesses Serving a Broad Range of End Markets.*** We are one of the world’s largest chemical companies. We operate 34 manufacturing sites in seven countries around the world. These assets have a total production capacity of approximately 25,000 kta as of September 30, 2023. We believe we have a top 5 or better global or regional market position in 12 of our key products.

  Our petrochemical products are utilized in a wide range of end-market applications. The following diagram sets forth our petrochemicals revenue by end use application in 2022.

**Petrochemicals Revenue by Application 2022**


Our petrochemical products are sold to customers in diverse geographic locations. The following diagram sets forth the group third party revenue by region in 2022.

**Group Third Party Revenue by Region 2022**




We believe that such application and market diversity reduces the effect of industry cyclicality on our results. In addition, we believe that we benefit from the fact that the supply and demand dynamics of the cycles relating to our petrochemical products are fairly independent, which helps mitigate some of the cyclicality in the industry.

- ***Vertically Integrated, World-Scale Producer.*** We have three large-scale petrochemical sites, accounting for approximately 39% of our total petrochemical production capacity as of September 30, 2023. Each of these sites is integrated with a major cracker and/or polymers and derivatives unit.

We operate one of the largest single-site ethylene oxide/ethylene glycol plants in Europe and the two largest phenol plants in Europe, one of which is the largest in the world, as well as the largest single train phenol plant in North America. We operate the largest acrylonitrile facility in the world and one of the largest high-density polyethylene complexes in North America. We believe that our existing plants have sufficient capacity such that as our production volumes increase, we will be able to leverage our fixed cost base and increase our profitability.

Our sites are typically located near raw materials, refineries and associated pipeline infrastructure. We believe our highly integrated facilities provide us with the ability to capture margins across the value chain, enjoy certainty of feedstock supply (particularly for ethylene), reduce logistical costs, improve energy management, adjust the product slate to capture greater value (by selling olefins or, alternatively, by using them internally in the production of polymers or derivatives) and reduce our exposure to margin volatility as a result of changes in raw material prices. We operate large plants that permit us to spread fixed costs over large volumes of production, thereby reducing unit costs and enhancing profits.

- ***Access to Advantaged Feedstocks.*** Our Chocolate Bayou cracker installation in the United States uses natural gas liquids-based feedstocks, such as ethane, as its main feedstocks. This allows us to benefit from the current low-cost supply of ethane resulting from the growth in the supply of shale gas in the United States. Ethane is also a lower-cost feedstock than naphtha in Europe, where we operate a very efficient gas olefin cracker in Rafnes. In 2019, our butane storage tank contract was signed to provide the largest ever built in Europe. The tank came on stream in the Port of Antwerp, Belgium in October 2020. Our other olefin cracker in Europe, at Köln, is a naphtha cracker, but it has significant gas cracking flexibility. Our ability to use lower-cost feedstocks, like ethane and butane, gives us an advantage over our competitors with crackers that cannot accept such a significant mix of gas feedstocks, and must rely on more expensive naphtha. The gas cracking flexibility has been enhanced further with expanded butane supply to our cracker in Köln supported by four Rhine river barges. Contracts for supply of four Rhine river barges were signed in 2018 with delivery of three in 2020 and the fourth delivery in 2021. In the summer of 2022, we began construction of Project ONE, a new ethane steam cracker in Antwerp, Belgium for the production of ethylene. We believe it is the largest investment in the European chemicals industry for the past 20 years and we expect it to be among the most efficient and sustainable of its kind.

  In addition, our Chocolate Bayou cracker and our naphtha crackers in Europe can also use naphtha as a feedstock, allowing us to manage our feedstock mix in response to changes in economic and market conditions and maximize our margins. Our fleet of eight long-term chartered Dragon class ships and four VLEC vessels, together with the expanded gas storage terminal in Rafnes, a deep water terminal near Philadelphia and long-term supply contracts, provides us access to the attractive U.S. ethane market for our gas-based cracker in Rafnes, Norway.

- ***Well-Invested, Highly Efficient Production Facilities.*** Our large, well-invested plants benefit from economies of scale and favorable locations. Our acquisition activity has focused on acquiring businesses that complement our existing manufacturing facilities with well-invested physical assets from major chemical companies. In addition, each year we continue to invest in improving and expanding our facilities. Since January 1, 2007, we and our predecessors have invested approximately €12 billion (including investments in divested assets) in our production facilities to ensure that they operate efficiently, resulting in integrated, and state-of-the-art production units. This includes significant investments of almost €3.6 billion in the last five years to further enhance our assets' capabilities.

- ***Extensive Portfolio of Leading Proprietary Technologies.*** We have a broad portfolio of proprietary manufacturing technologies which we use for the manufacturing of our key products. We believe that they enable us to be one of the lowest cost producers and provide us with a significant competitive advantage in terms of product quality, and we continue to improve the portfolio through focused research and technology investments.

- ***Experienced Management Team with a Strong Track Record.*** Our senior management team has been operating INEOS and our predecessors for over 20 years and has a demonstrated track record of achieving profitable growth in the chemical industry, successfully integrating large acquisitions, dramatically reducing the fixed cost base, and deleveraging the business following such acquisitions. James A. Ratcliffe, our controlling shareholder, and the other existing shareholders have a successful record of investing in the chemical industry. Across the wider INEOS group, including our ultimate parent company and its other subsidiaries, we have completed 42 significant acquisitions since the formation of INEOS in 1998. Each of these acquisitions has been integrated effectively and we have been able to achieve significant cost-savings in the acquired businesses. Our management team has extensive experience in the chemical industry, including working for leading companies such as ICI, DuPont, Dow, Degussa and BP, and a proven ability to increase productivity, reduce costs and control capital expenditures and working capital. We believe the experience of our management team is a distinct competitive advantage.

In addition, our senior management team has demonstrated the ability to streamline our businesses by focusing on core competencies and disposing of non-core or underperforming businesses. In the past 12 years, we have disposed of several non-core or underperforming businesses. We disposed of the Refining Business and the Entrepreneurial (Refining) Business in July 2011. On October 1, 2013, we completed the Grangemouth Divestiture to a newly created subsidiary of INEOS Holdings AG, our indirect parent company. See "Business—Refining Divestiture, Grangemouth Divestiture and Lavéra Divestiture—The Grangemouth Divestiture." The disposal of these businesses has enabled us to focus management time on core activities, reduce our capital expenditure requirements going forward and also reduce our exposure to underperforming cash consuming businesses. On July 1, 2014, the Group also completed the Lavéra Divestiture to a new subsidiary of INEOS AG, the ultimate parent company of the Group at the time of the divestiture. See "Business—Refining Divestiture, Grangemouth Divestiture and Lavéra Divestiture—The Lavéra Divestiture." The Lavéra Acquisition will bring the Lavéra Businesses back into the Group, now with full ownership and control and without the limitations of a joint venture, which we believe will allow us to unlock greater value in the assets.

**Our Business Strategy**

In response to challenges resulting from the current macroeconomic environment and as part of our long-term strategic aim, we have maintained and will continue to execute a strategy consisting of the following short- and long-term elements. These are designed to help us improve our capital structure, leverage our key strengths and market opportunities and ensure ongoing cash flow generation and growth:

- ***Where and When Appropriate, and within the Confines of Our Capital Structure, to Pursue Long-term Value-added Growth Opportunities.*** As a result of our lean corporate structure, we are able to maintain a level of agility that few organizations our size are able to match. We have a highly disciplined evaluation process and a detailed series of metrics by which we measure the value creation prospects of potential projects. Opportunities for profitable growth are identified and vetted in an efficient, non-bureaucratic format, which, in many cases, we believe enables us to establish a first-mover advantage. For example, we continued to pursue opportunities to grow our assets in the U.S. through the expansion of our Chocolate Bayou cracker in 2020, and, also in 2020, acquired the remaining 50% of the high-density polyethylene plant at our Battleground site in Texas from Sasol Limited. Our O&P Europe business also has in place 15-year supply and infrastructure agreements entered into in 2012 to access ethane feedstock from the United States for use in its European cracker complexes. In 2020, we opened a new 420 kta linear alpha olefins plant and, in 2022, we opened a new 120 kta poly alpha olefins plant, both at Chocolate Bayou, Texas. In the summer of 2022, we began construction of our 1,450 kta ethane steam cracker for the production of ethylene in Antwerp, Belgium. In addition, we are currently pursuing several other projects that we believe provide opportunities for profitable growth. We are particularly focused on expanding our footprint in Asia to further access the high demand growth of that region, which may take the form of joint ventures and Unrestricted Subsidiaries. For example, in 2022, we acquired a 50% interest in the SECCO facility in China and, in 2023, we acquired a 50% stake in the Tianjin Nangang Ethylene Project, currently under construction by Sinopec, which is expected to be on-stream in the second half of 2024 and includes a new 500 kta HDPE (High-Density Polyethylene) plant, in each case through an Unrestricted Subsidiary. On March 31, 2023, the Group completed the acquisition of the entire asset base of Mitsui Phenols Singapore Ltd from Mitsui Chemicals for a total consideration of $273.0 million, which was funded by cash on hand. The acquisition comprised the entire asset base of Mitsui Phenols on Jurong Island, Singapore, which has more than 1,000 ktpa of capacity, including for cumene, phenol, acetone, alpha-methylstyrene and bisphenol A. This acquisition provides us with additional capacity to support our global customers more effectively, developing new markets and relationships in Asia. In 2023, we agreed with LyondellBasell to acquire its Ethylene Oxide and Derivatives business, including the Bayport Underwood site in Texas, USA, which includes a 420 kt Ethylene Oxide plant, a 375 kt Ethylene Glycols plant, a 165 kt Glycol Ethers plant, and associated third-party activities on the site (expected to be completed in the second quarter of 2024). The acquisition will expand our Ethylene Oxide & Derivatives business into the US, which is the world's largest market, with what we believe are well-run and best-in-class assets. It also complements our existing Ethanolamines production facility in Plaquemine, Louisiana. In addition, there is free land on the Bayport Underwood site for INEOS' growth aspirations and it is an ideal location to develop our third-party business supporting customers to co-locate and integrate into an existing Ethylene Oxide & Derivatives platform. In July 2023, affiliates of the Group announced their intention to acquire TotalEnergies' 50% share of Naphtachimie (720 ktpa steamcracker), Appryl (300 ktpa polypropylene business), Gexaro (270 ktpa aromatics business) and 3TC (naphtha storage), currently 50:50 joint ventures between TotalEnergies and the Lavéra Businesses. The acquisition includes other infrastructure assets associated with the site, including full ownership of the southern sections of TotalEnergies' ethylene pipeline network running from Lavéra to the Lyon region. The Group will, immediately prior to the acquisition of the TotalEnergies Lavéra Business, complete the Lavéra Reorganization, following which the TotalEnergies Lavéra Business will occur within the Group. The Lavéra Acquisition is subject to regulatory approval and satisfaction of other customary closing conditions and is expected to be completed in the first half of 2024. The Lavéra Acquisition will allow us to fully integrate the Lavéra assets and enhance the competitiveness of our offer, and gives us direct access to the complete ethylene production from the Naphtachimie cracker for the Group's internal use and third party customers.

- ***Continue to Drive Sustainability as a Fundamental Part of Our Business.*** We believe we are a leader in driving sustainable practices across our industry as evidenced by our 2023 Sustainalytics rating which placed us as 11th best (11th lowest risk) of 576 chemical companies so far assessed, and 4th best out of 273 commodity chemical companies. Our sustainability strategy is to develop and safely manufacture the products needed to address the evolving challenges of climate change, public health, resource scarcity, urbanization and waste in a way which drives us all towards a Net Zero Emission Economy by 2050 while remaining profitable. We believe our Health, Safety, Security and Environmental ("**HSSE**") performance is industry leading. Our strategy is to continue to improve injury incidence metrics and environmental compliance ratings by applying increasingly sophisticated methodologies, with the ultimate aim being to achieve zero accidents. We seek to ensure that all employees receive appropriate training, thereby enabling them to effectively contribute to HSSE performance and HSSE improvement processes. It is our policy to design our processes and manufacture and distribute our products in a responsible manner so that our employees, customers, the public and the environment are protected to the extent practicable from avoidable risks. Our businesses have put in place roadmaps to lead the transition to a Net Zero Economy in our industry by no later than 2050, while remaining profitable, and staying ahead of evolving regulations and legislation. Based on these roadmaps, we are setting ambitious but achievable targets for 2030 which are in line with our 2050 commitment. Our target is to reduce greenhouse gas ("**GHG**") emissions by 33% (as compared to 2019) on a like-for-like basis by no later than 2030. This target is consistent with EU and other national GHG emissions reduction targets. In the near term, we are investing over €6 billion on projects which will reduce our emissions footprint. We are also investing in new products and technologies to drive the industry to a circular economy in which materials are re-used to the maximum extent, and no products, once used, enter the natural environment. For example, we have committed to make all our products recyclable and, by 2025, to develop a range of polyolefin products containing at least 50% recycled product. Overall, across wider INEOS (including entities outside of the Group), we have committed to achieving 850 kt of recycled or bio content in our polymers by 2030, which is consistent with anticipated regulatory recycled-content targets in Europe.
- ***Generate Cost Savings and Enhance Efficiency.*** We have historically succeeded in reducing costs at our acquired businesses by making rapid reductions in underlying fixed costs and implementing an efficient corporate and management structure. We have achieved significant fixed cost reductions in businesses that we have acquired, delivering on average a reduction of 20% of inherited fixed costs in the four-year period post acquisition. Continuous improvements in the efficiency of our existing sites and opportunities for site consolidation are key aspects of this strategy, as we seek to maintain upper quartile cost positions and world-scale facilities across the majority of our operations. The control of fixed costs will continue to be a key priority for our business.
- ***Generate Strong Cash Flow.*** We intend to continue our focus on cash flow generation by maximizing the utilization of assets, leveraging existing resources, continuously improving working capital practices, following disciplined and focused capital expenditure and cost reduction plans and optimizing where possible our capital structure. This focus has allowed us to reduce our costs and improve our cash flow management, such as the ability to implement lower levels

of maintenance capital expenditure. We apply the cash flows generated from these initiatives to help reduce our debt and to strategically invest in the business.

- ***Maximize Utilization of Assets.*** As a low-cost focused producer, we believe in operating our facilities at full capacity. We believe this allows us to maintain positive margins and cash flows, even during downturns in industry cycles or customer demand, more readily than some of our competitors who have higher production costs. We intend to achieve growth in production volume by improving utilization rates within the defined availability of an asset, improving availability of an asset by minimizing planned and unplanned facility downtime and improving capacity of an asset through de-bottlenecking projects. We have a strong track record of improving utilization rates of acquired assets.
- ***Maintain a Lean Corporate Structure and Incentivize Employees.*** We intend to operate our business in a manner that is consistent with the philosophy of our shareholders and maintain a simple and decentralized, flat organizational structure that minimizes corporate bureaucracy, coupled with compensation arrangements that incentivize our employees. We believe that a simple and decentralized organizational structure is cost-effective and will allow each of our management teams the freedom to use their industry knowledge to respond to market opportunities. We believe that we can increase the value of our business when our employees share in the value they create. We have management and employee bonuses and long-term incentive plans linked to the EBITDA before exceptionals performance and other factors of the business in which they work.
- ***Maximize Flexibility to Use Advantaged Feedstocks.*** We remain focused on our strategy of acquiring advantaged feedstock sources and improving our flexibility to use different feedstocks to take advantage of changing market conditions. In 2017, we entered into an agreement to construct one of the largest butane tanks in Europe. In 2019, our butane storage tank contract was signed to provide the largest ever built in Europe. The tank came on stream in the Port of Antwerp, Belgium in October 2020 and allows us to import butane from the United States (and from all over the world) to supply material to our naphtha crackers at Köln. This project complements our contracts signed in 2012 and 2015 to source ethane directly from the United States for our Rafnes cracker as well as our a new ethane import tank and new ethane furnace at our Norwegian plant. The gas cracking flexibility has been enhanced further with expanded butane supply to our cracker in Köln supported by four Rhine river barges, which were delivered in 2020 and 2021. We are also committed to maintaining flexibility in feedstock while expanding our olefins capacity. For example, our Chocolate Bayou plant predominantly uses liquid based natural gas as feedstock, but has the ability to process naphtha and our Köln plant is capable of switching between naphtha and butane as a feedstock. This enables us to manage our feedstock mix in line with changing market and economic conditions. To further enhance our sourcing of advantaged feedstock, we began construction of a new ethane steam cracker in Antwerp, Belgium, referred to as Project ONE, for the production of ethylene in the summer of 2022. We believe it is the largest investment in the European chemicals industry for the past 20 years and we expect it to be among the most efficient and sustainable of its kind.

**Business Segments**

Set forth below is a discussion of our business along the segment lines of Olefins & Polymers Europe, Olefins & Polymers North America and Chemical Intermediates in the following areas: products, manufacturing, raw materials and energy, transportation, customers and contracts, research and intellectual property and competition.

**Olefins and Polymers**

We operate two Olefins and Polymers ("**O&P**") businesses: Olefins & Polymers Europe and Olefins & Polymers North America. We are also focused on expanding our presence in Asia with the development of a number of joint ventures with Sinopec in China (see 'Olefins & Polymers Asia'). Set forth below is a general discussion of the products, manufacturing, research and intellectual property, transportation and competition, followed by a more detailed review of the products, manufacturing, raw materials and energy and customers and contracts, of our Olefins & Polymers Europe business and our Olefins & Polymers North America business.

***Products***

The following table provides an overview of our key olefin and polymer products and their principal applications. Market positions are measured by average annual capacity assessed as of September 30, 2023.

| Key products | Principal applications | Selected market positions[(4)] |
|---|---|---|
| *Olefins and related products* | | |
| Ethylene[(1)] | Polyethylene, polyvinyl chloride, ethylene oxide and styrene | #1 in Western Europe<br>#7 in U.S. |
| Propylene[(2)] | Polypropylene, acrylonitrile, cumene and propylene oxide | #4 in Western Europe<br>#10 in U.S. |
| Butadiene | Synthetic rubbers and acrylonitrile butadiene styrene | #1 in Western Europe |
| Benzene | Styrene, cumene and nylon | #6 in Western Europe |
| *Polymers* | | |
| Polyethylene (high-density polyethylene, low-density polyethylene, linear low-density polyethylene) | Films for packaging, agricultural applications, molded products, pipes and coatings | #1 in Western Europe[(3)]<br>#6 in U.S. |
| Polypropylene | Molded products, filaments, fibers and films | #5 in Western Europe<br>#5 in U.S. |

(1) In Europe, we consume more ethylene than we produce, which allows us to operate our crackers in Europe at higher operating rates than the industry average. In North America, the olefin crackers at our Chocolate Bayou facility manufacture substantially more ethylene than is required by our polymers and derivatives units in the Gulf Coast region. As a result, we sell substantial amounts of the ethylene that we produce to customers in the Gulf Coast region of the United States.

(2) In Europe and North America, we consume more propylene than we produce. Our propylene consumption is primarily related to the production of polypropylene, propylene oxide, oxo alcohols, phenol and acrylonitrile.

(3) According to NexantECA, measured by average annual capacity, we are the second largest manufacturer of high density polyethylene in Western Europe and the third largest manufacturer of linear low density polyethylene in Europe.

(4) The assets of INEOS Chemicals Grangemouth Limited and INEOS Commercial Services UK Limited were transferred out of IGH on October 1, 2013 in connection with the Grangemouth Divestiture, and the Lavéra Divesture assets were transferred out of IGH on July 1, 2014. However for the estimation of market ranking for IGH their capacities have been included since these assets remain within the broader INEOS family of companies and there has been no restriction to, or change in, the competitive dynamic that the assets exercise within the European market as a part of the INEOS family of companies. Therefore in management's view, it is helpful to consider the Grangemouth and Lavéra assets in order to reflect the relative overall commercial strength of the INEOS family of companies, which is the same as that of O&P Europe within IGH. Following completion of the Lavéra Acquisition, the capacity of the Lavéra Businesses (as well as TotalEnergies' 50% interest in certain of those plants) will form part of the IGH Group, increasing capacity of the Group by 3,770 ktpa.

Source for market positions: NexantECA and INEOS.

Set forth below is a description of the principal petrochemical products and their applications.

*Olefins and related products:*

- ***Ethylene.*** According to NexantECA, ethylene is the world's most widely used petrochemical in terms of volume, accounting for over one-third of the global production of primary petrochemicals. It is the key building block used to produce a large number of higher value added chemicals, including polyethylene, polyvinyl chloride via ethylene dichloride and styrene via ethylbenzene. Ethylene is a flammable gas and is a primary olefin obtained in a cracking process, as described above. Because ethylene is a gas, it must be transported either by pipeline or in the form of a highly pressurized and refrigerated liquid, which is expensive.

While ethylene itself has no consumer applications, demand for ethylene is driven essentially by its use as feedstock for various thermoplastics, which are plastics that soften when heated and harden again when cooled, including polyethylene and other polymer derivatives. Aside from being the feedstock for polyethylene production, demand for ethylene is also driven by the manufacture of ethylene oxide and derivatives, ethylene dichloride and ethyl benzene. According to NexantECA, the global market for ethylene is forecast to grow at 3.4% per annum through 2028 versus forecast GDP growth of 3.2% during the same period, driven by polyethylene applications such as high-density polyethylene and linear low-density polyethylene.

- ***Propylene.*** Propylene is a flammable gas which is derived as a co-product either of the refinery fluid catalytic cracker process used to make gasoline or of the steam cracking process used to make ethylene. More recently, propylene is also being produced from processes such as propane dehydrogenation and metathesis. Propylene is an important feedstock for a significant number of industrial products and is the main feedstock for polypropylene and acrylonitrile. Propylene is marginally easier to transport than ethylene and may be shipped by pipeline, road, rail or ship.

Global propylene demand is driven essentially by its use as feedstock for various thermoplastics and by the level of demand for propylene derivatives, particularly polypropylene, propylene oxide, acrylonitrile, oxo-alcohols, cumene and acrylic acid. Growth in the demand for polypropylene has stemmed from the substitution of non-polymers (paper, wood, glass and metal, etc.) due to its relative cost advantage and superior performance. According to NexantECA, the global market for propylene is projected to grow at 4.2% per annum through 2028, driven mainly by polypropylene demand.

- ***Butadiene.*** Butadiene is a gas and is one of the co-products of the steam cracking process used to manufacture ethylene and propylene. Butadiene is used primarily in the production of polymers, principally synthetic rubbers such as styrene-butadiene rubber, which is used to make tires and other rubber products. Other polymers made from butadiene include acrylonitrile-butadiene styrene and styrene-butadiene latex. Butadiene is also used to make ethylidene norbornene monomer.

Butadiene demand is driven primarily by growth in consumption of synthetic rubber. According to NexantECA, the global market for butadiene is projected to grow at an average of 3% per annum through 2028. Demand is tightly linked to the market for synthetic rubber, which is, in turn, mainly consumed in the automotive sector.

- ***Benzene.*** Benzene is ***used*** to produce a number of petrochemical intermediates, such as styrene, cumene for phenol and acetone, cyclohexane and nitrobenzene. It is mainly produced from refinery processes or as a co-product of steam cracker operations.

Styrene is the largest chemical outlet for benzene at around 48% of demand. The second largest outlet for benzene, accounting for 20% of demand, is cumene, which is nearly all consumed in phenol production with acetone formed as a co-product. For 2022, NexantECA estimated the global benzene demand to be 53.9 million tons, with 68% being consumed in the production of ethylbenzene for the styrenics industry and cumene for the phenolics industry. NexantECA forecasts an average global growth rate in demand of approximately 3.3% per year in the 2023-2028 period.

- ***Polyethylene.*** Polyethylene is the world's most widely used thermoplastic and is made by the polymerization of ethylene. Polyethylene is often classified by its density, because greater density corresponds with greater material rigidity.

Film is the largest single use of global polyethylene production and the primary driver of demand, representing approximately one half of worldwide polyethylene consumption. Film includes a myriad of end use applications, from food packaging to trash bags, stretch films and shrink films. Blow molding and injection molding are the next largest uses and are also important demand drivers. In the blow molded category, blow molded bottles are the single largest end use. NexantECA forecasts an average global growth rate in demand of approximately 3.7% per year in the 2023-2028 period.

- ***Polypropylene.*** Polypropylene is the world's second most widely used thermoplastic after polyethylene and is among the fastest growing categories of thermoplastics. It is manufactured by the polymerization of propylene. The rapid growth of polypropylene-based products reflects the superior cost and performance characteristics of this material. As one of the industry's most versatile polymers, polypropylene is achieving a portion of its growth by displacing other polymers, such as polyethylene and polystyrene.

According to NexantECA, the global polypropylene market is projected to grow at 4.2% per annum through 2028. NexantECA expects that the demand for polypropylene in Asia will continue to grow at higher rates than North America and Europe, primarily as a result of growth in the Chinese market.

***Manufacturing***

Olefins are produced primarily by the steam cracking of hydrocarbon feedstocks. In steam cracking, a gaseous or liquid hydrocarbon feed, such as naphtha, liquefied petroleum gas or ethane, is diluted with steam and briefly heated in a furnace without the presence of oxygen. Typically, the reaction temperature is very high, at around 850°C, but the reaction is only allowed to take place very briefly. In modern cracking furnaces, the reaction time is further reduced to milliseconds, resulting in gas velocities faster than the speed of sound, to improve yield. After the cracking temperature has been reached, the gas is quickly quenched to stop the reaction in a transfer line heat exchanger. The products produced in the reaction depend on the composition of the feed, the hydrocarbon-to-steam ratio and on the cracking temperature and furnace residence time.

Light hydrocarbon feeds, such as ethane, liquefied petroleum gas or light naphtha, yield product streams rich in the lighter alkenes, including ethylene, propylene and butadiene. Heavier hydrocarbon feeds (full-range and heavy naphthas, as well as other refinery products) yield some of these products too, but also yield products rich in aromatic hydrocarbons and hydrocarbons suitable for inclusion in gasoline or fuel oil. Higher cracking temperatures (also referred to as higher levels of "severity") favor the production of ethylene and benzene, whereas lower cracking temperatures (lower levels of "severity") produce higher amounts of propylene, C4-hydrocarbons and liquid products.

Depending on feedstock, varying levels of ethylene, propylene and other by-products are achieved. Ethane produces the most ethylene but the least propylene. Naphtha produces substantially less ethylene, roughly one-third of that of ethane, but produces more propylene and significantly more by-products.

The main polyolefins are the thermoplastics, polyethylene and polypropylene, which are produced by the polymerization of the olefin monomers ethylene and propylene, respectively. While the majority of polyethylene and polypropylene are homopolymers (a combination of the same monomers), a growing proportion is copolymers (polymers that are produced from a combination of two or more monomers).

Polyolefins are produced using a number of different technologies that are widely available, including one high-pressure process and three low-pressure processes (Solution, Slurry and Gas Phase). All of the technologies are constantly being adapted to improve product qualities and reduce production costs. For commodity products, produced on modern scale technology, the cost structure of these technologies is similar. Increased cost structures for producing specialty products are typically justified by premium margins.

The following is a summary of the four processes:

***High-Pressure Process***

This was the original process used to produce polyethylene and is still in use today. This process is a free radical polymerization that does not require the use of a catalyst, operating at pressures above 1,000 and up to 3,500 bar and temperatures from 150° to 340°C. Originally conducted in a high-pressure autoclave, current processes more commonly use a tubular reactor. This process is used to produce low-density polyethylene, characterized by long-chain branching, considerable flexibility and clarity. Because of the high-pressures involved, this process involves higher risk than low-pressure processes and requires expensive and specialized equipment; consequently, fewer high-pressure processes have been constructed in recent years.

***Low-Pressure Processes***

These processes typically operate below 200 bar and have lower capital intensity but require the aid of a catalyst. In addition, it is common to add a comonomer (butene or hexene in the case of polyethylene, and ethylene in the case of polypropylene) to tailor the resultant polymer properties.

- ***Solution Process.*** This process operates at temperatures above the melting point of the polyolefin (above 130°C for polyethylene and above 140°C for polypropylene) and employs metallocene or Ziegler-Natta catalysts and a solvent to dissolve the growing polymer chains. This process is best suited to make high-density polyethylene (having very few chain branches, and those branches that do exist are short—only a few carbon atoms in length) and linear low-density polyethylene (having many short-chain branches, which may be contrasted to low-density polyethylene with many long-chain branches). Solution processes have the ability to produce narrow molecular weight distribution polyolefins.
- ***Slurry (or Suspension) Process.*** This process is a continuous low temperature (60° – 105°C, 20 – 35 bar for polyethylene or 60° – 85°C, 35 – 50 bar for polypropylene) process in which polymer forms as a solid particle in the presence of a catalyst while suspended in a liquid slurry. In the case of polyethylene, the polymerization takes place in an inert liquid carrier such as isobutane. In the case of polypropylene, the polymerization takes place in liquid hexane, heptane, or even liquid propylene monomer. When propylene is utilized as the carrier liquid, the process

is often referred to as "bulk slurry." The carrier liquid serves to aid in the removal of heat as it carries the growing polymer particles through the reaction process. The catalyst may be chromium on silica (polyethylene only), Ziegler-Natta, or metallocene. The reactor may be a stirred tank or a pipe-loop reactor, in either case jacketed to aid in removal of the heat of reaction. One or more reactors may be placed in series to broaden the molecular weight distribution and produce bimodal polyolefins. This process is best suited to making high-density polyethylene and homopolymer polypropylene. One advantage of this process over other high-density polyethylene processes is the ability to make rapid grade transitions, which makes it particularly well suited to the manufacture of specialty polyethylene products.

- ***Gas Phase.*** As the name implies, polymerization occurs with the solid polymer particles produced on a heterogeneous catalyst in the gas phase. Like the slurry process, the catalyst may be chromium on silica (polyethylene only), Ziegler-Natta, or metallocene. In the reactor, the growing polyolefin particles are fluidized and cooled by the gaseous reactants and/or nitrogen, or sub-fluidized and mechanically agitated. Liquid monomer may be added and flashed to aid in the removal of heat. The reaction takes place at low temperature (80° – 100°C for polyethylene and about 60° – 85°C for polypropylene) and pressure (15 – 35 bar). A gas phase process has advantages over slurry and solution processes in that the heat of reaction is very effectively removed and operates with lower hydrocarbon inventories. In addition, high-ethylene content copolymers of polypropylene can be produced in this process. This process is best suited to the manufacture of linear low-density polyethylene, high-density polyethylene and all types of polypropylene, including homopolymer, random copolymer, impact copolymer and soft thermoplastic polyolefin.

Post polymerization, any catalyst is deactivated, the polyolefin is freed of any solvent, unreacted monomer or liquid diluent, and the resulting polyolefin flake or crumb is combined with additives and extruded into pellets prior to sale to downstream fabricators.

Several of these technologies have recently been adapted to run multiple reactions in series, yielding a product with a wider bi-modal molecular weight distribution that provides superior strength or unique characteristics such as high-impact resistance.

***Research and Intellectual Property***

Our olefins and polymers businesses are supported by technology centers in Houston (United States), Brussels (Belgium), Rosignano (Italy) and Lavéra (France), which in turn support the following highly proprietary process technologies that we believe together form one of the most competitive technology platforms available in the olefins and polymers industry.

- *Gas phase polypropylene technology.* Our gas phase polypropylene technology enables the cost-effective production of high-performance polypropylene plastics.
- *High-density polyethylene technology.* We own specialized technology for the manufacture of high-density polyethylene that is characterized by low capital investments and low operating costs and is particularly well-adapted to the manufacture of high-performance materials such as high-pressure pipe, one of the fastest growing segments of the high-density polyethylene market.
- *Gas phase polyethylene technology.* This technology is designed to serve the linear low-density polyethylene and high-density polyethylene markets, which are the fastest growing segments of the commodity polyethylene markets. The technology is characterized by low capital investment, low operating cost, low emissions and waste, and no requirement for the use of additional solvents.

Historically, the Group has sold over 75 licenses to third parties across the three technologies. However, the Group no longer sells licenses, and instead focuses on development of advantaged products for the Group's different polymers businesses.

We continue to manufacture and sell polyolefin catalysts to third parties. Management believes that the polyolefin catalyst business is complementary to the polyolefins business, and does not adversely affect INEOS's competitive position in its polyolefin markets. The catalyst business is managed within the Olefins and Polymers business in Europe and has grown significantly over the last four years.

***Transportation***

We have access to a comprehensive transportation network and associated logistics infrastructure through a combination of ownership and long-term contracts. We believe that this network enables us to move feedstocks and products at competitive rates and provides us with access to the merchant market, enabling us to manage demand and supply imbalances across the petrochemical value chain in response to market conditions.

Because pipelines are the most efficient and least expensive mode of transportation, we consider them to be of strategic importance. We own some of the pipelines we use, while others are consortium-owned pipelines in which we hold a stake or are provided to us by dedicated operators under long-term contracts. Other pipelines in Europe may be accessed without a contract as long as the appropriate tariff is paid.

Where we are reliant on access to shipping channels, we either own or hold stakes in the relevant terminals and storage facilities or have secured access to them through long-term contracts. We own several dedicated barges and also utilize an extensive network of third- party shipping companies which make capacity available to us on a spot- or term-contract basis that is managed by our own in-house Marine Assurance Service.

***Competition***

We face intense competition in the olefins and polymers markets in which we compete. Given that most of the products are commodities, the main competitive criterion is price. In certain segments of the polyethylene and polypropylene markets, where products must satisfy specified technical performance criteria, competition is also based on performance, quality and customer service. A key competitive factor is the ability to manage costs successfully, which requires management focus on reducing unit costs and improving efficiency. The main drivers in this respect include technology, scale, feedstock access, asset utilization, logistics and the ability to execute capital projects efficiently.

Because polymers are easily transported in bulk shipping containers or rail cars, there is significant trade between regions. Globally we compete against a large number of polymer companies, many of which have capacity in multiple regions and who market their products in Europe, Asia and North America. Our competitors include LyondellBasell, Sabic, Dow and ExxonMobil.

**Olefins & Polymers Europe**

Set forth below is a discussion of the products, manufacturing, raw materials and energy, transportation and customers and contracts, for our Olefins & Polymers Europe business.

***Overview***

The following table provides a breakdown of the revenue and EBITDA before exceptionals for the Olefins & Polymers Europe business for the dates indicated:

| | For the year ended December 31, | | | For the nine-month period ended September 30, | |
|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2023 | 2022 |
| | | | (€ in millions) | | |
| Revenue[(1)] | 9,177.7 | 7,526.0 | 4,658.3 | 4,756.5 | 7,459.7 |
| EBITDA before exceptionals[(2)] | 655.6 | 948.2 | 395.3 | 264.3 | 581.7 |

(1) Excludes revenue from discontinued operations and intersegmental eliminations.

(2) For more information on how we calculate EBITDA before exceptionals, see "Presentation of Financial and Non-IFRS Information—Use of Non-IFRS Financial Measures."

***Products***

In our olefins business, we manufacture ethylene, propylene, butadiene, raffinate 1, benzene, toluene and gasoline blending components. The majority of our ethylene and propylene is either used for polyolefins production or sold to other INEOS businesses as feedstock. Our butadiene, raffinate 1, benzene, toluene and gasoline blending components are sold to other INEOS businesses as well as other producers of synthetic rubber, ABS plastics, oligomers, cumene, styrene and polyurethanes and are traded on the open markets. Olefins & Polymers Europe is one of the largest olefin and polyolefin producers in Europe.

In our polymers business we manufacture High Density Polyethylene (HDPE), Low-Density Polyethylene (LDPE), Linear Low-Density Polyethylene (LLDPE) and Polypropylene (PP).

In HDPE we are active in car fuel tank, milk bottle, high performance pipe and blow molding applications, most of which require lengthy customer approval processes. Sales from our HDPE asset have grown significantly since 2013.

Our low-density polyethylene products are particularly well-suited to specialty applications in the wire and cable, medical and coatings sectors which also require lengthy customer approval processes. Our coating customers form the backbone of our LDPE business and we also have a significant volume of medical product sales and other specialty grades which generate high margins.

Our linear low-density polyethylene production is primarily sold to customers in the film sector, and, thanks to the use of our proprietary metallocene technology, we have sales of both commodity and specialty grades into film applications like super-tough and sealable films.

In polypropylene our focus has been in high modulus pipe and related applications, highly reinforced impact copolymers for injection molding, medical and heat sealable BOPP films, where we have a strong global position in sealant material.

***Manufacturing***

Olefins & Polymers Europe operates large integrated olefins cracker and polymer sites with a total capacity of 5,050 kta for the production of ethylene, propylene, butadiene, benzene, polyethylene and polypropylene. We own and operate a large naphtha cracker complex in Köln, Germany, and a large gas cracker in Rafnes, Norway. Until the end of 2015, the gas cracker at Rafnes, received all of its feedstock from gas sources in the North Sea but from 2016 the majority of Rafnes feedstock is ethane sourced from U.S. shale gas fields. The naphtha cracker complex at Köln includes two naphtha crackers and a small integrated ethane cracker which consumes ethane produced by the naphtha crackers. The naphtha crackers are also able to consume butane as part of their feed-slate and this flexibility enables the management of feedstock mix in response to changes in economic and market conditions, resulting in the maximization of margins. Both of these cracker sites are either co-located with, or connected by pipeline to, polyolefin plants and to other olefin-derivative units, with market leading economies of scale and operational optionality that permits us to maximize our margins across a broad portfolio of olefin-derivatives.

The cracker complex in Köln, Germany, benefits from being located in the center of one of the key industrial clusters of Germany, while also being able to access feedstocks by pipeline and barge from the Antwerp and Rotterdam area in the Netherlands; one of the world's most competitive naphtha supply regions. It is the third largest cracker complex in Europe, and the largest in Germany. With a proven track record of operational excellence, this very reliable asset benefits from considerable downstream integration with a wide portfolio of olefin derivatives on- and off-site, including polyethylene, ethylene oxide, nitriles, oligomers, ABS engineering plastic and synthetic rubber. It can also sell its excess ethylene and propylene to the merchant market via pipelines and the site can also sell propylene by barge using its own jetties on the river Rhine and by rail. In particular, the Köln site is connected to Europe's largest ethylene pipeline network owned by ARG, a company jointly owned by INEOS and four other European petrochemical companies.

The Noretyl gas cracker in Rafnes has been modernized and expanded to its present annual capacity of 645,000 tonnes of ethylene in 2016. It is also co-located with on-site derivatives assets, namely O&P Europe's LDPE plant and EDC/VCM plants owned by INOVYN, a related company. In addition, the cracker is connected to dedicated, wholly owned ethylene liquefaction and export terminals from which it exports products to INEOS derivatives and the merchant market in North West Europe.

While our two standalone polyethylene and polypropylene sites in Lillo and Geel in Belgium are not co-located on cracker sites, they are connected to major olefin pipelines. Our Lillo site also benefits from connection to INEOS' ethylene terminal, which is Europe's largest, at the INEOS Oxide site in Zwijndrecht, Antwerp and indirectly with the greater ARG pipeline. In both cases, this infrastructure provides these facilities with flexibility in sourcing feedstock. Both of these sites benefit from easy access to large polyolefin markets.

Since acquiring Olefins & Polymers Europe, we have undertaken a significant improvement and restructuring program across our assets to enhance their long-term cost-competitiveness. In general, cost efficiencies have been substantially improved across all aspects of the business. The asset base has also been added to via the acquisition in 2007 of a 50% share in the Noretyl gas cracker at Rafnes and full ownership of the associated polyolefins at Bamble in Norway. On July 1, 2015, we acquired the other 50% share in the Noretyl gas cracker from INOVYN, a related party.

In July 2023, affiliates of the Group announced their intention to acquire TotalEnergies' 50% share of certain petrochemical assets at Lavéra currently operated as 50:50 joint ventures between TotalEnergies and the Lavéra Businesses, as well as certain other infrastructure assets associated with the site. A binding sale and purchase agreement (subject to customary conditions to completion) was signed in October 2023. The Group will, immediately prior to the acquisition of the TotalEnergies Lavéra Business, complete the Lavéra Reorganization, following which the acquisition of the TotalEnergies Lavéra Business will occur within the Group. Upon completion of the Lavéra Acquisition, we will have full ownership of Naphtachimie, which operates one of Europe's largest steam crackers with an annual capacity of 720,000 tonnes of ethylene, Gexaro, an aromatics business with an annual capacity of 270,000 tonnes, and Appryl, a polypropylene business with an annual capacity of 300,000 tonnes, as well as a number of other infrastructure assets, including part of TotalEnergies' ethylene pipeline network in France. The Lavéra Acquisition will bring the Lavéra Businesses back into the Group, now with full ownership and control and without the limitations of a joint venture, which we believe will allow us to unlock greater value in the assets.

Significant investments have been made to enhance our assets' capabilities, including the building of a swing furnace on the Köln cracker and the conversion of its linear low density polyethylene unit to highly differentiated metallocene production (a proprietary catalyst technology that permits the production of super-tough film grades). A key improvement theme of our polyolefins business has been to creep capacities and reduce plant costs. We aim to run our downstream assets as close to their maximum capacity as is operationally prudent while seeking to constantly improve the sales portfolio by focusing on products that can command sustainably higher margins in bottom of cycle conditions over commodity grades, which we refer to as "differentiated" products. We take advantage of our proprietary process technologies, such as at Lillo (Innovene S), at Geel (Innovene P) and at Köln (Innovene G). These state of the art advanced technologies allow us to manufacture distinctive resins.

The most substantial recent investment that was made in our assets was in 2015 at Rafnes, with the completion of a new ethane import tank and new ethane furnace. These investments were timed to coincide with the commission of NGL/LPG export facilities in the U.S. through which we have secured long-term, advantaged U.S. gas feedstock, associated with the shale oil and gas developments in that country. This new source of ethane complements our existing local sources of feedstocks. In 2020, the butane tank in Antwerp was completed which, along with dedicated barges, allows the Köln cracker to increase the proportion of butane used in its feedstock thereby increasing the feedstock flexibility

Our manufacturing facilities are periodically shut down for scheduled turnarounds, to carry out necessary inspections, testing to comply with industry regulations and any maintenance activities that may be necessary. Olefins crackers typically undergo major turnarounds every five to six years, with each turnaround lasting four to six weeks. Our Rafnes gas cracker is on a seven to nine year turnaround cycle. Polymers units are subject to more frequent maintenance shutdowns, typically one turnaround every one or two years, but in this case each turnaround lasts only seven to 10 days. A significant focus in prior years was placed on enhancing process safety and further improving reliability by initiating a series of process safety audits and reliability reviews to give assurance about the adequacy of our critical safety management systems and that the necessary plans are in place to drive very high levels of reliability.

***Raw Materials and Energy***

The primary feedstocks for our olefin crackers are naphtha and natural gas liquids, namely ethane, propane and butane. The use of naphtha results in the production of a significant amount of co-products such as propylene, butadiene and benzene, as well as Raffinate 1 and gasoline blending components. The use of natural gas liquids results in the production of a smaller amount of these co-products. From 2016, our Köln naphtha requirements have been sourced from several external suppliers under contract, with the balance being purchased in the open market.

We continue to look for sources of attractive feedstock and in 2012 we announced the completion of supply and infrastructure agreements that secured a significant volume of ethane feedstock from the U.S. for use in our Norwegian cracker. Since then, further ethane and LPG supply agreements have been secured from these advantaged U.S. shale gas sources to complement our existing local sources. In addition, a new infrastructure contract was signed in 2015 which allowed us to export feedstocks from the new Enterprise facility at Morgan's Point on the Texas coast. Contracts for eight "Dragon" vessels to transport these feedstocks to Europe were signed in 2013, with all ships having now been delivered and fully operational. Contracts for two "VLEC" vessels (cargo capacity approximately three times larger than the "Dragons") to transport feedstocks around the world were signed in 2017, and both have been delivered and are fully operational. The first shipment using these vessels took place in 2019 with supply of U.S. ethane to China being the main activity.

The first shipment of ethane from the Marcus Hook Facility in Pennsylvania was exported from the U.S. in March 2016 on the JS INEOS Intrepid, and the first ethane cargo from Morgan's Point was exported in September 2016 on the JS INEOS Insight.

Although energy is generated at several of our sites, including as part of petrochemical manufacturing processes, we are a significant net purchaser of both electricity and gas. In the past we have typically procured our requirements from local producers or utilities at local market prices; however, we are increasingly moving to a more integrated process to take more advantage of our scale and changing energy markets across the wider INEOS Group, including our ultimate parent company and its other subsidiaries.

***Customers and Contracts***

In total, we had approximately 835 customers worldwide during the 12-month period ended September 30, 2023, who are serviced by an in-house team of business, sales and technical service personnel. Customers of our olefins business tend to be major European petrochemical companies, who use our products to make a wide range of polymers, synthetic rubber, intermediates and specialty chemicals. In our downstream business we sell to a large number of companies in a variety of plastic conversion industries involving rigid and flexible packaging, pipe, car fuel systems, rotomolding, wire and cable, medical and other industrial and consumer products. In Olefins & Polymers Europe as a whole, in the 12-month period ended September 30, 2023, no single customer accounted for more than 10% of our annual revenues and our top 10 customers accounted for less than 42% of our annual revenues.

In our olefins business the majority of our ethylene, propylene, raffinate 1 and benzene production is sold to other INEOS olefin-derivative businesses at market-related transfer prices. For the 12-month period ended September 30, 2023, approximately 67% of the olefin requirements of our downstream polyolefin business was satisfied by internal supply from our own crackers, while the rest was sourced from the open market. Our remaining production of ethylene, propylene, butadiene, raffinate 1, benzene, toluene and gasoline blends are sold directly to customers predominately via contracts of one to three years duration, with pricing either freely negotiated, cost-plus or market-referenced such as ICIS or Platts. Product pricing can therefore change daily or monthly.

In our polymers business sales are mainly conducted under contract. The majority of these contracts are annual with longer durations by exception. Pricing in these contracts is cost-plus or based on market references, such as ICIS or Platts, or negotiated on a monthly basis.

In April 2020, our polymer business announced a collaboration with Plastic Energy on the construction of a new plant to convert waste plastic into the raw material to make new plastic. Advanced recycling technology converts waste plastic back to its basic molecules. The resulting material is then used in INEOS crackers to replace traditional raw materials derived from oil.

In July 2022, we announced our joining the Digital Watermarks Initiative HolyGrail 2.0 (an initiative driven by AIM—European Brands Association and powered by the Alliance to End Plastic Waste) to significantly improve the sorting and recycling of plastic packaging waste. The initiative aims to address and improve how plastic waste is sorted into different types, making the recycling of household plastic waste far more efficient. Although plastic packaging collection rates are improving across Europe, challenges in sorting mean that recycled plastics are often a mix of types and grades, making the recycled product difficult for plastics converters to reuse. Digital watermarks are imperceptible codes which cover the surface of the packaging. They are around the size of a postage stamp, imperceptible to the human eye, but detectable by special cameras linked to high speed waste sorting systems.

**Olefins & Polymers North America**

Set forth below is a discussion of the products, manufacturing, new materials and energy and customers and contracts, for our Olefins & Polymers North America business.

***Overview***

The following table provides a breakdown of the revenue and EBITDA before exceptionals for the Olefins & Polymers North America business for the dates indicated:

| | For the year ended December 31, | | | For the nine-month period ended September 30, | |
|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2023 | 2022 |
| | | | (€ in millions) | | |
| Revenue[1] | 5,723.9 | 5,527.3 | 2,785.0 | 3,069.6 | 4,529.4 |
| EBITDA before exceptionals[2] | 1,204.4 | 1,577.2 | 554.2 | 570.9 | 1,028.7 |

(1) Excludes revenue from discontinued operations and intersegmental eliminations.

(2) For more information on how we calculate EBITDA before exceptionals, see "Presentation of Financial and Non-IFRS Information."

***Products***

Our olefin products—ethylene, propylene, butadiene, mixed butenes, and crude benzene—are the basic building blocks for a vast family of petrochemicals produced by our chemical manufacturing customers. A significant portion of our olefin output serves as feedstock for our polymers production, while the remaining output is sold to affiliates and third parties.

The type of polyethylene we currently manufacture in Olefins & Polymers North America is slurry loop high-density polyethylene. Our high-density polyethylene products are sold to customers for use in manufacturing food packaging, household chemical containers, pipe, injection-molded products such as caps and closures, and crates and pails. Our polypropylene is transformed into crates and trays, roofing membranes, food packaging, carpets, automotive products, rope and toys. During the twelve-month period ended September 30, 2023, consumables such as caps, closures, film and packaging represented a majority of our polymer sales volume.

Along with Olefins and Polyethylene, Polypropylene is a major product, with manufacturing lines at the Chocolate Bayou, Battleground and the Carson manufacturing facilities. Polypropylene is produced with a combination of produced raw materials (Propylene from the Olefins crackers) as well as third-party purchased propylene. Polypropylene is then shipped by rail and truck to various end-users in North America and abroad.

O&P North America also manufactures Polyethylene pipe through our subsidiary, WL Plastics. WL Plastics is solidly positioned as a leader in the North American plastic pipe industry. WL Plastics is a leading manufacturer and distributor of HDPE tubular products for fluid and material transfer applications primarily for energy and industrial infrastructure applications with a deep product mix of pipe diameters of ½ inch to 54 inches. In December of 2021, WL Plastics acquired the Polyethylene assets of Charter Plastics in Titusville, Pennsylvania. The Titusville site and associated assets have the capability of producing a broad range of polyethylene pipe for numerous end-uses including potable water, reclaimed water, sewer, geothermal, gas, irrigation, and industrial applications.

O&P North America is a fully integrated business from the production of hydrocarbons through to fabrication of polyethylene pipes.

***Manufacturing***

The key assets of Olefins & Polymers North America include the following:

- the Chocolate Bayou, Texas, facility, one of the largest cracker installations in North America as well as two on-site polypropylene units (PP3 & PP4);
- the Battleground, Texas, facility, one of the largest North American high-density polyethylene facilities, inclusive of the Gemini and heritage Polyethylene assets, integrated with the Chocolate Bayou site through a company-owned pipeline system as well as the BMC Line 3 polypropylene unit;
- a 50% ownership interest in the Horizon high-density polyethylene plant located at Chevron Phillips' Cedar Bayou, Texas, site;
- the Carson polypropylene plant—integrated with the Marathon refinery at Carson, California;
- the Hobbs fractionation unit, which can process 1,455 kta of natural gas liquids feedstock for our Chocolate Bayou cracker;

- the WL Plastics fabrication and distribution locations include Mills, Wyoming; Rapid City, South Dakota; Cedar City, Utah; Elizabethtown, Kentucky; Statesboro, Georgia; Snyder, Bowie and Lubbock, Texas; and as of January 2022 Titusville, Pennsylvania an asset acquisition from Charter Plastics with a production capacity of 45 kta.

All of the olefins crackers are either co-located with, or connected by pipeline to, polymers units, enabling them to realize economies of scale, improve their facilities' energy management and minimize logistics costs.

In North America, our olefins and polymers business comprises five sites including major facilities in Chocolate Bayou, Texas, and Battleground, Texas. As of September 30, 2023, the Chocolate Bayou and Battleground facilities (including the 100% share of the Gemini HDPE output) had total production capacity of approximately 4,606 kta inclusive of olefins, polyethylene and polypropylene finished goods.

Chocolate Bayou is one of the largest cracker installations in the Gulf Coast region and, according to NexantECA, is the fifth largest site by ethylene capacity in the United States. The site has access to cavern storage, rail service, and approximately 500 miles of pipeline, either owned or leased by us. This allows integration to our polymer assets and our Hobbs fractionation unit, and permits the site to place its surplus ethylene and other products either directly in the local merchant market or in storage to bridge time lags between production and consumption. The scale of the Chocolate Bayou crackers should also enable the leveraging of the facility's infrastructure and workforce. Another key strength of the facility is the crackers' flexible design. While their main feedstock is natural gas liquid gas-based feedstock, which is obtained from various sources, including a significant amount from our natural gas liquid fractionator near Hobbs, New Mexico, the commodity markets and Marathon's refinery in Texas City, Texas, the facility also has the ability to process naphtha. This flexibility enables management of feedstock mix in response to changes in economic and market conditions. All of our polymers facilities in North America are either connected with the Chocolate Bayou crackers or are adjacent to facilities operated by third parties with whom we have feedstock arrangements.

For our North American polymers business, our key facility is the site at Battleground, Texas, which hosts both polypropylene and high-density polyethylene production. As of December 31, 2020, the previous 50:50 Gemini HDPE joint venture between the Group and Sasol Limited was purchased and it became 100%-owned by the Group. Our high-density polyethylene site is one of the largest high-density polyethylene complexes in North America. Battleground is integrated with Chocolate Bayou by way of a pipeline system owned by INEOS. Complementing our Battleground polymers production is our Carson polypropylene unit and our 50% ownership interest in the Cedar Bayou Horizon high-density polyethylene line. The Horizon line, which is operated by Chevron Phillips, is one of the largest single slurry loop high density polyethylene lines in North America.

***Raw Materials and Energy***

Our procurement efforts remain focused on expanding access to low cost materials, services and equipment and creating independence from sole or limited sources of supply. We are connected via pipeline to multiple hydrocarbon suppliers at Chocolate Bayou Works and Battleground Manufacturing Complex to ensure a secure supply at reasonable costs.

We, together with our North American affiliates, have centralized the purchasing of energy, natural gas, rail routes, ethylene, propylene (including refinery-, chemical- and polymer-grades), providing scale, common voice in the market and, in the cases of ethylene and propylene, flexibility to manage our supply and demand. Our olefins and polymers business primarily uses naphtha and NGLs as the basic feedstocks for our olefins crackers.

Although most external feedstock supplies of the business are available from a variety of third parties, our Carson polypropylene plant depends on raw materials from the Marathon refinery located on the same site. Most of the petrochemical feedstocks purchased from Marathon are part of a long-term contractual agreement. In addition, a substantial proportion of our feedstock requirements is also obtained on the commodity markets. We manage the procurement and trading of our feedstocks internally.

Although energy is generated at several of our sites, including as part of petrochemical manufacturing processes, we are a significant net purchaser of gas. Typically, we procure our requirements from local producers or utilities at local market prices.

***Customers and Contracts***

We work with customers to meet evolving market requirements. We market our products both directly—business to business—and through authorized distributors. We have a small base of olefins customers and approximately 350 polymer customers worldwide. Our industrial customers include a large number of companies in a variety of downstream industries involving rigid packaging, fibers and flexible packaging.

Most of our olefins sales are by multi-year contracts, with prices subject to monthly industry pricing. Our polymer sales are to customers in the merchant market and are made either on contract or spot terms. Some contracts are based on negotiated prices, while others are based on pricing formulas or refer to spot market rates.

WL Plastics has a premium value proposition to their approximately 150 domestic customers with industry-leading response times, scalable low-cost manufacturing with longer run times and a reputation for reliability.

***Olefins & Polymers Asia***

On December 28, 2022, and following signature of the shareholders agreement and the equity transfer agreement signed on July 28, 2022, INEOS acquired 50% of SECCO Petrochemical Company Limited from Sinopec.

Sinopec is a leading global chemical company, with specific strength in Asia. INEOS has a number of other joint ventures with Sinopec in other parts of its business and thus has experience in cooperating with Sinopec.

SECCO is a highly-integrated world-class chemical facility in Shanghai, China, the heritage of which (from BP) matches the heritage of INEOS' other assets. SECCO has large chemical units such as an ethylene cracker with design capacity of 1,190 kta, styrene unit of 650 kta, aromatics extraction unit of 600 kta, acrylonitrile unit of 520 kta, butadiene extraction unit of 180 kta, polyethylene unit of 600 kta, polystyrene unit of 300 kta and polypropylene unit of 250 kta.

The combination of operating expertise, safety leadership and specific technology know-how makes INEOS well-suited as a partner for Sinopec in this joint venture. INEOS has extensive experience of operating all the technology that SECCO uses, and INEOS is the owner of a significant amount of the technology utilized at the SECCO site.

On August 1, 2023, and following signature of the shareholders agreement signed on November 30, 2022, INEOS completed the formation of a 50:50 joint venture with Sinopec for the Tianjin Nangang Ethylene Project, which is currently under construction and expected to be on-stream in the second half of 2024.

The Tianjin Nangang Ethylene Project consists of the development and construction of a 1,200 kta per annum ethylene steam cracker and 12 derivative plants producing a wide range of olefins and olefins derivatives (including HDPE, LLDPE, POE, UHMWPE, LAO, PP, ACN, BD). This new highly-integrated world class facility using the latest technologies from Sinopec and INEOS will be the most competitive base chemicals complex in the Beijing region.

INEOS' rationale for entering into the SECCO and the Tianjin Nangang Ethylene Project joint ventures with Sinopec is the natural fit not only from a technology and product perspective, but also as part of its continued expansion into China and its business partnership with Sinopec. China is a key growth region for INEOS and the transactions significantly extend its petrochemicals business in the region.

**Chemical Intermediates**

***Overview***

Set forth below is a discussion of the products, manufacturing, raw materials and energy, customers and contracts, research and intellectual property and competition for our Chemical Intermediates activities. This includes the following key businesses: INEOS Nitriles, INEOS Oligomers, INEOS Oxide and INEOS Phenol.

The following table provides a breakdown of the revenue and EBITDA before exceptionals of the Chemical Intermediates business for the periods and as of the dates indicated:

| | For the year ended December 31, | | | For the nine-month period ended September 30, | |
|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2023 | 2022 |
| | | | (€ in millions) | | |
| Revenue[1] | 9,802.9 | 8,496.2 | 5,352.9 | 5,222.6 | 7,920.2 |
| EBITDA before exceptionals[2] | 980.6 | 1,090.8 | 585.5 | 398.6 | 838.3 |

(1) Excludes intersegmental eliminations.

(2) For more information on how we calculate EBITDA before exceptionals, see "Presentation of Financial and Non-IFRS Information."

For the 12 months ended September 30, 2023, the EBITDA before exceptionals of the Chemical Intermediates business was split among Phenol, Oxide, Nitriles and Oligomers as follows: 13%, 37%, 5% and 45%, respectively.

***Products***

The following table provides an overview of our key chemical intermediate products and their principal applications:

| Business | Key Products | Principal Applications |
|---|---|---|
| **INEOS Nitriles** | Acrylonitrile | Acrylic fibers, acrylamide and acrylonitrile butadiene styrene and styrene acrylonitrile polymers |
| | Acetonitrile | Performance solvent for pharmaceutical industry |
| | Hydrogen Cyanide | Gold extraction, perspex manufacture and animal feeds |
| | Acetone Cyanohydrin | Chemical intermediates and perspex manufacture |
| | Ammonium Sulphate | Fertilizers |
| | Acrylonitrile catalysts | Used in the manufacture of Acrylonitrile |
| | Nitric Acid | Polyurethanes |
| **INEOS Oligomers** | Linear alpha olefins | Co-monomers for high performance polyethylene, plastomers and elastomers, feedstock for synthetic lubricants, surfactants, detergents, lubricant additives, paper sizing chemicals and various other specialty chemicals, base stock for drilling fluids |
| | Poly alpha olefins | Base stock and blending component for the production of high performance synthetic lubricants, gear oils and greases |
| | Iso-olefins, Iso-paraffins and Specialties | Base stock and intermediates for the manufacture of tires, compressor oils, agrochemicals, fragrances, cosmetics, high purity solvents, specialty chemicals, and blowing agents |

| Business | Key Products | Principal Applications |
|---|---|---|
| | GAS/SPEC specialty amine solvents & additives | Customizable solvents for natural gas processing, various refining applications, tail gas treating, LNG, hydrogen and ammonia production, ethane cracker feed treatment, and coal degasification |
| | GAS/SPEC process technology packages | Process technology packages for design of new specialty amine treatment systems and revamp/optimization of existing systems |
| **INEOS Oxide** | Ethylene oxide and derivatives, including ethylene glycol, ethanolamines, alkoxylates, glycol ethers | Polyester resins, fibers, film, antifreeze/coolants, industrial detergents, agrochemicals, surfactants, cosmetics, construction chemicals, glyphosates, pharmaceuticals, synthetic lubricants |
| | Propylene oxide and derivatives, including propylene glycols | Polyurethane foam, polyester resins and de-icing |
| | Ethylidene norbornene monomer | Ethylene propylene diene monomer rubber |
| | Ethyl, propyl and butyl acetates | Surface coating, inks, paints, process solvents |
| **INEOS Phenol** | Phenol | Bisphenol A for the production of polycarbonates and epoxy resins, phenolic resins, pharmaceuticals and nylon intermediates |
| | Acetone | Methylmethacrylate, polymethylmethacrylate, bisphenol A, pharmaceuticals, solvents, coatings, personal care products and agrochemicals |
| | Cumene | Primary raw material for the production of phenol and acetone |
| | Alphamethylstyrene | Heat resistant thermoplastics, tackifiers, coatings and antioxidants |
| | Bisphenol A | Polycarbonate, Epoxy Resins |
| **Other businesses** | Catalyst and Additives | Polymers and vinyls |

*INEOS Nitriles.* Our main product in the nitriles sector is acrylonitrile. According to NexantECA, measured by expected average annual capacity for 2023, we are the largest manufacturer of acrylonitrile in the world. The primary applications for acrylonitrile are acrylic fiber and acrylonitrile butadiene styrene plastics. We employ safeguards to ensure the safe handling of Nitriles' products including the use of specially designed railcars and pipelines for transportation to nearby customers. We believe that our competitive position in the worldwide acrylonitrile market is strengthened by our proprietary fluid bed acrylonitrile process and related catalysts.

In addition, the Nitriles business produces acetonitrile, hydrogen cyanide, acetone cyanohydrin, ammonium sulphate and oxazole and also produces catalysts used in the manufacture of acrylonitrile. In 2019, the ammonia and nitric acid business was transferred to INEOS Nitriles from INEOS Enterprises. Ammonia production finds major application in the fertilizer industry, but in the case of INEOS Nitriles is used in the production of acrylonitrile, nylon and other non-fertilizer applications. Nitric acid is similarly used in the fertilizer industry but for INEOS Nitriles is primarily used in the manufacture of polyurethanes. In this highly competitive market, we benefit from an advantaged location within our Köln integrated petrochemical site and supplying more than 80% of our customer volume directly by pipeline.

*INEOS Oligomers.* According to NexantECA, we are one of the largest linear alpha olefins producer measured by average annual capacity for 2023. NexantECA also believes we are one of the largest producers of polyalpha olefins worldwide. As a "full range" linear alpha olefins producer, we manufacture a broad range of co-produced linear alpha olefins and manage production levels consistent with our ability to utilize or sell the entire product slate. As different segments of the linear alpha olefins market tend to grow at different rates, the business has developed a variety of internal and external outlets for the key products, which allow the plants to operate with minimal constraints. Our unique technology does allow some flexibility to adjust our product slate in order to emphasize certain linear alpha olefins products and de-emphasize others as demand fluctuates. Linear alpha olefins are used primarily as comonomers in the production of polyethylene, as feedstock in the production of poly alpha olefins, detergents, paper sizing chemicals and lubricant additives and as drilling fluids. Poly alpha olefins are primarily used in synthetic motor oils, transmission fluids and other demanding lubricant applications such as wind turbines.

Specialty Oligomers products are manufactured from crude C4 and C5 olefinic streams and are used as base stock or intermediates in a variety of high margin applications such as the manufacture of tires, compressor oils, agricultural chemicals, plastic additives, specialty chemicals, fragrances and cosmetics.

Our GasSpec™ specialty amines, which are high performance specialty chemical formulations, often patent protected, are used to remove hydrogen sulfide and carbon dioxide from natural gas, various refinery streams, ethane cracker feed gas, and ammonia, hydrogen, renewable diesel, and renewable jet fuel production streams. GasSpec™ operates a fully equipped laboratory in Freeport, Texas, that provides comprehensive analytical support to our customers.

*INEOS Oxide.* We manufacture ethylene and propylene oxide, from which we produce a range of derivatives including ethylene glycol, propylene glycol, EO and PO alkoxylates and glycol ethers. According to NexantECA, we are the second largest producer of ethylene oxide and the largest producer of ethylene glycol in Western Europe as measured by aggregate annual capacity for 2023. Following the completion of the Bayport Acquisition, we will also be the second largest producer of ethylene oxide in the U.S. as measured by aggregate annual capacity for 2023, according to NexantECA. By adding significant ethylene oxide and ethylene glycol capacity in the U.S. to our leading positions in Europe, the Bayport Acquisition will globalize our Oxides business and give us access to the U.S., the largest ethylene oxide market in the world.

Ethylene oxide is a highly reactive, flammable and toxic molecule. As a consequence, ethylene oxide producers typically use a significant proportion of their ethylene oxide for captive production or sell it to third parties located reasonably close to, or on, their ethylene oxide production sites. The majority of ethylene oxide produced in Western Europe is used for captive production and there are virtually no ethylene oxide imports into, or exports from, Western Europe. INEOS Oxide uses its ethylene oxide production for the captive production of ethylene glycol, ethylene oxide derivatives and sales to third parties on its sites in Antwerp and Köln.

Our ethylene oxide derivatives include ethanolamine, a broad range of alkoxylates, and glycol ethers. We own and operate one of the world's largest ethanolamine units and produce a family of molecules that are used in applications such as agrochemicals, surfactants (used in personal care products and detergent formulations), cement additives, textile chemicals, metal working fluids, electronics and pigments. We have six alkoxylate reactors based in Antwerp, which we use to make a broad range of alkoxylates used in household detergents, herbicides, industrial cleaners, petroleum production, cosmetics, pharmaceuticals, synthetic lubricants and surface coating. We also operate one of Europe's largest glycol ether assets to produce a range of methyl, ethyl and butyl glycol ethers used as solvents in surface coatings and inks, and as jet fuel de-icers.

We are one of only three commercially viable suppliers of ethylidene norbornene (ENB) monomer globally and the only producer in Europe. Ethylidene norbornene monomer is used in the production of ethylene propylene diene monomer (EPDM) rubber, a high performance rubber that is both wear and weather resistant and is increasingly used in place of conventional rubbers in automobiles, roofing materials and household appliances.

Ethylene glycol is used primarily as a feedstock to produce polyethylene terephthalate for film, fiber and resin and in a variety of other industrial applications including antifreeze/coolants for automotive vehicles.

NexantECA believes we have the largest ethyl acetate plant in Europe with the product being primarily used as a solvent and diluent, favored because of its low cost, low toxicity and agreeable odor. For example, it is commonly used to clean circuit boards and as nail varnish remover. Coffee beans and tea leaves are decaffeinated with this solvent. It is also used in paints as an activator or hardener and is present in confectionery, perfumes and fruits.

*INEOS Phenol.* According to NexantECA, measured by average annual capacity in 2023, we are the largest producer of phenol in the world. Our global manufacturing capacity is more than two times that of our closest competitor. Phenol is a primary material for a large number of chemical products. In recent years, the use of phenol for the production of bisphenol A, an intermediate product used to produce polycarbonate and epoxy resins, has increased substantially and is now the largest phenol application. Polycarbonate is an engineering thermoplastic material which, due to its superior optical qualities, structural strength and weight, has a wide range of uses, including; CDs and DVDs, optic-fibers, optical lenses, bulletproof glass and other ballistic resistant materials, structural parts in cars and trucks and housings for electrical household appliances and office equipment. Epoxy resins are used in a wide variety of applications including coatings, adhesives and composite materials, such as carbon fiber.

Phenol is also combined with formaldehyde to produce phenolic resins, which represent the second largest commercial use of phenol. Phenolic resins are used in a wide range of applications, including plywood and oriented strand board, furniture, insulation materials, laminates, foundry molds and adhesives.

The next largest application for phenol is as the raw material for caprolactam and adipic acid for the production of nylon intermediates. Major uses include engineering thermoplastics and synthetic fibers for clothing and carpeting.

Since phenol and acetone are produced together in a fixed ratio, we are also the largest producer of acetone in the world with more than twice as much capacity as the next largest competitor. The largest commercial use of acetone is for solvents, either through the use of acetone itself as a solvent or through the acetone-based production of solvents. The second largest commercial use of acetone is the manufacture of methylmethacrylate. Methylmethacrylate is used to manufacture polymethylmethacrylate resins, including acrylic sheets and compounds for molding and extrusion. Acrylic sheets and compounds are used in a wide range of architectural and industrial applications, ranging from point of sale retail displays to glazing and decorative light panels. The third major use of acetone is in the production of bisphenol A.

Bisphenol A (BPA) is a chemical produced in large quantities and used primarily in the production of polycarbonate plastics and epoxy resins. BPA is utilized in many end-use consumer products to increase their durability and toughness. While polycarbonate and epoxy resins are the major applications for BPA, other uses include flame retardants, unsaturated polyester resins, polysulfone resins, polyetherimide resins, and polyarylate resins. BPA is becoming more important because of the rising investment into downstream integration. Demand for PC is driven by the electronics/electrical sector.

Epoxy resins are the second-largest end use with leading applications in coatings. Other epoxy resin demand sectors include electrical/electronics, adhesives, construction, and composites.

Alphamethylstyrene is formed as an intermediate product during the phenol and acetone production process. It is used in heat resistant thermoplastics, tackifiers, coatings and antioxidants.

***Manufacturing***

INEOS Nitriles operates from three sites, two in the United States and one in Europe. Our Green Lake, Texas, facility is one of the largest facilities for acrylonitrile and related products in the world. The second U.S. site is in Lima, Ohio, and is an integrated nitriles complex, producing acrylonitrile and related products, with access to feedstock from an adjacent refinery. Lima also manufactures acrylonitrile catalysts for other facilities on a global basis. In Europe, we manufacture acrylonitrile, ammonia and nitric acid in Köln, Germany.

INEOS Oligomers operates from five sites split across North America and Europe. Joffre, in Alberta, Canada produces linear alpha olefins from low-cost ethylene derived from Canadian and North Dakota gas. The other North American assets are located in Texas, United States. The LaPorte site manufactures poly alpha olefins starting from certain cuts of linear alpha olefin. The high viscosity poly alpha olefins facility at La Porte is currently being expanded. The Chocolate-Bayou site produces linear alpha olefins, primarily using ethylene supplied from the adjacent O&P Chocolate-Bayou crackers. In addition, the 120 kta poly alpha olefins plant at Chocolate Bayou, Texas, is the largest poly alpha olefins plant in the world. In Europe, production of linear alpha olefins and poly alpha olefins occurs in Feluy, Belgium and specialty oligomers are manufactured in Köln, Germany.

INEOS Oxide currently operates from four main sites: Antwerp, Belgium; Plaquemine, Louisiana, United States; Köln, Germany and Hull, United Kingdom. Following completion of the Bayport Acquisition, we will also have a fifth main site in Texas, USA. Our largest production facility is at the Antwerp complex in the second largest European harbor- and second largest chemical region in the world. This site has direct or indirect connections to three major ethylene pipelines linking it to most ethylene crackers in Northwest Europe as well as a deep-sea import terminal for Ethylene. It also has pipeline connections to pipelines for nitrogen, oxygen, natural gas and ship/rail logistic capabilities for sourcing bulk feedstock of propylene oxide, butadiene, acetic acid and alcohols. In addition, the site has its own jetty facility on the Schelde River which links it to the Port of Antwerp and the Amsterdam Rotterdam Antwerp ("**ARA**") pipeline and with rail and road tanker loading facilities. We produce ethanolamine at our Plaquemine plant located on the Mississippi/Gulf Coast of the United States. This is a prime location for chemicals production due to advantaged access to feedstock and direct access to sea jetties and close proximity to our customer base.

INEOS Phenol operates phenol and acetone plants at sites in Gladbeck, Germany; Antwerp, Belgium; and Mobile, Alabama in the United States, as well as a fully integrated cumene-phenol acetone plant with additional bisphenol A production in Singapore. All three phenol and acetone sites in Europe and the USA use our own proprietary technology, which has significant advantages in energy consumption and other factors over competing technologies. The Singapore plant uses technology from Mitsui, Japan, with low energy consumption. This technology is mature and proven in practice. Our Gladbeck plant is located in the industrial heartland of Germany known as the "Ruhrgebiet". It receives its raw materials by pipeline from an INEOS-owned cumene plant (Marl), as well as other suppliers, and the finished products go out by rail and truck with most customers situated within a 100 kilometer radius. It is the largest single train unit in the world. According to NexantECA, our Gladbeck facility is the largest single-train phenol plant in the world, and our Antwerp site is the largest capacity phenol site outside of China. Our Antwerp site is located in the Antwerp industrial area with direct deepwater access. All of the cumene reaches the site via ship. The majority of the site's end-products are transported to customers by ship, with the balance being transported by road and rail. Our Mobile, Alabama, United States, plant is located on Mobile Bay on the Gulf of Mexico, close to several major consumers. All cumene is supplied via ship mainly from an INEOS owned cumene plant (Pasadena, Texas) or from producers on the Gulf Coast or Asia. About half of the phenol and acetone produced is transported via ship and barge while the balance goes out by rail and road. Our Singapore plant has more than 1,000 ktpa of capacity, including cumene, phenol, acetone, alpha-methylstyrene and bisphenol A, and is located in the heart of Jurong Island, Singapore's chemical park on an artificial island hosting, among others, refining and chemical manufacturing. We are connected by pipeline to key raw material suppliers as well as some end-product customers, but we also receive raw materials via ship. Our customers are spread over the majority of the Asian continent and are usually served by sea-going vessels with some receiving the material via truck lorries. Besides the cumene-integrated plant in Singapore, INEOS Phenol operates two cumene plants at sites in Marl, Germany and Pasadena, Texas.

We manufacture catalysts for polyethylene, polypropylene and acrylonitrile, and have established toll manufacturing arrangements for polypropylene catalysts and some polyethylene catalysts. Manufacturing facilities exist in Lima, Ohio, United States (acrylonitrile catalysts), Sarralbe, France (polyethylene catalysts) and Dahej, India (polyolefin catalysts).

***Raw Materials and Energy***

Acrylonitrile is manufactured from propylene, ammonia and air with the use of a special catalyst. Acrylonitrile is toxic and flammable and, unless chemical stabilizers are added for storage and shipment, can undergo an explosive chemical reaction. We employ safeguards to ensure the safe handling of nitriles, including the use of specially designed railcars and pipelines for transportation to nearby customers. The key raw material for ammonia production is natural gas. Natural gas is supplied from utility companies via pipeline from the German natural gas grid to the Köln plant to manufacture ammonia.

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Ethylene is the feedstock for the production of INEOS Oligomers' range of linear alpha olefins (Hexene-1 to C20+). At our Joffre plant in Alberta, Canada, ethylene is supplied from the neighboring, ethane Nova cracker complex facility. Ethylene is secured through a long term supply agreement. In Europe, the Feluy alpha olefins plant is supplied with ethylene from Antwerp by pipeline connected to the ARG and via the INEOS deep sea Antwerp terminal. Ethylene supply is secured through long-term supply agreements, customer tolls and spot purchases. The Chocolate Bayou alpha olefins plant is supplied with ethylene mainly from the adjacent INEOS O&P Chocolate Bayou ethane crackers but also third-party contracts. INEOS Oligomers produces poly alpha olefins at the Chocolate Bayou, TX plant, the Laporte, TX and Feluy plants using selective INEOS Oligomers supplied alpha olefins cuts. The INEOS Cracker complex in Köln supplies Raffinate 1 and Crude C5 which is, respectively, the feedstock for the C4 isoolefins/isoparafins unit and the Isoamylene and Cyclopentane units.

INEOS Oxide's principal raw material is ethylene. Our supply flexibility is bolstered by access to multiple ethylene pipeline connections and by our ownership of a major deep sea ethylene import terminal, connected to the ARA pipeline network. We have short and medium-term contracts of one to five years that generally specify minimum and maximum volumes with several different suppliers. The cost of our key feedstock ethylene supply is largely based on a discount to the current North-western European contract price. We also have access to advantaged U.S. ethylene via our ethylene import terminal.

Cumene, which is made from the combination of benzene and propylene, is INEOS Phenol's main raw material. INEOS owns cumene plants located in Marl, Germany, which is pipeline connected to the Gladbeck site and in Pasadena, Texas in the United States. We also make some incidental purchases of cumene in the open market. As a result of these arrangements, we are exposed to changes in the market contract and spot rates for benzene and propylene.

***Customers and Contracts***

INEOS Nitriles has approximately 80 acrylonitrile customers in more than 180 locations worldwide, with the top 10 customers accounting for approximately 75% of revenue. Major acrylonitrile customers include Toray, Chi Mei, LG, Lotte and Synthomer in Asia, SNF in the United States and INEOS Styrolution, Aksa and SNF in Europe. We are the only acrylonitrile supplier to provide customers with the security of supply from capacity in the United States and in Europe and we service all key regions of the world: United States, Europe and Asia (including the Indian subcontinent). Ammonia products are predominantly sold to on site internal customers for the production of acrylonitrile (INEOS Nitriles) and nitric acid (Covestro), but also supplied to external customers for a wide range of applications. Our catalyst products are used internally in our acrylonitrile plants as well as sold to a select number of customers around the globe.

INEOS Oligomers has approximately 350 worldwide customers with its top 10 customers accounting for approximately 46 % of revenue. Major customers typically include large polyethylene and elastomer manufacturers, such as Dow, Nova, KNC, global lubricant producers such as Castrol and leading chemical intermediates, detergents, and drilling fluid companies.

INEOS Oxide sells most of its products to leading chemical manufacturers, including Arkema, Arlanxeo, BASF, Bayer, Covestro, Proctor & Gamble and Wilmar. The majority of our sales are made pursuant to short- and medium-term market contracts of one to five years in duration. Under a long-term swap agreement entered into with Dow Chemical as part of the ethanolamine and GasSpec™ gas treating amines acquisition in February 2001, we swap a significant proportion of our ethylene glycol production from our Antwerp facilities for an equivalent volume of ethylene oxide production from Dow Chemical's ethylene oxide plant in Plaquemine. We generally determine the prices for our chemicals on a monthly basis based on current market conditions, including raw material costs. Other than ethylene oxide prices, which are based on the European market price, our prices are generally based on the international market price.

INEOS Phenol sells to most of the major phenol and acetone consumers globally, including Covestro, Mitsui, Bakelite, Sabic, Evonik, Ascend, Fibrant, Roehm, Count and Azoty. We generate approximately 58% of our total sales from our 10 largest customers with whom we have developed strong relationships over more than 50 years of doing business. Many of our sales contracts include provisions whereby raw material price changes are passed through automatically insulating our margins from volatile changes in raw material markets.

***Research and Intellectual Property***

Our Chemical Intermediates businesses are also supported by a range of technologies, and each business carries out research and development to improve the different technology platforms, to enhance environmental performance and, where appropriate, to develop novel products, applications, catalysts and additives.

A key technology platform is the proprietary fluid bed acrylonitrile process and related catalysts. We believe that this technology is the leading nitriles manufacturing technology from a cost and operational performance perspective. In order to sustain the competitiveness of the technology, we invest in the development and manufacture of improved catalysts. These are critical for achieving high product yields with high reliability while minimizing emissions and environmental footprint.

Active management of our intellectual property rights allows us to preserve the advantages of the products we sell and the technologies we use, and helps us to maximize the return on our investment in research and development. We police our proprietary rights and enforce them against third party infringements or misappropriations. We own over 2,000 patents or patent applications, in the United States, Europe, China and various other commercially relevant regions. In addition, we own a number of registered trademarks. Strict control of our proprietary confidential technical information provides valuable complementary protection to our other intellectual property rights. In addition to our own intellectual property, we are party to licensing and other agreements authorizing us to use and sub-license patents, trade secrets, confidential technical information and related technology owned by third parties.

While we believe that our portfolio of intellectual property rights provides significant competitive advantages, we do not regard our business as being materially dependent on any single patent, trademark, trade secret or agreement.

### *Competition*

Although INEOS Nitriles competes with numerous manufacturers of acrylonitrile, we are the largest producer in the world. In addition, we believe that a significant majority of the world's acrylonitrile capacity is based on our process technology. Our most significant competitor is Asahi Kasei Corporation, closely followed by Jiangsu Sailboat and PetroChina. Other competitors include Ascend and Cornerstone in North America and AnQore in Europe. In the global market for ammonia, we face over 150 competitive production units located in 50 countries. Thirty of these units are within Western Europe.

The main competitors for INEOS Oligomers in linear alpha olefins are Royal Dutch Shell, Chevron Phillips and Sasol Limited. For poly alpha olefins, major competitors include Chevron Phillips and Exxon Mobil.

The main competitors of INEOS Oxide in the ethylene glycol, antifreeze, ethylene oxide and ethylene oxide derivatives markets are BASF, Shell and Dow Chemical, while those in acetate esters include Celanese, BASF and OQ. Our main competitor in the ethylidene norbornene monomer merchant market is ENEOS (previously known as JX Nippon Oil & Energy).

In Europe, the major competitors for INEOS Phenol are Cepsa, Novapex, Borealis and Versalis. In North America, our major competitors are AdvanSix, Shell and Sabic. In Asia, competition is spread throughout the continent, with major BPA competitors, among others, being LG, Kumho, Sinopec, PTT and MCI. In Phenol/ Acetone/ AMS, our major competitors are LG, KPB, PTT, MCI, ZPC and Hengli.

## Refining Divestiture, Grangemouth Divestiture and Lavéra Divestiture

### *The Refining Divestiture*

On July 1, 2011, subsidiaries of Lux I disposed of (i) the Refining Business and the Entrepreneurial (Refining) Business to joint ventures formed between PetroChina and INEOS Investments and (ii) the Infrastructure Entity to a joint venture owned by INEOS Investments (50.0%) and the Refining Business JV (50.0%), herein referred to as the "Refining Divestiture." The disposal of the Refining Business, the Entrepreneurial (Refining) Business and the Infrastructure Entity was principally a disposal of the Refining segment of the INEOS Group as reported on the financial statements of IGH.

The Refining Business and the Entrepreneurial (Refining) Business disposed of in connection with the Refining Divestiture consist principally of the crude oil refining operations carried out at the refineries located at Grangemouth, Scotland, and Lavéra, France, and related entrepreneurial activities. The Refining Divestiture also involved the transfer to the Infrastructure Entity of certain related infrastructure assets (principally a power station in Grangemouth, Scotland, and a terminal and other facilities). Following the Refining Divestiture, the INEOS Group and the Refining Business share certain assets and will continue to rely on each other for certain goods and services, which include the purchase of feedstock by the INEOS Group from the Refining Business JV, the sale by the INEOS Group of certain hydrocarbons to the Refining Business JV and the provision of certain administrative services to each other (such as security, emergency response, accounting, employee relations, procurement and site management). The Infrastructure Entity acquired the related infrastructure assets and provides certain infrastructure goods and services (such as power and access to terminals) to the INEOS Group and the Refining Business JV. The Infrastructure Entity was transferred by the INEOS Group as part of the Refining Divestiture and is jointly owned by INEOS Investments and the Refining Business JV. Upon the consummation of the Refining Divestiture, service and asset-sharing arrangements were executed to govern the ongoing use of the shared infrastructure and services. The indemnification provisions include the INEOS Group giving an uncapped non-time limited indemnity to the joint venture in respect of environmental liabilities not related to the Refining Business.

As a result of the Refining Divestiture and related transactions, on July 1, 2011, we received net cash proceeds (after expenses and agreed completion adjustments) equal to €658.0 million and 400 Ordinary Shares in INEOS Investments, subscribed for at an aggregate subscription price of $1.015 billion. Until December 2022, the INEOS Group held these ordinary shares in INEOS Investments, and INEOS Investments was, until such date, consolidated into our financial statements. The ordinary shares have the right to receive an amount equal to all amounts received by INEOS Investments (net of a good faith estimate of its audit, company secretarial and other administrative expenses, as determined by the directors of INEOS Investments) in respect of its investments, including its equity interest in the Refining and Entrepreneurial JVs and the Infrastructure Entity, and INEOS Investments was obliged to distribute to the INEOS Group, subject to applicable legal requirements, in the form of dividends or as a return of capital, all amounts received by it in respect of such investments, less such audit, company secretarial and other administrative expenses. The holders of the ordinary shares are entitled to, in priority to any payment to holders of any other class of shares, $1.015 billion of the total capital returned to the voting shareholders. The ordinary shares were sold to an affiliate that is not part of the Group in December 2022.

***The Grangemouth Divestiture***

On October 1, 2013, the Group completed the Grangemouth Divestiture which comprised the disposal of its Grangemouth petrochemicals operations, including the assets and pension and other liabilities, to a newly created subsidiary of INEOS Holdings AG, our indirect parent company. The Grangemouth Divestiture was implemented pursuant to a restructuring designed to address concerns that the operations carried out by INEOS Commercial Services UK Limited and INEOS Chemicals Grangemouth Limited at the Grangemouth site had been loss-making for the previous four years, primarily due to a high fixed-costs base at the Grangemouth site and a decline in suitable feedstock supplies. Accordingly, a survival plan was implemented to improve its cost base and to enable it to invest in new infrastructure to import U.S. ethane to the Grangemouth site which will provide a low cost sustainable raw material supply for the business.

The plan formulated for the survival of the Grangemouth operations required a significant investment. This investment included investment in infrastructure necessary to allow the site to import ethane gas from the U.S., including the construction of an import facility and ethane tank. These facilities were completed during 2016 and the first shipment of ethane gas arrived from the U.S. into Grangemouth in September 2016. The investment was funded from the proceeds of the issue by INEOS Grangemouth plc in August 2014 of €285 million 0.75% guaranteed notes due 2019 (the "**Guaranteed Notes**"), which were guaranteed by the U.K. government's Infrastructure Guarantee Scheme. In July 2019, the €285 million of Guaranteed Notes were redeemed at maturity and replaced with a new €350 million bank facility for the Grangemouth divested business. The new facility had a three-year term and comprises a €200 million term loan with a €150 million revolving credit facility. The €200 million affiliate loan between IHL and INEOS Grangemouth plc was cancelled at the time of executing the new refinancing. INEOS Grangemouth plc has re-registered as INEOS Grangemouth Limited following the redemption of the Guaranteed Notes. In July 2020, the term of the €350 million Grangemouth bank facility was extended for a further three years and matures in 2025.

***The Lavéra Divestiture***

On July 1, 2014, our subsidiaries INEOS Group AG and INEOS Europe AG disposed of certain petrochemical assets and business in France and Italy to a subsidiary of INEOS AG, a company wholly owned by our ultimate parent INEOS Limited. The disposed businesses comprise a petrochemical business at the Lavéra site in France as well as certain other business and assets in France and Italy that were formerly part of our European Olefins & Polymers business unit (the disposed assets and business are together referred to as the "**Lavéra Businesses**"). The total consideration for the sale of the Lavéra Businesses amounted to €200 million and was initially provided in the form of vendor loans. As of December 31, 2015, all of the consideration was received by us in cash.

The disposal was part of a restructuring plan for the Lavéra Businesses with the objective of improving the reliability and cost base of the Lavéra site.

We continued to provide certain supporting services such as supply chain management, accounting or logistical services to the Lavéra Businesses following their disposal. Further, our subsidiary INEOS Europe AG entered into an offtake agreement for ethylene oxide with an entity that is part of the Lavéra Businesses. These services and agreements with the Lavéra Businesses are engaged in on an arm's-length basis.

Following the completion of the Lavéra Acquisition, which includes the reacquisition of the Lavéra Businesses, all of these arrangements will be among Restricted Subsidiaries within the Group.

***Contractual Arrangements with the Refining and Entrepreneurial JVs***

To ensure that the companies in the INEOS Group retain access to the feedstocks provided by the Refining and Entrepreneurial JVs, we have entered into several contractual arrangements with the Refining Business JV and the Infrastructure Entity. Pursuant to these arrangements, the INEOS Group will retain access to the feedstocks that are essential to the retained business segments, thereby contributing to the long-term viability, security and profitability of our businesses.

Our Köln site within our Olefins & Polymers Europe business has entered into standard supply contracts buying naphtha with the Refining and Entrepreneurial JVs on an arm's-length basis.

Contracts have been put in place to ensure that the companies in the INEOS Group retain access to the naphtha feedstock produced by the Refining Business JV at Grangemouth, following the separation of the Grangemouth petrochemicals business from the INEOS Group in the Grangemouth Divestiture.

***Contractual Arrangements with the Grangemouth Petrochemicals Business***

To retain flexibility on polymer sales, and thus optimization of value for the INEOS Group businesses, the polymer production at Grangemouth is sold to market through the INEOS Group Limited Risk Distributor companies ("**LRDs**"). The proceeds (less an agreed sales margin) of the sale of polymer production at Grangemouth through the LRD network are transferred back to INEOS Commercial Services UK Limited, one of the entities divested in the Grangemouth Divestiture.

***Contractual Arrangements with the Lavéra, Sarralbe & Rosignano Petrochemicals Business***

Historically, the majority of naphtha feedstock produced by the Lavéra refinery has been consumed by the petrochemicals business at Lavéra. Pursuant to the Lavéra Divestiture, contracts were executed in order to continue this arrangement. Following the completion of the Lavéra Acquisition these will all be intergroup transactions.

To retain flexibility on polymer sales, and thus optimization of value for the INEOS Group businesses, the polymer production at Lavéra, Sarralbe and Rosignano is sold to market through the INEOS Group LRDs. The proceeds of the sales through the LRD network sales are transferred back to INEOS Derivatives France Limited ("**IDFL**") less an agreed sales margin. Prior to January 1, 2022, the contractual agreements were with INEOS Derivatives France Limited before being transferred to INEOS Olefins S.A. under the same terms and conditions. Following the completion of the Lavéra Acquisition these will all be intergroup transactions.

**Research and Technologies ("R&T")**

We consider R&T to be a key contributor to both the short-term performance and the long-term growth of our business.

Our R&T work has four principal objectives:

- improve the environmental footprint of our products and processes, for example, by reducing greenhouse gas ("**GHG**") emissions, and enhanced recyclability;
- minimize production costs with a view to increasing the margins that can be achieved in the manufacture and sale of our products;
- make better products in order to sustain or capture more margin or market share; and at the same time
- reduce capital costs to minimize the investments necessary to meet demand.

A substantial portion of our R&T expenditure is dedicated to the continuous improvement of our processes and products to reduce GHG emissions associated with our operations and increase the recyclability and recycled content of our products. This R&T work is carried out by a combination of site based teams and centrally located specialists and research teams in one of our R&T centers. R&T projects typically yield returns within one to five years. We protect our process technologies and products by seeking patents or retaining them as trade secrets.

We believe that the quality of our scientific staff is important to our success. Our R&T teams have comprehensive expertise in a variety of areas, including catalysis, process development, product and material science, modeling and project management. The project teams also possess the necessary commercial expertise to enable timely implementation of innovations. We consistently aim to improve the effectiveness of our R&T efforts by targeting our projects at the most valuable applications and using project management tools to monitor progress. To attract and retain the best-qualified scientists and develop a high level of capability and competence in the key areas of processes, products and operations, we offer our employees challenging development opportunities and a competitive compensation package that is aligned with performance of the relevant business in both the short and long term.

We also draw on external resources to enhance the scope, depth and effectiveness of our internal R&T efforts. We proactively seek mutually beneficial partnerships with third parties, including other petrochemical companies, new technology companies, key customers, and leading universities.

**Facilities**

We currently lease the office space for our principal executive offices, which are located in Rolle, Switzerland. We also lease administrative, technical and sales office space in various locations in the countries in which we operate.

Our production network comprises 34 manufacturing facilities in seven countries throughout the world (excluding the SECCO facilities in China, the Group's 50% interest in which is held through an Unrestricted Subsidiary which has a capacity of 4,200 kta of petrochemicals including ethylene, propylene, polyethylene,polypropylene, styrene, polystyrene, acrylonitrile, butadiene, benzene and toluene). The following table provides information regarding these facilities:

| Country | Location(1) | Business | Principal products manufactured | Capacity(2)(8) |
|---|---|---|---|---|
| **Belgium** . . . . . . . . | Doel(3) | Phenol | Phenol, acetone | 1,105 kta |
| | Feluy | Oligomers | Linear alpha olefins, poly alpha olefins | 445 kta |
| | Geel | O&P Europe | Polypropylene | 339 kta |
| | Lillo | O&P Europe | Polypropylene, high-density polyethylene | 723 kta |
| | Zwijndrecht | Oxide | Ethylene oxide, ethylene glycol, ethylene oxide derivatives, ethylidene norbornene monomer, buthyl acetate, alkoxylates | 1,524 kta |
| **Canada** . . . . . . . . | Joffre | Oligomers | Linear alpha olefins | 295 kta |
| **Germany** . . . . . . . | Gladbeck | Phenol | Phenol, acetone, alpha methyl styrene | 1,105 kta |
| | Köln | Nitriles | Ammonia, nitric acid(4), acrylonitrile and related products | 1,729 kta |

| Country | Location[1] | Business | Principal products manufactured | Capacity[2][8] |
|---|---|---|---|---|
| | | O&P Europe | Ethylene, propylene, butadiene, benzene, low-density polyethylene, linear low-density polyethylene | 3,131 kta |
| | | Oligomers | Iso-olefins, iso-paraffins, Iso-amylene specialties | 170 kta |
| | | Oxide | Ethylene oxide and derivatives, ethylene glycol, propylene oxide, propylene glycol | 915 kta |
| | Marl | Phenol | Cumene | 750 kta |
| **Norway** . . . . . . . . | Bamble | O&P Europe | Low-density polyethylene | 158 kta |
| | Rafnes | O&P Europe | Ethylene, propylene | 699 kta |
| **Singapore** . . . . . . . | Singapore | Phenol | Phenol, acetone, alpha-methyl styrene | 516 kta |
| | | | Cumene | 410 kta |
| | | | Bisphenol A | 150 kta |
| **United Kingdom** . . | Hull | Oxide | Ethyl acetate | 330 kta |
| **United States** . . . . | Battleground[5] | O&P North America | High density polyethylene, polypropylene | 1,433 kta |
| | Carson | O&P North America | Polypropylene | 163 kta |
| | Cedar Bayou[6] | O&P North America | High density polyethylene | 209 kta |
| | Chocolate Bayou | O&P North America | Ethylene, propylene, butadiene, polypropylene | 2,903 kta |
| | | Oligomers | Linear alpha olefins | 420 kta |
| | | Oligomers | Poly alpha olefins | 120 kta |
| | Freeport[7] | Oligomers | Gas treating amines | 12 kta |
| | Green Lake | Nitriles | Acrylonitrile and related products | 711 kta |
| | Hobbs | O&P North America | Ethane/propane mix, propane | 1,455 kta |
| | La Porte | Oligomers | Poly alpha olefins (low and high viscosity) | 105 kta |
| | Lima | Nitriles | Acrylonitrile and related products, acrylonitrile catalyst | 230 kta |

| Country | Location(1) | Business | Principal products manufactured | Capacity(2)(8) |
|---|---|---|---|---|
| | Mobile | Phenol | Phenol, acetone | 875 kta |
| | Pasadena | Phenol | Cumene | 900 kta |
| | Plaquemine | Oxide | Ethanolamines | 186 kta |
| | Mills | O&P North America | Polyethylene pipe | 41 kta |
| | Bowie | O&P North America | Polyethylene pipe | 58 kta |
| | Cedar City | O&P North America | Polyethylene pipe | 44 kta |
| | Elizabethtown | O&P North America | Polyethylene pipe | 47 kta |
| | Snyder | O&P North America | Polyethylene pipe | 46 kta |
| | Rapid City | O&P North America | Polyethylene pipe | 39 kta |
| | Statesbro | O&P North America | Polyethylene pipe | 41 kta |
| | Lubbock | O&P North America | Polyethylene pipe | 44 kta |
| | Titusville | O&P North America | Polyethylene pipe | 45 kta |

(1) We own all of the production facilities except where otherwise indicated.

(2) The unit kta is kilotonnes per annum.

(3) We own the production assets but lease the land under a long- term lease that expires in 2040.

(4) Nitric acid plant owned by third party, operated by INEOS.

(5) Battleground facility includes the entirety of the Gemini HDPE LLC, which is owned through Unrestricted Subsidiaries. A Restricted Subsidiary of the Group is the operator of the HDPE plant and has the exclusive right to supply Gemini with the required components necessary for the production of a specified quantity of the HDPE products and to take such quantity of the HDPE products and, as compensation, pays a toll fee. See "Description of Other Indebtedness—Gemini HDPE Term Loans."

(6) A 50:50 joint venture with Chevron Phillips, operated by Chevron Phillips. The capacities shown are the INEOS share of the activities.

(7) INEOS Oligomers has 100% rights until 2036.

(8) Following completion of the Lavéra Acquisition in France, the capacity of the Lavéra Businesses (as well as TotalEnergies' 50% interest in certain of those plants) will form part of the Group, increasing capacity of the Group by 3,770 ktpa. Additionally, following completion of the Bayport Acquisition in Texas, USA, our capacity of ethylene oxide will increase by 420 ktpa.

***Project ONE***

In addition to our existing facilities, we are currently developing a new large olefins plant in Antwerp, Belgium, known as Project ONE. Project ONE consists of an ethane steam cracker with a nameplate capacity of approximately 1,450 kta and associated utilities, tankage and infrastructure. Project ONE will be fully integrated into the wider European olefins logistics network and will address wider market needs, which may include demand from INEOS derivative units across the region.

We believe that Project ONE is the largest investment to be made in the European chemical sector for the past 20 years and is expected to contribute to a reverse in the decline in the European chemical industry by supporting the growth and development of INEOS's European customers in the coming years. INEOS has secured long-term competitively priced ethane feedstock for Project ONE translating into a tangible and sustainable competitive advantage for INEOS against its peers in Europe.

Project ONE is also important from a sustainability perspective. From the outset, it is expected to emit less than half of the $CO_2$ of the current best-performing European plants for the same production. By switching from ethylene sourced elsewhere to ethylene produced by Project ONE, we expect that INEOS's customers will be able to reduce the carbon footprint of their ethylene-based end products by more than two million tonnes per year. The project will strive to achieve carbon neutrality which is expected to be enabled by, amongst others, the development of hydrogen and/or carbon capture infrastructure in the local industrial area. Project ONE is targeting to be carbon neutral within 10 years of start-up and is aligned with the EU taxonomy Regulation 2020/852 for sustainable activities (EU Taxonomy), more specifically on substantial contribution to the 'climate change mitigation' objective.

Project ONE will be strategically located in the Port of Antwerp in Lillo's existing industrial area with deep sea access and already connected to major olefin pipelines in Northwest Europe. The project is expected to boost employment in the Antwerp region and strengthen the position of the chemical industry as one of the key sectors of the Belgian economy.

INEOS has selected Technip Energies to provide the operating technology for the new ethane cracker. Latest estimates suggest that the project will represent a capital investment of approximately €4.2 billion (of which approximately €1.1 billion has been invested by the end of 2023 and approximately €1.5 billion is expected to be invested in 2024) largely funded by debt secured on the Project ONE assets. See also "Description of Other Indebtedness—Project ONE Facilities." The final investment decision was made in Q1 2022. The environmental permit from the Flanders authorities was received in, and was immediately effective from, June 2022. The permit was annulled by the Council for Permit Disputes in Flanders in July 2023, as a result construction, which began on site in the Port of Antwerp in the summer of 2022, was suspended in the second half of 2023. However, works on Project ONE in other locations (for example in module yards around the world) continued during this period. In January 2024 a new permit was granted by the Flemish Minister for Justice and Enforcement, Environment and Spatial Development and Energy and Tourism. Once the new environmental permit was attained, construction works on the Project ONE site in the Port of Antwerp resumed and the plant is anticipated to be completed in 2026 and create 450 direct jobs. For risks associated with appeals of the permit and other litigation involving Project ONE, please see "Future acquisitions or developments—Any future acquisitions or developments may prove difficult for us to consummate" and "Litigation—We are subject to certain risks related to litigation filed by or against us, and adverse result may harm our business."

**Health, Safety, Security and Environment**

***Overview***

Our facilities and operations are subject to a wide range of HSSE laws and regulations in all of the jurisdictions in which we operate. These requirements govern, among other things, the manufacture, storage, handling, treatment, transportation and disposal of hazardous substances and wastes, wastewater discharges, air emissions (including GHG emissions), noise emissions, operation and closure of landfills, human health and safety, process safety and risk management and the clean-up of contaminated sites. Many of our operations require permits and controls to monitor or prevent pollution. We have incurred, and will continue to incur, substantial ongoing capital and operating expenditures to ensure compliance with current and future HSSE laws, regulations and permits or the enforcement of such requirements. Our aggregate HSSE capital expenditures in 2021 and 2022 totalled approximately €300 million per year. Annual HSSE capital expenditure for 2023 is expected to be similar.

Violations of HSSE requirements may result in substantial fines or penalties, the imposition of other civil or criminal sanctions, clean-up costs, claims for personal injury, health or property damages, requirements to install additional pollution control equipment, or restrictions on, or the suspension of, our operating permits or activities. At certain sites where we operate, regulators have alleged or we have otherwise identified potential or actual non-compliance with HSSE laws and/or the permits which authorize operations at these sites. Some of these allegations or instances of non-compliance are ongoing, and substantial amounts may need to be spent to attain and/or maintain compliance. In addition, we have in the past paid, and in the future may pay, penalties to resolve such matters. Our businesses and facilities have experienced, and in certain cases, are in the process of investigating or remediating, hazardous materials in the soil and groundwater at locations where we operate and/or adjacent properties and/or natural resources at public and private lands not owned by us. We continually investigate and remediate contamination at certain sites where our facilities dispose of hazardous wastes. In addition, HSSE laws and regulations can impose various financial responsibility requirements on us, and pursuant to these requirements we may be required to post bonds, create trust funds or provide other assurances that we will be able to address contamination at our sites and comply with our decommissioning obligations once our facilities reach the end of their useful lives.

Other HSSE laws and regulations may impose restrictions upon product or raw material use, import or sale by us or our customers. For example, it is possible that certain of our products or by-products or the raw materials we use may, in the future, be classified as hazardous or harmful, which could impact our production or demand for our products and, in turn, could materially and adversely affect our business and/or results of operations.

We believe that our operations are nonetheless currently in material compliance with all HSSE laws, regulations and permits. We actively work to address compliance issues in connection with our operations and properties and we believe that we have systems in place to ensure that environmental costs and liabilities will not have a material adverse impact on us. Nevertheless, estimates of future environmental costs and liabilities are inherently imprecise, and the imposition of unanticipated costs or obligations could have a material adverse effect on our business, financial condition or results of operations in any period in which those costs are incurred.

## Major Regulatory Matters and Developments

### *Air and Climate Change Regulations and Initiatives*

*EU Emissions Trading System*

Our operations in Europe are covered by the European Union Emissions Trading System ("**EU ETS**"), an EU-wide trading system for industrial GHG emissions. Industrial sites receive or purchase allowances to emit GHGs and must surrender one allowance for each ton of carbon dioxide emitted. Companies which emit fewer tons of GHG emissions than their allowances cover are able to sell the excess allowances, whereas those which emit more must buy additional allowances through the EU ETS. The number of allowances to emit GHGs that are received by industrial facilities free of charge has been, and we expect will continue to be, reduced over time. Accordingly, in the future, we may be required to purchase more of the allowances we use, or to make emissions reductions at our facilities, which could cause us to incur additional compliance and/or capital costs and/or adversely impact our production and our results of operations. In 2022, our costs to purchase emissions allowances under the EU ETS totaled approximately €20.0 million and annual costs are expected to be similar for 2023 and 2024.

On July 14, 2021, the European Commission adopted a set of proposals to make the EU's climate, energy, transport and taxation policies fit for reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels, many of which have since entered into force. Achieving these emission reductions will likely impact INEOS operations in the EU requiring further investments over this timeframe. The EU also introduced the Carbon Border Adjustment Mechanism (CBAM) which likely will have an impact on INEOS costs.

*EU Industrial Emissions Directive (IED)*

Our operations are also required to comply with the EU Industrial Emissions Directive ("**IED**") which remains applicable during the transition period. The European Commission regularly publishes new decisions aiming at reducing emissions to air and water from all chemical sites. We actively participate in the process to discuss those regulations to defend our interests and better anticipate the need for capital expenditures which could be required in order to comply with these new rules.

*U.S. Clean Air Act and Climate Change Regulations and Other Regions*

In the United States, the federal Clean Air Act ("**CAA**") regulates air emissions from various sources and requires, among other things, monitoring of specified pollutants, including hazardous air pollutants, stringent air emission limits and technological controls to reduce emissions to air. Strict federal and state controls on ozone, carbon monoxide, benzene, sulphur dioxide, nitrogen oxide and other emitted substances impact our activities and increase our operational costs in the United States. In August 2022, the United States enacted the Inflation Reduction Act of 2022, which defines new air pollutants regulated under the CAA and increases the EPA's budget across air pollution programs, further enhancing its monitoring and enforcement capabilities.

Growing concern about the sources and impacts of global climate change has led to a number of legislative and administrative measures, both proposed and enacted, to monitor, regulate and limit carbon dioxide and other GHG emissions. For example, we are required to monitor and report to the EPA annual GHG emissions from certain of our U.S. facilities. In addition, the EPA has taken steps to regulate GHG emissions under the CAA and other existing legislation as comprehensive climate change legislation has not yet been enacted by the U.S. Congress. We actively monitor state, regional, provincial and federal GHG initiatives and other regulatory developments in anticipation of any potential impacts on or costs to our operations. As of January 2021, the U.S. re-joined the Paris Agreement. The Paris Agreement's metric for tracking emissions targets is country-specific "nationally determined contributions" ("**NDCs**"). The agreement mandates NDC targets change every five years and reflect each country's "highest possible ambition" to reduce GHG emissions. NDCs are reported to the United Nations Framework Convention on Climate Change Secretariat and filed into an official public registry. The U.S. Congress may consider comprehensive federal legislation regarding climate change, and as a consequence, various regional initiatives regarding emissions associated with climate change are in effect or proposed. Although we believe it is likely that GHG emissions will continue to be regulated in the U.S., and other countries (in addition to the EU) in the future, we cannot yet predict the form any such additional regulation will take in the chemical industry itself in various jurisdictions (such as a cap-and-trade program, technology mandate, emissions tax or other regulatory mechanism) or, consequently, to estimate any costs that we may be required to incur, for example, to install emissions control equipment, purchase emission allowances or address other regulatory obligations. We continue to monitor the situation closely.

In addition, the EPA has finalized or proposed several rules relating to emissions reporting and emissions reductions. We monitor rules within our industrial sector and rules in other sectors that may set a precedent for ours. Significant capital expenditures could be required for emissions control equipment in order to comply with these new rules.

In the United States, stringent controls on nitrogen oxides ("**NOx**") and hydrocarbon "Volatile Organic Compound" ("**VOC**") emissions, and/or the need to purchase emissions credits for certain facilities, impact our operations and, indirectly, the cost of our products. Credit pricing is subject to general economic conditions. NOx and VOC credits have been available and affordable in the markets where we have previously needed such credits and have not been a deciding factor in growth. There are expected state-specific NOx reduction rules in areas in which we operate facilities that could affect availability and increase the cost of NOx credits. These expected state NOx reductions rules are expected to also require installation of further NOx emissions controls within the next five years. The EPA has finalized rules that will require states to restrict or prohibit emissions that "significantly contribute" to non-attainment of, or interference with a state's ability to maintain, the revised ozone standard in other "downwind" states. Both of these developments may require additional NOx and VOC reductions at our facilities over the next decade, and could cause us to incur additional compliance and/or capital costs and/or adversely impact our production and our results of operations. Federal NOx reduction rules and provincial benzene reduction requirements are also expected in Canada that may require emissions controls or emission credit purchases.

***The Registration, Evaluation, and Authorization of Chemicals ("REACH") Regulation, the Classification, Labelling and Packaging ("CLP") Regulation, the Toxic Substances Control Act and the Canadian Environmental Protection Act, 1999 ("CEPA")***

The EU regulates chemical products within the European Union by imposing on all affected industries the responsibility for ensuring and demonstrating the safe manufacture, use and disposal of chemicals. REACH requires the registration of all chemicals manufactured and imported into the European Union (either alone, in mixtures or in articles) with the European Chemicals Agency ("**ECHA**"). The regulation requires formal documentation of the relevant data required for hazard assessments for each substance registered as well as development of risk assessments for their registered uses. Most uses of high hazard substances, such as carcinogens, require authorization by the ECHA. We manufacture, process, or use a number of substances classified as substances of very high concern under REACH. Some of the intermediates and monomers manufactured within some of our businesses are classified as carcinogenic, mutagenic, or reprotoxic. REACH requires extensive toxicological data, documentation and risk assessments for many of our chemical products and raw materials. As a corollary to REACH, the European Union has also adopted the CLP Regulation to harmonize the European Union's system of classifying, labelling and packaging chemical substances with the United Nation's Globally Harmonized System. The regulation standardizes communication of hazard information of chemicals and promotes regulatory efficiency. It introduced new classification criteria, hazard symbols and labelling phrases, while taking account of elements that are part of the current EU legislation.

In the United States and Canada, our products and raw materials are subject to environmental, health and industrial hygiene regulations, including TSCA and CEPA, requiring the registration and safety analysis of the substances contained in them. The U.S. Congress passed the Frank R. Lautenberg Chemical Safety for the 21st Century Act in 2016. The EPA is currently undergoing adoption of the amended TSCA regulations to comply with the new law's requirements. The full impact of these amendments to TSCA remains uncertain and it is possible that they could trigger risk evaluations of certain of our products by the EPA, which may lead to new or more stringent regulatory obligations and/or restrictions, up to and including prohibitions on manufacture and sale of certain products. Since December 19, 2016, the EPA designated 20 chemical substances as high-priority and 20 chemical substances as low-priority that are the subject of the EPA's initial chemical risk evaluations, as required by TSCA. This list includes multiple chemicals we manufacture, including carbon tetrachloride, methylene chloride and 1,3-butadiene. Work on the risk evaluations has already begun, following the mandatory requirement for the EPA to evaluate existing chemicals with clear and enforceable deadlines. The list of substances is expected to be expanded over time.

Such regulations could result in a key raw material, chemical or other substance being classified or reclassified as having a toxicological or health-related impact on the environment, users of our products, or our employees. Such reclassification of one or more of our raw materials or products could affect its availability and marketability, result in a ban on its purchase or sale, or require us to incur increased costs to comply with additional notification, labelling or handling requirements.

***Risk Management—Prevention of Major Accidents and Process Safety***

Risks are inherent in the chemical and petrochemical businesses, particularly risks associated with safety, health and the environment, and each of our facilities actively assesses and manages such risks as required by law. Within the European Union, an EU directive on the control of major accident hazards (the "**Seveso III Directive**"), regulates facilities that present a risk of accidents involving dangerous substances and imposes specific plans and procedures on them, particularly for the storage of such substances. The Seveso III Directive, which replaced the previous Seveso II Directive on June 1, 2015, provides for control measures aimed at preventing and limiting the consequences of major accidents. All of our major production sites are in the top tier of regulation under the Seveso III Directive due to the quantity of dangerous substances stored at them. As such, we must establish a major accident prevention policy, safety reporting system, safety management system and emergency plan compliant with the requirements of the Seveso III Directive.

In the United States, our manufacturing facilities are subject to the EPA's Risk Management Program ("**RMP**"), which requires facilities that produce, handle, process, distribute or store certain highly hazardous chemicals to develop a risk management plan and program in the event of an accidental release of such chemicals. RMP also requires facilities to assess potential impacts to off-site populations in the event of a credible worst-case release and to document the policies, procedures, equipment and work practices in place to mitigate identified risks. Similar risk management requirements are imposed upon our facilities under the Emergency Planning and Community Right-to-Know Act, which contains chemical emergency response planning, accident release and other reporting and notification requirements applicable to our U.S. manufacturing facilities.

In addition, our U.S. facilities are subject to standards including the OSHA Process Safety Management ("**PSM**") standard, which requires development of a program to manage workplace risks associated with highly hazardous chemicals. To better manage risks and process safety we pursue certifications within OSHA's Voluntary Protection Program ("**VPP**"), and our Battleground (Houston) and Chocolate Bayou sites are certified to Star status, the highest level achievable. Star level means that the site has successfully implemented a safety and health management system and achieved a combined injury and illness rate that is below the industry rate nationwide. In addition, many of our U.S. sites also report PSM incidents as required by API 754 as part of the database maintained by the American Fuel and Petrochemical Manufacturers association.

Programs employed to manage PSM risks include instrumentation and overpressure relief devices. Industry standards such as ISA 84, an international standard that addresses the application of safety-instrumented systems for process industries with IEC 61508/511 being the European equivalent, are used. Our pressure relief systems are reviewed and designed to relevant legal (OSHA, ASME, NFPA, PED, ISO), industry (API, DIERS) and internal standards. In addition, all of our businesses are aware that effective safety management is required to address and deal with major accident and process safety risks. We promote personal leadership for the management of these risks and the Board of Directors for each business operates a "Letter of Assurance" process whereby each of the Operations Directors/Site Managers reviews compliance with local regulations and the effectiveness of the safety management system. They then formally inform their Executive Team and Chief Executive in writing about any issues about which they need to be concerned. This process is intended to provide assurance that all businesses are in compliance in all material respects with applicable health, safety and environmental laws in the countries in which they operate.

***Environmental Remediation and Closure Liabilities***

Many of our sites have an extended history of industrial chemical processing, storage and related activities, and sites with known or suspected contamination exist in our portfolio. We are currently, and from time to time have been or may be, required to investigate and remediate releases of hazardous materials or contamination at or migrating from certain of these sites, as well as properties we formerly owned, leased or operated. We could also be responsible for investigating and cleaning up contamination at off-site locations where our predecessors or we disposed of or arranged for the disposal or treatment of hazardous wastes. Under some environmental laws, liability can be imposed regardless of whether the owner or operator knew of or caused the contamination and regardless of whether the practices that resulted in the contamination were legal at the time they occurred. In connection with contaminated properties, as well as our operations generally, we also could be subject to claims by government authorities, individuals and other third parties seeking damages for alleged personal injury or property damage resulting from hazardous substance contamination or exposure caused by our operations, facilities or products.

Baseline surveys of soil and groundwater conditions were conducted at many of our sites in the European Union in connection with obtaining our Integrated Pollution Prevention and Control permits, and such data was reported to the relevant authorities. In addition, many of our other sites were the subject of intrusive investigations when they were acquired by us or in connection with historical activities or operational changes over the years. The process of investigation and remediation can be lengthy, varies from site to site and is subject to changing legal requirements and developing technologies. We are not currently aware of any additional sites as to which material claims or clean-up obligations exist. The discovery of previously unknown contamination, however, or the imposition of new obligations to investigate or remediate contamination at our facilities, could result in substantial unanticipated costs. Additionally, if the EPA or other regulatory agencies (in the U.S. and other countries) adopt more stringent regulations pertaining to PFAS in the environment, the Group may be required to incur significant clean-up costs. We could be required to establish or substantially increase financial reserves for such obligations or liabilities and, if we fail to accurately predict the amount or timing of such costs, the related impact on our business, financial condition or results of operations in any period in which those costs need to be incurred could be material.

***Product Stewardship and Innovation***

Many of our products have some hazardous properties, and some of them require specialized handling procedures due to their acute and chronic toxicity. Our polymer products have widespread end uses in a variety of tightly regulated consumer industries, including in food packaging and medical applications. To manage these risks, our product stewardship team works closely with industry associations, government regulators and others to develop regulations, which are based in science and are commensurate with the magnitude of the risk.

***Security and Crisis Management***

The U.S. Department of Homeland Security ("**DHS**") requires compliance by our facilities as defined in the Marine Transportation Security Act ("**MTSA**"), the Chemical Facilities Anti-Terrorism Standards ("**CFATS**") and U.S. Department of Transportation Hazardous Materials regulations.

The DHS, the U.S. Federal Emergency Management Administration and individual state emergency management regulators require that all sites hosting emergency response teams train responders. It is required that the emergency response teams and incident management teams have the knowledge, skills and equipment to allow them to work in concert with local, state, and Federal agencies in a framework defined by the National Incident Management System ("**NIMS**"). NIMS or equivalent training is conducted at sites to meet the intent of NIMS requirements. This allows the site responders to join with the governmental group in cases of widespread emergencies, including pandemics, where multiple agencies and organizations are involved.

***HSSE Principles***

We remain very strongly committed to excellent HSSE performance and believe we are a top decile performer within the chemicals industry. In 2013, INEOS converted its safety performance monitoring to mirror the U.S. OSHA standard. This enabled a common platform for comparisons and increased the number and types of injury data collected and analyzed. INEOS' OSHA rate for the combined INEOS and contractor workforce has decreased in recent years from a high of 0.52 injuries per 200,000 hours in 2013 to only 0.18 in 2021, 0.16 in 2022 and 0.19 in 2023 which increased due to the addition of newly acquired businesses. We strive to operate throughout the world with a commitment to doing what is needed to protect the environment and to comply with all applicable regulations in the countries in which we operate. Our focus is on prevention of process safety incidents and we have developed internal HSSE audit programs (20 SHE principles) designed to monitor and correct any deviations from acceptable performance.

Our aim is to avoid injuries to the community, employees and contractors. We focus on reducing major plant losses of containment of chemicals with health and safety impact. Core to our HSSE standards is our HSSE policy, which promotes executive management and individual responsibility, adherence to operating procedures and training and requires our sites to be designed, operated and managed with the goal of preventing major incidents.

IGH has two 50:50 joint ventures with Sinopec in China. One is in the Jinshan District (Shanghai), SECCO (Shanghai Ethylene Cracker Complex), and the other is in Tianjin where a world scale cracker and ethylene/propylene derivatives facility is under construction. We believe that SECCO is compliant with the Law of the People's Republic of China on Work Safety (as amended in 2021) which covers all major regulatory matters such as risk management, major accident and safety prevention, product stewardship and security and crisis management. The Chinese government recently issued regulation on "Management of Special Equipment", which requires operators, supervisors, management and directors to report on a weekly basis any deviation from normal working conditions for equipment essential to operate the plants in a safe manner.

**Employees**

As of September 30, 2023, we had approximately 7,500 employees (measured as full-time equivalents ("**FTEs**")) in our operations around the world, excluding employees of our joint ventures. Approximately 59.9% of these employees were located in Europe, approximately 37.9 % were located in North America and 2.2% was located in the rest of the world.

Historically, we have enjoyed good labor relations and we are committed to maintaining these relationships. Other than management and professional personnel, the majority of our employees are represented by local trade unions and are covered by collective bargaining agreements, including a European Employee Forum agreement under the European Council 94/45/EC, Article 6, which covers all European businesses and employees within INEOS Group and is designed to provide a formal mechanism for management and employee representatives to communicate on significant or potentially significant issues across the INEOS Group's European operations.

We value the diversity of our people and each of our employees is recognized as an important member of our team. Our goal is to attract a diverse range of the highest quality candidates for each available position, recruiting based on merit following the principles of equal opportunity. In each of our locations, we directly recruit local talent into our operations and business. These local opportunities are supplemented by group-wide initiatives such as our Core Graduate Engineering program and European Commercial Program (designed to attract high quality candidates who wish to pursue a commercial rather than technical career). In addition, our requirements and behavioral expectations for employees and businesses are outlined in our Code of Conduct which is regularly updated and communicated to all employees and external stakeholders. The code comprises the following sections: Health, safety, security and the environment; Competition and sanctions; Governance; Government and communities; Financial integrity and company assets; Human resources; Digital system use and security; and Violations of the code.

**Insurance**

INEOS purchases insurance on an all risk basis, including business interruption (including consequential loss) and property damage on a replacement cost basis. In addition, we purchase third party liability insurance, directors & officers, marine cargo, protection & indemnity insurance and life insurance for all of our employees. We believe our policies are in accordance with customary industry practices, including deductibles and coverage amounts. Our broker, lead insurers and underwriters perform risk engineering surveys and routinely inspect all assets. We have an ongoing program to regularly revalue our assets. The insurance replacement value of our assets (excluding the Project ONE Facilities and the Rain Facilities) property damage is approximately €33 billion as of September 30, 2023.

**Legal proceedings**

As is the case with many companies in the chemical industry, we are and may from time to time become a party to claims and lawsuits incidental to the ordinary course of our business. We cannot predict with certainty the cost of defense, the cost of prosecution or the ultimate outcome of litigation and other proceedings filed by or against us, including remedies or damage awards, and adverse results in any litigation and other proceedings may materially harm our business. Litigation and other proceedings may include, but are not limited to, actions relating to intellectual property, commercial arrangements (including disputes with contractors, suppliers and customers), environmental matters, permits (including environmental permits), health and safety, joint venture agreements, mergers and acquisitions, labor and employment or other harms resulting from the actions of individuals or entities outside of our control. For example, appeals contesting our environmental permit for Project ONE were filed with the Council for Permit Disputes in

Flanders, Belgium, resulting in a decision to annul the permit on July 2023. In August 2023, IOB filed an appeal against that annulment decision. As yet no hearing date has been set for that appeal. Although our amended application, filed on October 4, 2023, for a new permit was granted by the Flemish Minister for Justice and Enforcement, Environment and Spatial Development and Energy and Tourism on January 7, 2024, had our application been denied and the new permit not granted, this would have had a material adverse effect on our ability to successfully complete Project ONE within the anticipated timeframe and, if the new permit is annulled after significant expenditure has been incurred on the project, that could have a material adverse effect in our business. Although at this time no appeals to the new permit have been filed, it is expected that one or more parties could challenge the issuance of that permit prior to the expiration of the appeals period in February 2024. Any such appeal, if successful, could significantly delay the project and significantly increase costs. If ultimately a permit cannot be retained, it is possible that the project may not be completed, which would require us to write off significant sunk costs and leave us with significant debt in connection with facility financing for Project ONE.

In addition, in March 2023, there was a fire and explosion at the INEOS Phenol cumene facility in Pasadena, Texas involving the ignition of liquid petroleum gas ("LNG") during unloading. Following the incident, a lawsuit was filed against INEOS Americas LLC (and its shareholder, INEOS US I Inc, being an entity unconnected to the incident) in Harris County, Texas, by forty-two plaintiffs alleging injuries as a result of the incident. The root cause of the incident is still under investigation. INEOS Americas, LLC has crossclaimed against other potentially responsible parties, including the supplier of the LNG and the trucking company. Potential damages can not reasonably be estimated at this time; however, there is a risk that, if determined adversely to INEOS, the matter could have a material adverse effect on our financial position, business or reputation. Except as otherwise disclosed in this offering memorandum, we are not currently involved in any legal or arbitration proceedings that are expected to have a material adverse effect on our financial position and, to our knowledge, no such legal or arbitration proceedings are currently threatened.

**Sustainability**

Improving the sustainability of our business and operations is central to the way we work. It is of critical importance to our employees, to our partners and customers, to the communities in which we operate and to our investors. It drives innovation across all our businesses and sites.

Our sustainability strategy is to develop and safely manufacture the products needed to address the evolving challenges of climate change, public health, resource scarcity, urbanization and waste in a way which helps to drive our business and stakeholders a Net Zero Emissions Economy by 2050. Our strategy is built on six key pillars:

1. Excellence in Safety, Health and the Environment (SHE)
2. Climate Change—delivery of a net zero business
3. Circular Economy—maximizing the re-use and recycling of our products
4. People—ensuring an equal opportunity environment in which a diverse team of people can flourish and deliver the innovations we need
5. Communities and the Natural Environment—enhance the communities in which we operate
6. Governance—rigorously sustaining the highest standards of ethics and compliance

Our efforts with respect to sustainability, including our GHG emissions reduction targets, our reporting of GHG and other emissions, energy and water usage and waste generation, are aligned with the framework described in the Global Reporting Initiative ("GRI") and the United Nations Sustainable Development Goals. Two key priorities, Climate Change and the Circular Economy, are summarized below.

***Climate Change***

Following the Paris Climate Agreement of 2015, most nation states have recognized the threat posed by climate change and have set the goal to achieve a Net Zero Emissions Economy by 2050 and are adopting regulations and legislation to support this objective.

In response, INEOS implemented policies to manage the risks posed by climate change and the transition to a Net Zero Economy to each of its businesses. It has also identified a number of potential new business opportunities arising from the transition, Internal climate change risk assessments will be regularly updated in the context of the Intergovernmental Panel on Climate Change (IPCC) climate change scenarios. These are sceanrios in which temperature rise compared to the pre-industrial period temperature is limited to 2° C or less, 2-4.5° C, and 5-8.5° C, respectively. An INEOS-wide target has been set to achieve 33% reduction in GHG emissions by 2030 (compared to 2019) and net zero emissions by 2050. In line with this, the INEOS Group Holdings businesses have each developed a roadmap which outlines plans and key actions required to deliver the 2030 targets. The Group anticipates investing more than €3 billion in the next three years in projects which will reduce emissions intensity.

Actions include the following:

- Continuous improvement of energy and process efficiency
    - We are working across all our business and sites to make important reductions in energy use and associated GHG emissions.
- Exploring investment in green hydrogen and blue hydrogen for use as a fuel on sites and as a feedstock
    - For example, we are assessing a project to deliver green hydrogen for production of green ammonia.
- Increased purchase of renewable energy to substitute for fossil-derived energy
    - We have already signed power purchase agreements for approximately 290 MW of renewable energy to reduce our dependence on fossil-based energy sources within the IGH Group. This includes renewable power from a new solar farm project in Texas which should be completed by the end of 2025.
- Investment in new assets and infrastructure to enable a step change in GHG emissions
    - For example, we are constructing the Project ONE new cracker complex in the Port of Antwerp for production of the olefin intermediates used to manufacture polymers and other high value products which, when we start up by the end of 2026 will emit less than half of the $CO_2$ emissions compared with the next best existing European steam cracker. Moreover, we have plans in place to make this a net zero emissions cracker within 10 years of start-up.
- Use of bio-based feedstocks to reduce dependency on fossil-based materials and deliver bio-based products
    - We have launched certified bio-attributed olefins with over 90% GHG savings when compared with conventional materials
- Investment in carbon capture for selected assets and testing of carbon storage in the North Sea. Carbon dioxide captured from an IGH Group asset has been stored in the North Sea as part of the first phase of Project Greensands, a consortium of Danish and international partners, including INEOS, working towards enabling Denmark to use $CO_2$ storage to combat climate change.

***Products & the Circular Economy***

We believe that our products already make a critical contribution to society by providing some of the most sustainable options for a wide range of societal needs. Examples include preservation of food and clean water, manufacture of wind turbines, solar panels and other renewable technologies, construction of lighter and more efficient vehicles and aircraft, production of medical devices and applications, manufacture of clothing and apparel, and materials for insulation and other industrial and home applications. Studies suggest that if polymers and plastics were to be replaced to the maximum extent in applications where they can be substituted, overall life-cycle greenhouse gas emissions in Europe would increase by more than 50%.

It is generally accepted that a move towards a more circular economy, in which materials are reused and recycled to their maximum extent, is an important component of a more sustainable economy. For example, in Europe and the UK, legislation is being developed to incentivize recycling of materials, especially for packaging products. We have updated our targets in this area and are committed to incorporating 825 kt of recycled or bio-sourced material into INEOS products by 2030, which is an INEOS-wide target.

In line with these objectives, and working with our customers, we have designed and launched a new range of Recycl-IN polyolefin products which incorporate up to 50% of post-consumer recycled polymer in materials that meet the same exacting specifications as virgin material. We are also seeking to invest in advanced recycling technologies that will enable waste polymers to be broken down to their constituent components then reformed back into polymers. For example, we have signed an agreement with Plastic Energy to build plants to produce 100 kta of raw materials from waste plastic, with production targeted for 2026. This will enable a much wider range of waste materials to be re-incorporated into polymer manufacturing. This move towards a circular economy will increase resource efficiency, reduce GHG emissions, and provide an improved outlet for waste polymers.

***Sustainability Governance***

The Chief Executive of each Business Division is accountable for development of a strategy and plans to ensure that the business remains sustainable in the longer term. The strategy is reviewed annually with the shareholders. Each business sets targets annually based on its business plan. Progress against targets is reported and reviewed at Executive Committee (EXCO) meetings with the shareholders, typically six times per year.

In addition, there is also an INEOS-wide ESG committee comprising the CEOs and functional Group Directors to provide functional governance of sustainability. It oversees the activity of cross-business networks on climate-related matters and issues recommendations to INEOS' shareholders who ultimately sanction group-wide targets and policies that are enforced through INEOS' federal reporting structure once approved.

These INEOS-wide targets include SHE, GHG emissions reductions, and, for the Polymers businesses, recycling targets.

In addition to formal governance processes, INEOS operates a Climate and Energy Network (CEN) which helps ensure coordination across all INEOS businesses on carbon, energy and resource matters. Cross-business CEN teams share information and best practices on policy, advocacy, external developments, new business opportunities and innovation. The network also assembles data from the different businesses to provide business and INEOS-wide views on GHG emissions, energy usage, water usage, and waste. The network has more than 1,000 active members across all INEOS businesses.

In addition, we have developed a methodology to calculate carbon footprints and prepare consistent emission reduction roadmaps. Our methodology is a robust tool for emissions accounting in carbon dioxide equivalent ("$CO_2$e") terms aligned with the Greenhouse Gas Protocol. The data collection is managed centrally through the CEN, using a shared online platform. Our reporting is in line with the Global Reporting Initiative ("GRI") guidelines, which are set by an international independent standard organization and which aim to enable third parties to assess environmental impacts from the activities of the company and its supply chain. Furthermore, we have completed the Carbon Disclosure Project (CDP) climate change survey in order to gain external validation for our initiatives.

Our efforts are aligned with 10 of the United Nations Sustainable Development Goals ("**United Nations SDGs**"), with particular emphasis on the following areas: good health and well-being, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry, innovation and infrastructure, sustainable cities and communities, responsible consumption and production, climate action, life below water and partnerships for the goals. In addition to the United Nations SDGs, we also support the 10 principles of the United Nations Global Compact.

We also engage with key stakeholders to understand sustainability topics relating to the business that are important to them. To inform our sustainability strategy and reporting, INEOS identifies topics that are material for the Group by undertaking regular materiality assessments. For our 2022 sustainability report, this was conducted in accordance with the Global Reporting Initiative GRI 3 standard, where materiality is defined in terms of impact on the economy, environment and people.

We are also a signatory to the International Council of Chemical Associations' (ICCA) Responsible Care Global Charter. By following the guidelines and measures of Responsible Care, we commit to safely conducting our business in an ethical and environmentally responsible manner and providing the foundation for development and capital investments. We are committed to fulfilling the Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH") obligations, which ensure that companies manage the risks associated with their products and provide customers with the information they need to handle them in a safe and sustainable way. We are also a signatory of Operation Clean Sweep, a voluntary stewardship program of the Plastics Industry Association (PLASTICS) and the American Chemistry Council. We apply their commitment to achieve zero pellet, flake and powder loss across our sites and supply chain. We are committed to keeping this material out of the marine environment.

Safe handling and containment of our chemicals and products is of critical importance to us. To monitor our performance, we have developed a measure to give us early warning of any risks and opportunities to improve. Each of the materials we use has a maximum legally permitted level at which its leakage into the environment is tolerated. However, leakage of materials to that level is rare. Our processes, operating procedures and working practices are all designed to secure containment of all products and raw materials. The loss of containment of any materials is extremely rare, but each has a level that is legally reportable to the authorities. We closely monitor all systems and we have internal reporting systems that trigger internal investigation and reporting where there is any loss of containment that is 10% of the reportable level ("**LOC(10)**"). The frequency of LOC(10) across wider INEOS has decreased significantly over the last 10 years.

***Summary of Risks***

Management has in place a number of actions to mitigate climate and climate related risks, as well as other risks associated with developing legislation on sustainability and reporting. A summary of responses to key risks is summarized below.

INEOS is also working to ensure that it is compliant with the emerging reporting requirements in Europe, the UK and elsewhere.

| PERCEIVED RISKS | ACTIONS |
|---|---|
| Transition to net zero risks | 1. Management has committed to net zero and intermediate targets based on business roadmaps which contain actions to reduce GHG emissions while sustaining business profitability.<br>2. Management has identified new business opportunities, e.g. green and blue hydrogen, biobased products and recycled products.<br>3. Management is investing in technologies for new products such as recycled products and bio-based products to meet growing consumer demand for these lower carbon materials.<br>4. Management is acquiring more renewable energy and is investing in new assets, technologies, and infrastructure to reduce the carbon footprint of its products in line with evolving customer and consumer demands. |
| Policy and legal transition risks | 1. Management monitors evolving government policies and regulations, both independently and through its membership in industry associations, with an aim to ensure that plans and actions stay ahead of developing legislation.<br>2. Management has in place strict policies on ethical and legislative matters, and has implemented the appropriate governance and training mechanisms intended to ensure full compliance. |
| Market transition risks e.g. changing consumer trends resulting in products and services becoming obsolete | 1. Management believes that its current chemical and polymer portfolio provides products which are essential to support the transition to a net zero economy by providing sustainable options for a wide number of industrial and consumer applications.<br>2. Management has set business wide targets intended to be consistent with legislation aiming to drive the development of a circular economy.<br>3. Management is investing in technologies for new products such as recycled products and bio-based products with an aim to meet growing consumer demand for these materials.<br>4. Management has a policy for sustainable procurement with an aim to ensure that it acquires feedstocks and other materials of increasingly lower carbon footprint.<br>5. Management is acquiring more renewable energy and is investing in new assets, technologies, and infrastructure to reduce the carbon footprint of its products in line with evolving customer and consumer demands. |

| PERCEIVED RISKS | ACTIONS |
|---|---|
| Financing risks | 1. Management has committed to net zero and intermediate targets based on practical business roadmaps which combine GHG emissions reduction with sustainment of business profitability and addition of new business opportunities, e.g. green and blue hydrogen, biobased products and recycled products.<br>2. Management has incorporated the forward cost of carbon in Europe and potentially elsewhere into its capital investment decision-making.<br>3. Management aspires to zero accidents in the workplace and has in place the policies targets, controls and audit systems intended to achieve the highest possible standards with regards to safety and the environment.<br>4. Management has increased public disclosure on ESG issues, including provision of a detailed and public sustainability report, and has attained favorable ESG assessments from both Sustainalytics and EcoVadis relative to peers.<br>5. INEOS is a recognized respondent to CDP. |
| Acute physical risks, e.g. extreme weather events causing damage to equipment and supply chain disruption | 1. Management is assessing risks to operations against three IPCC developed climate change scenarios high, intermediate and low temperature rises.<br>2. Management aims to ensure that equipment and plant is designed to withstand extreme weather conditions as currently expected, and will continue to do so in the future.<br>3. Management has developed multiple feedstock and sales options to provide resilience to supply chain disruptions. |
| Reputation transition risks, e.g. damage to reputation through failure to transition effectively to a lower-carbon economy | 1. Management has announced a target to achieve net zero and is developing intermediate targets based on practical business roadmaps which contain actions to reduce GHG emissions and aim to stay ahead of evolving regulations.<br>2. Management aspires to zero accidents in the workplace and has in place the policies targets, controls and audit systems intended to achieve the highest possible standards with regards to safety and the environment.<br>3. Management has worked to increased public communication and disclosure on targets, progress against targets, and ESG issues, including provision of a detailed and public sustainability report. |

| PERCEIVED RISKS | ACTIONS |
|---|---|
| | 4. Management has endeavored to establish links with communities around INEOS sites to communicate plans and progress against objectives and invite feedback.<br>5. Management has submitted the business to detailed ESG assessments from both Sustainalytics and EcoVadis. The former assesses INEOS Group Holdings S.A. group as low risk and in the top three of commodity chemical companies assessed. The latter issued a gold rating for the breadth of INEOS companies.<br>6. INEOS is a recognized respondent to CDP. |

***Sustainalytics Rating***

As of October 12, 2023, INEOS Group Holdings S.A. received an ESG Risk Rating of 16.7 from Sustainalytics, and was assessed to be at low risk of experiencing material financial impacts from ESG factors. INEOS Group Holdings S.A.'s ESG Risk Rating ranking us as 11th best (11th lowest risk) of 576 chemical companies so far assessed, and 4th best of 273 commodity chemical companies assessed to date. We believe that this ESG Risk Rating is evidence that we are seen as a leader in implementing sustainable practices in our industry. Our ESG Risk Rating is subject to change and the current rating can be found on the Sustainalytics website. For information on the risks related to ESG Risk Ratings see "ESG Ratings" and "Risk Factors—Risks Relating to Our Businesses and Industries—ESG Risk Ratings—The third-party ESG Risk Ratings referenced in this offering memorandum may not accurately reflect our risks based on environmental, social and governance matters. Any actual or perceived lack of transparency or underperformance regarding ESG matters as a result of increasing scrutiny and changing expectations from investors, lender and other market participants may adversely affect the value of the Notes."

***EcoVadis Gold Award***

Our progress on sustainability has been recognized by the achievement of a gold award for INEOS AG, one of our ultimate parent undertakings, in a sustainability assessment by EcoVadis in December 2022. This assessment looks in detail at INEOS AG's work on environment, ethics, labor and human rights, and sustainable procurement. The gold rating places INEOS AG in the top 8% of all companies assessed and covers not only the Group but also certain of its affiliates across wider INEOS. INEOS AG was especially recognized for its environmental performance, reflecting the commitment to GHG emission reduction targets and to recycling and the circular economy. For information on the risks related to ESG Risk Ratings see "ESG Ratings" and "Risk Factors—Risks Relating to Our Businesses and Industries—ESG Risk Ratings—The third-party ESG Risk Ratings referenced in this offering memorandum may not accurately reflect our risks based on environmental, social and governance matters. Any actual or perceived lack of transparency or underperformance regarding ESG matters as a result of increasing scrutiny and changing expectations from investors, lender and other market participants may adversely affect the value of the Notes."

## THE ISSUER

### The Issuer

The Issuer, INEOS Finance plc, is a public limited company that was incorporated in England and Wales on November 23, 2009. It is registered at Companies House with Company Number 07084307. The address of the Issuer's registered office is Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom. The Issuer was established as a financing vehicle for the purpose of assisting in the financing of the operations of the Group. The issued capital of INEOS Finance plc consists of 50,000 ordinary shares of £1.00 each, all of which are held by INEOS Holdings Limited and are fully paid. The Issuer is an indirect wholly owned subsidiary of INEOS Group Holdings S.A. The issued capital of INEOS Group Holdings S.A. consists of 924,803 ordinary shares of €1 each, all of which are held by INEOS Holdings Luxembourg S.A. and are fully paid. The Issuer has not issued any convertible debt securities, exchangeable debt securities or debt securities with warrants attached.

The Issuer is a wholly-owned finance company that conducts no business operations and has no plans to conduct any business operations. As of the date of this offering memorandum, as adjusted for the Transactions, the Issuer's borrowings are limited to the Notes, the 2028 Senior Secured Notes, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes, the 2025 Senior Secured Notes and certain borrowings under the Senior Secured Term Loans Agreement, each of which is guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries. See "Description of the Notes" and "Description of Other Indebtedness." As of September 30, 2023, as adjusted for the Transactions, the total amount outstanding on the Notes would have been €      million and $      million, the total amount outstanding on the 2028 Senior Secured Notes would have been €450 million and $425 million, the total amount outstanding on the May 2026 Senior Secured Notes would have been €556.3 million, the total amount outstanding on the March 2026 Senior Secured Notes would have been €113.4 million, the total amount outstanding on the 2025 Senior Secured Notes would have been €335.7 million and the total amounts outstanding under the Senior Secured Term Loans would have been €      million (based on an exchange rate of $1.0563 per €1.00 at September 30, 2023, which is the exchange rate used for our balance sheet as of September 30, 2023). The Issuer guarantees certain obligations under the Senior Secured Term Loans Agreement and certain hedging and cash management obligations. The Issuer does not have any other indebtedness or contingent liabilities outstanding.

After giving effect to the Transactions, the only significant assets of the Issuer will be the Notes Proceeds Loans, the Senior Secured Term Loans Euro Proceeds Loans, the 2028 Senior Secured Notes Proceeds Loans, the May 2026 Senior Secured Notes Proceeds Loan, the March 2026 Senior Secured Notes Proceeds Loan and the 2025 Senior Secured Notes Proceeds Loan, each of which is an amount equal to the total amount outstanding on the Notes, the euro-denominated Senior Secured Term Loans, the 2028 Senior Secured Notes, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes and the 2025 Senior Secured Notes, respectively.

The Issuer has not incurred any additional indebtedness or made any additional investments, in each case other than the issuance of the Notes, the borrowings and guarantees under the Senior Secured Term Loans Agreement, the 2028 Senior Secured Notes, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes and the 2025 Senior Secured Notes through the date of this offering memorandum. The Issuer may from time to time incur additional indebtedness or make additional investments in compliance with the terms of its then-outstanding indebtedness.

Accordingly, the Issuer will be dependent upon payments from IHL to make any payments due on the Notes. If IHL fails to make scheduled payments on the Notes Proceeds Loans, the 2028 Senior Secured Notes Proceeds Loans, the May 2026 Senior Secured Notes Proceeds Loan, the March 2026 Senior Secured Notes Proceeds Loan, the 2025 Senior Secured Notes Proceeds Loan or the Senior Secured Term Loans Euro Proceeds Loans, it is not expected that the Issuer will have any other sources of funds that would allow it to make payments on its indebtedness. In addition, IHL is a holding company that conducts no independent business operations. See "Risk Factors—Risks Relating to the Notes and Our Capital Structure—Finance Subsidiary Issuer—The Issuer is a finance company with no independent operations and is dependent on payments under the Notes Proceeds Loans to provide it with funds to meet its obligations under the Notes."

## MANAGEMENT

### Executive Officers and Directors of INEOS Limited

INEOS Limited, a company incorporated in the Isle of Man, is our ultimate parent undertaking. INEOS Limited was incorporated on March 24, 2016 and became the ultimate parent undertaking on December 1, 2016.

The following table sets forth the name, age (as of September 30, 2023) and principal position of each of INEOS Limited directors and officers:

| Name | Age | Position |
|---|---|---|
| James A. Ratcliffe | 70 | Chairman |
| Andrew Currie | 67 | Member of the Board |
| John Reece | 66 | Member of the Board |
| Jonathan Ginns | 49 | Member of the Board |
| Simon Morland | 38 | Member of the Board |

***James A. Ratcliffe*** has been the Chairman of INEOS Capital since 1998. Mr. Ratcliffe, who has over 30 years of experience in the chemical industry, is experienced in managing buyouts of chemical companies. In 1992, he led the successful buyout of Inspec Group plc. In 1998, he left Inspec to lead the acquisition of INEOS plc (now INEOS Oxide) from Inspec. Mr. Ratcliffe started his career with Exxon Chemicals before moving to Courtaulds. He then completed his MBA at London Business School before joining Advent International and then Inspec.

***Andrew Currie*** has been a director of INEOS Capital since 1999. He was previously Managing Director, Laporte Performance Chemicals, having served as a director of the Inspec Group from 1994 until the Laporte acquisition of Inspec in 1998. Mr. Currie has a degree in natural sciences from Cambridge University and spent the first 15 years of his career with BP Chemicals in various technical and business management functions.

***John Reece*** joined INEOS Capital as Finance Director in January 2000. He was previously a partner with PricewaterhouseCoopers, where he advised companies in the chemical industry. Mr. Reece has a degree in economics from Cambridge University and is a Chartered Accountant.

***Jonathan Ginns*** became a director of INEOS Limited in 2023. Jonathan Ginns is Head of Mergers & Acquisitions, and Group General Counsel, for INEOS. Jonathan joined INEOS in 2006 having worked for INEOS as an external lawyer for a number of years before that. He has experience across a wide range of fields, including mergers & acquisitions, disposals, joint ventures, antitrust, litigation and finance. He is a director of a large number of INEOS entities, as well as representing INEOS on various joint venture Boards. Education: University of Nottingham, Nottingham Law School, University of Texas School of Law.

***Simon Morland*** became a Director of INEOS Limited in 2023. Mr. Morland joined INEOS in 2019 and is part of the Group Finance team. Prior to joining INEOS, Mr. Morland held the positions of CFO and Director of Corporate Development at a technology business. He previously worked at Deloitte, where he provided tax and M&A advice to a range of individuals and corporates across the UK, Europe and US. Mr. Morland has a degree in history from the University of York and is a Chartered Tax Advisor.

INEOS Limited provides operational management services to us.

All of the members of the board of directors and officers of INEOS Limited have their business address at First Names House, Victoria Road, Douglas, IM2 4DF, Isle of Man.

### Executive Officers and Directors of the Issuer and INEOS Group Holdings S.A.

The Issuer is an indirect wholly-owned subsidiary of INEOS Group Holdings S.A. The directors of the Issuer are Graeme Leask, Jonathan Ginns and Debra Smeeton.

INEOS Group Holdings S.A. is an indirect wholly owned subsidiary of INEOS AG. The directors of INEOS Group Holdings S.A. are Peter Huyck, Florence Bardot and Natalina Arena. The business address of Mr. Huyck is Nieuwe Weg 1, Haven 1053, 2070 Zwijndrecht, Belgium. The business address for Ms. Bardot is 3, Avenue des Uttins, CH 1180 Rolle, Switzerland. The business address of Ms. Arena is 310, Ransbeekstraat, B 1120 Bruxelles, Belgium. The principal executive offices of INEOS Group Holdings S.A. are located at 62 Avenue de la Liberté L-1930, Luxembourg, Grand-Duchy of Luxembourg.

The members of the board of directors of INEOS Limited control the Issuer. The principal executive offices of the Issuer are located at: Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom.

**Compensation of Directors and Executive Officers**

An aggregate of €1.8 million was paid to our executive officers and directors in their capacity as directors and officers of INEOS Group Holdings S.A. in 2022.

***Board Practices***

Our board meets on a regular basis to review performance and our business plans. In addition, the board has established policies for the conduct of our business, including delegations of board authority to directors and members of senior management. The board has appointed committees to ensure appropriate oversight of our companies' operations. None of the members of the board of directors has a service contract that provides for benefits upon his termination as a director.

***Board Committees***

The audit committee meets at least twice a year. The committee is responsible for appointing auditors and reviewing the suitability and effectiveness of internal control systems and the application of corporate policies.

The remuneration committee meets at least once a year. The primary function of the remuneration committee is to determine remuneration and other terms of employment for the directors and senior employees of the company, having due regard for performance. We anticipate that, in setting the remuneration policy, the committee will consider a number of factors, including the salaries and benefits available to senior management in comparable companies and the need to ensure senior management commitment to the continued success of the business by means of incentive schemes.

## PRINCIPAL SHAREHOLDERS

As at September 30, 2023, all of the issued share capital of INEOS Group Holdings S.A. was held directly by INEOS Holdings Luxembourg S.A. All of the issued voting and non-voting share capital of INEOS Holdings Luxembourg S.A. is held by INEOS Holdings AG. INEOS AG holds all of the issued share capital of INEOS Holdings AG. In turn, all of the issued share capital of INEOS AG is held by INEOS Limited. INEOS Limited became the ultimate parent undertaking of the Group on December 1, 2016. See also "Management" and "Certain Relationships and Related Party Transactions."

The following table sets forth information regarding the ownership of INEOS Limited's share capital, as of September 30, 2023, by the following:

- each person or group known by us to be the owner of 5% or more of the share capital of INEOS Limited; and
- all directors of INEOS Limited.

| | Number of Ordinary Shares | Number of Preferred Tracker Shares | Percentage of Total INEOS Limited Share Capital |
|---|---|---|---|
| James Ratcliffe | 2,295,391,680 | 3,397,127 | 61.73% |
| Andrew Currie | 711,501,880 | 3,261,544 | 19.19% |
| John Reece | 707,106,440 | 3,242,454 | 19.08% |
| Jonathan Ginns | — | — | — |
| Simon Morland | — | — | — |
| **TOTAL** | 3,714,000,000 | 9,901,125 | 100.00% |

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We enter into transactions with certain related parties or our affiliates from time to time and in the ordinary course of our business. We believe these agreements are on terms no more favorable to the related parties or our affiliates than what they would expect to negotiate with disinterested third parties.

**Relationship with INEOS Limited and INEOS AG**

INEOS Limited and INEOS AG, a subsidiary of INEOS Limited, provide operational management services to the Group through a management services agreement. Management fees of €79.6 million (September 30, 2022: €73.8 million) were charged to the income statement during the nine-month period ended September 30, 2023. For the year ended December 31, 2022 management fees of €98.5 million (2021: €91.6 million, 2020: €90.5 million) were charged to the income statement. During December 2022 the Group disposed of its non-voting ordinary shares in INEOS Investments (Jersey) Limited to INEOS Limited, a related party for €420 million. As at December 31, 2022 €25.1 million (2021: €23.3 million, 2020: €23.1 million) was owed to INEOS Limited and €410.3 million (2021: nil, 2020: nil) was owed by INEOS Limited. As at September 30, 2023 amounts owed to INEOS Limited were €31.1 million and amounts owed by INEOS Limited were nil. As at December 31, 2022 there was €2.2 million owed to INEOS AG (2021: nil, 2020: nil) and €23.9 million owed by INEOS AG (2021: nil, 2020: nil). As at September 30, 2023, amounts owed to INEOS AG were nil and amounts owed by INEOS AG were €478.2 million. As at September 30, 2023, amounts owed by INEOS Holdings AG and INEOS Holdings Luxembourg S.A., both wholly owned subsidiaries of INEOS AG, were €103.2 million (December 31, 2022: €99.5 million, December 31, 2021: €94.5 million, December 31, 2020: €28.3 million) and €13.6 million (December 31, 2022: €13.2 million, December 31, 2021: €15.6 million, December 31, 2020: €0.3 million), respectively.

**Relationship with other INEOS subsidiaries**

INEOS Limited owns and controls a number of operating subsidiaries that are not included in the INEOS Group Holdings S.A. group, including INEOS Industries Limited (which from December 31, 2020 includes INOVYN Limited), INEOS Enterprises Holdings Limited and the Lavéra Businesses together with other French and Italian assets of INEOS O&P South.

During the nine-month period ended September 30, 2023 the Group has made sales to these subsidiaries of €1,120.4 million (September 30, 2022: €1,652.7 million), received net cost recoveries of €157.0 million (September 30, 2022: net costs recovered of €147.9 million) and made purchases of €756.4 million (September 30, 2022: €1,090.0 million). As at September 30, 2023, €665.2 million was owed by and €215.1 million was owed to these subsidiaries (excluding the INEOS Upstream and INEOS Grangemouth loans). During the year ended December 31, 2022 the Group has made sales to these subsidiaries of €2,036.7 million (2021: €1,727.1 million, 2020: €1,044.7 million), recovered net costs of €360.5 million (2021: €180.1 million, 2020: €141.4 million) and made purchases of €2,095.6 million (2021: €2,100.5 million, 2020: €1,031.3 million). As at December 31, 2022, €596.7 million (2021: €690.4 million, 2020: €374.2 million) was owed by and €283.2 million (2021: €288.5 million, 2020: €177.4 million) was owed to these subsidiaries (excluding the INEOS Upstream Limited loan).

In January 2023 the Group provided a loan of €309.3 million via INEOS Industries Holdings Limited to INEOS Grangemouth Limited, a related party, to facilitate the repayment of its Senior Term and Revolving Loan Facilities. The loan facility is unsecured, matures in January 2028 and bears interest at 5.75% per annum. As at September 30, 2023 €309.3 million was outstanding under the facility.

In April 2023 the Group provided a loan of €811.9 million via INEOS Industries Holdings Limited to INEOS Upstream Holdings Limited, a related party, to partly fund its acquisition of US onshore oil and gas assets in the Eagle Ford shale from Chesapeake Energy. The loan facility is unsecured, matures in April 2028 and bears interest at 8.5% per annum. As at September 30, 2023 €811.9 million was outstanding under the facility.

During 2015, the Group provided a loan of $623.7 million via INEOS Industries Holdings Limited to INEOS Upstream Limited, a related party, in connection with its acquisition of natural gas assets in the North Sea. The loan facility is unsecured, matures in June 2026 and bears interest at 7% per annum. On September 29, 2017, INEOS Upstream Limited, a related party, acquired further natural gas assets in the North Sea through its acquisition of the entire oil and gas business of DONG Energy A/S. In connection with the DONG Acquisition, the Group advanced a loan of $376.2 million (€315.7 million) via INEOS Industries Holdings Limited to INEOS Upstream Limited, the proceeds of which were on-lent to certain of its subsidiaries. The loan is unsecured, matures in June 2026 and bears interest at 7% per annum. As at

September 30, 2023 $617.1 million (€584.2 million) was outstanding under these facilities. As at December 31, 2022 $617.1 million (€578.5 million) (2021: $617.1 million (€544.6 million), 2020: $617.1 million (€501.7 million)) was outstanding under the facility.

The Group has entered into a number of derivative contracts with INEOS UK SNS Limited and INEOS Energy Trading Limited, both related parties. The net fair value loss and settlements on these derivatives during the nine-month period ended September 30, 2023 was nil (September 30, 2022: loss of €18.6 million). As at September 30, 2023, the mark to market derivative liability was €47.1 million and the mark to market derivative asset was €47.2 million in respect of these related party derivative financial instruments. The net fair value loss on these derivatives during the year ended December 31, 2022 was €14.3 million (2021: €109.5 million, 2020: €126.2 million). As at December 31, 2022, the mark to market derivative asset was €10.4 million (2021: €173.8 million, 2020: €17.8 million) and the mark to market liability was €10.2 million (2021: €193.2 million, 2020: €88.0 million) in respect of these related party derivative financial instruments.

**Relationship with other Joint Ventures**

INEOS Limited owns interests in a number of joint ventures that are not included in the INEOS Group Holdings S.A. group, including the French joint ventures associated with the Lavéra petrochemical assets and businesses which were divested by the Group on July 1, 2014 and the refining joint ventures between PetroChina and INEOS Investments (Jersey) Limited, a related party. Previous to becoming a fully owned subsidiary on December 31, 2020 the Group had a joint venture with Sasol Limited to build and operate an HDPE plant at the Battleground site in Texas, United States, which became operational at the end of 2017.

During the year ended December 31, 2022 the Group made no sales (2021: nil, 2020: €0.1 million), recovered net costs of €13.1 million (2021: €12.4 million, 2020: €0.2 million) and made no purchases (2021: nil, 2020: €0.2 million) from the French joint ventures. As at December 31, 2022 €0.1 million (2021: €0.3 million, 2020: €0.1 million) was owed by the French joint ventures and €0.2 million (2021: €0.1 million, 2020: nil) was owed to the French joint ventures.

The Refining joint ventures are between PetroChina and INEOS Investments (Jersey) Limited, a related party. During the nine-month period ended September 30, 2023 the Group has made sales of €1.0 million (September 30, 2022: nil), received cost recoveries of €25.4 million (September 30, 2022: received costs recovered of €23.1 million) and made purchases of €14.6 million (September 30, 2022: €38.8 million). As at September 30, 2023, €1.7 million was owed by the Refining joint ventures and €2.7 million was owed to the Refining joint ventures. During the year ended December 31, 2022 the Group made sales to the Refining joint ventures of €3.8 million (2021: €2.5 million, 2020: €1.4 million), recovered costs of €23.0 million (2021: €35.1 million, 2020: €8.4 million) and made purchases of €40.8 million (2021: €80.1 million, 2020: €145.7 million). As at December 31, 2022, €0.9 million (2021: €1.5 million, 2020: €1.2 million) was owed by the Refining joint ventures and €1.6 million (2021: €1.3 million, 2020: €2.0 million) was owed to the Refining joint ventures.

Before the HDPE joint venture became a fully owned subsidiary of the Group on December 31, 2020 the Group recovered costs of €60.5 million and made purchases of €43.6 million from the HDPE joint venture.

In general, any trading balances with related parties are priced based on contractual arrangements and are to be settled in cash. The transactions are made on terms equivalent to those that prevail in arm's length transactions.

As at September 30, 2023, none (December 31, 2022: none, December 31, 2021: none, December 31, 2020: none) of the related party balances is secured and no guarantees have been given or received. There were no provisions for doubtful debt related to any related parties as at September 30, 2023 (December 31, 2022: nil, December 31, 2021: nil, December 31, 2020: nil).

## DESCRIPTION OF OTHER INDEBTEDNESS

The following summary of certain provisions of the documents listed below governing certain of our indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

### Senior Secured Term Loans

***Overview***

The Group has outstanding term loans (the "**Existing Senior Secured Term Loans**") under a credit agreement dated as of April 27, 2012 (as amended and restated, amended, restated, supplemented or otherwise modified from time to time, the "**Senior Secured Term Loans Agreement**") among INEOS US Finance LLC and INEOS Finance plc as borrowers, each of the guarantors named therein, the lender parties thereto and Barclays Bank PLC as administrative agent and security agent. The Senior Secured Term Loans Agreement was last amended and restated as of November 3, 2017 and was last amended thereafter as of October 29, 2020, November 8, 2021, November 8, 2022 and February 16, 2023. The Existing Senior Secured Term Loans are denominated in both euro and U.S. dollars. Unless defined otherwise, capitalized terms used in this section "—Senior Secured Term Loans" have the meaning assigned to them in the Senior Secured Term Loans Agreement.

The aggregate principal amount of Existing Senior Secured Term Loans outstanding at September 30, 2023 before issue costs were €5,266.3 million (December 31, 2022: €5,424.7 million) of which €34.6 million (December 31, 2022: €56.3 million) is due within one year. The total amounts outstanding under the euro-denominated Existing Senior Secured Term Loans were €2,214.7 million (December 31, 2022: €2,770.9 million) and the U.S. dollar-denominated Existing Senior Secured Term Loans were €3,051.6 million (December 31, 2022: €2,653.8 million). For additional information about the Existing Senior Secured Term Loans, please see note 18 "Interest-Bearing Loans and Borrowings" to the 2022 Audited Consolidated Financial Statements and note 10 "Borrowings" to the Unaudited Interim Condensed Consolidated Financial Statements.

On October 29, 2020, we borrowed €375.0 million aggregate principal amount of euro-denominated term loans due October 2027 (the "**2027 Euro Senior Secured Term Loans**") under the Senior Secured Term Loans Agreement.

On November 8, 2021, we borrowed euro-denominated term loans due 2028 in an aggregate principal amount of €350.0 million (the "**2028 Euro Senior Secured Term Loans**"), and U.S. dollar-denominated term loans due 2028 in an aggregate principal amount of $845.0 million (the "**2028 Dollar Senior Secured Term Loans**" and, together with the 2028 Euro Senior Secured Term Loans, the "**2028 Senior Secured Term Loans**") under the Senior Secured Term Loans agreement.

On November 8, 2022, we borrowed euro-denominated term loans due November 2027 in an aggregate principal amount of €800.0 million (the "**2027-II Initial Euro Senior Secured Term Loans**") and U.S. dollar-denominated term loans due November 2027 in an aggregate principal amount of $1,200.0 million (the "**2027-II Dollar Senior Secured Term Loans**") under the Senior Secured Term Loans Agreement, which we used to repay €1,507.3 million aggregate principal amount of euro-denominated term loans due 2024 (the "**2024 Euro Senior Secured Term Loans**") and U.S. dollar-denominated term loans due 2024 (the "**2024 Dollar Senior Secured Term Loans**" and, together with the 2024 Euro Senior Secured Term Loans, the "**2024 Senior Secured Term Loans**") under the Senior Secured Term Loans Agreement. In February 2023, we purchased €44.8 million and $9.9 million aggregate principal amount of 2024 Senior Secured Term Loans in open market transactions.

On February 16, 2023, we borrowed €700.0 million aggregate principal amount of euro-denominated term loans due November 2027 (the "**2027-II Additional Euro Senior Secured Term Loans**" and, together with the 2027-II Initial Euro Senior Secured Term Loans, the "**2027-II Euro Senior Secured Term Loans**"; the 2027-II Euro Senior Secured Term Loans and the 2027-II Dollar Senior Secured Term Loans are collectively referred to as the "**2027-II Senior Secured Term Loans**") and $1.2 billion aggregate principal amount of U.S. dollar-denominated term loans due February 2030 (the "**2030 Senior Secured Term Loans**") under the Senior Secured Term Loans Agreement. The proceeds of the 2027-II Additional Euro Senior Secured Term Loans and the 2030 Senior Secured Term Loans were used to fully redeem the remaining 2024 Senior Secured Term Loans outstanding under the Senior Secured Term Loans Agreement as well as to increase the liquidity of the Group.

On or about the Issue Date, we will (i) borrow a new tranche of U.S. dollar-denominated term loans due 2031 (the "**New Dollar Senior Secured Term Loans**") and a new tranche of euro-denominated term loans due 2031 (the "**New Euro Senior Secured Term Loans**" and, together with the New Dollar Senior Secured Term Loans, the "**New Senior Secured Term Loans**"; the Existing Senior Secured Term Loans and the New Senior Secured Term Loans together, the "**Senior Secured Term Loans**") and (ii) make certain amendments to the Senior Secured Term Loans Agreement to reflect the New Senior Secured Term Loans and the evolving needs of the Group.

What follows below is a summary of the expected provisions of our Senior Secured Term Loans Agreement after giving effect to the Transactions.

The New Dollar Senior Secured Term Loans will be made available to INEOS US Finance LLC in an aggregate principal amount of $ million and the New Euro Senior Secured Term Loans will be made available to INEOS Finance plc in an aggregate principal amount of € million.

***Interest and Fees***

As of December 31, 2023, the U.S. dollar-denominated Existing Senior Secured Term Loans bore interest at a rate determined by reference to the applicable Term SOFR plus, in the case of each of such Existing Senior Secured Term Loan, 0.10% (subject to a 0.50% floor per annum in case of the 2028 Dollar Senior Secured Term Loans and to a 0% floor per annum in the case of the other U.S. dollar-denominated Existing Senior Secured Term Loans) plus the Applicable Margin specified below for such loans ("**Term SOFR Loans**") or the ABR plus the Applicable Margin specified below for such loans ("**ABR Loans**"). As of December 31, 2023, the euro-denominated Existing Senior Secured Term Loans bore interest at a rate determined by reference to EURIBOR (subject to a 0.50% floor per annum in the case of the 2027 Euro Senior Secured Term Loans and the 2028 Euro Senior Secured Term Loans and to a 0% floor per annum in the case of the other euro-denominated Existing Senior Secured Term Loans) plus the Applicable Margin specified below for such loans ("**EURIBOR Loans**").

The ABR is a rate per annum determined as the highest of (a) the rate of interest quoted on such day in the print edition of The Wall Street Journal, Money Rates Section as the "prime rate" (subject to a 1.50% floor per annum in case of the 2028 Dollar Senior Secured Term Loans and to a 1.00% floor in the case of the other U.S. dollar-denominated Existing Senior Secured Term Loans), (b) the Federal Funds rate plus 0.50% and (c) Term SOFR for an interest period of one month plus, in the case of each of such Existing Senior Secured Term Loan, 0.10% (subject to a 0.50% floor per annum in case of the 2028 Dollar Senior Secured Term Loans and to a 0% floor per annum in the case of the other U.S. dollar-denominated Existing Senior Secured Term Loans) plus 1.00%.

As of December 31, 2023, the Applicable Margins for the 2027 Senior Secured Term Loans, the 2028 Senior Secured Term Loans, the 2027-II Senior Secured Term Loans and the 2030 Senior Secured Term Loans were:

- in the case of the 2027-II Dollar Senior Secured Term Loans that are ABR Loans, 2.75% per annum, in the case of the 2028 Dollar Senior Secured Term Loans that are ABR Loans, 1.50% per annum and, in the case of the 2030 Senior Secured Term Loans that are ABR Loans, 2.50% per annum;
- in the case of the 2027-II Dollar Senior Secured Term Loans that are Term SOFR Loans, 3.75% per annum, in the case of the 2028 Dollar Senior Secured Term Loans that are Term SOFR Loans, 2.50% per annum and, in the case of the 2030 Senior Secured Term Loans that are Term SOFR Loans, 3.50% per annum;
- in the case of the 2027 Euro Senior Secured Term Loans, 3.00% per annum, if the Consolidated Net Senior Secured Leverage Ratio as of the last day of the applicable Test Period is greater than 2.50 to 1.00, and 2.75% in all other cases; and
- in the case of the 2027-II Euro Senior Secured Term Loans, 4.00% per annum and, in the case of the 2028 Euro Senior Secured Term Loans, 2.75% per annum.

All of the 2027-II Dollar Senior Secured Term Loans, the 2028 Dollar Senior Secured Term Loans and the 2030 Senior Secured Term Loans were Term SOFR Loans as of December 31, 2023.

The New Dollar Senior Secured Term Loans are expected to bear interest at a rate determined by reference to the applicable Term SOFR (subject to a 0% floor per annum) plus an Applicable Margin of % per annum or the ABR plus an Applicable Margin of % per annum. The New Euro Senior

Secured Term Loans are expected to bear interest at a rate determined by reference to EURIBOR (subject to a 0% floor per annum) plus an Applicable Margin of % per annum.

Overdue amounts owing under the Senior Secured Term Loans Agreement bear interest (a) in the case of overdue principal, at the interest rate that would otherwise be applicable plus 2% per annum and (b) in the case of overdue interest, fee or premium amount at the rate that would apply to ABR Loans of such class of term loans (or, if in respect of the 2027 Euro Senior Secured Term Loans, the 2027-II Euro Senior Secured Term Loans, the 2028 Euro Senior Secured Term Loans or the New Euro Senior Secured Term Loans, at the rate that would apply to EURIBOR Loans of such class of term loans) plus 2% per annum.

The Senior Secured Term Loans Agreement contains certain benchmark replacement provisions to establish an alternate rate of interest to EURIBOR or SOFR, as applicable, in certain circumstances such as when the administrative agent determines that EURIBOR or SOFR is not available or if the supervisor for the administrator of EURIBOR or SOFR or a governmental authority having jurisdiction over the administrative agent publicly announces a specific date after which EURIBOR or SOFR shall no longer be used for determining interest rates for loans denominated in the applicable currency.

Certain of the Senior Secured Term Loans were issued with original issue discount.

***Security and Guarantees***

The Senior Secured Term Loans share the same security package as the Senior Secured Notes, certain hedging liabilities and certain cash management liabilities.

The obligations under the Senior Secured Term Loans will be jointly and severally guaranteed on a senior basis by the Guarantors (the "**Senior Secured Term Loans Guarantors**"). The obligations under the Senior Secured Term Loans are secured by the same collateral securing the Senior Secured Notes, including, subject to certain exceptions, substantially all of the assets of the Senior Secured Term Loans Guarantors.

No later than 150 days after the end of each financial year (or such longer period as the administrative agent may agree to), (i) the Consolidated EBITDA (as defined in the Senior Secured Term Loans Agreement) of the Senior Secured Term Loans Guarantors must be at least 85% of the Consolidated EBITDA of the Financial Group (defined in the Senior Secured Term Loans Agreement as IGH, Lux I and the Restricted Subsidiaries (as defined in the Senior Secured Term Loans Agreement) of Lux I) and (ii) the total assets of the Senior Secured Term Loans Guarantors must be at least 85% of the consolidated total assets of the Financial Group, in each case subject to certain exceptions.

***Covenants***

Subject to certain agreed exceptions, the Senior Secured Term Loans Agreement contains negative covenants similar to the negative covenants applicable to the Senior Secured Notes, including covenants restricting the ability of Lux I, the Borrowers and the other restricted subsidiaries of Lux I to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- layer debt;
- make restricted payments (including dividends and other distributions, investments and the prepayment or redemption of subordinated debt or equity);
- create or incur certain liens;
- transfer, lease or sell certain assets;
- enter into arrangements that impose restrictions on the ability of restricted subsidiaries of Lux I to pay dividends or make other payments to Lux I;
- engage in certain transactions with affiliates;
- designate Unrestricted Subsidiaries (as defined in the Senior Secured Term Loans Agreement);
- consolidate, merge or transfer all or substantially all assets; and
- impair the security interests for the benefit of the Senior Secured Term Loan lenders.

IGH is also subject to more stringent restrictions upon its activities (for example, in relation to the assets it may own and the business activities in which it may engage).

The Senior Secured Term Loans Agreement also contains customary affirmative covenants, including covenants relating to:

- the provision of financial statements and certain other information and notices;
- inspections;
- maintenance of certain insurance;
- payment of taxes;
- preservation of existence and consolidated corporate franchises;
- compliance with laws (including environmental laws);
- anti-corruption laws and applicable sanctions;
- certain ERISA and pension matters;
- maintenance of certain properties;
- changes in fiscal years and fiscal quarters;
- additional guarantors and security;
- use of proceeds;
- further assurances;
- use of commercially reasonable efforts to maintain certain ratings;
- auditors, books and records; and
- certain other covenants, including agreements relating to the Intercreditor Deed (as defined below).

The Senior Secured Term Loans Agreement does not contain any financial maintenance covenants.

***Repayment***

The 2027 Euro Senior Secured Term Loans are to be repaid in equal quarterly installments, in aggregate amounts equal to 0.25% of the original principal amount of the 2027 Euro Senior Secured Term Loans (subject to certain adjustments). The 2027-II Dollar Senior Secured Term Loans are to be repaid in equal quarterly installments, in aggregate amounts equal to 0.25% of the original principal amount of the 2027-II Dollar Senior Secured Term Loans (subject to certain adjustments). The 2028 Dollar Senior Secured Term Loans are to be repaid in equal quarterly installments, in aggregate amounts equal to 0.25% of the original principal amount of the 2028 Dollar Senior Secured Term Loans (subject to certain adjustments). The 2030 Senior Secured Term Loans are to be repaid in equal quarterly installments, in aggregate amounts equal to 0.25% of the original principal amount of the 2030 Senior Secured Term Loans (subject to certain adjustments). The 2028 Euro Senior Secured Term Loans and the 2027-II Euro Senior Secured Term Loans do not amortize. The New Dollar Senior Secured Term Loans are expected to be repaid in equal quarterly installments, in aggregate amounts equal to 0.25% of the original principal amount of the New Dollar Senior Secured Term Loans (subject to certain adjustments). The New Euro Senior Secured Term Loans are not expected to amortize.

The balance of any Senior Secured Term Loans outstanding will be payable on the maturity date therefor.

No amounts repaid by the Borrowers in respect of the Senior Secured Term Loans may be reborrowed.

***Prepayments***

Mandatory prepayments of the Senior Secured Term Loans are required in an amount equal to:

- in each financial year, 50% (reduced to 25% when the ratio of consolidated total net debt to consolidated EBITDA is less than or equal to 3.75 to 1.00 but greater than 3.25 to 1.00 and 0% when the ratio of consolidated total net debt to consolidated EBITDA is less than or equal to 3.25 to 1.00) of annual excess cash flow (subject to certain adjustments); and
- 100% of the net cash proceeds from any issuance or incurrence of debt, other than debt permitted under the Senior Secured Term Loans Agreement.

All mandatory prepayments of the Senior Secured Term Loans will be made without premium or penalty (except for reimbursement of breakage and redeployment costs in the case of Term Benchmark Loans) and will be applied to scheduled amortization installments of principal of the Senior Secured Term Loans in such order as the applicable Borrower may specify (or, absent such specification, in direct order of maturity).

Voluntary prepayments of the Senior Secured Term Loans are permitted without premium or penalty (except as set forth below and except for reimbursement of breakage and redeployment costs in the case of Term SOFR Loans) and will be applied to the remaining scheduled amortization installments of principal of the Senior Secured Term Loans in such order as the applicable Borrower may specify (or, absent such specification, in direct order of maturity). Voluntary prepayments or repricing amendments of the 2030 Senior Secured Term Loans made on or prior to the date that is 365 days after the date of the initial borrowing of the 2030 Senior Secured Term Loans as a result of certain refinancing or repricing transactions with a lower All-In Yield (as defined in the Senior Secured Term Loans Agreement) are subject to an early prepayment premium or fee, as applicable, equal to 1% of the amount of the 2030 Senior Secured Term Loans prepaid or mandatorily assigned pursuant to the applicable refinancing or repricing transaction. Voluntary prepayments or repricing amendments of the New Dollar Senior Secured Term Loans or New Euro Senior Secured Term Loans made on or prior to the date that is 180 days after the date of the initial borrowing of the New Senior Secured Term Loans as a result of certain refinancing or repricing transactions with a lower All-In Yield (as defined in the Senior Secured Term Loans Agreement) are subject to an early prepayment premium or fee, as applicable, equal to 1% of the amount of the New Dollar Senior Secured Term Loans or the New Euro Senior Secured Term Loans prepaid or mandatorily assigned pursuant to the applicable refinancing or repricing transaction.

***Events of Default***

The Senior Secured Term Loans Agreement sets out certain events of default, the occurrence of which would allow the lenders to accelerate all outstanding loans, including, among other events and subject in certain cases to agree to grace periods, thresholds and other qualifications:

- non-payment of amounts due under the Senior Secured Term Loans or under the other Senior Finance Documents (as defined in the Senior Secured Term Loans Agreement);
- breach of covenants;
- inaccuracy of representations and warranties in any material respect;
- certain cross defaults and certain judgment defaults;
- invalidity of the Senior Secured Term Loans Agreement and other Senior Finance Documents;
- certain bankruptcy and insolvency events;
- the occurrence of certain ERISA-related events;
- the occurrence of a change of control; and
- certain breaches of the Intercreditor Deed.

***Subsequent Modifications***

In connection with the Transactions, the lenders of the New Senior Secured Term Loans will pre-approve certain modifications to the Senior Secured Term Loans Agreement, which modifications are principally intended to align certain provisions of the Senior Secured Term Loans Agreement with the corresponding provisions of the Indenture, and include certain other modifications to the Senior Secured Term Loans Agreement as pre-approved by the lenders of the New Senior Secured Term Loans, and such modifications will become effective at a future date when the required consents from the lenders of the Senior Secured Term Loans are obtained in accordance with the Senior Secured Term Loans Agreement.

***Miscellaneous***

The Senior Secured Term Loans Agreement permits the Borrowers to request the establishment of one or more additional tranches of term loans in principal amounts of not less than $50,000,000 individually, subject to certain conditions specified in the Senior Secured Term Loans Agreement.

The Senior Secured Term Loans Agreement permits the Borrowers to request extensions of the final maturity of all or a portion of the Senior Secured Term Loans and, in that connection, there may be an increase in the interest rates and/or fees payable with respect to the extended Senior Secured Term Loans. Such extensions shall be subject to certain conditions described in the Senior Secured Term Loans Agreement.

The Senior Secured Term Loans Agreement contains customary "yank a bank" provisions allowing the Borrowers to replace a non-consenting lender in connection with (1) amendments and waivers requiring the consent of all lenders or all affected lenders (or all the lenders or all affected lenders of a particular class of lenders) so long as the required lenders (or, where the consent of the required lenders is not required, a majority in interest of the lenders of the relevant class) have consented to such amendments or waivers, (2) any lender becoming a Defaulting Lender or Disqualified Institution (each, as defined in the Senior Secured Term Loans Agreement), (3) any lender failing to consent to any Extension/Modification Request (as defined in the Senior Secured Term Loans Agreement) made to such lender and (4) requests by lenders for compensation for increased costs, taxes and similar items.

The Senior Secured Term Loans Agreement contains customary loan buyback provisions, which permits the Borrowers to purchase Senior Secured Term Loans from lenders pursuant to open-market transactions or an auction, subject to certain conditions, including a requirement that the loans purchased are automatically and permanently cancelled.

The Senior Secured Term Loans Agreement is governed by New York law.

**Senior Secured Notes due 2028**

***Overview***

In February 2023, the Group issued €400 million aggregate principal amount of 6⅝% Senior Secured Notes due 2028 and $425 million aggregate principal amount 6¾% Senior Secured Notes due 2028 (the "**2028 Senior Secured Notes**") under an indenture dated as of February 16, 2023 (the "**2028 Senior Secured Notes Indenture**"), among INEOS Finance plc, as issuer, the guarantors named therein, BNY Mellon Corporate Trustee Services Limited, as trustee, The Bank of New York Mellon, London Branch, as paying agent, The Bank of New York Mellon SA/NV, Luxembourg Branch, as registrar and transfer agent and Barclays Bank PLC, as security trustee. As of September 30, 2023, there were €400 million and $425 million aggregate principal amount of the 2028 Senior Secured Notes issued and outstanding.

***Ranking***

The 2028 Senior Secured Notes are the general senior secured obligations of INEOS Finance plc and rank equally in right of payment with its existing and future indebtedness that is not expressly subordinated to the 2028 Senior Secured Notes (including, without limitation, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes, the 2025 Senior Secured Notes, the Senior Secured Term Loans and certain hedging obligations, are guaranteed on a senior secured basis by the 2028 Senior Secured Notes Guarantors (as defined below), rank effectively senior to all existing and future indebtedness of INEOS Finance plc that is unsecured or secured by liens ranking behind the liens securing the 2028 Senior Secured Notes to the extent of the value of the collateral and rank senior in right of payment to all existing and future obligations of INEOS Finance plc subordinated in right of payment to the 2028 Senior Secured Notes. In addition, the 2028 Senior Secured Notes are effectively subordinated in right of payment to all existing and future indebtedness and other liabilities of, including trade payables and letters of credit issued by, Lux I's non-guarantor subsidiaries.

***Interest Rates, Payment Dates and Maturity***

The euro-denominated 2028 Senior Secured Notes bear interest at a rate of 6⅝% per annum. The U.S. dollar-denominated 2028 Senior Secured Notes bear interest at a rate of 6¾% per annum. Interest on the 2028 Senior Secured Notes is payable semi-annually in arrears on May 15 and November 15 of each year, beginning November 15, 2023. The 2028 Senior Secured Notes will mature on May 15, 2028.

***Guarantees***

The 2028 Senior Secured Notes are jointly and severally guaranteed on a senior secured basis by the Guarantors (other than the Issuer) (the "**2028 Senior Secured Notes Guarantors**").

The guarantee of each 2028 Senior Secured Notes Guarantor is its general senior secured obligation and (i) ranks equally in right of payment with all existing and future obligations of such 2028 Senior Secured Notes Guarantor that are not expressly subordinated in right of payment to such guarantee, including with respect to the guarantee of the 2028 Senior Secured Notes by each 2028 Senior Secured Notes Guarantor, obligations under the Senior Secured Term Loans, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes and the 2025 Senior Secured Notes; (ii) ranks effectively senior to all existing and future obligations of such 2028 Senior Secured Notes Guarantor that are unsecured or secured by liens ranking behind the liens securing the 2028 Senior Secured Notes to the extent of the value of the collateral; (iii) ranks senior in right of payment to all existing and future obligations of such 2028 Senior Secured Notes Guarantor that are expressly subordinated in right of payment to such guarantee and (iv) is effectively subordinated to any existing and future obligations of such 2028 Senior Secured Notes Guarantor that are secured by liens senior to the liens securing such guarantee, or secured by property and assets that do not secure such guarantee, to the extent of the value of the property and assets securing such indebtedness and other liabilities. In the event of a bankruptcy or insolvency, each such secured lender of each 2028 Senior Secured Notes Guarantor will have a prior secured claim to any collateral of such 2028 Senior Secured Notes Guarantor securing the debt owed to them.

***Security***

The 2028 Senior Secured Notes and the related guarantees are secured by first priority liens (subject to certain exceptions) on the same assets that secure the obligations under the Senior Secured Term Loans, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes, the 2025 Senior Secured Notes, certain hedging liabilities and certain cash management liabilities.

***Optional Redemption and Change of Control***

At any time prior to February 15, 2025, INEOS Finance plc may redeem all or part of the 2028 Senior Secured Notes at a redemption price equal to 100% of the principal amount of the 2028 Senior Secured Notes redeemed plus the greater of (1) 1.0% of the principal amount of such 2028 Senior Secured Notes; and (2) the excess of (a) the present value at such redemption date of the redemption price of such 2028 Senior Secured Notes at February 15, 2025, plus all required interest payments that would otherwise be due to be paid on such 2028 Senior Secured Notes during the period between the redemption date and February 15, 2025, excluding accrued but unpaid interest, computed using a discount rate equal to the Bund rate (in the case of the euro-denominated 2028 Senior Secured Notes) or the Treasury rate (in the case of the U.S. dollar-denominated 2028 Senior Secured Notes) at such redemption date plus 50 basis points, over (b) the principal amount of such 2028 Senior Secured Notes.

The 2028 Senior Secured Notes are subject to redemption at any time on or after February 15, 2025, at the option of INEOS Finance plc, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning on February 15 of the year indicated below:

| Year | Euro Notes redemption price | Dollar Notes redemption price |
|---|---|---|
| 2025 | 103.3125% | 103.375% |
| 2026 | 101.6563% | 101.6875% |
| 2027 and thereafter | 100.000% | 100.000% |

together with certain additional amounts, if applicable, and accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

At any time prior to February 15, 2025, INEOS Finance plc or any Parent Holdco (as defined in the 2028 Senior Secured Notes Indenture), at its option, may redeem up to 40% of the initial aggregate principal amount of each series of the 2028 Senior Secured Notes and any additional 2028 Senior Secured Notes of such series issued under the 2028 Senior Secured Notes Indenture (the "**Additional 2028 Senior Secured Notes**") with the net cash proceeds of certain public equity offerings at 106.625% (in the case of the euro-denominated 2028 Senior Secured Notes) or 106.750% (in the case of hte U.S. dollar-denominated 2028 Senior Secured Notes) of the aggregate principal amount of such series of 2028 Senior Secured Notes originally issued and the initial aggregate principal amounts of any Additional 2028 Senior Secured Notes of such series, in each case, plus certain additional amounts, if applicable, and accrued and unpaid interest, if any, to the redemption date, if at least 50% of the sum of the originally issued aggregate principal amount of the 2028 Senior Secured Notes of such series and any Additional 2028 Senior Secured Notes of such series remains outstanding.

In connection with any tender offer for, or other offer to purchase, all of the 2028 Senior Secured Notes, if holders of not less than 90% of the aggregate principal amount of the then outstanding 2028 Senior Secured Notes validly tender and do not validly withdraw such 2028 Senior Secured Notes in such tender offer and INEOS Finance plc, or any other Person making such tender offer in lieu of INEOS Finance plc, purchases all of the 2028 Senior Secured Notes validly tendered and not validly withdrawn by such holders, INEOS Finance plc will have the right, subject to certain notice requirements, to redeem all (but not less than all) 2028 Senior Secured Notes that remain outstanding following such purchase at a price equal to the highest price (excluding any tender premium or similar payment) paid to each other holder in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest thereon and certain additional amounts, to, but not including, the date of such redemption (subject to the rights of holders of record on the relevant record dates to receive interest due on an interest payment date).

Upon the occurrence of certain change of control events, each holder 2028 Senior Secured Notes may require INEOS Finance plc to repurchase all or a portion of its 2028 Senior Secured Notes at a purchase price equal to 101% of the principal amount of such 2028 Senior Secured Notes, plus accrued and unpaid interest to, but not including, the date of purchase.

If INEOS Finance plc sells assets under certain circumstances, it is required to make an offer to purchase the 2028 Senior Secured Notes at 100% of the principal amount of the 2028 Senior Secured Notes, plus accrued and unpaid interest to, but not including, the date of purchase, with the excess proceeds from the sale of the assets.

In addition, in the event that INEOS Finance plc becomes obligated to pay Additional Amounts (as defined in the 2028 Senior Secured Notes Indenture) to holders of the 2028 Senior Secured Notes as a result of changes affecting withholding taxes applicable to payments on the 2028 Senior Secured Notes, it may redeem the 2028 Senior Secured Notes in whole but not in part at any time at 100% of the principal amount of the 2028 Senior Secured Notes plus accrued and unpaid interest to the redemption date.

***Covenants***

The 2028 Senior Secured Notes Indenture contains covenants that, among other things, limit the ability of our subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- layer debt;
- make restricted payments, including dividends or other distributions;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create or permit to exist certain liens;
- transfer, lease or sell certain assets;
- enter into arrangements that impose restrictions on the ability of Lux I's Restricted Subsidiaries to pay dividends or make other payments to Lux I and its Restricted Subsidiaries;
- engage in certain transactions with affiliates;
- consolidate, merge or transfer all or substantially all of the assets (in each case, on a consolidated basis with the relevant entity's Restricted Subsidiaries) of IGH, Lux I, any holding company of Lux I that is a subsidiary of IGH, the Issuer or any Subsidiary Guarantor;
- impair the security interests for the benefit of the holders of the 2028 Senior Secured Notes; and
- amend certain documents.

These covenants are subject to a number of important limitations and exceptions. Currently, all of IGH's subsidiaries are Restricted Subsidiaries (as defined in the 2028 Senior Secured Notes Indenture), except INEOS Real Estate GmbH & Co. KG, Gemini HDPE LLC, INEOS Gemini HDPE Holding Company LLC, INEOS Gemini HDPE LLC, INEOS Investments (Shanghai) Company Limited, INEOS China Holdings Limited, INEOS China Holdings II Limited, INEOS China Holdings III Limited, INEOS Tianjin Holdings Limited, INEOS Investment (Tianjin) Company Limited and INEOS Nitriles (UK) Limited.

### *Events of Default*

The 2028 Senior Secured Notes Indenture contains customary events of default, including, among others, the non-payment of principal or interest on the 2028 Senior Secured Notes, certain failures to perform or observe any other obligation under the 2028 Senior Secured Notes Indenture or security documents, the failure to pay certain indebtedness or judgments and the bankruptcy or insolvency of IHL or any Significant Restricted Subsidiary (as defined in the 2028 Senior Secured Notes Indenture). The occurrence of any of the events of default would permit or require the acceleration of all obligations outstanding under the 2028 Senior Secured Notes.

## Senior Secured Notes due May 2026

### *Overview*

On April 24, 2019, INEOS Finance plc issued €770 million aggregate principal amount of 2⅞% Senior Secured Notes due May 2026 (the "**May 2026 Senior Secured Notes**") under an indenture dated as of April 24, 2019 (the "**May 2026 Senior Secured Notes Indenture**"), among INEOS Finance plc, each of the guarantors named therein, The Bank of New York Mellon, London Branch, as trustee and principal paying agent (the "**May 2026 Senior Secured Notes Trustee**"), The Bank of New York Mellon SA/NV, Luxembourg Branch, as registrar, Luxembourg paying agent and transfer agent and Barclays Bank PLC, as security trustee. As of September 30, 2023, there were €770 million aggregate principal amount of the May 2026 Senior Secured Notes issued and outstanding.

### *Ranking*

The May 2026 Senior Secured Notes are the general senior secured obligations of INEOS Finance plc and rank equally in right of payment with its existing and future indebtedness that is not expressly subordinated to the May 2026 Senior Secured Notes (including, without limitation, 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the 2025 Senior Secured Notes, the Senior Secured Term Loans and certain hedging obligations), are guaranteed on a senior secured basis by the May 2026 Senior Secured Notes Guarantors (as defined below), rank effectively senior to all existing and future indebtedness of INEOS Finance plc that is unsecured or secured by liens ranking behind the liens securing the May 2026 Senior Secured Notes to the extent of the value of the collateral and rank senior in right of payment to all existing and future obligations of INEOS Finance plc subordinated in right of payment to the May 2026 Senior Secured Notes. In addition, the May 2026 Senior Secured Notes are effectively subordinated in right of payment to all existing and future indebtedness and other liabilities of, including trade payables and letters of credit issued by, Lux I's non-guarantor subsidiaries.

### *Interest Rates, Payment Dates and Maturity*

The May 2026 Senior Secured Notes bear interest at a rate of 2⅞% per annum. Interest on the May 2026 Senior Secured Notes is payable semi-annually in arrears on May 1 and November 1 of each year, beginning November 1, 2019. The May 2026 Senior Secured Notes will mature on November 1, 2026.

### *Guarantees*

The May 2026 Senior Secured Notes are jointly and severally guaranteed on a senior secured basis by the Guarantors (other than the Issuer) (the "**May 2026 Senior Secured Notes Guarantors**").

The guarantee of each May 2026 Senior Secured Notes Guarantor is its general senior secured obligation and (i) ranks equally in right of payment with all existing and future obligations of such May 2026 Senior Secured Notes Guarantor that are not expressly subordinated in right of payment to such guarantee, including with respect to the guarantee of the May 2026 Senior Secured Notes by each May 2026 Senior Secured Notes Guarantor, obligations under the Senior Secured Term Loans, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes and the 2025 Senior Secured Notes and (ii) ranks effectively senior to all existing and future obligations of such May 2026 Senior Secured Notes Guarantor that are unsecured or secured by liens ranking behind the liens securing the May 2026 Senior Secured Notes to the extent of the value of the collateral, (iii) ranks senior in right of payment to all existing and future obligations of such May 2026 Senior Secured Notes Guarantor that are expressly subordinated in right of payment to such guarantee and (iv) is effectively subordinated to any existing and future obligations of such May 2026 Senior Secured Notes Guarantor that are secured by liens senior to the liens securing such guarantee, or secured by property and assets that do not secure such guarantee, to the extent of the value of the property and assets securing such indebtedness and other liabilities. In the event of a bankruptcy or insolvency, each such secured lender of each May 2026 Senior Secured Notes Guarantor will have a prior secured claim to any collateral of such May 2026 Senior Secured Notes Guarantor securing the debt owed to them.

***Security***

The May 2026 Senior Secured Notes and the related guarantees are secured by first priority liens (subject to certain exceptions) on the same assets that secure the obligations under the Senior Secured Term Loans, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the 2025 Senior Secured Notes, certain hedging liabilities and certain cash management liabilities.

***Optional Redemption and Change of Control***

The May 2026 Senior Secured Notes are subject to redemption at any time at the option of INEOS Finance plc, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning on May 1 of the year indicated below:

| Year | 2026 Senior Secured Notes Redemption Price |
|---|---|
| 2023 | 100.71875% |
| 2024 and thereafter | 100.000% |

together with certain additional amounts, if applicable, and accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

In connection with any tender offer for, or other offer to purchase, all of the May 2026 Senior Secured Notes, if holders of not less than 90% of the aggregate principal amount of the then-outstanding May 2026 Senior Secured Notes validly tender and do not validly withdraw such May 2026 Senior Secured Notes in such tender offer and INEOS Finance plc, or any other Person making such tender offer in lieu of INEOS Finance plc, purchases all of the May 2026 Senior Secured Notes validly tendered and not validly withdrawn by such holders, INEOS Finance plc will have the right, subject to certain notice requirements, to redeem all (but not less than all) May 2026 Senior Secured Notes that remain outstanding following such purchase at a price equal to the highest price (excluding any tender premium or similar payment) paid to each other holder in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest thereon and certain additional amounts, to, but not including, the date of such redemption (subject to the rights of holders of record on the relevant record dates to receive interest due on an interest payment date).

Upon the occurrence of certain change of control events, each holder of May 2026 Senior Secured Notes may require INEOS Finance plc to repurchase all or a portion of its May 2026 Senior Secured Notes at a purchase price equal to 101% of the principal amount of such May 2026 Senior Secured Notes, plus accrued and unpaid interest to, but not including, the date of purchase.

If INEOS Finance plc sells assets under certain circumstances, it is required to make an offer to purchase the May 2026 Senior Secured Notes at 100% of the principal amount of the May 2026 Senior Secured Notes, plus accrued and unpaid interest to, but not including, the date of purchase, with the excess proceeds from the sale of the assets.

In addition, in the event that INEOS Finance plc becomes obligated to pay Additional Amounts (as defined in the May 2026 Senior Secured Notes Indenture) to holders of the May 2026 Senior Secured Notes as a result of changes affecting withholding taxes applicable to payments on the May 2026 Senior Secured Notes, it may redeem the May 2026 Senior Secured Notes in whole but not in part at any time at 100% of the principal amount of the May 2026 Senior Secured Notes plus accrued and unpaid interest to the redemption date.

***Covenants***

The May 2026 Senior Secured Notes Indenture contains covenants that, among other things, limit the ability of our subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;

- layer debt;
- make restricted payments, including dividends or other distributions;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create or permit to exist certain liens;
- transfer, lease or sell certain assets;
- enter into arrangements that impose restrictions on the ability of Lux I's Restricted Subsidiaries to pay dividends or make other payments to Lux I and its Restricted Subsidiaries;
- engage in certain transactions with affiliates;
- consolidate, merge or transfer all or substantially all of the assets (in each case, on a consolidated basis with the relevant entity's Restricted Subsidiaries) of IGH, Lux I, any holding company of Lux I that is a subsidiary of IGH, the Issuer or any Subsidiary Guarantor;
- impair the security interests for the benefit of the holders of the May 2026 Senior Secured Notes; and
- amend certain documents.

These covenants are subject to a number of important limitations and exceptions. Currently, all of IGH's subsidiaries are Restricted Subsidiaries (as defined in the May 2026 Senior Secured Notes Indenture), except INEOS Real Estate GmbH & Co. KG, Gemini HDPE LLC, INEOS Gemini HDPE Holding Company LLC, INEOS Gemini HDPE LLC, INEOS Investments (Shanghai) Company Limited, INEOS China Holdings Limited, INEOS China Holdings II Limited, INEOS China Holdings III Limited, INEOS Tianjin Holdings Limited, INEOS Investment (Tianjin) Company Limited and INEOS Nitriles (UK) Limited.

### *Events of Default*

The May 2026 Senior Secured Notes Indenture contains customary events of default, including, among others, the non-payment of principal or interest on the May 2026 Senior Secured Notes, certain failures to perform or observe any other obligation under the May 2026 Senior Secured Notes Indenture or security documents, the failure to pay certain indebtedness or judgments and the bankruptcy or insolvency of IHL or any Significant Restricted Subsidiary (as defined in the May 2026 Senior Secured Notes Indenture). The occurrence of any of the events of default would permit or require the acceleration of all obligations outstanding under the May 2026 Senior Secured Notes.

## Senior Secured Notes due March 2026

### *Overview*

On October 29, 2020, INEOS Finance plc issued €325 million aggregate principal amount of 3⅜% Senior Secured Notes due 2026 (the "**March 2026 Senior Secured Notes**") under an indenture dated as of October 29, 2020 (the "**March 2026 Senior Secured Notes Indenture**"), among INEOS Finance plc, each of the guarantors named therein, The Bank of New York Mellon, London Branch, as trustee and principal paying agent (the "**March 2026 Senior Secured Notes Trustee**"), The Bank of New York Mellon SA/NV, Luxembourg Branch, as registrar, Luxembourg paying agent and transfer agent and Barclays Bank PLC, as security trustee. As of September 30, 2023, there were €325 million aggregate principal amount of the March 2026 Senior Secured Notes issued and outstanding.

### *Ranking*

The March 2026 Senior Secured Notes are the general senior secured obligations of INEOS Finance plc and rank equally in right of payment with its existing and future indebtedness that is not expressly subordinated to the March 2026 Senior Secured Notes (including, without limitation, the 2028 Senior Secured Notes, the 2025 Senior Secured Notes, the May 2026 Senior Secured Notes,the Senior Secured Term Loans and certain hedging obligations), are guaranteed on a senior secured basis by the March 2026 Senior Secured Notes Guarantors (as defined below), rank effectively senior to all existing and future indebtedness of INEOS Finance plc that is unsecured or secured by liens ranking behind the liens securing the March 2026 Senior Secured Notes to the extent of the value of the collateral and rank senior in right of payment to all existing and future obligations of INEOS Finance plc subordinated in right of payment to the March 2026 Senior Secured Notes. In addition, the March 2026 Senior Secured Notes are effectively subordinated in right of payment to all existing and future indebtedness and other liabilities of, including trade payables and letters of credit issued by, Lux I's non-guarantor subsidiaries.

***Interest Rates, Payment Dates and Maturity***

The March 2026 Senior Secured Notes bear interest at a rate of 3⅜% per annum. Interest on the March 2026 Senior Secured Notes is payable semi-annually in arrears on May 15 and November 15 of each year, beginning May 15, 2021. The March 2026 Senior Secured Notes will mature on March 31, 2026.

***Guarantees***

The March 2026 Senior Secured Notes are jointly and severally guaranteed on a senior secured basis by the Guarantors (other than the Issuer) (the "**March 2026 Senior Secured Notes Guarantors**").

The guarantee of each March 2026 Senior Secured Notes Guarantor is its general senior secured obligation and (i) ranks equally in right of payment with all existing and future obligations of such March 2026 Senior Secured Notes Guarantor that are not expressly subordinated in right of payment to such guarantee, including with respect to the guarantee of the March 2026 Senior Secured Notes by each March 2026 Senior Secured Notes Guarantor, obligations under the Senior Secured Term Loans, the 2028 Senior Secured Notes, the 2025 Senior Secured Notes and the May 2026 Senior Secured Notes, (ii) ranks effectively senior to all existing and future obligations of such March 2026 Senior Secured Notes Guarantor that are unsecured or secured by liens ranking behind the liens securing the March 2026 Senior Secured Notes to the extent of the value of the collateral, (iii) ranks senior in right of payment to all existing and future obligations of such March 2026 Senior Secured Notes Guarantor that are expressly subordinated in right of payment to such guarantee and (iv) is effectively subordinated to any existing and future obligations of such March 2026 Senior Secured Notes Guarantor that are secured by liens senior to the liens securing such guarantee, or secured by property and assets that do not secure such guarantee, to the extent of the value of the property and assets securing such indebtedness and other liabilities. In the event of a bankruptcy or insolvency, each such secured lender of each March 2026 Senior Secured Notes Guarantor will have a prior secured claim to any collateral of such March 2026 Senior Secured Notes Guarantor securing the debt owed to them.

***Security***

The March 2026 Senior Secured Notes and the related guarantees are secured by first priority liens (subject to certain exceptions) on the same assets that secure the obligations under the Senior Secured Term Loans, the 2028 Senior Secured Notes, the 2025 Senior Secured Notes, the May 2026 Senior Secured Notes, certain hedging liabilities and certain cash management liabilities.

***Optional Redemption and Change of Control***

The March 2026 Senior Secured Notes are subject to redemption at any time at the option of INEOS Finance plc, in whole or in part, at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning on November 15 of the year indicated below:

| Year | March 2026 Senior Secured Notes Redemption Price |
|---|---|
| 2023 | 100.844% |
| 2024 and thereafter | 100.000% |

together with certain additional amounts, if applicable, and accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

In connection with any tender offer for, or other offer to purchase, all of the March 2026 Senior Secured Notes, if holders of not less than 90% of the aggregate principal amount of the then-outstanding March 2026 Senior Secured Notes validly tender and do not validly withdraw such March 2026 Senior Secured Notes in such tender offer and INEOS Finance plc, or any other Person making such tender offer in lieu of INEOS Finance plc, purchases all of the March 2026 Senior Secured Notes validly tendered and not validly withdrawn by such holders, INEOS Finance plc will have the right, subject to certain notice requirements, to redeem all (but not less than all) March 2026 Senior Secured Notes that remain outstanding following such purchase at a price equal to the highest price (excluding any tender premium or similar payment) paid to each other holder in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest thereon and certain additional amounts, to, but not including, the date of such redemption (subject to the rights of holders of record on the relevant record dates to receive interest due on an interest payment date).

Upon the occurrence of certain change of control events, each holder of March 2026 Senior Secured Notes may require INEOS Finance plc to repurchase all or a portion of its March 2026 Senior Secured Notes at a purchase price equal to 101% of the principal amount of such March 2026 Senior Secured Notes, plus accrued and unpaid interest to, but not including, the date of purchase.

If INEOS Finance plc sells assets under certain circumstances, it is required to make an offer to purchase the March 2026 Senior Secured Notes at 100% of the principal amount of the March 2026 Senior Secured Notes, plus accrued and unpaid interest to, but not including, the date of purchase, with the excess proceeds from the sale of the assets.

In addition, in the event that INEOS Finance plc becomes obligated to pay Additional Amounts (as defined in the March 2026 Senior Secured Notes Indenture) to holders of the March 2026 Senior Secured Notes as a result of changes affecting withholding taxes applicable to payments on the March 2026 Senior Secured Notes, it may redeem the March 2026 Senior Secured Notes in whole but not in part at any time at 100% of the principal amount of the March 2026 Senior Secured Notes plus accrued and unpaid interest to the redemption date.

***Covenants***

The March 2026 Senior Secured Notes Indenture contains covenants that, among other things, limit the ability of our subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- layer debt;
- make restricted payments, including dividends or other distributions;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create or permit to exist certain liens;
- transfer, lease or sell certain assets;
- enter into arrangements that impose restrictions on the ability of Lux I's Restricted Subsidiaries to pay dividends or make other payments to Lux I and its Restricted Subsidiaries;
- engage in certain transactions with affiliates;
- consolidate, merge or transfer all or substantially all of the assets (in each case, on a consolidated basis with the relevant entity's Restricted Subsidiaries) of IGH, Lux I, any holding company of Lux I that is a subsidiary of IGH, the Issuer or any Subsidiary Guarantor;
- impair the security interests for the benefit of the holders of the March 2026 Senior Secured Notes; and
- amend certain documents.

These covenants are subject to a number of important limitations and exceptions. Currently, all of IGH's subsidiaries are Restricted Subsidiaries (as defined in the March 2026 Senior Secured Notes Indenture), except INEOS Real Estate GmbH & Co. KG, Gemini HDPE LLC, INEOS Gemini HDPE Holding Company LLC, INEOS Gemini HDPE LLC, INEOS Investments (Shanghai) Company Limited, INEOS China Holdings Limited, INEOS China Holdings II Limited, INEOS China Holdings III Limited, INEOS Tianjin Holdings Limited, INEOS Investment (Tianjin) Company Limited and INEOS Nitriles (UK) Limited.

***Events of Default***

The March 2026 Senior Secured Notes Indenture contains customary events of default, including, among others, the non-payment of principal or interest on the March 2026 Senior Secured Notes, certain failures to perform or observe any other obligation under the March 2026 Senior Secured Notes Indenture or security documents, the failure to pay certain indebtedness or judgments and the bankruptcy or insolvency of IHL or any Significant Restricted Subsidiary (as defined in the March 2026 Senior Secured Notes Indenture). The occurrence of any of the events of default would permit or require the acceleration of all obligations outstanding under the March 2026 Senior Secured Notes.

### Senior Secured Notes due 2025

#### *Overview*

On November 3, 2017, INEOS Finance plc issued €550 million aggregate principal amount of 2⅛% Senior Secured Notes due 2025 (the "**2025 Senior Secured Notes**") under an indenture dated as of November 3, 2017, as amended (the "**2025 Senior Secured Notes Indenture**"), among INEOS Finance plc, each of the guarantors named therein, The Bank of New York Mellon, London Branch, as trustee and principal paying agent (the "**2025 Senior Secured Notes Trustee**"), The Bank of New York Mellon SA/NV, Luxembourg Branch, as registrar, paying agent and Luxembourg transfer agent and Barclays Bank PLC, as security trustee. As of September 30, 2023, there were €550 million aggregate principal amount of the 2025 Senior Secured Notes issued and outstanding.

#### *Ranking*

The 2025 Senior Secured Notes are the general senior secured obligations of INEOS Finance plc and rank equally in right of payment with its existing and future indebtedness that is not expressly subordinated to the 2025 Senior Secured Notes (including, without limitation, the Senior Secured Term Loans, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the Senior Secured Term Loans and certain hedging obligations), are guaranteed on a senior secured basis by the 2025 Senior Secured Notes Guarantors (as defined below), rank effectively senior to all existing and future indebtedness of INEOS Finance plc that is unsecured or secured by liens ranking behind the liens securing the 2025 Senior Secured Notes to the extent of the value of the collateral and rank senior in right of payment to all existing and future obligations of INEOS Finance plc subordinated in right of payment to the 2025 Senior Secured Notes. In addition, the 2025 Senior Secured Notes are effectively subordinated in right of payment to all existing and future indebtedness and other liabilities of, including trade payables and letters of credit issued by, Lux I's non-guarantor subsidiaries.

#### *Interest Rates, Payment Dates and Maturity*

The 2025 Senior Secured Notes bear interest at a rate of 2⅛% per annum. Interest on the 2025 Senior Secured Notes is payable semi-annually in arrears on May 15 and November 15 of each year, beginning May 15, 2018. The 2025 Senior Secured Notes will mature on November 15, 2025.

#### *Guarantees*

The 2025 Senior Secured Notes are jointly and severally guaranteed on a senior secured basis by the Guarantors (other than the Issuer) (the "**2025 Senior Secured Notes Guarantors**").

The guarantee of each 2025 Senior Secured Notes Guarantor is its general senior secured obligation and (i) ranks equally in right of payment with all existing and future obligations of such 2025 Senior Secured Notes Guarantor that are not expressly subordinated in right of payment to such guarantee, including with respect to the guarantee of the 2025 Senior Secured Notes by each 2025 Senior Secured Notes Guarantor, obligations under the Senior Secured Term Loans, the 2028 Senior Secured Notes, the May 2026 Senior Secured Notes and the March 2026 Senior Secured Notes, (ii) ranks effectively senior to all existing and future obligations of such 2025 Senior Secured Notes Guarantor that are unsecured or secured by liens ranking behind the liens securing the 2025 Senior Secured Notes to the extent of the value of the collateral, (iii) ranks senior in right of payment to all existing and future obligations of such 2025 Senior Secured Notes Guarantor that are expressly subordinated in right of payment to such guarantee and (iv) is effectively subordinated to any existing and future obligations of such 2025 Senior Secured Notes Guarantor that are secured by liens senior to the liens securing such guarantee, or secured by property and assets that do not secure such guarantee, to the extent of the value of the property and assets securing such indebtedness and other liabilities. In the event of a bankruptcy or insolvency, each such secured lender of each 2025 Senior Secured Notes Guarantor will have a prior secured claim to any collateral of such 2025 Senior Secured Notes Guarantor securing the debt owed to them.

### *Security*

The 2025 Senior Secured Notes and the related guarantees are secured by first priority liens (subject to certain exceptions) on the same assets that secure the obligations under the Senior Secured Term Loans, the May 2026 Senior Secured Notes, the March 2026 Senior Secured Notes, certain hedging liabilities and certain cash management liabilities.

### *Optional Redemption and Change of Control*

The 2025 Senior Secured Notes are subject to redemption at any time at the option of INEOS Finance plc, in whole or in part, at 100% of the aggregate principal amount of the 2025 Senior Secured Notes redeemed, together with certain additional amounts, if applicable, and accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

In connection with any tender offer for, or other offer to purchase, all of the 2025 Senior Secured Notes, if holders of not less than 90% of the aggregate principal amount of the then-outstanding 2025 Senior Secured Notes validly tender and do not validly withdraw such 2025 Senior Secured Notes in such tender offer and INEOS Finance plc, or any other Person making such tender offer in lieu of INEOS Finance plc, purchases all of the 2025 Senior Secured Notes validly tendered and not validly withdrawn by such holders, INEOS Finance plc will have the right, subject to certain notice requirements, to redeem all (but not less than all) 2025 Senior Secured Notes that remain outstanding following such purchase at a price equal to the highest price (excluding any tender premium or similar payment) paid to each other holder in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest thereon and certain additional amounts, to, but not including, the date of such redemption (subject to the rights of holders of record on the relevant record dates to receive interest due on an interest payment date).

Upon the occurrence of certain change of control events, each holder of 2025 Senior Secured Notes may require INEOS Finance plc to repurchase all or a portion of its 2025 Senior Secured Notes at a purchase price equal to 101% of the principal amount of such 2025 Senior Secured Notes, plus accrued and unpaid interest to, but not including, the date of purchase.

If INEOS Finance plc sells assets under certain circumstances, it is required to make an offer to purchase the 2025 Senior Secured Notes at 100% of the principal amount of the 2025 Senior Secured Notes, plus accrued and unpaid interest to, but not including, the date of purchase, with the excess proceeds from the sale of the assets.

In addition, in the event that INEOS Finance plc becomes obligated to pay Additional Amounts (as defined in the 2025 Senior Secured Notes Indenture) to holders of the 2025 Senior Secured Notes as a result of changes affecting withholding taxes applicable to payments on the 2025 Senior Secured Notes, it may redeem the 2025 Senior Secured Notes in whole but not in part at any time at 100% of the principal amount of the 2025 Senior Secured Notes plus accrued and unpaid interest to the redemption date.

### *Covenants*

The 2025 Senior Secured Notes Indenture contains covenants that, among other things, limit the ability of our subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- layer debt;
- make restricted payments, including dividends or other distributions;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create or permit to exist certain liens;
- transfer, lease or sell certain assets;
- enter into arrangements that impose restrictions on the ability of Lux I's Restricted Subsidiaries to pay dividends or make other payments to Lux I and its Restricted Subsidiaries;
- engage in certain transactions with affiliates;

- consolidate, merge or transfer all or substantially all of the assets (in each case, on a consolidated basis with the relevant entity's Restricted Subsidiaries) of IGH, Lux I, any holding company of Lux I that is a subsidiary of IGH, the Issuer or any Subsidiary Guarantor;
- impair the security interests for the benefit of the holders of the 2025 Senior Secured Notes; and
- amend certain documents.

These covenants are subject to a number of important limitations and exceptions. Currently, all of IGH's subsidiaries are Restricted Subsidiaries (as defined in the 2025 Senior Secured Notes Indenture), except INEOS Real Estate GmbH & Co. KG, Gemini HDPE LLC, INEOS Gemini HDPE Holding Company LLC, INEOS Gemini HDPE LLC, INEOS Investments (Shanghai) Company Limited, INEOS China Holdings Limited, INEOS China Holdings II Limited, INEOS China Holdings III Limited, INEOS Tianjin Holdings Limited, INEOS Investment (Tianjin) Company Limited and INEOS Nitriles (UK) Limited.

***Events of Default***

The 2025 Senior Secured Notes Indenture contains customary events of default, including, among others, the non-payment of principal or interest on the 2025 Senior Secured Notes, certain failures to perform or observe any other obligation under the 2025 Senior Secured Notes Indenture or security documents, the failure to pay certain indebtedness or judgments and the bankruptcy or insolvency of IHL or any Significant Restricted Subsidiary (as defined in the 2025 Senior Secured Notes Indenture). The occurrence of any of the events of default would permit or require the acceleration of all obligations outstanding under the 2025 Senior Secured Notes.

**Gemini HDPE Term Loans**

***Overview***

An Unrestricted Subsidiary of the Group, Gemini HDPE LLC (the "**Gemini Borrower**"), has €600 million aggregate principal amount of term loans (the "**Gemini Term Loans**") outstanding under a credit agreement dated as of August 7, 2014 (as amended and restated as of December 31, 2020) (the "**Gemini Term Loan Agreement**") among the Gemini Borrower, the lenders party thereto, Barclays Bank PLC, as administrative agent, and Citibank, N.A., as security agent. The Gemini Borrower is the owner of the Gemini high-density polyethylene ("**HDPE**") manufacturing facility in La Porte, Texas.

The Gemini Term Loans do not benefit from any security interests over assets of, or direct guarantees from, IGH or its Restricted Subsidiaries. However, the Gemini Term Loans are supported by a tolling agreement pursuant to which the Gemini Borrower manufactures HDPE products for its direct shareholders, INEOS Gemini HDPE Holding Company LLC and INEOS Gemini HDPE LLC, which are also Unrestricted Subsidiaries (the "**Gemini Shareholders**"). The Gemini Shareholders pay the Gemini Borrower for such HDPE products (including amounts to fund the payments due under the Gemini Term Loans, excluding, among other things, any mandatory prepayments of principal of the Gemini Term Loans and any payment of principal of the Gemini Term Loans that becomes due and payable upon acceleration for reasons other than certain defaults under the tolling agreement), and the tolling agreement obligations are guaranteed on an unsecured basis by IGH. A Restricted Subsidiary of the Group is the operator of the facility and has been designated by the Gemini Shareholders, in accordance with the tolling agreement, with the exclusive right to supply the Gemini Borrower with the required components necessary for the production of the HDPE products at the capacity rights of the Gemini Shareholders under the tolling agreement and to take the quantity of the HDPE products corresponding to the production rights of the Gemini Shareholders under the tolling agreement and, as compensation, has agreed to pay to the Gemini Shareholders (or as directed by them) an amount equal to the toll fee payable by the Gemini Shareholders under the tolling agreement.

***Interest and Fees***

The Gemini Term Loans bear interest at a rate determined by reference to either (i) Adjusted Term SOFR (as defined in the Gemini Term Loan Agreement) (subject to a floor of 0.50% per annum) plus the Applicable Margin specified below for such loans ("**Adjusted Term SOFR Loans**") or (ii) the Base Rate (subject to a floor of 1.50%) plus the Applicable Margin specified below for such loans ("**Base Rate Loans**").

The Base Rate is a rate per annum determined as the highest of (a) the rate of interest quoted on such day in the print edition of The Wall Street Journal, Money Rates Section as the "prime rate", (b) the

Federal Funds rate plus 0.50% and (c) the Adjusted Term SOFR for an interest period of one month (giving effect to the applicable Adjusted Term SOFR floor) plus 1.00%.

The Applicable Margins for the Gemini Term Loans are:

- in the case of Adjusted Term SOFR Loans, 3.00% per annum; and
- in the case of Base Rate Loans, 2.00% per annum.

All of the Gemini Term Loans were Adjusted Term SOFR Loans as of September 30, 2023.

Overdue amounts owing under the Gemini Term Loan Agreement bear interest (a) in the case of overdue principal and overdue interest thereon, at the interest rate that would otherwise be applicable to such principal plus 2% per annum and (b) in the case of other overdue amounts, at the interest rate that would apply to the unpaid principal amount of Base Rate Loans plus 2% per annum.

The Gemini Term Loan Agreement includes a mechanism for establishing an alternate rate of interest to Term SOFR in certain circumstances, such as when the administrator of Term SOFR publicly announces that such administrator has ceased or will cease to provide Term SOFR permanently or indefinitely. On June 30, 2023, publication of the overnight and 12-month LIBOR for U.S. dollars and the one-month, three-month and six-month LIBOR for U.S. dollars was discontinued. As a result of these developments, we amended the Gemini Term Loan Agreement on April 19, 2023 to accommodate the phase-out of LIBOR for U.S. dollars. See also "Risk Factors—Risks Relating to the Notes and Our Capital Structure—Changes or uncertainty in respect of EURIBOR, SOFR or other interest rate benchmarks may affect our sources of funding, increasing our interest cost and reducing cash flow."

***Security and Guarantees***

The Gemini Term Loans are secured by first priority liens on (i) substantially all assets of the Gemini Borrower with customary exceptions and (ii) 100% of the equity interests in the Gemini Borrower. Currently, there are no guarantors under the Gemini Term Loan Agreement; however, the Gemini Term Loan Agreement requires any new subsidiary of the Gemini Borrower to become a guarantor and grant security over its assets to secure the Gemini Term Loans.

***Covenants***

Subject to certain agreed exceptions, the Gemini Term Loan Agreement contains negative covenants, including, *inter alia*, covenants restricting the ability of the Gemini Borrower to incur additional indebtedness; make restricted payments, including dividends or other distributions; make certain investments; create or incur certain liens; transfer or sell certain assets; engage in certain transactions with affiliates; enter into sale/leaseback transactions; change the nature of its business; undertake certain fundamental changes, including to consolidate, merge or liquidate; amend the tolling agreement and related guarantee and certain other material project documents; amend its organizational documents; change its accounting policies, reporting practices or fiscal year; enter into certain hedging arrangements; and make capital expenditures.

The Gemini Term Loan Agreement also contains certain affirmative covenants, including, *inter alia*, covenants relating to the provision of financial statements and certain other information and notices; inspections; maintenance of certain insurance; filing of tax returns and payment of taxes; preservation of existence; compliance with laws (including environmental laws); maintenance of governmental authorizations; maintenance of the HDPE facility; additional guarantors and security; use of proceeds; further assurances; bank accounts; maintenance of corporate separateness; use of commercially reasonable efforts to maintain certain ratings; performance of contractual obligations; and books and records.

The Gemini Term Loan Agreement does not contain any financial maintenance covenants.

***Repayment***

The Gemini Term Loans are to be repaid in quarterly installments according to a mortgage-style amortization schedule with 30% of the loan amortizing by the maturity date. The balance of the Gemini Term Loans outstanding will be payable on December 31, 2027. No amounts repaid in respect of the Gemini Term Loans may be reborrowed.

***Prepayments***

Mandatory prepayments of the Gemini Term Loans are required in an amount equal to (i) the net cash proceeds from certain incurrences of debt and (ii) the net cash proceeds from certain asset sales, insurance proceeds related to casualty events and eminent domain proceeds, in each case under clause (ii) that are not reinvested by the Gemini Borrower.

All mandatory prepayments of the Gemini Term Loans will be made without premium or penalty (except for reimbursement of breakage and redeployment costs in the case of Adjusted Eurodollar Rate Loans) and will be applied to scheduled amortization installments of principal of the Gemini Term Loans in such order as the Gemini Borrower may specify.

Voluntary prepayments of the Gemini Term Loans are permitted without premium or penalty (except for reimbursement of breakage and redeployment costs in the case of Adjusted Eurodollar Rate Loans) and will be applied to the remaining scheduled amortization installments of principal of the Gemini Term Loans as directed by the Gemini Borrower.

***Events of Default***

The Gemini Term Loan Agreement sets out certain events of default, the occurrence of which would allow the lenders to accelerate all outstanding loans, including, among other events and subject in certain cases to grace periods, thresholds and other qualifications: non-payment of amounts due under the Gemini Term Loans or under the other Financing Documents (as defined in the Gemini Term Loan Agreement) or under the tolling agreement guarantee; breach of covenants; inaccuracy of representations and warranties in any material respect; cross defaults and certain judgment defaults; invalidity of the Gemini Term Loan Agreement and other Financing Documents; invalidity of security interests; certain bankruptcy and insolvency events; the occurrence of certain ERISA-related events; defaults under the project agreements, including the tolling agreement and related guarantee; abandonment of the HDPE facility; and the occurrence of a change of control.

***Miscellaneous***

The Gemini Term Loan Agreement permits the Gemini Borrower to request extensions of the final maturity of all or a portion of the Gemini Term Loans and, in that connection, there may be an increase in the interest rates and/or fees payable with respect to the extended Gemini Term Loans. Such extensions shall be subject to certain conditions described in the Gemini Term Loan Agreement.

The Gemini Term Loan Agreement contains "yank a bank" provisions allowing the Gemini Borrower to replace a non-consenting lender in connection with (1) amendments and waivers requiring the consent of all lenders or all affected lenders (or all affected lenders of a particular class of lenders) so long as the required lenders (or, where the consent of the required lenders is not required, a majority in interest of the lenders of the relevant class) have consented to such amendments or waivers, (2) any lender becoming a Defaulting Lender (as defined in the Gemini Term Loan Agreement), (3) any lender failing to consent to any Extension/Modification Request (as defined in the Gemini Term Loan Agreement) made to such lender and (4) requests by a lender for compensation for increased costs, taxes and similar items.

The Gemini Term Loan Agreement contains loan buyback provisions, which permit, among other things, the Gemini Borrower to purchase Gemini Term Loans from lenders pursuant to open-market or other transactions or a Dutch auction, subject to certain conditions, including a requirement that the loans purchased are automatically and permanently cancelled.

The Gemini Term Loan Agreement is governed by New York law.

**Project ONE Facilities**

***Overview***

On December 22, 2022, INEOS Olefins Belgium NV (the "**Project ONE Borrower**") entered into certain agreements (collectively, the "**Project ONE Finance Documents**") providing for loans in an aggregate principal amount of €3,500 million under (i) facilities guaranteed by export credit agencies (UKEF, SACE and CESCE), (ii) a facility partially guaranteed by Gigarant (a special purpose vehicle of the Flemish government) and (iii) a commercial facility (collectively, the "**Project ONE Facilities**") to fund the construction of Project ONE, a 1,450 ktpa ethane cracker and olefins complex located in the Port of Antwerp. At the date of this offering memorandum €522 million has been drawn under the Project ONE Facilities; we expect the remainder to be used (i) to repay the Project ONE Interim Facility (see also "Project ONE Interim Facility") and (ii) to fund further expenses in stages throughout the construction period to 2026.

During the construction phase, the Project ONE Facilities are supported by a debt service undertaking provided by IGH, IHL and INEOS US I Inc. ("**INEOS US I**" and, together with IHL, the

"**Co-Sponsors**"), which will be released upon satisfaction of certain conditions at the completion of construction, including a lenders' reliability test. In addition, the Project ONE Borrower entered into a long-term tolling agreement with INEOS Europe AG ("**IEAG**"), pursuant to which IEAG is required to pay the Project ONE Borrower, among other amounts, a tolling fee to cover all of the Project ONE Borrower's operating costs (including financing costs) and enable the Project ONE Borrower to maintain a minimum debt service coverage ratio. The obligations under the Project ONE tolling agreement are guaranteed on an unsecured basis by IGH.

***Interest and Fees***

The Project ONE Facilities bear interest at a rate determined by reference to EURIBOR plus the applicable margins for such loans.

The applicable margins for the Project ONE Facilities are:

- in the case of the UKEF covered facility, 0.90% per annum;
- in the case of the CESCE covered facility, 1.20% per annum;
- in the case of the SACE covered facility, 1.25% per annum;
- in the case of the commercial facility, from financial close until its seventh anniversary, 2.75% per annum; from the seventh anniversary of financial close until (and including) its tenth anniversary, 3.25% per annum; and from the tenth anniversary of financial close, 3.50% per annum; and
- in the case of the Gigarant covered facility, a variable margin that is commercially equivalent to 0.70% on the covered portion of facility (with such portion decreasing over time) and the applicable commercial facility margin on the uncovered portion of the Gigarant facility.

Overdue amounts owing under the Project ONE Facilities bear interest at a rate which is 1% per annum above the rate which would have been payable if the overdue amount had constituted a loan under the relevant facility.

From financial close until January 31, 2028, at least 70% and no more than 110% of the loan under the Project ONE Facilities are required to be hedged (or provided on a fixed rate basis).

***Security***

The Project ONE Facilities are secured by first ranking perfected security over all or substantially all of the Project ONE Borrower's rights, title and interest in and to the assets and undertakings relating to all of its immovable assets, movable assets, receivables and bank accounts, insurances, investments, book debts, intragroup agreements, hedging agreements and certain key provision documents, including those rights, title and interest obtained after the execution of the security document creating such security interest. In addition, INEOS Olefins Belgium Holdings Limited (the "**Project ONE Shareholder**") has granted: (i) a Belgian Law pledge over all of its shares in the Project ONE Borrower; and (ii) an English Law assignment over shareholder loans made to the Project ONE Borrower.

The secured parties also benefit from the standstill and step-in rights pursuant to agreements entered into with the counterparties to the tolling agreement, a technology licensing agreement and certain concession documents relating to the land required for Project ONE within the Port of Antwerp.

***Repayment***

The Project ONE Facilities are to be repaid in semi-annual instalments according to an amortization schedule with the first repayment instalment falling due on the earlier of (i) June 30, 2028 and (ii) the first June 30 or December 31 to occur after completion of the performance tests with respect to the ethane cracker. The balance of the Project ONE Facilities outstanding will be payable 108 months after the first repayment date. No amounts of the Project ONE Facilities repaid may be reborrowed.

***Prepayments***

The Project ONE Finance Documents set out certain mandatory prepayment events, including, among other events and subject in certain cases to qualifications: illegality, sanctions, insurance and compensation, excess debt, material export contract changes (in respect of the covered facilities) and failure of the guarantee provided by the relevant credit export agency or Gigarant, as applicable (in respect of the covered facilities).

Voluntary prepayments of the Project ONE Facilities are permitted, provided that, prior to completion of construction, voluntary prepayments will be applied on a *pro rata* basis amongst all Project ONE Facilities and, after completion of construction, may be applied in prepayment of only the export credit agency covered loans (on a *pro rata* basis) and/or in prepayment of only the Gigarant covered facility and the commercial facility (on a *pro rata* basis between them).

***Covenants***

Subject to certain agreed exceptions, the Project ONE Finance Documents contain negative covenants, including a negative pledge and restrictions on acquisitions, mergers and disposals, incurring financial indebtedness, making loans or granting third party guarantees, changing its name, business, constitutional documents or accounting year, establishing additional accounts, making distributions, settling claims, use of proceeds, surrendering tax credits and tax losses, entering into new material contracts, and amending or terminating material contracts (including the tolling agreement and related guarantees).

Subject to certain agreed exceptions, the Project ONE Finance Documents also contain affirmative covenants applicable to the Project ONE Borrower, including requirements to comply with applicable laws (including sanctions and anti-corruption laws and regulations), maintain a *pari passu* ranking for the Project ONE Facilities, use the proceeds from the Project ONE Facilities for their stated purposes, file, pay and discharge all taxes, maintain Belgian tax residence, maintain all required permits and consents, construct Project ONE in accordance with good industry practice and complete Project ONE on time, enforce rights under the relevant project documents, maintain site and cyber security, cooperate with the lenders and allow for inspections and audits, diligently operate and maintain Project ONE, acquire and safeguard intellectual property rights required for Project ONE, appoint and maintain auditors and provide customary information undertakings (including the provision of ratio statements, financial statements and project budgets and reports and maintenance of books and records).

Subject to certain agreed exceptions, the Project ONE Finance Documents contain positive covenants applicable to the Project ONE Shareholder, IGH and IEAG, including a requirement to maintain legal existence, obtain and maintain applicable consents, comply with applicable laws (including sanctions and anti-money laundering laws and regulations), file timely tax returns, provide customary information undertakings (including financial statements) and, only with respect to IGH, (i) use reasonable commercial efforts to facilitate the transportation and supply of feedstock to Project ONE following an enforcement action and (ii) use commercially reasonable efforts to maintain a credit rating from at least one of S&P, Moody's or Fitch (but not to maintain a specific rating).

In addition, at all times prior to completion of construction and release of the debt service undertaking, IGH is required (i) to maintain (on a consolidated basis) a minimum liquidity balance (including cash, cash equivalents and unutilized liquidity facilities) of at least €1.0 billion and (ii) to post collateral (in the form of cash or letters of credit) and/or accelerate base equity in an amount equal to a percentage of unfunded base equity and projected cost overruns, if IGH's credit rating is downgraded by 2 out of 3 rating agencies (or 1 out of 2 agencies if IGH is only rated by 2 agencies).

Prior to completion of construction and release of the debt service undertaking, if IGH's credit rating is downgraded by two out of three rating agencies (or one out of two agencies if the Sponsor is only rated by two agencies) to B-/B3 or below, a draw stop will occur; after completion of construction and release of the debt service undertaking, if IGH's credit rating is downgraded by two out of three rating agencies (or one out of two rating agencies if the Sponsor is only rated by two agencies), the Project ONE Borrower will be required to either fund the debt service reserve account (either with cash or letters of credit) with up to nine months of debt service where IGH is downgraded to B+/B1 and up to 12 months of debt service if IGH is downgraded to B/B2 or lower. Failure to comply with this undertaking will result in a fundamental event of default (collectively, the "**IGH Credit Provisions**").

***Events of Default***

The Project ONE Finance Documents set out certain events of default. Prior to the completion of construction and release of the debt service undertaking, the lenders are only entitled to accelerate the Project ONE Facilities and take enforcement action if a fundamental event of default has occurred and is continuing. Such fundamental events of default are subject in certain cases to agreed-upon grace periods and include, among others, non-payment, cross-acceleration, insolvency and other credit-related events affecting the Project ONE Borrower, the Project ONE Shareholder, IGH, IEAG, the Co-Sponsors, IFPLC or IUSLLC, the finance documents and tolling agreement (and related guarantee) ceasing to be effective, failure to complete construction by a longstop date, abandonment and cessation of Project ONE, nationalization, destruction of Project ONE, breach of the share transfer restrictions applicable to the Project ONE Borrower, failure to comply with the IGH Credit Provisions, and breach of anti-corruption laws and representations. At any time, if IGH's credit rating is downgraded by one rating agency to CCC/Caa2 or lower and by one other rating agency to CCC+/Caa1 or lower, a fundamental event of default will occur. Other events of default include, among others, and subject in certain cases to agreed-upon grace periods, breach of covenants and inaccuracy of representations and warranties in any material respect.

***Current Default and Drawstop***

On July 20, 2023, the Council of Licensing Disputes annulled the integrated permit (*omgevingsvergunning*) granted by the Flemish Government dated June 7, 2022 (the "**Initial Integrated Permit**"), which constituted a temporary default under the Project ONE Facilities and, until cured, relieved the lenders under the Project ONE Facilities from having to fund utilizations under the Project ONE Facilities. This did not constitute an event of default and therefore did not permit the lenders to take any acceleration or enforcement action described above.

The Flemish Government granted a new integrated permit on January 7, 2024 (the "**New Integrated Permit**") and, provided that by February 22, 2024 the lenders have not raised any concerns that the terms of the New Integrated Permit taken as a whole (i) are not reasonably likely to have a material adverse effect or (ii) are otherwise prejudicial to the interests of the lenders in any material respect, the relevant drawstop will be lifted and further amounts can be drawn under the Project ONE Facilities.

During the period of this drawstop, to enable the project to continue offsite works with a view to progressing construction of the project, and to mitigate delays from the permit annulment as far as possible, the lenders under the Project ONE Facilities granted permission for (i) the Project ONE Borrower to incur an additional interim facility to fund project costs in lieu of the funding under certain Project ONE Facilities which would, save for the temporary default, be available to fund those project costs and (ii) the Project ONE Borrower to use the Project ONE Facilities, once the temporary default has been cured, to apply the proceeds of certain of the Project ONE Facilities to repay the Project ONE Interim Facility. See "Description of Other Indebtedness—Project ONE Interim Facility" for further details on the terms of this interim facility.

***INEOS Group Entity Test***

Certain credit-related events of default (cross default and insolvency) will apply to IFPLC, IUSLLC and any other subsidiary of IGH which borrows or issues debt in excess of €400 million (collectively, the "**INEOS Group Entities**").

Each of the Project ONE Borrower and IGH will procure that on each date on which IGH provides its financial statements to the intercreditor agent, the INEOS Group Entities comprise those entities that are borrowers or issuers in respect of financial indebtedness pursuant to which IGH is a borrower, issuer or guarantor (other than the Securitization Program, any inventory financings and the Project ONE Facilities) that is at least equal to 75% of the aggregate principal amount of such financial indebtedness outstanding that time. Failure to comply with this provision constitutes a fundamental event of default allowing for accelerated payments under the debt service undertaking (pre-completion) and the tolling guarantee (post-completion).

***Miscellaneous***

The Project ONE Facilities are required to maintain a debt-to-equity ratio of 65:35 through the construction period, subject to a true-up to 70:30 at completion of construction.

The Project ONE Borrower is permitted to make distributions after the completion of construction and release of the debt service undertaking, subject to certain conditions, including no default, a minimum 6-month backward-looking debt service coverage ratio of 1.15:1.00 and a fully funded debt service reserve account.

At all times prior to the full repayment of the Project ONE Facilities, the Project ONE Shareholder must hold 100% of the direct legal and beneficial interests in the shares and voting rights in the Project ONE Borrower. In addition, IGH is required to own (indirectly) (i) more than 75% of the shares of the

Project ONE Borrower until completion of the first major plant turnaround and (ii) more than 50% of the shares of the Project ONE Borrower thereafter (effectively maintaining control over the Project ONE Borrower at all times).

The Project ONE Finance Documents are governed by English law, except certain security documents and direct agreements with Belgian counterparties, which are governed by Belgian law.

**Project ONE Interim Facility**

***Overview***

On September 15, 2023, the Project ONE Borrower entered into certain agreements (collectively, the "**Project ONE Interim Funding Finance Documents**") providing for loans in an aggregate principal amount of €400 million under a facility partially covered by Gigarant (the "**Project ONE Interim Facility**") to fund project costs in lieu of the funding under certain Project ONE Facilities which would, save for the temporary default, be available to fund those project costs.

***Interest and Fees***

The Project ONE Interim Facility bears interest at a rate determined by reference to EURIBOR plus the applicable margin, which is commercially equivalent to 0.70% on the covered portion of the facility and 2.75% on the uncovered portion of the facility.

Overdue amounts owing under the Project ONE Interim Facility bear interest at a rate which is 1% per annum above the rate which would have been payable if the overdue amount had constituted a loan under the Project ONE Interim Facility.

***Security***

The Project ONE Borrower's payment obligations under the Project ONE Interim Funding Finance Documents are guaranteed by IGH, IHL and INEOS US I Inc. (the "Project ONE Interim Funding Guarantors").

***Repayment***

The Project ONE Interim Facility is to be repaid on September 13, 2024 unless prepayable earlier. No amounts of the Project ONE Interim Facility repaid may be reborrowed.

***Prepayments***

The Project ONE Interim Funding Finance Documents set out certain mandatory prepayment events (subject, in certain cases, to qualification), including, among other events: illegality, sanctions, failure of the guarantee provided by Gigarant and the temporary default under the Project ONE Facilities being cured—see also "Current default and drawstop".

Voluntary prepayments of the Project ONE Interim Facility are permitted.

***Covenants***

Subject to certain agreed exceptions, the Project ONE Interim Funding Finance Documents contain negative covenants, including a negative pledge and restrictions on acquisitions, mergers and disposals, incurring financial indebtedness, making loans or granting third party guarantees, changing its name, business, constitutional documents or accounting year, establishing additional accounts, making distributions, settling claims, use of proceeds, surrendering tax credits and tax losses, entering into new material contracts, and amending or terminating material contracts (including the tolling agreement and related guarantees).

Subject to certain agreed exceptions, the Project ONE Interim Funding Finance Documents also contain affirmative covenants applicable to the Project ONE Borrower, including requirements to comply with applicable laws (including sanctions and anti-corruption laws and regulations), maintain a pari passu ranking for the Project ONE Interim Facility, use the proceeds from the Project ONE Interim Facility for their stated purposes, file, pay and discharge all taxes, maintain Belgian tax residence, maintain all required permits and consents, construct Project ONE in accordance with good industry practice and complete Project ONE on time, enforce rights under the relevant project documents, maintain site and cyber security, cooperate with the lenders and allow for inspections and audits, acquire and safeguard intellectual property rights required for Project ONE, appoint and maintain auditors and provide customary information undertakings (including the provision of financial statements and project budgets and reports and maintenance of books and records).

Subject to certain agreed exceptions, the Project ONE Interim Funding Finance Documents contain positive covenants applicable to the Project ONE Interim Funding Guarantors, including a requirement to maintain legal existence, obtain and maintain applicable consents, comply with applicable laws (including sanctions and anti-money laundering laws and regulations), provide customary information undertakings (including, only with respect to IGH and IHL, undertaking to provide financial statements).

In addition IGH is required (i) to maintain (on a consolidated basis) a minimum liquidity balance (including cash, cash equivalents and unutilized liquidity facilities) of at least €1.0 billion and (ii) to post collateral (in the form of cash or letters of credit) and/or accelerate base equity in an amount equal to a percentage of unfunded base equity and projected cost overruns, if IGH's credit rating is downgraded by two out of three rating agencies (or one out of two agencies if IGH is only rated by two agencies).

If IGH's credit rating is downgraded by two out of three rating agencies (or one out of two agencies if the Sponsor is only rated by two agencies) to B-/B3 or below, a draw stop will occur. Prior to completion of construction and release of the debt service undertaking under the Project ONE Facilities, if IGH's credit rating is downgraded by two out of three rating agencies (or one out of two agencies if the IGH is only rated by two agencies) to BB-/Ba3 or below, the Project ONE Borrower will be required to fund, or provide collateral to the Project ONE Facilities lenders in respect of, between 25% of the unfunded base equity and projected cost overruns and 100% (if IGH is downgraded to B/B2 or lower). Failure to comply with this undertaking will result in an event of default (collectively, the "**Interim Facility IGH Credit Provisions**").

***Events of Default***

The Project ONE Interim Funding Finance Documents set out certain events of default upon occurrence of which the lenders are entitled to accelerate the Project ONE Interim Facility and take enforcement action. Such events of default are subject in certain cases to agreed-upon grace periods and include, among others, non-payment, breach of covenants and inaccuracy of representations and warranties in any material respect, cross-acceleration (subject to certain carve-outs in respect of cross-acceleration of a Project ONE Interim Funding Guarantor or an INEOS Group Entity), insolvency and other credit-related events affecting the Project ONE Borrower, the Project ONE Interim Funding Guarantors, IFPLC or IUSLLC, the finance documents ceasing to be effective, abandonment or cessation of Project ONE, nationalization, destruction of Project ONE, breach of the share transfer restrictions applicable to the Project ONE Borrower, failure to comply with the Interim Facility IGH Credit Provisions, and breach of anti-corruption laws and representations.

At any time, if IGH's credit rating is downgraded by one rating agency to CCC/Caa2 or lower and by one other rating agency to CCC+/Caa1 or lower, an event of default will occur.

At all times prior to the full repayment of the Project ONE Facilities, the Project ONE Shareholder must hold 100% of the direct legal and beneficial interests in the shares and voting rights in the Project ONE Borrower. In addition, IGH is required to own (indirectly) (i) more than 75% of the shares of the Project ONE Borrower until completion of the first major plant turnaround and (ii) more than 50% of the shares of the Project ONE Borrower thereafter (effectively maintaining control over the Project ONE Borrower at all times).

***INEOS Group Entity Test***

Certain credit-related events of default (cross default and insolvency) will apply to IFPLC, IUSLLC and any other subsidiary of IGH which borrows or issues debt in excess of €400 million (collectively, the "**INEOS Group Entities**").

Each of the Project ONE Borrower and IGH will procure that on each date on which IGH provides its financial statements to the intercreditor agent under the Project ONE Facilities, the INEOS Group Entities comprise those entities that are borrowers or issuers in respect of financial indebtedness pursuant to which IGH is a borrower, issuer or guarantor (other than the Securitization Program, any inventory financings and the Project ONE Facilities) that is at least equal to 75% of the aggregate principal amount of such financial indebtedness outstanding that time. Failure to comply with this provision constitutes an event of default.

***Miscellaneous***

The Project ONE Borrower is required to maintain a debt-to-equity ratio of 65:35 across the Project ONE Facilities and the Project ONE Interim Facility.

The Project ONE Interim Funding Finance Documents are governed by English law, except the Gigarant guarantee related documents, which are governed by Belgian law.

**Letter of Credit Facility**

On May 4, 2012, INEOS Treasury (UK) Limited (the "**LC Borrower**"), a wholly owned subsidiary of INEOS Investment Holdings (Germany) Limited, entered into an on-demand letter of credit facility (the "**LC Facility**") with Barclays Bank PLC (the "**Issuing Bank**"), under which the LC Borrower may request (on its own behalf or on behalf of other Group companies) the Issuing Bank to issue letters of credit, guarantees, performance bonds and indemnities (or any other instrument in a form agreed by the Issuing Bank) ("**LC Utilizations**"), the outstanding aggregate base currency amount of which is not more than €300 million. Under the terms of the LC Facility, the LC Borrower undertakes to provide cash collateral in an amount at least equal to the aggregate of 100% of the maximum actual and/or contingent liability of the Issuing Bank under each outstanding LC Utilization (or 105%, to the extent cash cover is provided in a currency other than the currency of an LC Utilization) standing to the credit of an account or certain accounts of the LC Borrower which are subject to a lien in favor of the Issuing Bank.

**Inventory Financing Facility**

In June 2019, the Group entered into an inventory monetization agreement with J Aron & Company LLC ("**J Aron**"), for an initial term of one year which was extendable by mutual agreement (the "**Inventory Financing Facility**"). Under this arrangement, the Group sold certain inventory to J Aron and agreed to buy-back equivalent inventory at the end of the term at the same price. The Group and J Aron have agreed to a number of extensions, including most recently in June 2023, to extend the term to June 2024. As part of the most recent extension, J Aron's rights and obligations pursuant to the Inventory Financing Facility were novated by mutual consent to Goldman Sachs International ("**GSI**"). Consequently, during the term, and subject to certain covenants and rights of GSI, GSI provides the Group with a just-in-time service for use of the inventory. The Group has the ability to substitute used inventory with equivalent inventory, in return for a transaction fee, and also to repurchase used inventory for cash. The arrangement is supported by a Group parent company guarantee and a cash collateral mechanism. The total amount outstanding at September 30, 2023 before issue costs was €170.5 million (December 31, 2022: €202.6 million).

**Rafnes Facility**

As part of the Group's purchase of the remaining 50% interest in the Noretyl ethylene cracker at Rafnes, Norway from the Kerling group on July 1, 2015, the Group assumed the obligations of a €140.0 million loan facility (previously known as the "Noretyl Facility") that Noretyl AS (now known as INEOS Rafnes AS) had in place (as amended and restated from time to time, most recently by an amendment, restatement and accession agreement dated November 9, 2022, the "**Rafnes Facility**"). The current size of the Rafnes Facility is €305.0 million, which amount is fully drawn. The Rafnes Facility bears interest at a rate per annum equal to EURIBOR (subject to a floor of 0% per annum) plus a margin of (i) prior to November 10, 2022, 2.10% and (ii) from (and including) November 10, 2022, 2.25%. The facility matures in November 2027, with the first of six equal semi-annual instalments being made in May 2025. The total amount outstanding at September 30, 2023 before issue costs was €305.0 million (December 31, 2022: €305.0 million; December 31, 2021: €214.3 million; December 31, 2020: €250.0 million), none of which is due within one year (December 31, 2022: nil; December 31, 2021: €71.4 million; December 31, 2020: €35.7 million). The facility is secured by pledges over the property, plant and equipment of INEOS Rafnes AS and benefits from an unsecured guarantee from IGH.

**Rain Facilities**

As part of the Group's acquisition of a 50% interest in the SECCO joint venture in December 2022, INEOS China Holdings Limited, an Unrestricted Subsidiary, as borrower entered into a RMB 1,045 million and $525 million term loan facility agreement maturing in June 2026 (the "**Rain Facilities**"). In April 2023, the Group successfully completed a syndication of the acquisition financing originally funded in December 2022. As part of the syndication, which increased the numbers of lenders to 10, the Rain Facilities were increased to RMB 1,045 million and $785.0 million.

The Rain Facilities carry an interest rate per annum equal to SOFR, subject to certain modifications, plus a margin of 3.75% (for USD-denominated loans) and HIBOR plus a margin of 4.50% (for RMB-denominated loans), and matures in June 2026. The Rain Facilities are secured by pledges of the shares held by INEOS Investment (Shanghai) Company Limited (a direct subsidiary of INEOS China Holdings Limited) in SECCO and of the shares held by INEOS China Holdings Limited in INEOS Investment (Shanghai) Company Limited and benefits from a parent company guarantee from each of IHL and IGH.

**Securitization Program**

IHL and certain of the other Group companies (such other companies being the "**Sellers**") entered into a receivables securitization facility (as amended, supplemented, varied, novated, extended or replaced from time to time, the "**Securitization Program**"). The margins on amounts drawn and the commitment fee on amounts undrawn under the Securitization Program have been amended from time to time, most recently on December 21, 2023. The overall facility amount has also been amended from time to time, most recently to €800.0 million pursuant to an amendment deed dated December 14, 2015. On December 21, 2023, the scheduled termination date for the facility was extended to December 31, 2026. The Securitization Program complies with the terms for a Permitted Receivables Securitization as defined in the Senior Secured Term Loans Agreement.

Under the Securitization Program, all trade receivables originated by the Sellers (other than those receivables that are specifically identified as "excluded receivables") are sold to a bankruptcy remote special purpose vehicle incorporated under the laws of the Republic of Ireland, INEOS Finance (Ireland) Limited (the "**SPV**"). The SPV finances these purchases from borrowings, primarily funded through asset backed commercial paper ("**ABCP**") conduits. The cost of funding for the ABCP conduits reflects the rating of the pooled financial assets in which they invest, thus allowing the Securitization Program to benefit from financing costs that are not linked to the Group's corporate rating.

The Securitization Program is restricted to receivables denominated in U.S. dollars, euro or sterling that are sold to the SPV at face value less a small discount to reflect the carry cost until settlement. In some jurisdictions, the sale of the receivables requires the involvement of an intermediate purchaser in order to comply with local securities and banking regulations. The SPV acquires title, on a non-recourse basis, to new receivables as the liability arises and settles its purchases with the Sellers on a twice-monthly basis. Between settlement dates, the Sellers have the use of the cash received from customers which has been paid into segregated bank accounts, either in the name of the SPV or held on trust for the SPV. Responsibility for the administration of the receivables, including adherence to established credit and collection policies, remains with the Sellers, with IHL acting on their behalf in its capacity as master servicer.

The twice-monthly settlement period is tied to the term of the loans advanced to the SPV by the lenders against the security of the outstanding receivables. The lenders' advance rate is adjusted each month to reflect the actual performance of the receivables portfolio, and standard Rating Agency methodology for calculating loss and dilution reserves and other potential shortfalls is applied. The balance of the SPV's funding requirements is provided by IHL through a subordinated loan facility.

**Köln CoGen Facility**

As part of a project at the Group's Köln site to replace part of its incineration or cogeneration unit, the Group entered into a €120.0 million loan facility on December 22, 2017 (as amended, including by an amendment and restatement agreement dated April 28, 2021, the "**Köln CoGen Facility**"). The Köln CoGen Facility is made up of two loan facilities, the original €120.0 million loan facility and an additional €60.0 million loan facility. The total amount outstanding under the Köln CoGen Facility at September 30, 2023 was €81.0 million (December 31, 2022: €100.5 million) of which €39.0 million (December 31, 2022: €39.0 million) was due within one year.

The original facility matures on December 30, 2024, is to be repaid in equal quarterly instalments of €6.0 million, starting from March 2020, and bears a fixed interest rate of 2.85% per annum. The €60.0 million additional loan facility was entered into pursuant to the amendment and restatement agreement dated April 28, 2021 and matures on June 30, 2026. It is to be repaid in equal quarterly instalments of €3.75 million starting in September 2022 and bears a fixed interest rate of 2.00% per annum. The proceeds of the additional loan facility may not be used except in relation to the cogeneration unit on the Köln site.

The Köln CoGen Facility is secured by, *inter alia*, security over the plant and equipment of INEOS Manufacturing Deutschland GmbH's new cogeneration assets.

**Intercreditor Deed**

Unless the context otherwise requires, terms defined below in this description of the Intercreditor Deed apply only to this section.

***Overview***

Lux I and certain of its subsidiaries (including IHL and INEOS Finance plc) (together, the "**Obligors**"), the Parent and INEOS Holdings Luxembourg S.A. (together, and collectively with certain other entities referred to in the Intercreditor Deed, the "**Subordinated Creditors**") and certain INEOS intra-group creditors (the "**Intra-Group Creditors**") are subject to an intercreditor deed dated May 12, 2010 (as amended and restated by a first amendment deed dated December 23, 2010, as further amended by a second amendment deed dated February 18, 2011, as further amended by a third amendment deed dated February 6, 2012, as further amended and restated by a fourth amendment deed dated May 4, 2012, as further amended and restated by a fifth amendment deed dated May 8, 2013, as further amended and restated by a sixth amendment deed dated July 8, 2014, as further amended by a seventh amendment deed dated May 5, 2015, as further amended and restated by an eighth amendment deed dated January 5, 2017, as further amended and restated by a ninth amendment deed dated November 3, 2017, as further amended by a tenth amendment deed dated March 22, 2019, as further amended by an eleventh amendment deed dated April 24, 2019, as further amended by a twelfth amendment deed dated October 29, 2020, as further amended by a thirteenth amendment deed dated November 8, 2021, as further amended by a fourteenth amendment deed dated November 8, 2022, as further amended by a fifteenth amendment deed dated February 16, 2023, and as further amended in connection with the Transactions, the "**Intercreditor Deed**") entered into with the lenders under the Senior Secured Term Loans Agreement (the "**Senior Lenders**"), Barclays Bank PLC as administrative agent (the "**Senior Facility Agent**") for the Senior Lenders and as security agent (the "**Senior Security Agent**") for itself, the Senior Lenders, the institutions named therein as hedge counterparties or cash management banks, the holders of the Senior Secured Notes, and any other permitted senior secured notes issued from time to time (the "**Additional Senior Secured Notes**"), the trustee under the 2025 Senior Secured Notes Indenture (the "**2025 Senior Secured Notes Trustee**"), the trustee under the May 2026 Senior Secured Notes Indenture (the "**May 2026 Senior Secured Notes Trustee**") and the trustee under the March 2026 Senior Secured Notes Indenture (the "**March 2026 Senior Secured Notes Trustee**"). On the Issue Date, the Trustee (and, together with the 2028 Senior Secured Notes Trustee, the 2025 Senior Secured Notes Trustee, the March 2026 Senior Secured Notes Trustee and May 2026 Senior Secured Notes Trustee, the "**Senior Secured Notes Trustees**") will accede to the Intercreditor Deed. By accepting a Note, holders of the Notes are deemed to have agreed to, and accepted the terms of, the Intercreditor Deed.

The Intercreditor Deed sets out, by way of agreement between the parties to it, among other things, provisions relating to:

- the relative ranking of certain liabilities of the Obligors;
- the relative ranking of certain security granted by the Obligors and the Parent;
- when payments can be made in respect of certain liabilities of the Obligors and the Parent;
- when enforcement action can be taken in respect of those liabilities;
- the terms pursuant to which certain of those liabilities will be subordinated upon the occurrence of certain insolvency events;
- turnover provisions; and
- when security and guarantees may be released to permit an enforcement sale.

The following description is a summary of certain provisions contained in the Intercreditor Deed. It does not restate the Intercreditor Deed in its entirety and we urge you to read that document because it, and not the discussion that follows, will regulate and govern, among other things, certain of the rights of the lenders under the Senior Secured Term Loans Agreement, the holders of the Senior Secured Notes, the Senior Facility Agent and the Senior Secured Notes Trustees.

***Ranking and Priority***

The Intercreditor Deed provides that, subject to the provisions in respect of permitted payments (summarized below), the liabilities of the Obligors in respect of the Senior Secured Notes, the Senior Secured Term Loans and certain other liabilities rank, in summary, in the following order and are postponed and subordinated to any prior ranking liabilities of the Obligors as follows:

- first, each of the following, pari passu among themselves: (i) the liabilities of the Obligors under the Senior Secured Term Loans Agreement and under any other Additional Senior Finance Documents (as defined in the Intercreditor Deed), the liabilities of any Obligor party to certain hedging agreements and cash management arrangements, the liabilities of INEOS Finance plc and the guarantors under the Senior Secured Notes, the Senior Secured Notes Indentures and any Additional Senior Secured Notes (together, the "**Senior Liabilities**"), (ii) fees, costs and expenses of, and amounts incurred by or payable to, the trustee in respect of any High Yield Notes (the "**High Yield Note Trustee Amounts**"), (iii) fees, costs and expenses incurred by or payable to the Senior Facility Agent or any agent appointed to act as security trustee, facility agent or other similar representative for or with respect to any Additional Senior Finance Parties (as defined in the Intercreditor Deed) or any agents appointed to act as security agent and security trustee on behalf of any High Yield Notes or fees, costs and expenses incurred by any Second Secured Representative (as defined in the Intercreditor Deed) (other than in respect of any Second Secured Liabilities (as defined in the Intercreditor Deed) in the form of notes issued pursuant to one or more indentures) ("**Agency Amounts**"), (iv) fees, costs and expenses of, and amounts incurred by or payable to, the Senior Secured Notes Trustees and the trustee of any Additional Senior Secured Notes (each, an "**Additional Senior Secured Notes Trustee**") (collectively, the "**Senior Secured Note Trustee Amounts**"), and (v) fees, costs and expenses of, and amounts incurred by or payable to any Second Secured Note Trustee (the "**Second Secured Note Trustee Amounts**");
- second, any Second Secured Liabilities (as defined in the Intercreditor Deed);
- third, the liabilities of the Obligors in relation to any High Yield Notes (other than in respect of High Yield Note Trustee Amounts) and the liabilities owed by IHL or Lux I (to the extent it is a borrower of a High Yield Proceeds Loan (as defined in the Intercreditor Deed)) to the Parent or any other permitted lenders (such other lenders, together with Parent, the "**High Yield Proceeds Lenders**") under any loan of the proceeds of any High Yield Notes (together, the "**Subordinated High Yield Liabilities**");
- fourth, (i) the liabilities of the Obligors to the Subordinated Creditors (other than in respect of any High Yield Proceeds Loan or any loan of the proceeds of any funds made available under any documents pursuant to or in connection with which any Second Secured Liabilities arise (the "**Second Secured Documents**") to IHL or Lux I (each, a "**Second Secured Proceeds Loan**")), (ii) any liabilities owed by any High Yield Note Issuer (as defined in the Intercreditor Deed) or any Additional Second Secured Borrower (as defined in the Intercreditor Deed) to any Subordinated Creditor under certain investor documents, (iii) any other money or liabilities due, owing or payable by any Obligor to any High Yield Note Issuer or any Additional Second Secured Borrower or any parent holding company of the Parent which has acceded to the Intercreditor Deed (other than in respect of any High Yield Proceeds Loan or any Second Secured Proceeds Loan) (the liabilities referred to in paragraphs (i) to (iii) being, together, the "**Subordinated Liabilities**"), and (iv) any liabilities of the Obligors to the Intra-Group Creditors in such capacity (other than liabilities under the Senior Secured Notes Proceeds Loans, the Senior Secured Term Loans Proceeds Loans or certain other loans of the proceeds of any Senior Liabilities to IHL or any Restricted Subsidiary of the Bottom Swiss Subsidiary (as defined in the Intercreditor Deed) (collectively, the "**Senior Proceeds Loans**")) (the "**Intra-Group Liabilities**").

The Intercreditor Deed does not purport to rank any of the Subordinated Liabilities or Intra-Group Liabilities as between themselves. The Intercreditor Deed also provides that, subject to the provisions in respect of permitted payments, the Subordinated Liabilities are postponed and subordinated until the Senior Liabilities, liabilities of the Obligors and the Parent to the holders of any High Yield Notes and any High Yield Notes Trustee (the "**High Yield Liabilities**") and the Second Secured Liabilities have been discharged in full.

The parties to the Intercreditor Deed agree in the Intercreditor Deed that the liens and other security provided by the Parent and the Obligors rank in the following order:

- first, the security provided in respect of the Senior Liabilities;
- second, any security provided separately in respect of the Second Secured Liabilities, if any; and
- third, the security provided in respect of any High Yield Notes.

Under the Intercreditor Deed, all proceeds from enforcement of security to which the Intercreditor Deed applies are required to be applied in accordance with the terms of the Intercreditor Deed, summarized below under "Application of Proceeds." Certain security granted by members of the Group (being, for the purposes of the Intercreditor Deed, Lux I and its subsidiaries), for example certain liens granted by the Obligors, are not governed by the Intercreditor Deed.

***Permitted Payments***

The Intercreditor Deed permits, inter alia, payments to be made by the Obligors, each Additional Senior Secured Borrower (as defined in the Intercreditor Deed), and each High Yield Note Issuer to the Senior Lenders under the Senior Secured Term Loans Agreement, the holders of the Senior Secured Notes, the Senior Secured Notes Trustees, (subject to certain restrictions) certain hedge counterparties, certain cash management banks and to lenders under any Additional Senior Finance Documents and holders of any Additional Senior Secured Notes and the Additional Senior Secured Notes Trustees with respect thereto. The Intercreditor Deed also permits payments to be made without further consents being obtained:

- by the Obligors in respect of any Second Secured Liabilities (x) to the extent that the payment is (i) a payment of scheduled interest (or default interest), (ii) a payment under any customary tax gross-up, tax indemnity, illegality or increased costs provision, currency indemnity or indemnity in respect of costs and expenses contained in the Second Secured Documents, or (iii) any consent fee payment customary for the amendment of the Second Secured Documents, in each case so long as such payment is then due and not prohibited by any payment blockage described below, and (y) for so long as such payment is not prohibited by any payment blockage described below, any Obligor may (i) on or after the original maturity date of the Second Secured Liabilities, and (ii) at any time in connection with any provision of the Second Secured Documents specifying a mandatory repayment, offer to purchase or redemption which is either permitted or, if not permitted, provided that consent is obtained from the Majority Senior Lenders, each relevant Additional Senior Facilities Representative and each relevant Senior Secured Notes Trustee and Additional Senior Secured Notes Trustee (as applicable), pay the principal amount due or any other amount payable by it with respect to the Second Secured Liabilities or redeem, acquire or defease the Second Secured Liabilities;
- by the Obligors to any holders of High Yield Notes or any High Yield Note Trustee pursuant to the guarantees to the extent that the payment is (i) a payment of scheduled interest (or default interest), (ii) a payment under any tax gross-up, tax indemnity or increased costs provisions, provided such provisions are in customary form, or (iii) a consent fee payment customary for the amendment of any High Yield Documents, in each case so long as such payment is then due and not prohibited by any payment blockage as described below (except that payments in respect of High Yield Note Trustee Amounts may always be made);
- by IHL or Lux I as borrowers under any High Yield Proceeds Loan to any High Yield Proceeds Lenders in respect of cash interest on any High Yield Proceeds Loan to enable any High Yield Note Issuer to make a payment of scheduled interest and default interest in respect of any High Yield Notes (as defined in the Intercreditor Deed) (the "**High Yield Notes**"), which payment must fall due within five (5) days of the date of payment of the corresponding interest by IHL or Lux I to the applicable High Yield Note Issuer, and certain other payments by IHL or Lux I to any High Yield Proceeds Lender in respect of sums due under any High Yield Notes (as applicable) and related documents permitted by the Intercreditor Deed, so long as any such payment is not prohibited by any payment blockage as described below (except that payments in respect of High Yield Note Trustee Amounts may always be made); and
- by the Obligors in respect of Intra-Group Liabilities if (i) at the time of the payment no Enforcement Action (as defined below) has occurred and is continuing in respect of the Senior Liabilities or any Second Secured Liabilities, (ii) prior to the date on which all Senior Liabilities have been unconditionally discharged in full (the "**Senior Discharge Date**"), the consent of the Instructing Group (as defined in the Intercreditor Deed) to the relevant payment is obtained or (iii) on or after the Senior Discharge Date but prior to the date on which all Second Secured Liabilities have been unconditionally discharged in full (the "**Second Secured Discharge Date**"), the consent of the Majority Second Secured Creditors (as defined in the Intercreditor Deed) is obtained.

Prior to the later of the Senior Discharge Date and the Second Secured Discharge Date, no Obligor, Additional Second Secured Borrower or High Yield Note Issuer or any of their subsidiaries may make any payments in respect of the Subordinated Liabilities unless, prior to the Senior Discharge Date, where the relevant action is prohibited under the Senior Secured Term Loans Agreement, the Additional

Senior Finance Documents or the Senior Secured Note Documents, the prior consent of the Majority Senior Lenders (as defined in the Intercreditor Deed), each security trustee, facility agent or other similar representative with respect to the creditors under each Additional Senior Finance Document (the "**Additional Senior Facilities Representative**"), each Senior Secured Notes Trustee and Additional Senior Secured Notes Trustee (as applicable and relevant) is obtained and, following the Senior Discharge Date but prior to the Second Secured Discharge Date, where the relevant action is prohibited under any Second Secured Document, of the Majority Second Secured Creditors is obtained.

As defined in the Intercreditor Deed, the term "Instructing Group" means the senior creditors under the Intercreditor Deed whose senior credit participations at the relevant time constitute the simple majority in aggregate principal amount of the total senior credit participations at the relevant time.

***Payment Blockage***

Prior to the Senior Discharge Date, if any Obligor fails to pay on the due date or within any applicable grace period any amount payable under the Senior Finance Documents (including relevant hedging agreements and cash management arrangements), any Additional Senior Finance Document, the Senior Secured Notes Indentures, the Senior Secured Notes or any indenture of any Additional Senior Secured Notes (the "**Additional Senior Secured Notes Indenture**") or any Additional Senior Secured Notes (all such senior secured notes and indentures, collectively, the "**Senior Secured Notes And Notes Indentures**") (other than an amount not constituting principal, interest or fees not in excess of €1,000,000 (or its equivalent in any other currency)), the Obligors may not make payments in respect of the Second Secured Liabilities while that failure is continuing. Permitted payments in respect of the Second Secured Liabilities may be resumed when such payment default is cured or waived.

Prior to the Senior Discharge Date, if there is any other default that occurs and is continuing under the Senior Secured Term Loans Agreement, any Additional Senior Finance Documents or any Senior Secured Notes And Notes Indentures, the Senior Facility Agent (on the instructions of the Majority Senior Lenders (as defined in the Intercreditor Deed)), or the relevant Additional Senior Facilities Representative or any Senior Secured Notes Trustee (as applicable) may issue a written stop notice (a "**Second Secured Stop Notice**") to each note trustee, security trustee, facility agent or other similar representative with respect to any holders of interests representing Second Secured Liabilities (the "**Second Secured Creditors**") (each, a "**Second Secured Representative**") and notify IHL. From the date of the issue of such notice, the Obligors may not make payments in respect of the Second Secured Liabilities for a period of 179 days (the "**Second Secured Stop Period**"), subject to certain exceptions described below.

Prior to the Senior Discharge Date, from the date of issue of a Second Secured Stop Notice for the duration of the Second Secured Stop Period, no payments may be made that would otherwise be permitted by the Intercreditor Deed in respect of the Second Secured Liabilities unless:

- the event in respect of which the Second Secured Stop Notice was issued has been cured or waived in writing by (if the default has occurred and is (or immediately prior to the waiver was) continuing at such time with respect to the Senior Secured Term Loans Agreement) the Senior Facility Agent, (if the default is (or immediately prior to the waiver was) continuing with respect to any Additional Senior Finance Documents (as defined in the Intercreditor Deed)) the relevant Additional Senior Facilities Representative, (if the default is (or immediately prior to the waiver was) continuing with respect to the Notes) the Trustee, (if the default is (or immediately prior to the waiver was) continuing with respect to the 2028 Senior Secured Notes), the 2028 Senior Secured Notes Trustee, (if the default is (or immediately prior to the waiver was) continuing with respect to the May 2026 Senior Secured Notes), the May 2026 Senior Secured Notes Trustee, (if the default is (or immediately prior to the waiver was) continuing with respect to the March 2026 Senior Secured Notes), the March 2026 Senior Secured Notes Trustee, (if the default is (or immediately prior to the waiver was) continuing with respect to the 2025 Senior Secured Notes), the 2025 Senior Secured Notes Trustee and (if the default is (or immediately prior to the waiver was) continuing with respect to any Additional Senior Secured Notes), the Additional Senior Secured Notes Trustee relating thereto or has ceased to exist;
- (if at any time of cancellation or consent, a default is continuing under the Senior Secured Term Loans Agreement) the Senior Facility Agent, (if at the time of cancellation or consent, a default is continuing under any Additional Senior Finance Documents) the relevant Additional Senior Facilities Representative, (if at the time of cancellation or consent, a default is continuing under the Notes) the Trustee, (if the default is (or immediately prior to the waiver was) continuing with respect to the 2028 Senior Secured Notes), the 2028 Senior Secured Notes

Trustee, (if at the time of cancellation or consent, a default is continuing under the May 2026 Senior Secured Notes) the May 2026 Senior Secured Notes Trustee, (if at the time of cancellation or consent, a default is continuing under the March 2026 Senior Secured Notes) the March 2026 Senior Secured Notes Trustee, (if at the time of the cancellation or consent, a default is continuing under the 2025 Senior Secured Notes) the 2025 Senior Secured Notes Trustee and (if at the time of cancellation or consent, a default is continuing under any Additional Senior Secured Notes) the Additional Senior Secured Notes Trustee cancels the Second Secured Stop Notice or consents to such payment; or

- if applicable, any Second Secured Standstill Period (as defined below) in effect at the time the Second Secured Stop Notice was issued has expired and the relevant event of default to which the Second Secured Standstill Period relates has not been cured or waived.

No Second Secured Stop Notice may be served by the Senior Facility Agent, any Additional Senior Facilities Representative or any Senior Secured Notes Trustee or Additional Senior Secured Notes Trustee in reliance on a particular payment blockage event more than 75 days after the Senior Facility Agent, any Additional Senior Facilities Representative, or any Senior Secured Notes Trustee or Additional Senior Secured Notes Trustee (as applicable) receives notice in writing specifying the occurrence constituting that payment blockage event. Not more than one Second Secured Stop Notice may be served with respect to the same event or set of circumstances. No Second Secured Stop Notice in relation to a payment blockage event may be served unless (i) 365 days have elapsed since the delivery of any previous Second Secured Stop Notice in relation to a payment blockage event and (ii) all scheduled payments of interest on the Second Secured Liabilities that have become due as a result of any previous Second Secured Stop Notice have been paid in full in cash.

Any failure to make a payment due in respect of the Second Secured Liabilities as a result of the issue of a Second Secured Stop Notice will not prevent the occurrence of an event of default under the Second Secured Documents as a consequence of such non-payment or the commencement of an Enforcement Action (defined below) otherwise permitted by the Intercreditor Deed.

If any Obligor fails to pay on the due date or within any applicable grace period any amount payable under the Senior Finance Documents (including relevant hedging agreements and cash management arrangements), any Additional Senior Finance Document, any Senior Secured Notes And Notes Indentures or any Second Secured Document (other than an amount not constituting principal, interest or fees not in excess of €1,000,000 (or its equivalent in any other currency)), the Obligors may not make payments (except if such payment is in the form of Permitted High Yield Note Junior Securities (as defined in the Intercreditor Deed) or comprises High Yield Note Trustee Amounts) in respect of the Subordinated High Yield Liabilities while that failure is continuing. Such payments in respect of any High Yield Notes may be resumed to the extent permitted under the Intercreditor Deed when such payment default is cured or waived.

Prior to the later of the Senior Discharge Date and the Second Secured Discharge Date, if there is any other default that occurs and is continuing under the Senior Secured Term Loans Agreement, any Additional Senior Finance Document, any Senior Secured Notes And Notes Indentures or, following the Senior Discharge Date, under any Second Secured Document, the Senior Facility Agent (on the instructions of the Majority Senior Lenders) or the relevant Additional Senior Facilities Representative, any Senior Secured Notes Trustee, any Additional Senior Secured Notes Trustee or the relevant Second Secured Representative (as applicable) may issue a payment blockage notice (a "**Stop Notice**") to any High Yield Note Trustees and notify each High Yield Representative (as defined in the Intercreditor Deed). From the date of the issue of such notice, the Obligors may not make any payments (except if such payment comprises High Yield Note Trustee Amounts) in respect of the Subordinated High Yield Liabilities or any High Yield Proceeds Loan for a period of 179 days (the "**High Yield Stop Period**"), subject to certain exceptions described below. Prior to the later of the Senior Discharge Date and the Second Secured Discharge Date, from the date of issue of a Stop Notice for the duration of the High Yield Stop Period, blocked payments may not be made unless:

- the event in respect of which the Stop Notice was issued has been cured or, prior to the Senior Discharge Date, waived in writing (if the default is (or immediately prior to the waiver was) continuing with respect to the Senior Secured Term Loans Agreement) by the Senior Facility Agent, (if the default is (or immediately prior to the relevant waiver was) continuing with respect to any Additional Senior Finance Documents) the relevant Additional Senior Facilities Representative, (if the default is (or immediately prior to the waiver was) continuing with respect to the Notes) the Trustee, (if the default is (or immediately prior to the waiver was) continuing with respect to the 2028 Senior Secured Notes), the 2028 Senior Secured Notes Trustee, (if the default is (or immediately prior to the waiver was) continuing with respect to the May 2026 Senior Secured Notes) the May 2026 Senior Secured Notes Trustee, (if the default is (or immediately prior to the waiver was) continuing with respect to the March 2026 Senior Secured Notes) the March 2026 Senior Secured Notes Trustee, (if the default is (or immediately prior to the waiver was) continuing with respect to the 2025 Senior Secured Notes) the 2025 Senior Secured Notes Trustee, and (if the default is (or immediately prior to the waiver was) continuing with respect to any Additional Senior Secured Notes) the relevant Additional Senior Secured Notes Trustee or, following the Senior Discharge Date and prior to the Second Secured Discharge Date, waived in writing by the relevant Second Secured Representative or has ceased to exist;

- prior to the Senior Discharge Date, (if at the time of cancellation or consent, a default is continuing under the Senior Facilities) the Senior Facility Agent, (if at the time of cancellation or consent, a default is continuing under any Additional Senior Finance Documents) the relevant Additional Senior Facilities Representative, (if at the time of cancellation or consent, a default is continuing under the Notes) the Trustee, (if the default is (or immediately prior to the waiver was) continuing with respect to the 2028 Senior Secured Notes), the 2028 Senior Secured Notes Trustee, (if at the time of cancellation or consent, a default is continuing under the May 2026 Senior Secured Notes) the May 2026 Senior Secured Notes Trustee, (if at the time of cancellation or consent, a default is continuing under the March 2026 Senior Secured Notes) the March 2026 Senior Secured Notes Trustee, (if at the time of the cancellation or consent, a default is continuing under the 2025 Senior Secured Notes) the 2025 Senior Secured Notes Trustee, and (if at the time of cancellation or consent, a default is continuing under any Additional Senior Secured Notes) the relevant Additional Senior Secured Notes Trustee cancels the Stop Notice or consents to such payment;
- prior to the Senior Discharge Date, the Senior Liabilities have been repaid in full and all the commitments of the Senior Creditors (as defined in the Intercreditor Deed) cancelled or following the Senior Discharge Date the Second Secured Liabilities have been repaid in full; or
- if applicable, any High Yield Standstill Period (as defined below) in effect at the time the payment Stop Notice was issued has expired and the relevant event of default to which the High Yield Standstill Period relates has not been cured or waived.

No Stop Notice may be served by the Senior Facility Agent, an Additional Senior Facilities Representative or any Senior Secured Notes Trustee or Additional Senior Secured Notes Trustee or a Second Secured Representative (as applicable) in reliance on a particular payment blockage event more than 75 days after the Senior Facility Agent, each Additional Senior Facilities Representative, a Senior Secured Notes Trustee, an Additional Senior Secured Notes Trustee or a Second Secured Representative receives notice in writing specifying the occurrence constituting that payment blockage event. Not more than one Stop Notice may be served by the Senior Facility Agent, each Senior Secured Notes Trustee or Additional Senior Secured Notes Trustee or each Second Secured Representative (as applicable) with respect to the same event or set of circumstances. No Stop Notice in relation to a payment blockage event may be served unless (i) 365 days have elapsed since the delivery of any previous Stop Notice in relation to a payment blockage event, and (ii) all scheduled payments of interest on any High Yield Notes that have become due as a result of any previous Stop Notice have been paid in full in cash.

Any failure to make a payment due under the indenture for any High Yield Notes (the "**High Yield Notes Indentures**") or the guarantees of any High Yield Notes as a result of the foregoing will not prevent the occurrence of an event of default under any High Yield Notes as a consequence of such non-payment or the commencement of an Enforcement Action otherwise permitted by the Intercreditor Deed.

***Entitlement to Enforce***

The Intercreditor Deed provides that the Senior Security Agent will (subject to certain exceptions) enforce the senior security only at the direction of the Instructing Group. Subject to certain exceptions in relation to the Second Secured Security (as defined in the Intercreditor Deed), prior to the Senior Discharge Date, the Second Secured Creditors may only take Enforcement Action with respect to the guarantees or security granted pursuant to the Intercreditor Deed in respect of the Second Secured Liabilities or any Second Secured Proceeds Loan if:

- the prior written consent of the Instructing Group is obtained;

- the Senior Creditors have taken certain Enforcement Action, in which case the Second Secured Creditors may take the same Enforcement Action against the same Obligor;
- the Second Secured Creditors have become entitled to do so as a result of the expiry of any Second Secured Standstill Period unless on the expiry of the Second Secured Standstill Period, the relevant default to which the Second Secured Standstill Period relates has been waived or cured; or
- certain insolvency events have occurred and are continuing, *provided* that any such insolvency event is not the result of actions of a Second Secured Creditor prohibited under the Intercreditor Deed and provided Enforcement Action may only be taken against the entity in respect of which the insolvency event has occurred.

Prior to the Senior Discharge Date and the Second Secured Discharge Date, the holders of any High Yield Notes and the trustee under any High Yield Notes (the "**High Yield Notes Trustees**") and any lender under any High Yield Proceeds Loan (together, the "**High Yield Creditors**") may only take Enforcement Action with respect to the guarantees and security granted in respect of any High Yield Notes or the High Yield Proceeds Loan if:

- the prior written consent of (prior to the Senior Discharge Date) the Instructing Group and (prior to the Second Secured Discharge Date) the Majority Second Secured Creditors (as defined in the Intercreditor Deed) is obtained;
- the Senior Creditors and/or any Second Secured Creditors have taken Enforcement Action against an Obligor, in which case the High Yield Creditors may take Enforcement Action against the same Obligor but may not take any other Enforcement Action until the Senior Discharge Date and any Second Secured Discharge Date shall have occurred except after expiry of a High Yield Standstill Period;
- the High Yield Creditors, as applicable, have become entitled to do so as a result of the expiry of any High Yield Standstill Period unless on the expiry of the High Yield Standstill Period the relevant default to which the High Yield Standstill Period relates has been waived or cured; or
- if certain insolvency events have occurred and are continuing, *provided* that any such insolvency event is not the result of actions of a High Yield Creditor prohibited under the Intercreditor Deed and provided Enforcement Action may only be taken against the entity in respect of which the insolvency event has occurred.

A "**Second Secured Standstill Period**" is defined in the Intercreditor Deed to mean a period of 179 days after written notice has been given by the Majority Second Secured Creditors (as defined in the Intercreditor Deed) to the Senior Facility Agent, each Additional Senior Facilities Representative and each Senior Secured Notes Trustee and Additional Senior Secured Notes Trustee that an event of default has occurred as a result of any failure to pay any amount of the Second Secured Liabilities when due and payable and is continuing, and specifying that a Second Secured Standstill Period is to commence.

A "**High Yield Standstill Period**" is defined in the Intercreditor Deed to mean a period of 179 days after written notice has been given by any High Yield Notes Trustee to the Senior Facility Agent, each Additional Senior Facilities Representative, any Senior Secured Notes Trustee or Additional Senior Secured Notes Trustee and each Second Secured Representative that an event of default under any High Yield Notes has occurred and is continuing, and specifying that a High Yield Standstill Period is to commence. An "Enforcement Action" is defined in the Intercreditor Deed to mean:

(a) the acceleration of any liabilities or any declaration that any liabilities are prematurely due and payable or the making of demand for payment of any liabilities after such liabilities have been made payable on demand;

(b) without prejudice to the right of a hedging counterparty to terminate or close out a hedging transaction as otherwise expressly permitted by the Intercreditor Deed, the designation by a hedge counterparty of an early termination date under any hedging agreement or the making of a demand by a hedge counterparty for payment of all or any amount which would become payable in connection with the occurrence of an early termination date;

(c) the making of any demand against any Obligor in relation to any guarantee in respect of any liabilities which are due and payable but unpaid or exercising any right to require the

Group to acquire any liability (including exercising any put or call option against any member of the Group for the redemption or purchase of any liability);

(d) the enforcement of any Security Document (as defined in the Intercreditor Deed) or any other security interest granted by any Obligor, any Additional Second Secured Borrower, or any High Yield Note Issuer (including taking any action to crystallize any floating charge forming part of any Security Document);

(e) the exercise of any right of set-off against any Obligor in respect of any liabilities due and payable but unpaid (excluding, for the avoidance of doubt, any payment or close-out netting under any hedging agreements or any set-off under any cash management arrangements);

(f) the suing for, commencing or joining of any legal or arbitration proceedings against any Obligor to recover any liabilities; or

(g) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator or similar officer) which could reasonably be expected to lead to an insolvency event in relation to any Obligor,

*provided* that the following shall not constitute Enforcement Action:

(i) the taking of any action falling within paragraph (f) above necessary to preserve the validity and existence of claims, including the registration of such claims before any court or governmental authority;

(ii) to the extent entitled by law, the taking of any actions against any creditor (or any agent, trustee or receiver acting on behalf of such creditor) to challenge the basis on which any sale or disposal is to take place pursuant to powers granted to such persons under any security documentation;

(iii) bringing legal proceedings against any person in connection with any securities violation or common law fraud or to restrain any actual or putative breach of the Finance Documents (as defined in the Intercreditor Deed) or for specific performance with no claim for damages; or

(iv) demand being made for payment of any of the liabilities as a result of it being unlawful for any Senior Creditor, Second Secured Creditor (other than any Second Secured Proceeds Lender) or High Yield Creditor (other than any High Yield Proceeds Lender) to perform any obligation under the Finance Documents,

unless in the case of any of the actions listed above in paragraphs (i)-(iv) above, such action will result in an insolvency event.

The Intercreditor Deed also contains enforcement provisions in relation to hedge counterparties, Intra-Group Liabilities, Senior Proceeds Loans and Subordinated Liabilities.

***Subordination***

Upon the occurrence of an insolvency event in relation to an Obligor, claims against that Obligor:

- in respect of any Second Secured Liabilities will be subordinate in right of payment to the claims against that Obligor in respect of Senior Liabilities;
- in respect of the Subordinated High Yield Liabilities will be subordinate in right of payment to the claims against that Obligor in respect of Senior Liabilities and Second Secured Liabilities; and
- in respect of Intra-Group Liabilities and Subordinated Liabilities will be subordinate in right of payment to the claims against that Obligor in respect of Senior Liabilities, Second Secured Liabilities and Subordinated High Yield Liabilities.

Upon the occurrence of an insolvency event in relation to a High Yield Note Issuer or an Additional Second Secured Borrower claims against that High Yield Note Issuer or Additional Second Secured Borrower in respect of the Subordinated Liabilities will be subordinate in right of payment to the claims against that High Yield Note Issuer or Additional Second Secured Borrower in respect of Senior Liabilities, Second Secured Liabilities and High Yield Liabilities (as applicable).

***Turnover***

Except to the extent prohibited by law and subject to certain exceptions, if at any time on or before the Senior Discharge Date and the Second Secured Discharge Date, any High Yield Creditor or any High Yield Note Issuer:

- receives or recovers any payment or distribution of, or on account of or in relation to, any of the Subordinated High Yield Liabilities which is not a permitted payment under the Intercreditor Deed;
- receives or recovers any amount by way of set-off in respect of any of the Subordinated High Yield Liabilities owed to them which does not give effect to a permitted payment under the Intercreditor Deed;
- receives or recovers proceeds pursuant to any Enforcement Action in respect of the Subordinated High Yield Liabilities except in accordance with the Intercreditor Deed or receives or recovers proceeds pursuant to any Enforcement Action in respect of the collateral for any High Yield Notes (as applicable);
- receives any payment or distribution of any kind whatsoever in relation to the purchase or acquisition of any High Yield Liabilities by any member of the Group;
- receives any distribution in cash or in kind in respect of any liability owed by IHL or the other Obligors in respect of the Subordinated High Yield Liabilities which is made as a result of the occurrence of an insolvency event of any Obligor; or
- receives or recovers any payment or distribution in respect of the High Yield Liabilities as a result of any High Yield Note Issuer receiving or recovering an amount in contravention of the Intercreditor Deed,

that High Yield Creditor or High Yield Note Issuer, as the case may be, will notify the Senior Security Agent and (following the Senior Discharge Date and prior to the Second Secured Discharge Date) each Second Secured Representative and hold that amount in a separate account on trust for (prior to the later of the Senior Discharge Date) the Senior Security Agent or (following the Senior Discharge Date prior to the Second Secured Discharge Date) each Second Secured Representative and promptly pay that amount (prior to the Senior Discharge Date) to the Senior Security Agent or (following the Senior Discharge Date prior to the Second Secured Discharge Date) a Second Secured Representative or (after deducting from the amount received or recovered the costs and expenses (if any) actually incurred by it in recovering such amount) to be held in trust by such person for application in accordance with the order of priority under the Intercreditor Deed as described below in "—Application of Proceeds." The foregoing provision does not, however, apply to any amounts received or recovered by any High Yield Notes Trustee that have been distributed by it to the holders of any High Yield Notes as applicable, if at the time it distributed such payment it had no actual knowledge that such payment was so prohibited.

The Intercreditor Deed also contains a turnover provision in relation to the Second Secured Liabilities, Intra-Group Liabilities and Subordinated Liabilities as well as certain amounts received by the Obligors generally.

***Application of Proceeds***

Subject to rights of creditors mandatorily preferred by law applying to companies generally, amounts received by the Senior Security Agent, a Second Secured Representative or trustee or representative under any High Yield Notes Indenture, any hedge counterparty or any cash management bank representing (i) the proceeds of enforcement of any security, (ii) recoveries under any guarantee contained in the Finance Documents and (iii) all amounts paid pursuant to the Intercreditor Deed will be applied in the following order of priority:

- in discharging any sums owing to the Senior Security Agent or any additional agent appointed by the Senior Security Agent, any High Yield Note Trustee Amounts, any Agency Amounts, any Senior Secured Note Trustee Amounts and any Second Secured Note Trustee Amounts, on a *pari passu* basis;
- in payment of all costs and expenses incurred by or on behalf of the Senior Creditors in connection with the enforcement of their security;
- in payment to the Senior Facility Agent (for itself and the Senior Lenders) to discharge the liabilities in respect of the Senior Secured Term Loans Agreement, to hedging counterparties to

discharge the liabilities owed to them, to cash management banks to discharge the liabilities owed to them, to the Trustee for application towards the discharge of liabilities under the Indenture, the Notes and related documents, to the 2028 Senior Secured Notes Trustee for application towards the discharge of the liabilities under the 2028 Senior Secured Indenture, to the May 2026 Senior Secured Notes Trustee for application towards the discharge of the liabilities under the 2026 Senior Secured Indenture, the May 2026 Senior Secured Notes and related documents, to the March 2026 Senior Secured Notes Trustee for application towards the discharge of the liabilities under the March 2026 Senior Secured Indenture, the March 2026 Senior Secured Notes and related documents, to the 2025 Senior Secured Notes Trustee for application towards the discharge of the liabilities under the 2025 Senior Secured Notes Indenture, the 2025 Senior Secured Notes and related documents, to any Additional Senior Secured Notes Trustee for application towards the discharge of the liabilities under the Additional Senior Secured Notes Indenture relating thereto, the applicable Additional Senior Secured Notes and related documents and each Additional Senior Facilities Representative (for itself and the creditors under such Additional Senior Finance Documents) for application towards the discharge of the Additional Senior Lender Liabilities (as defined in the Intercreditor Deed) owing under the Additional Senior Finance Documents, on a *pro rata* basis;

- in payment to each Second Secured Representative on behalf of the Second Secured Creditors which it represents for application towards the discharge of any Second Secured Liabilities, on a *pro rata* basis;
- in payment to any High Yield Notes Trustee for application towards the discharge of the liabilities in respect of the applicable High Yield Notes Indenture and the applicable High Yield Notes, on a *pro rata* basis;
- if none of the Obligors is under any further actual or contingent liability under any Senior Finance Document, Senior Secured Note Document (as defined in the Intercreditor Deed), Second Secured Document, under any High Yield Notes Indenture and related documents, in payment to any person to whom the Senior Security Agent, Second Secured Representative or the trustee or representative under any High Yield Notes Indenture is obliged to pay in priority to any Obligor; and
- the balance, if any, in payment to the relevant Obligor.

***Release of the Guarantees and the Security***

The Intercreditor Deed provides that, subject to any consents required from the Majority Senior Lenders and each Senior Secured Notes Trustee and Additional Senior Secured Notes Trustee in certain circumstances being obtained, the Senior Security Agent is authorized to (i) release any security created by the security documents over the relevant asset, and (ii) (if the relevant asset comprises all of the shares in the capital of a member of the Group (as defined in the Intercreditor Deed)) to release that member of the Group and any of its direct or indirect subsidiaries from all past, present and future liabilities (both actual and contingent) and/or its obligations in its capacity as a guarantor, issuer or borrower of the whole or any part of its liabilities in respect of the Senior Secured Term Loans Agreement, any Senior Secured Notes, any Additional Senior Secured Notes, Second Secured Documents, any High Yield Notes and certain other liabilities and to release any security granted by that member of the Group or any of its direct or indirect subsidiaries over any asset under any security document if:

- in connection with any permitted Enforcement Action, the Senior Security Agent or any receiver or administrator sells or otherwise disposes of (or proposes to sell or otherwise dispose of) any asset under any security document; or
- following a default under the Senior Secured Term Loans Agreement, any Additional Senior Finance Document, the 2028 Senior Secured Notes Indenture, the May 2026 Senior Secured Notes Indenture, the March 2026 Senior Secured Notes Indenture, the 2025 Senior Secured Notes Indenture, the Indenture or any Additional Senior Secured Notes Indenture (collectively, such indentures, the "**Senior Secured Notes Indentures**"), a member of the Group sells or otherwise disposes of (or proposes to sell or otherwise dispose of) any asset at the request or direction of the Senior Security Agent.

Notwithstanding the preceding paragraph, in the case of any release of the guarantees or security for the Second Secured Liabilities or for any High Yield Notes, the Second Secured Creditors and the High

Yield Creditors will only be obliged to release and authorize the release set out above in respect of any Obligor or other person which has granted security or provided a guarantee to the Second Secured Creditors or the High Yield Creditors:

- in the case of the Second Secured Liabilities and any security in respect thereof, if the Majority Second Secured Creditors (as defined in the Intercreditor Deed) have approved the release; or
- in the case of guarantees and security for any High Yield Notes and High Yield Notes Indenture, if the trustee or other representative under each High Yield Notes Indenture confirms to the Senior Security Agent that the holders of any High Yield Notes which it represents have approved the release; or
- if the shares or assets of an Obligor (or the shares of any direct or indirect holding company of such Obligor) are sold or otherwise disposed of pursuant to Enforcement Action taken by the Senior Security Agent (or any receiver or administrator) or at the request or direction of the Senior Security Agent, and the sale or disposal is completed in accordance with applicable law and for a consideration all or substantially all of which is in the form of cash or certain cash equivalents; and

(1) in the case of a sale or disposal of shares of an Obligor (or the shares of any direct or indirect holding company of such Obligor) (but only to the extent that any guarantees and security for any High Yield Notes or High Yield Notes Indenture are to be released), concurrently with the completion of such sale or disposal, the indebtedness of the relevant members of the Group being disposed of to (x) the Senior Creditors, (y) the Second Secured Creditors and (z) the lenders of all Subordinated Debt (as defined in the Intercreditor Deed) and Public Debt (as defined in the relevant High Yield Indenture or other document) that is Pari Passu Debt (as defined in the Intercreditor Deed) are discharged or released (and not assumed by the relevant purchaser or any affiliate thereof); *provided, however*, that performance bonds and similar instruments will not be required to be so discharged or released; and

(2) if applicable, in the case of a sale or disposal of assets other than shares in an Obligor as provided above, concurrently with the completion of such sale or disposal the prior ranking security in favor of the Senior Creditors over such assets is released,

and, in the case of paragraphs (1) and (2) above, either (x) the sale or disposal is made pursuant to a Public Auction (as defined below) or (y) an internationally recognized investment bank or an internationally recognized accounting firm selected by the Senior Security Agent has delivered in respect of the sale or disposal an opinion to (in the case of a sale by or at the request of the Senior Security Agent (or any receiver or administrator)) the trustee or representative under any High Yield Notes Indenture and each Second Secured Representative that the amount received in connection with such sale is fair from a financial point of view, taking into account all relevant circumstances including the method of enforcement; *provided* that the liability of such investment bank or accounting firm in giving such opinion may be limited to the amount of its fees in respect of such engagement.

A "**Public Auction**" is defined in the Intercreditor Deed to mean an auction in which more than one bidder participates or is invited to participate conducted with the advice of an internationally recognized investment bank and in which if the sale is undertaken by or at the request of the Senior Security Agent (or any receiver or administrator), pursuant to an enforcement requested by (a) the Instructing Group, in which case the Second Secured Creditors and the High Yield Creditors will have a right to participate in such auction and (b) the Second Secured Creditors, in which case the High Yield Creditors will have a right to participate in such auction.

The Intercreditor Deed also provides that, subject to any consents required from the Majority High Yield Creditors being obtained, the Senior Security Agent, any High Yield Notes Trustee and the applicable Second Secured Representative are authorized to release any security created by the security documents over (i) any assets disposed of in a manner permitted pursuant to the terms of the Senior Secured Term Loans, any Additional Senior Secured Term Loans, the 2028 Senior Secured Notes Indenture, the May 2026 Senior Secured Notes Indenture, the March 2026 Senior Secured Notes Indenture, the 2025 Senior Secured Notes Indenture, the Indenture, any Additional Senior Secured Notes Indenture and the Second

Secured Documents; or (ii) any receivables disposed of pursuant to the Securitization Program in a manner permitted pursuant to the terms of the Senior Secured Term Loans, any Additional Senior Secured Term Loans, the 2028 Senior Secured Notes Indenture, the May 2026 Senior Secured Notes Indenture, the March 2026 Senior Secured Notes Indenture, the 2025 Senior Secured Notes Indenture, the Indenture, any Additional Senior Secured Notes Indenture and the Second Secured Documents with effect from whichever is the earlier of (1) the date such receivable is disposed of or (2) the date such receivable is offered for disposal or, if not in existence when offered for disposal, the date it subsequently comes into existence.

The Intercreditor Deed further provides that, if it is necessary to do so in order to give effect to certain provisions of the Intercreditor Deed providing that in connection with any refinancing, restructuring, replacement, extension, supplement, increase or incurrence of additional Senior Liabilities and any Second Secured Liabilities such indebtedness shall be secured in priority to the Subordinated High Yield Liabilities, each High Yield Notes Trustee or other representative shall release any security interest which has been granted to it provided that such release occurs on the date of such refinancing, restructuring, replacement, extension, supplement, increase or incurrence and a new security interest is granted to the High Yield Notes Trustee or other representative immediately upon the grant of security interests in respect of such refinancing, restructuring, replacement, extension, supplement, increase or incurrence.

***Option to Purchase Debt under the Senior Secured Term Loans Agreement and the Senior Secured Notes Indentures***

If the Senior Creditors under the Senior Secured Term Loans Agreement, any Senior Secured Notes Indenture, any Additional Senior Secured Notes Indenture or any Additional Senior Finance Document have taken any Enforcement Action, any High Yield Notes Trustee may, at the direction of the requisite percentage of the holders of any High Yield Notes under any High Yield Notes Indenture, as applicable, within 60 days after commencement of that Enforcement Action, on giving not less than 14 days' written notice to the Senior Facility Agent, each Additional Senior Facilities Representative, the May 2026 Senior Secured Notes Trustee, the 2028 Senior Secured Notes Trustee, the March 2026 Senior Secured Notes Trustee, the 2025 Senior Secured Notes Trustee, the Trustee, any Additional Senior Secured Notes Trustee and each Second Secured Representative, and subject to satisfying certain conditions, purchase all but not part of the debt under the Senior Secured Term Loans, any Additional Senior Secured Lender Liabilities (as defined in the Intercreditor Deed), the 2028 Senior Secured Notes Indenture, the May 2026 Senior Secured Notes Indenture, the March 2026 Senior Secured Notes Indenture, the 2025 Senior Secured Notes Indenture, the Indenture, any Additional Senior Secured Notes Indenture, hedging agreements, cash management arrangements and Second Secured Documents (i) in the case of the Senior Secured Term Loans, and any Additional Senior Secured Lender Liabilities (as defined in the Intercreditor Deed), at a price equal to the principal amount of such debt and accrued and unpaid interest and fees and expenses, (ii) in the case of any Senior Secured Notes or Additional Senior Secured Notes, at a price equal to the principal amount of such debt and accrued and unpaid interest, any prepayment fees and other fees and expenses and (iii) in the case of any Second Secured Documents, at a price equal to the principal amount of such debt and accrued and unpaid interest, any prepayment fees and other fees and expenses. The Intercreditor Deed also provides for the price to be paid in relation to hedging agreements and cash management arrangements. Upon such purchase, the purchasers will assume the rights and obligations of the lenders under the Senior Secured Term Loans, and any Additional Senior Lender Liabilities, including hedging arrangements, and the rights and obligations of the holders of any Senior Secured Notes, any Additional Senior Secured Notes and the rights and obligations of the creditors under any Second Secured Documents.

***Amendment***

The terms of the Intercreditor Deed may only be amended or waived with the written agreement of each of the Senior Facility Agent, each Additional Senior Facilities Representative, any High Yield Notes Trustee, any Second Secured Representative, the 2028 Senior Secured Notes Trustee, the May 2026 Senior Secured Notes Trustee, the March 2026 Senior Secured Notes Trustee, the 2025 Senior Secured Notes Trustee, the Trustee, any Additional Senior Secured Notes Trustee and IHL unless (i) any amendments are made to cure defects, resolve ambiguities or reflect changes of a minor, technical or administrative nature, which may be made by the Senior Security Agent and IHL, (ii) any amendments are made to meet the requirements of any person proposing to act as a senior secured note trustee or high yield note trustee which are customary for persons acting in such capacity, which amendments may be made by the Senior Security Agent and IHL, (iii) any amendments which only affect the rights and obligations of one party or class of parties and are not adverse to the rights of the other parties or class of parties, which may be made by only IHL and the party or class of parties affected thereby, or (iv) any amendments are made to give effect to the appointment of an Additional Senior Facilities Representative in respect of the Additional Senior Finance Parties or a Second Secured Representative in respect of the Second Secured Creditors, which amendments may be made by the Senior Security Agent and IHL. Subject to (i) and (ii) in the previous sentence, no amendment or waiver of the Intercreditor Deed may impose new or additional obligations on any party to the Intercreditor Deed or affect the rights or obligations of the Senior Facility Agent, the 2028 Senior Secured Notes Trustee, the May 2026 Senior Secured Notes Trustee, the March 2026 Senior Secured Notes Trustee, the 2025 Senior Secured Notes Trustee, the Trustee, any Additional Senior Secured Notes Trustee, the Senior Security Agent or the trustee or representative under any High Yield Notes Trustee, or certain other persons in each case without their prior written consent.

The Senior Security Agent may amend the terms of, waive any of the requirements of, or grant consents under, any of the Senior Security Documents (as defined in the Intercreditor Deed) acting on the instructions of the Senior Facility Agent and (where such consent is required under any Additional Senior Finance Document) of each relevant Additional Senior Facilities Representative and (where such consent is required under any Senior Secured Notes Indenture, Additional Senior Secured Notes Indenture or related documents) of the applicable Senior Secured Notes Trustee or Additional Senior Secure Notes Trustee. Any such amendment, waiver or consent will be deemed to be an amendment, waiver or consent of any equivalent Security Document (as defined in the Intercreditor Deed) granted in favor of the Second Secured Creditors or any High Yield Notes Trustee and the holders of any High Yield Notes but only to the same extent and to no greater extent than the amendment, waiver or consent in relation to the relevant Senior Security Document. Any such amendment, waiver or consent will also be binding on the hedge counterparties save to the extent that in respect of such amendment, waiver or consent the hedge counterparties are treated in a manner which is different to the other Senior Creditors in which event the consent of the hedge counterparties shall also be required. No such amendment, waiver or consent will (without prejudice to any other provision of the Intercreditor Deed) release any security granted to the Second Secured Creditors or any High Yield Notes Trustee or holders of any High Yield Notes except as permitted under the Second Secured Documents or a High Yield Notes Indenture, as applicable.

Notwithstanding the above, any High Yield Notes Trustee, each Second Secured Representative, any Senior Secured Notes Trustee, any Additional Senior Secured Notes Trustee, the Senior Facility Agent, each Additional Senior Facilities Representative and the Senior Security Agent are authorized to enter into such agreement or agreements with, among others, the Obligors and each High Yield Notes Issuer, whether by way of supplement, amendment or restatement of the Intercreditor Deed or by a separate deed, as may be necessary to give effect to the provisions under the Intercreditor Deed relating to, among others, a permitted refinancing of the Senior Liabilities, the Second Secured Liabilities or the liabilities in respect of any High Yield Notes.

Unless expressly stated otherwise in the Intercreditor Deed, the provisions of the Intercreditor Deed override anything in any of the finance documents to the contrary.

The Intercreditor Deed is governed by English law.

## DESCRIPTION OF THE NOTES

The € aggregate principal amount of % Senior Secured Notes due 2029 (the "**Euro Notes**") and $ aggregate principal amount of % Senior Secured Notes due 2029 (the "**Dollar Notes**") offered hereby will be issued under an indenture (the "**Indenture**") to be dated as of the date the Notes are issued upon completion of the Offering (such date, the "**Issue Date**") among, *inter alios*, INEOS Finance plc, as issuer (the "**Issuer**"), the Initial Guarantors, BNY Mellon Corporate Trustee Services Limited, as trustee (in such capacity, the "**Trustee**"), and Barclays Bank PLC, as security trustee (in such capacity, the "**Security Trustee**"). Unless the context otherwise requires, in this "*Description of the Notes*," references to the "**Notes**" include the Euro Notes and the Dollar Notes, in each case, issued on the Issue Date and any Additional Notes that are issued under the Indenture.

The following is a summary of the material provisions of the Indenture, the Notes, the guarantees provided by the Guarantors (the "**Guarantees**") and the Notes Proceeds Loan Agreements and refers to the Security Documents and the Intercreditor Deed. It does not restate those agreements in their entirety. Where reference is made to particular provisions of those agreements, such provisions, including the definitions of certain terms, are qualified in their entirety by reference to all of the provisions of such agreements.

The Indenture, the Notes, the Guarantees and the Security Documents will be subject to the terms of the Intercreditor Deed and any additional intercreditor agreements entered into in the future. The terms of the Intercreditor Deed are important to understanding the terms and ranking of the Notes and the Guarantees. Please see the section entitled "*Description of Other Indebtedness—Intercreditor Deed*" for a summary of certain material terms of the Intercreditor Deed.

The registered holder of a Note will be treated as its owner for all purposes. Only registered holders will have rights under the Indenture, including, without limitation, with respect to enforcement and the pursuit of other remedies. The Notes have not been registered under the U.S. Securities Act and are subject to certain transfer restrictions. The Indenture is not required to be nor will it be qualified under and will not include or incorporate any provisions by reference to (except with respect to certain communications by Holders) or otherwise be subject to the U.S. Trust Indenture Act.

For definitions of certain capitalized terms used in the following summary, please see "*—Certain Definitions*." Where this "*Description of the Notes*" or the Indenture refers to (a) the delivery of an Officer's Certificate, or equivalent, of the Issuer, the Company (as defined below), the Parent, any other Guarantor or a Surviving Entity, the Issuer, the Company, the Parent, such Guarantor or such Surviving Entity, as the case may be, may, at its election, satisfy such delivery requirement by the delivery of a certificate, or equivalent, of an officer of any of the Issuer, the Parent, the Company, Luxco I or IHL and (b) the determination, resolution, designation, instruction, request or direction of any of (A) the Issuer or an officer, the senior management or the Board of Directors thereof, (B) the Parent or an officer, the senior management or the Board of Directors thereof, or (C) the Company or an officer, the senior management or the Board of Directors thereof, such determination, resolution, designation, instruction, request or direction may be made by, in each case, any of the Issuer or an officer, the senior management or the Board of Directors thereof, or the Parent or an officer, the senior management or the Board of Directors thereof, or the Company or an officer, the senior management or the Board of Directors thereof, Luxco I or an officer, the senior management or the Board of Directors thereof, or IHL or an officer, the senior management or the Board of Directors thereof (in each case, as applicable), at the Parent's election.

### Brief Description of the Notes, the Guarantees and the Security

#### *The Notes*

The Notes will:

- be general senior obligations of the Issuer;
- be secured as set forth below under "*—Security*";
- rank equally in right of payment with all existing and future obligations of the Issuer that are not expressly subordinated to the Notes, including, without limitation, the obligations under the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes and the Senior Secured Credit Facilities;
- be guaranteed on a senior secured basis by the Guarantors;

- rank effectively senior to all existing and future obligations of the Issuer that are unsecured or secured by Liens junior to the Liens securing the Notes to the extent of the value of the Collateral;
- rank senior in right of payment to all existing and future obligations of the Issuer that are expressly subordinated in right of payment to the Notes; and
- will be effectively subordinated in right of payment to all of the liabilities of, including trade payables and letters of credit issued by, INEOS Luxembourg I S.A.'s (the initial "**Company**") Subsidiaries that do not guarantee the Notes.

The Issuer is a finance company that has no Subsidiaries. Upon completion of the offering of the Notes, the only significant assets of the Issuer will be the Notes Proceeds Loan, the 2028 Senior Secured Notes Proceeds Loans, the March 2026 Senior Secured Notes Proceeds Loan, the May 2026 Senior Secured Notes Proceeds Loan, the 2025 Senior Secured Notes Proceeds Loan and the euro-denominated SFA Proceeds Loans and, as such, the Issuer will be dependent on payments by IHL on such proceeds loans in order to service its Indebtedness, including the Notes.

As of September 30, 2023, after giving *pro forma* effect to the issuance, of the Notes and the application of the proceeds therefrom as described under "*Use of Proceeds*" and the Transactions, the Parent would have had total consolidated loans and borrowings of €11,662.7 million.

The Notes will be effectively subordinated to any existing and future Indebtedness and other obligations of the Issuer that are secured by Liens senior to the Liens securing the Notes or secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness and other obligations.

Certain Liens securing the Notes created under German and French law will, as a matter of local law, be granted as junior ranking Liens in relation to the Liens in respect of the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes. Nevertheless, the Intercreditor Deed provides that as a contractual matter as among Senior Secured Creditors (as defined in the Intercreditor Deed), the Notes will be secured on a *pari passu* basis with the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes, certain hedging obligations and certain cash management obligations and will be treated as such for purposes of the application of proceeds from the enforcement of such Collateral. References to first-priority or first ranking security interests include security interests that were created subsequent in time and thus subsequent in in rem ranking, but are contractually *pari passu* with prior ranking security and entitled to equal treatment with other prior security secured creditors pursuant to the Intercreditor Agreement.

The existing first-ranking Liens securing the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes that were created under New York, Luxembourg and Norwegian law will remain in place and will extend to secure the Notes. In some jurisdictions, the Security Documents creating the existing first-ranking Liens securing the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes will be amended to extend such Liens (or, with respect to Belgian security, to confirm that these Liens extend) to the Notes (or, with respect to French and certain German security interests, junior ranking security interests will be granted). The existing first-ranking Liens securing the Senior Secured Credit Facilities, the 2028 Senior Secured Loans, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes that were created under English law, Jersey law, Scottish law and Singapore law will remain in place, and new Liens over the same Collateral will be created in these jurisdictions to secure the Notes. In these jurisdictions where new Liens are created, the ranking of these new Liens relative to the existing Liens will, as a matter of general law, depend on a number of factors, such as the nature of the Liens, the order of creation of the Liens, compliance with the jurisdiction's perfection requirements with respect to the Liens and the order of giving notices with respect to the Liens, and accordingly without the Intercreditor Deed, the new Liens would be likely to rank after the existing Liens. However, the Intercreditor Deed provides that, as a contractual matter, the Liens securing the Notes, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes and the Senior Secured Credit Facilities will rank pari passu and will be treated as having equal priority with respect to the application of proceeds from the enforcement of any Collateral.

Under the terms of the Intercreditor Deed, the proceeds of any enforcement of the Collateral will be applied, subject to the rights of creditors mandatorily preferred by law applying to companies generally, *pro rata* to repayment of the Notes, the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes, the Hedging Obligations to the extent the relevant counterparties accede to the Intercreditor Deed (the "**Hedging Liabilities**") and the Cash Management Arrangements to the extent the relevant counterparties accede to the Intercreditor Deed (the "**Cash Management Liabilities**"). The Intercreditor Deed limits the ability of the Trustee or the holders of the Notes to instruct the Security Trustee to take enforcement action. Please see "*—Enforcement of Security*," and "*Description of Other Indebtedness—Intercreditor Deed*."

In addition, the Notes will be effectively subordinated to all existing and future indebtedness and other liabilities of the Company's Subsidiaries that do not guarantee the Notes.

The Indenture and the Intercreditor Deed will permit the Issuer to issue Indebtedness secured by Liens on the Collateral securing the Notes, which Liens may, under certain circumstances, rank ahead of the security interests on the Collateral securing the Notes. Please see "*—Certain Covenants—Limitation on Indebtedness*" and "*—Certain Covenants—Limitation on Liens*."

***The Guarantees***

The Notes will be guaranteed by the Guarantors. Each Guarantee will:

- be joint and several and will be the general senior obligation of the applicable Guarantor;
- be secured as set forth below under "*—Security*;"
- rank equally in right of payment with all existing and future obligations of the applicable Guarantor that are not expressly subordinated in right of payment to such Guarantee, including with respect to the Guarantee of the Notes by each Guarantor, Indebtedness under the Senior Secured Credit Facilities and the guarantees of the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes, the guarantees by IGH and IHL under the Rain Facilities, the guarantee by IGH under the Rafnes Facility, the debt service undertaking by IGH, IHL and INEOS US I Inc. under the Project ONE Facilities and the guarantees by IGH, IHL and INEOS US I Inc. under the Project ONE Interim Facilities;
- rank effectively senior to all existing and future obligations of such Guarantor that are unsecured or secured by Liens junior to the Liens securing the Guarantees to the extent of the value of the Collateral; and
- rank senior in right of payment to all existing and future obligations of the applicable Guarantor that are expressly subordinated in right of payment to such Guarantee.

The Guarantees will be effectively subordinated to any existing and future Indebtedness and other obligations of such Guarantor that are secured by Liens senior to the Liens securing such Guarantee or secured by property and assets that do not secure such Guarantee, to the extent of the value of the property and assets securing such Indebtedness and other obligations. In the event of a bankruptcy or insolvency, each such secured lenders will have a prior secured claim to any collateral of such Guarantor securing the debt owed to them.

Not all of the Company's Restricted Subsidiaries will guarantee the Notes. However, each of the Company's Subsidiaries that as of the Issue Date will guarantee the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes and the Senior Secured Credit Facilities will also guarantee the Notes. As of the Issue Date, the Notes will be jointly and severally guaranteed on a senior secured basis by the Initial Guarantors. See "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Post-Closing Guarantees and Collateral—The Subsequent Guarantors will not initially guarantee the Notes and the Subsequent Collateral will not initially secure the Notes*." Each of the Parent, the Company, the Issuer and the other Initial Guarantors shall take such necessary actions, and the Company shall cause its Restricted Subsidiaries to take such necessary actions, so that on the date that is no later than 90 days following the Issue Date, the Subsequent Guarantors shall become Guarantors by executing and delivering to the Trustee a supplemental indenture substantially in the form attached as an exhibit to the Senior Secured Notes Indenture. The Guarantors (upon the Subsequent Guarantors becoming Guarantors under the Indenture) are expected to represent 95.9% of the Parent's consolidated EBITDA before exceptionals for the 12-month period ended September 30, 2023 and hold

87.1% of the Parent's consolidated total assets as of September 30, 2023 (in each case, calculated in accordance with, and in the manner provided by, the guarantor maintenance covenant in the Senior Secured Term Loans Agreement as in effect on the Issue Date after giving effect to the exclusion of the Consolidated EBITDA (as defined in the Senior Secured Term Loans Agreement) and consolidated total assets of certain subsidiaries of the Parent (including Unrestricted Subsidiaries), which represent approximately 3.1% of the Parent's consolidated EBITDA before exceptionals for the same period and hold approximately 14.8% of the Parent's consolidated total assets as of September 30, 2023). See "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Structural Subordination—The Notes and each guarantee will be structurally subordinated to the liabilities and any preferred stock of the non-Guarantor subsidiaries*." On the Issue Date, the Company has designated as Unrestricted Subsidiaries INEOS Real Estate GmbH & Co. KG, which owns an office building in Köln, Germany; Gemini HDPE LLC, INEOS Gemini HDPE LLC and INEOS Gemini HDPE Holding Company LLC, which produce high density polyethylene in La Porte, Texas, United States; INEOS China Holdings Limited, INEOS China Holdings II Limited, INEOS China Holdings III Limited, INEOS Tianjin Holdings Limited, INEOS Investment (Tianjin) Company Limited and INEOS Investment (Shanghai) Company Limited, which include the holder of the 50% interest in SECCO and the holder of the 50% interest in the Tianjin Nangang Ethylene Project; and INEOS Nitriles (UK) Limited.

The obligations of the Guarantors under their Guarantees will be limited as necessary to recognize certain limitations imposed due to local law and defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law. Please see "*Description of the Collateral and the Guarantees*," "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Insolvency laws—Relevant insolvency laws in England, Luxembourg and other jurisdictions may provide you with less protection than U.S. bankruptcy law*," "*—Guarantees and Collateral Limitations—The guarantees and pledges of Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*," and "*—Enforcement of French share pledges—Under the security interests governed by French law, you may be required to pay a "soulte" in the event you decide to enforce the pledge of the shares by judicial or contractual foreclosure of the Collateral consisting of shares of INEOS France SAS or INEOS Technologies France SAS rather than by a sale of such Collateral in a public auction*" and "*Limitations on Validity and Enforceability of the Guarantees, the Collateral and Certain Insolvency Considerations*."

The obligations of any Guarantor under its Guarantee will be automatically and unconditionally released and discharged in certain circumstances. Please see "*Description of Other Indebtedness—Intercreditor Deed*" and "*—Release of the Guarantees*."

***Release of the Guarantees***

The Guarantee provided by any Guarantor will be automatically and unconditionally released and terminated, without any action by, or the necessity of the consent of, the Trustee, the Security Trustee or the holders of the Notes as follows (and each holder of the Notes will be deemed to have irrevocably authorized the Trustee and the Security Trustee to execute and deliver (and, at the request and cost of the Company, each of the Trustee and the Security Trustee will execute and deliver) any document to the extent necessary or reasonably requested by the Company to evidence such release and termination):

(a) with respect to any Subsidiary Guarantor, in connection with any sale, assignment, transfer (including any transfer to a Permitted Joint Venture) or other disposition (including by way of a merger, consolidation or amalgamation) of all or substantially all of the assets of such Subsidiary Guarantor (determined after giving effect to any substantially concurrent sales, assignments, transfers or other dispositions to the Company, a Guarantor or a Restricted Subsidiary) to a Person that is not (after giving effect to such transaction or any related transactions) the Company, a Guarantor or a Restricted Subsidiary, if such sale, assignment, transfer or other disposition does not violate the requirements of the covenant set forth under the heading "*—Certain Covenants—Limitation on Sale of Assets*";

(b) with respect to any Subsidiary Guarantor, in connection with any sale, assignment, transfer (including any transfer to a Permitted Joint Venture) or other disposition of the Capital Stock of such Subsidiary Guarantor (or of the Capital Stock of any direct or indirect parent company of such Subsidiary Guarantor (other than the Parent, any Parent Intermediate Holdco, the Company or the Issuer)) that results in such Subsidiary

Guarantor ceasing to be a Restricted Subsidiary, if such sale, assignment, transfer or other disposition does not violate the requirements of the covenant set forth under the heading "—*Certain Covenants—Limitation on Sale of Assets*";

(c) with respect to any Subsidiary Guarantor, if such Subsidiary Guarantor is designated as an Unrestricted Subsidiary in accordance with the covenant described under "—*Certain Covenants—Limitation on Unrestricted Subsidiaries*";

(d) as provided for in "—*Certain Covenants—Suspension of Covenants and Release of Guarantees on Achievement of Investment Grade Status*" or "—*Certain Covenants—Limitation on Issuance of Guarantees of Indebtedness by Restricted Subsidiaries*";

(e) with respect to any Guarantor, upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "—*Defeasance or Covenant Defeasance of Indenture*" and "—*Satisfaction and Discharge*";

(f) as provided for under "—*Consolidation, Merger and Sale of Assets*";

(g) with respect to any Subsidiary Guarantor that is an Immaterial Subsidiary, upon written notice from the Company to the Trustee, so long as no Event of Default has occurred and is continuing;

(h) as described in clause (e) in the first paragraph under "—*Modifications and Amendments*";

(i) with respect to any Subsidiary Guarantor, upon written notice from the Company to the Trustee, so long as no Event of Default has occurred and is continuing; *provided* that, after giving effect to such release, the Consolidated EBITDA (as defined in the Senior Secured Term Loans Agreement) of the Issuer and the Guarantors is at least 85% of the Consolidated EBITDA of the Parent, the Company and its Restricted Subsidiaries and the consolidated total assets of the Issuer and the Guarantors is at least 85% of the consolidated total assets of the Parent, the Company and its Restricted Subsidiaries, in each case, calculated in accordance with, and in the manner provided by and subject to the same exceptions as those set forth in, Section 7.11(a) of the Senior Secured Term Loans Agreement as in effect on the Issue Date (after giving effect to the modifications included in Exhibit L-1 thereto), including the exclusion of the Consolidated EBITDA and consolidated total assets of any Project Finance Subsidiary, any Receivables Subsidiary, any Project Finance Entity or any Restricted Subsidiary that is a special purpose entity, bankruptcy remote entity, captive insurance company or any not-for-profit entity, INEOS Belgium and its subsidiaries, to the extent any Rafnes Entity is a Restricted Subsidiary, the Rafnes Entities, any Restricted Subsidiary organized under the laws of an Excluded Jurisdiction and any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary and its subsidiaries, any cash, cash equivalents and Temporary Cash Investments of the LC Account Parties (or the effect of the LC Account Parties' interest income attributable to such cash, cash equivalents and Temporary Cash Investments securing their liabilities under any LC Facility), any receivables that are subject to any Permitted Receivables Financing and any inventory or assets relating thereto that are subject to any inventory financing or similar arrangement permitted under the Indenture;

(j) with respect to any Guarantor, upon written notice from the Company to the Trustee, as part of any Permitted Reorganization;

(k) upon the full and final payment of all obligations of the Issuer under the Notes and the Indenture; and

(l) in accordance with the Intercreditor Deed;

*provided*, *however*, that the Company shall have the right, in its sole discretion, by written notice to the Trustee delivered prior to the automatic release and termination of any Guarantee as specified above, to (A) waive such automatic release and termination of such Guarantee and maintain such Guarantee in effect until such time as the Company shall instruct and direct the Trustee in writing to release and terminate such Guarantee or (B) elect that the release and termination of such Guarantee shall not occur automatically as contemplated by this paragraph but shall occur at such other time or times, in such manner and order and upon the occurrence of such other events as shall be specified by the Company in such notice to the Trustee; *provided further* that nothing in this clause (B) shall allow the Company to require the release and termination of any Guarantee prior to (unless such release and termination is to occur substantially concurrently with) the occurrence of the applicable event(s) set forth in clauses (a) through (l) above providing for the release and termination thereof.

In addition, the Intercreditor Deed will provide for the release of certain Guarantees upon an enforcement sale and as otherwise specified in the Intercreditor Deed. See "*Description of Other Indebtedness—Intercreditor Deed*". The Indenture will provide that any release of a Guarantee may be evidenced, at the Issuer's option, by the delivery by the Issuer to the Trustee of an Officer's Certificate of the Issuer, and the Trustee shall, at the Issuer's request, acknowledge and confirm receipt of such Officer's Certificate.

***Security***

The obligations of the Issuer under the Notes and the obligations of the Guarantors under the Guarantees will be secured by, subject to Permitted Collateral Liens, first-ranking Liens over the Collateral (or, with respect to French and certain German security interests, junior ranking security interests) as described in "*Description of the Collateral and the Guarantees*".

Certain Liens securing the Notes created under German and French law will, as a matter of local law, be granted as junior ranking Liens in relation to the Liens in respect of the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes. Nevertheless, the Intercreditor Deed provides that as a contractual matter as among Senior Secured Creditors (as defined in the Intercreditor Deed), the Notes will be secured on a *pari passu* basis with the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes, certain Hedging Obligations and certain Cash Management Arrangements and will be treated as such for purposes of the application of proceeds from the enforcement of such Collateral. References to first-priority or first ranking security interests include security interests that were created subsequent in time and thus subsequent in in rem ranking, but are contractually *pari passu* with prior ranking security and entitled to equal treatment with other prior security secured creditors pursuant to the Intercreditor Agreement.

The existing first-ranking Liens securing the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes that were created under New York, Luxembourg and Norwegian law will remain in place and will extend to secure the Notes. In some jurisdictions, the Security Documents creating the existing first-ranking Liens securing the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes will be amended to extend such Liens (or, with respect to Belgian security, to confirm that these Liens extend) to the Notes (or, with respect to French and certain German security interests, junior ranking security interests will be granted). The existing first-ranking Liens securing the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes that were created under English law, Jersey law, Scottish law and Singapore law will remain in place, and new Liens over the same Collateral will be created in these jurisdictions to secure the Notes. In these jurisdictions where new Liens are created, the ranking of these new Liens relative to the existing Liens will, as a matter of general law, depend on a number of factors, such as the nature of the Liens, the order of creation of the Liens, compliance with the jurisdiction's perfection requirements with respect to the Liens and the order of giving notices with respect to the Liens, and accordingly without the Intercreditor Deed, the new Liens would be likely to rank after the existing Liens. However, the Intercreditor Deed provides that, as a contractual matter, the Liens securing the Notes, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes and the Senior Secured Credit Facilities will rank *pari passu* and will be treated as having equal priority with respect to the application of proceeds from the enforcement of any Collateral.

The Collateral will also secure the obligations under the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes, the Hedging Liabilities and the Cash Management Liabilities on a *pari passu* basis. The Liens on the Collateral securing the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes are already in place. In some jurisdictions, the Security Documents creating such Liens will be amended to extend such Liens (or, with respect to Belgian security, to confirm that these Liens extend) to the Notes (or, with respect to French and certain German security interest, junior ranking security interests will be granted). The existing first-ranking Liens securing the Senior Secured Credit Facilities, the 2028

Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes that were created under New York, Luxembourg and Norwegian law will remain in place and will extend to secure the Notes. The existing first-ranking Liens securing the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes that were created under English law, Jersey law, Scottish law and Singapore law will remain in place, and new Liens over the same Collateral will be created in these jurisdictions to secure the Notes. In these jurisdictions where new Liens are created, the ranking of these new Liens relative to the existing Liens will, as a matter of general law, depend on a number of factors, such as the nature of the Liens, the order of creation of the Liens, compliance with the jurisdiction's perfection requirements with respect to the Liens and the order of giving notices with respect to the Liens, and accordingly without the Intercreditor Deed, the new Liens would be likely to rank after the existing Liens. However, the Intercreditor Deed provides that, as a contractual matter, the Liens securing the Notes, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes and the Senior Secured Credit Facilities will rank *pari passu* and will be treated as having equal priority with respect to the application of proceeds from the enforcement of any Collateral.

The Collateral is granted pursuant to the Security Documents and the Intercreditor Deed to the Security Trustee on behalf of the holders of the secured obligations that are secured by the Collateral, including the Notes. For a description of the Collateral and the Security Documents, see "*Description of the Collateral and the Guarantees*". For a discussion of the ranking of the Collateral and the application of the proceeds thereof, see "*Description of Other Indebtedness—Intercreditor Deed*".

The requirements for the granting of Liens under the Indenture, arising at any time on or after the Issue Date, will generally be subject to certain security principles described under "*—Security Principles*". In addition, the Liens on the Collateral will be subject to certain limitations and are at all times in all cases subject to the requirements of applicable law. Please see "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Insolvency laws—Relevant insolvency laws in England, Luxembourg and other jurisdictions may provide you with less protection than U.S. bankruptcy law*", "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Guarantees and Collateral limitations—The guarantees and pledges of Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*", "*Risk Factors—Enforcement of French share pledges—Under the security interests governed by French law, you may be required to pay a "soulte" in the event you decide to enforce the pledges of the shares by judicial or contractual foreclosure of the Collateral consisting of shares of INEOS Technologies France SAS and INEOS France SAS rather than by a sale of such Collateral in a public auction*" and "*Limitations on Validity and Enforceability of the Guarantees and the Security Interests*".

A Lien on certain of the Collateral described under "*Description of the Collateral and the Guarantees—Summary of the Guarantees and Collateral for the Notes*" will be granted to secure the Obligations under the Indenture, the Notes and the Guarantees on the Issue Date (such Collateral, the "**Initial Collateral**"), and, to the extent not also granted on the Issue Date, the Issuer and the Guarantors will be required to grant the other Collateral described under "*Description of the Collateral and the Guarantees—Summary of the Guarantees and Collateral for the Notes*" (such other Collateral, the "**Additional Collateral**") no later than 90 days after the Issue Date. The Notes and the related Guarantees will be secured by first priority Liens (subject to certain exceptions) on the same assets that secure the Senior Secured Credit Facilities. Please see "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Post-Closing Collateral—The Post-Closing Collateral will not initially secure the Notes*".

The Issuer and each Guarantor shall take such necessary actions and shall cause its respective Restricted Subsidiaries to take such necessary actions so that Liens over the Collateral in respect of the Notes shall be granted to the Security Trustee on behalf of, and for the benefit of, the holders of the Notes pursuant to the Security Documents as contemplated by the Indenture.

The Issuer and each Guarantor shall, and shall procure that each of its respective Subsidiaries shall, at its own expense, execute and do all such acts and things and provide such assurances as the Security Trustee may reasonably require (i) for registering any Security Document relating to the Collateral in any required register and for perfecting or protecting the security intended to be afforded by such Security Document relating to the Collateral and (ii) if such Security Document has become enforceable in accordance with the terms of the Indenture, the relevant Security Document and the Intercreditor Deed, for facilitating the realization of all or any part of the Collateral which is subject to such Security Document and for facilitating the exercise of all powers, authorities and discretions vested in the Security Trustee or in any receiver of all or any part of such Collateral. The Issuer and each Guarantor shall, and shall procure that each of its respective Subsidiaries shall, execute such transfers, conveyances, assignments and releases of that property whether to the Security Trustee or to its nominees and give such notices, orders and directions which the Security Trustee may reasonably request.

***Security Documents***

The Notes and the Guarantees will be secured by, subject to Permitted Collateral Liens, first-ranking Liens over the Collateral (or, with respect to French and certain German security interests, junior ranking security interests). Certain of the Liens on the Initial Collateral will be perfected after the Issue Date and certain of the Liens on the Additional Collateral will be perfected after the date that is 90 days after the Issue Date, in each case in accordance with applicable law. Please see "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Perfection of security interests—Your rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral*". The Collateral will be granted pursuant to the Security Documents to the Security Trustee on behalf of the holders of the Notes.

Certain Liens securing the Notes created under German and French law will, as a matter of local law, be granted as junior ranking Liens in relation to the Liens in respect of the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes. Nevertheless, the Intercreditor Deed provides that as a contractual matter as among Senior Secured Creditors (as defined in the Intercreditor Deed), the Notes will be secured on a *pari passu* basis with the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes, certain Hedging Obligations and certain Cash Management Arrangements and will be treated as such for purposes of the application of proceeds from the enforcement of such Collateral. References to first-priority or first ranking security interests include security interests that were created subsequent in time and thus subsequent in in rem ranking, but are contractually *pari passu* with prior ranking security and entitled to equal treatment with other prior security secured creditors pursuant to the Intercreditor Agreement.

In certain jurisdictions, due to the laws and other jurisprudence governing the creation and perfection of security interests in such jurisdictions, the Indenture and/or the Intercreditor Deed will provide for the creation of "parallel debt" obligations in favor of the Security Trustee, and the security interests in such jurisdictions will secure the parallel debt (and not the Indebtedness under the Notes). The parallel debt construct has not been tested under law in certain of these jurisdictions. Please see "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Decisions regarding Collateral—Holders of the Notes will not control certain decisions regarding the Collateral*".

Subject to certain conditions, including compliance with the covenants described under "*—Certain Covenants—Impairment of Security Interest*" and "*—Certain Covenants—Limitation on Liens*", the Issuer and the Guarantors are permitted to grant Liens on the Collateral in connection with certain future incurrences of Indebtedness, including any Additional Notes permitted under the Indenture, on terms consistent with the relative priority of such Indebtedness. In addition, the Indenture and the Intercreditor Deed also will permit the Company and its Restricted Subsidiaries to issue Indebtedness secured by Liens on the Collateral, which Liens may, under certain circumstances, rank ahead of the Liens on the Collateral securing the Notes. Please see "*—Certain Covenants—Limitation on Liens*" and "*—Certain Covenants—Impairment of Security Interest*."

Each holder of the Notes, by accepting a Note, shall be deemed (i) to have authorized (a) the Trustee and the Security Trustee to enter into the Intercreditor Deed and (b) the Security Trustee to enter into the Security Documents and (ii) in each case, to have agreed to be bound thereby. Each holder of the Notes, by accepting a Note, appoints the Security Trustee as its agent under the Security Documents and authorizes it to act as such.

The Indenture will provide that, subject to the terms thereof and of the Security Documents (including the terms described under "*—Enforcement of Security*" and "*—Release of Security*"), the Notes and the Indenture, as applicable, will be secured by the Liens on the Collateral until all obligations under the Notes and the Indenture have been discharged.

In the event that the Issuer, the Parent, the Company or any of their Subsidiaries enters into insolvency, bankruptcy or similar proceedings, the Liens securing the Notes created under the Security Documents could be subject to potential challenges. If any challenge to the validity of such Liens is successful, the holders of the Notes may not be able to recover any amounts under the Security Documents. Please see "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Insolvency laws—Relevant* *insolvency laws in England, Luxembourg and other jurisdictions may provide you with less protection than U.S. Bankruptcy Law*", "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Guarantees and Collateral Limitations—The guarantees and pledges of Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*", and "*Risk Factors—Enforcement of French share pledges—Under the security interests governed by French law, you may be required to pay a "soulte" in the event you decide to enforce the pledges of the shares by judicial or contractual foreclosure of the Collateral consisting of shares of INEOS Technologies France SAS and INEOS France SAS rather than by a sale of such Collateral in a public auction*".

***Security Principles***

The Indenture will provide that certain requirements for the providing of Guarantees and the granting and perfecting of Liens in favor of the holders of the Notes and the Trustee will generally be subject to the Security Principles as set forth in the Indenture. The Security Principles embody recognition by all parties that there may be certain legal and practical difficulties in obtaining Guarantees or granting or perfecting Liens. In particular:

(a) Factors that will be considered when determining whether Guarantees or Liens will be provided or granted, or the extent to which the Guarantees or Liens will be granted or perfected (including the maximum amount guaranteed or secured), will include general statutory limitations, financial assistance, capital maintenance, corporate benefit, fraudulent preference, "thin capitalization" and similar laws, rules and regulations of any applicable jurisdiction, retention of title claims, employee consultation or approval requirements and the extent to which the giving or the terms of a Guarantee, the granting of Liens or, prior to the Liens created under the Security Documents becoming enforceable in accordance with the Security Documents, the extent of the perfection requirements would materially and adversely impact the business, or commercial relationships with third parties, of the Issuer or the relevant Guarantor, as applicable, in the ordinary course. Subject to the Security Principles, if any Guarantee or the amount secured by any Lien is to be limited, the Guarantee and the Liens provided or granted will extend to the maximum amount that the Issuer or the applicable Guarantor may provide in accordance with applicable law, rules, regulations and current and customary market practice in the relevant jurisdiction. In furtherance of and without limiting the foregoing:

(i) No Guarantee will be required to be provided, and no Lien will be required to be granted or perfected, if to do so would reasonably be expected to result (or, if the provision, grant or perfection thereof would not, in and of itself, reasonably be expected to result in such breach, the applicable Guarantee and the granting or perfection of the applicable Lien will be limited to the extent consistent with current and customary market practice in the relevant jurisdiction to the extent the failure to do so would reasonably be expected to result) in a breach of general statutory limitations, financial assistance, capital maintenance, corporate benefit, fraudulent preference, "thin capitalization" or similar laws, rules or regulations of any applicable jurisdiction, *provided* that the Company will use commercially reasonable efforts (A) to assist in demonstrating that adequate corporate benefit accrues to the Issuer and each relevant Guarantor, as applicable, (B) to complete any whitewash or similar procedure required under any relevant financial assistance laws, other than in the case of a Belgian Guarantor, and (C) otherwise to overcome or mitigate any such limitations through measures reasonably available to the Issuer and the relevant Guarantors, as applicable.

(ii) Each Guarantee will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, capital maintenance, corporate benefit or similar laws, rules or regulations or defenses affecting the rights of creditors generally) or other similar considerations under applicable law.

(iii) No Guarantee will be required to be provided, and no Lien will be required to be granted or perfected, if to do so would reasonably be expected (or, if the provision, grant or perfection thereof would not, in and of itself, reasonably be expected to result in such conflict or violation, the applicable Guarantee and the granting or perfection of the applicable Lien will be limited to the extent consistent with current and customary market practice in the relevant jurisdiction to the extent the failure to do so would reasonably be expected) (A) to conflict with the fiduciary duties of directors or officers of the Issuer, the applicable Restricted Subsidiary or the relevant Guarantor, as applicable, or to give rise to or result in personal, civil or criminal liability on the part of any director, officer, legal representative or shareholder of the Issuer, the applicable Restricted Subsidiary or Guarantor, as applicable (and the Guarantees and Liens will be limited so as to mitigate any risk of any of the foregoing) or (B) to give rise to or result in any violation of applicable law, rule or regulation that, in each case, cannot be avoided or otherwise prevented through measures reasonably available to the Company or the applicable Restricted Subsidiary.

(b) The Guarantees and the Liens and the extent of their perfection (and the extent of legal opinions, title insurance, surveys or other deliverables or formalities in connection therewith) will take into account the cost (which term, for purposes of the Security Principles, shall include internal costs and the scope of business disruption and administrative burden) to the Financial Group of providing the Guarantees or granting, perfecting or maintaining the Liens (or providing or taking such deliverables or formalities), as applicable, which shall not be disproportionate relative to the benefit accruing to the holders of the Notes (taking into account, without limitation, the extent of the obligations that can be guaranteed or secured and the priority that will be achieved thereby). In furtherance of and without limiting the foregoing:

(i) No Guarantee will be required to be provided, and no Lien will be required to be granted or perfected (and no deliverables or other formalities in connection therewith will be required to be provided or taken), if or to the extent to do so would reasonably be expected to result in any cost, expense, liability or obligation (including with respect of any Taxes) which is disproportionate relative to the benefit accruing to the holders of the Notes (taking into account, without limitation, the extent of the obligations that can be secured and the priority that will be achieved thereby) (it being understood and agreed that the cost of providing a Guarantee or granting, perfecting or maintaining a Lien shall in any event be deemed to be so disproportionate (and such Guarantee or Lien, as the case may be, shall not be required to be provided or perfected) if such cost shall exceed the realizable value of such Guarantee or Lien, as the case may be). Without limiting the foregoing, the parties expressly acknowledge that no Liens will be required in respect of real property located in France and owned by the Issuer or any Guarantor.

(ii) Where there is a material incremental cost involved in creating Liens over all or any particular assets owned by the Issuer or a Guarantor, the Liens to be taken and the extent of their perfection will take into account the cost to the Financial Group in doing so, which shall not be disproportionate relative to the benefit accruing to the holders of the Notes (taking into account, without limitation, the extent of the obligations that can be secured and the priority that will be achieved thereby).

(iii) Where a class of assets to be subject to a Lien includes material and immaterial assets (including real property), if the cost of granting or perfecting Liens over the immaterial assets is disproportionate relative to the benefit of such Liens accruing to the holders of the Notes (taking into account, without limitation, the extent of the obligations that can be secured and the priority that will be achieved thereby), Liens will be granted over the material assets only.

(iv) The maximum amount guaranteed or secured may be limited in a manner consistent with current and customary market practice in the relevant jurisdiction to minimize stamp duty, notarization, registration or other applicable fees, Taxes and duties, in each case, where the level of such costs, fees, Taxes and duties is disproportionate relative to the benefit to the holders of the Notes of increasing the guaranteed or secured amount (taking into account, without limitation, the extent of the obligations that can be guaranteed or secured and the priority that will be achieved thereby).

(c) No Guarantee or Liens will be required to be provided by (i) any Unrestricted Subsidiary, (ii) any LC Account Party, (iii) any Receivables Subsidiary or any other special purpose entity or bankruptcy remote entity, (iv) any captive insurance company, (v) any not-for-profit Restricted Subsidiary, (vi) any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary, (vii) any Project Finance Subsidiary or any Project Finance Entity, (viii) any Restricted Subsidiary organized under the laws of an Excluded Jurisdiction, (ix) any of INEOS Belgium and its Subsidiaries, (x) any Rafnes Entity and (xi) any Person that becomes a Restricted Subsidiary after the Issue Date and that is prohibited by any contractual obligation, or the Guarantee by which would require any approval or consent of any third party, in each case which prohibition or requirement is permitted by the Indenture and is in existence at the time such Person becomes a Restricted Subsidiary (so long as such prohibition or requirement is not created in contemplation of or in connection with such Person becoming a Restricted Subsidiary).

(d) [Reserved]

(e) Notwithstanding anything to the contrary in the Notes Documents:

(i) no Lien will be required to be granted or perfected (in each case only for as long as, and to the extent that, such circumstances exist) over any assets (other than Capital Stock in Wholly Owned Restricted Subsidiaries) subject to third-party arrangements that are not prohibited by the Indenture and that prohibit or restrict (including if the grant of a Lien created under the Notes Documents would constitute a breach or default under, result in the termination of, or give rise to a right on the part of any party thereto to terminate or materially modify, any contract or agreement governing such arrangement) those assets from being subject to such Lien created under the Notes Documents and, without limiting the generality of the foregoing, no Lien will be required to be granted or perfected (in each case only as long as, and to the extent that such circumstances exist):

(A) in respect of any asset owned or acquired by the Issuer or any Guarantor that is subject to a Lien securing a purchase money, project financing, capital or finance lease obligation or Acquired Indebtedness permitted to be incurred pursuant to the Indenture (or a refinancing of any of the foregoing) if the contract or other agreement in which such security interest is granted (or the documentation providing for such purchase money, project financing, capital or finance lease obligation or Acquired Indebtedness or such refinancing) prohibits or restricts the creation of any other Lien on such assets (including if the grant of any other Lien would constitute a breach or default under, result in the termination of, or give rise to a right on the part of any party thereto to terminate or materially modify, such contract or agreement or such documentation);

(B) in the case of any Capital Stock of any Person that is not a Wholly Owned Restricted Subsidiary (including any Permitted Joint Venture), if such Lien is prohibited or restricted (including if the grant of a Lien created under the Notes Documents would constitute a breach or default under, result in the termination of, or give rise to a right on the part of any party thereto to terminate or materially modify, any such document, contract or other agreement) by any organizational or governance documents of such Person, any applicable shareholder or similar agreement or any contract or other agreement governing Indebtedness of such Person; or

(C) with respect to any bank or securities accounts, or assets credited thereto, and any cash, cash equivalents or Temporary Cash Investments that, in each case, are subject to Permitted Liens securing any LC Facility, any bids, trade contracts, leases, performance, surety, appeal or tax bonds or similar instruments or any other obligations incurred in the ordinary course of business (other than any Indebtedness for borrowed money);

(ii) no Lien will be required to be granted or perfected (in each case only for as long as, and to the extent that, such circumstances exist) with respect to any Receivables Assets, or any Capital Stock in or assets of any Receivables Subsidiary, that are subject to Permitted Liens securing obligations in connection with any Permitted Receivables Financing;

(iii) no Lien will be required to be granted or perfected over any asset to the extent that, and only for so long as, the creation of such Lien under the Notes Documents over such asset (A) is prohibited or restricted by applicable law, rule or regulation or (B) requires a consent not obtained from any Governmental Authority pursuant to applicable law, rule or regulation; *provided* that the Issuer or the relevant Guarantor, as applicable, shall use commercially reasonable efforts, to the extent consistent with current and customary market practice in the relevant jurisdiction, to overcome any such obstacle or obtain such consent;

(iv) no Lien will be required to be granted or perfected over any (A) bank or securities accounts, and assets credited thereto, used solely to hold funds in trust for any director, officer or employee of the Parent or any of its Subsidiaries or any employee benefit plan maintained by the Parent or any of the Subsidiaries, (B) bank or securities accounts, and assets credited thereto, the funds in which consist solely of cash earnest money deposits, deposits to defease or to satisfy and discharge any Indebtedness or deposits under escrow or similar arrangements not prohibited under the Indenture or that represent Escrowed Proceeds, (C) bank or securities accounts, and assets credited thereto, that constitute trust or fiduciary accounts and (D) bank accounts used solely for collections of receivables under any Permitted Receivables Financing;

(v) no Lien will be required to be granted or perfected over any Intellectual Property, lease, license or other agreement to the extent that a grant of a security interest therein is prohibited or restricted under such Intellectual Property, lease, license or other agreement (including if the grant of such Lien would constitute a breach or default under, result in the termination of, or give rise to a right on the part of any party thereto to terminate or materially modify, such Intellectual Property, lease, license or other agreement), in each case except to the extent such prohibition or restriction is rendered ineffective pursuant to applicable law (including, where applicable, Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code as in effect in the State of New York) or principles of equity;

(vi) no Lien will be required to be granted or perfected over any Capital Stock of any Unrestricted Subsidiary;

(vii) with respect to any U.S. Obligor, no Lien will be required to be granted or perfected over any intent-to-use trademark application prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent that the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark application under applicable United States Federal law;

(viii) [Reserved];

(ix) no Lien will be required to be granted or perfected over any Excluded Buildings; and

(x) no Lien will be required to be granted or perfected over any Capital Stock in any Project Finance Entity or Project Finance Subsidiary;

in each case other than any proceeds of the foregoing (unless such proceeds would constitute assets described in clauses (i) through (x) above or would otherwise be excluded from Collateral pursuant to the Security Principles) (the foregoing being collectively referred to as the "**Excluded Property**").

(f) Except where such Liens may be created pursuant to a floating charge or other similar all-asset security (including, in the case of clause (ii) below, a German law global assignment agreement and, in the case of clause (iii) below, a German law security transfer agreement covering a defined security area (*Raumsicherungsubereignung*)), no Lien will be required to be granted and, except where such Lien may be perfected by filing of a financing statement under the Uniform Commercial Code (or a similar unitary filing in any relevant jurisdiction) with respect to the Issuer or the relevant Guarantor, as applicable, no Lien will be required to be perfected over:

(i) any Capital Stock owned by the Issuer or any Guarantor in any Restricted Subsidiary that is not the Issuer or a Guarantor;

(ii) (A) any intercompany advance, balance or loan in a principal amount of €200,000 or less and (B) any intercompany advance, balance or loan that is due or to be repaid or otherwise discharged within 30 days of the making thereof;

(iii) any trucks, trailers, tractors, service vehicles, automobiles, rolling stock or other registered mobile equipment or equipment covered by certificates of title or ownership (or the equivalent thereof in any relevant jurisdiction);

(iv) any Intellectual Property that is not material to the Company and its Restricted Subsidiaries or, with respect to any Intellectual Property that is so material, (A) with respect to the granting of such Lien, other than in the jurisdiction of organization of the Issuer or the relevant Guarantor, as applicable, or the United States and (B) with respect to the perfection of such Lien, other than in the United Kingdom, the United States, at the European Community level or the jurisdiction of the law governing the granting of such Lien;

(v) any right or interest in, to or under any Interest Rate Agreement, Currency Hedging Agreement or Commodity Price Protection Agreement;

(vi) any right or interest in, to or under any insurance policy, other than property damage, business interruption, marine cargo insurance and, to the extent constituting property damage insurance, contractors all-risk insurance policies;

(vii) any right or interest in, to or under any insurance policy that is not material to the Company and its Restricted Subsidiaries;

(viii) (A) bank or securities accounts, and assets credited thereto, used primarily for payroll, payroll taxes, other employee wage and benefit payments and VAT and other taxes, (B) disbursement accounts, (C) bank or securities accounts, and assets credited thereto, that are part of a cash pooling arrangement of the Restricted Group, so long as the assets credited thereto are transferred, on a regular basis, to one or more accounts that are either subject to a valid Lien under the Security Documents or that are not required to be subject to such Lien in accordance with the Security Principles and (D) any other bank or securities accounts (which are not subject to a valid Lien under the Security Documents) held at any one or more banks or securities intermediaries, *provided*, in the case of this clause (D), that the aggregate amount held in such accounts by the Issuer and the Guarantors does not exceed €100,000,000 (or its equivalent in any other currency) at any time (the "**Cash Limit**"), *provided further* that should the Cash Limit be exceeded at any time, then such excess shall reasonably promptly be transferred to a bank or securities account that is subject to a valid Lien under the Security Documents;

(ix) any owned real property that is not a Material Real Property and any real property leasehold interest; and

(x) with respect to any U.S. Obligor, any commercial tort claim as to which the applicable U.S. Obligor has determined that it reasonably expects to recover less than €20,000,000 (or its equivalent in any other currency) or any letter of credit rights (other than letter of credit rights constituting supporting obligations).

(g) Perfection of Liens, when required, and other legal formalities will be completed (i) within the time periods specified therefor in the applicable Notes Documents (subject to any extensions thereof where the Company, acting reasonably, determines that such action cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required to be accomplished by the Indenture, the Security Documents or any other Notes Document) or (ii) if not so specified, as soon as practicable but within the time periods specified by applicable law.

(h) Subject in each case to the Security Principles, each Guarantee will be an upstream, cross-stream and downstream guarantee and, to the extent legally possible, the Issuer and each Guarantor shall create first-ranking Liens over all assets of the Issuer or such Guarantor that are material, and each Guarantee and Lien will be for all obligations of the Issuer or such Guarantor under the Notes and the Indenture, as applicable, in accordance with, and subject to, the requirements of each relevant jurisdiction.

(i) Where the Issuer or a Guarantor pledges specific Capital Stock or a specific bank account, the Security Document will be governed by the law of the country of organization of the Person whose Capital Stock is being pledged or the law of the country in which such bank account is located to the extent necessary to ensure the perfection of such pledge.

(j) Where the Issuer or a Guarantor acquires assets of material value and/or significance after the date on which it initially grants Liens under the Security Documents, the Issuer or such Guarantor, as applicable, shall grant the Liens in accordance with the Security Principles in respect of such assets if they are of a type over which, if owned on the Issue Date, Liens would have been created in accordance with the Security Principles and to the extent that such assets are not subject to the existing Liens created by the Issuer or such Guarantor, as applicable.

(k) No perfection action will be required with respect to the Issuer or any Guarantor in jurisdictions other than the jurisdiction of organization of the Issuer or such Guarantor, as applicable, or the jurisdiction of the law governing the creation of the relevant Lien, other than in respect of Intellectual Property as set forth in clause (f)(iv) of this paragraph and except that perfection action may be required in the jurisdiction of organization of one Guarantor or the Issuer in relation to Liens granted by another Guarantor or the Issuer organized in a different jurisdiction.

(l) Neither the Issuer nor any Guarantor will be required to take any action with respect to any Guarantee or any Lien created under the Notes Documents as a result of any assignment, transfer or participation by any holder of the Notes.

(m) In the case of any Person that becomes a Guarantor after the Issue Date, the application of the Security Principles to such Guarantor will be made in a manner that is no less favorable to such new Guarantor than the application thereof is to any then-existing Guarantor that is organized in the same jurisdiction as such new Guarantor (or, in the case of a new Guarantor that is organized in a different jurisdiction than any then-existing Guarantor, in a manner that is no less favorable to such new Guarantor than the application thereof to the Guarantor on the Issue Date).

The following principles will be reflected in the Security Documents:

(a) The Liens will be first ranking, to the extent possible and subject to Permitted Liens and the Security Principles.

(b) All Liens will be created (including, where necessary, pursuant to any "parallel debt" provisions or similar) in favor of, and be enforceable solely by, the Security Trustee (including at the request or direction of the Trustee), and not by holders of the Notes individually, in each case, except to the extent otherwise required under applicable law or current and customary market practice in the relevant jurisdiction.

(c) Except where it is inappropriate under applicable law, Liens will not be enforceable and will not crystallize until notice of intention to enforce has been given by the Security Trustee following the occurrence of an Event of Default that is continuing.

(d) Subject to the limitations set forth in clause (p) of this paragraph or elsewhere in the Security Principles, prior to the giving by the Security Trustee of a notice of intention to enforce its Liens following the occurrence of an Event of Default that is continuing, the Issuer and each Guarantor shall, subject to any restrictions required as a matter of law, or otherwise consistent with current and customary market practice in the relevant jurisdiction, (i) remain in possession and retain exclusive control over the Collateral (including, in the case of any bank or securities accounts, the right to withdraw or otherwise transfer any assets credited thereto and to close such account) and retain the right to collect, invest and dispose of any income therefrom and (ii) otherwise be free to deal with assets and properties subject to the Liens (including by permitting any Intellectual Property that is not material to the Company and its Restricted Subsidiaries to lapse or expire or adjusting or compromising any receivable), and exercise any voting rights related thereto.

(e) Prior to the giving by the Security Trustee of a notice of intention to enforce its Liens following the occurrence of an Event of Default that is continuing, (i) no notice of any Lien over trade receivables, Intellectual Property, lease, license or other agreement or any insurance policy shall be required to be given to any debtor, counterparty or insurer, as the case may be, in each case, unless the giving of such notice would be consistent with current and customary market practice in the relevant jurisdiction, and the Issuer or the relevant Guarantor, as applicable, shall remain entitled to collect any payments thereunder, and (ii) no proceeds of any trade receivables shall be required to be paid into any blocked bank account.

(f) (i) Prior to the giving by the Security Trustee of a notice of intention to enforce its Liens following the occurrence of an Event of Default that is continuing, the Issuer and the Guarantors shall be entitled to collect (and, if requested by the applicable insurer, the Security Trustee shall confirm to such insurer the authority of the Issuer or the relevant Guarantor, as applicable, to collect) any payments under insurance policies constituting Collateral and (ii) no loss payee or other endorsement will be made on any insurance policy and neither the Security Trustee, the Trustee nor any holder of Notes will be named as co-insured.

(g) To the extent such actions are consistent with current and customary market practice in the relevant jurisdiction, the Issuer or the relevant Guarantor, as applicable, will be required to provide customary notices of a Lien over its bank accounts to the applicable bank and to use its commercially reasonable efforts to obtain customary acknowledgements from the applicable banks (it being agreed, subject to any other provision of the Security Principles, that (i) while such notice may request a waiver of any Liens, rights of set-off or other rights that such bank may have, neither the Issuer nor any Guarantor shall be required to procure any such waiver, (ii) neither the Issuer nor any Guarantor shall be required to close any bank account in respect of which the applicable bank fails to provide any such acknowledgements and (iii) neither the Issuer nor any Guarantor shall be required to change its banking arrangements or standard terms and conditions in connection with the granting of bank account security). No control agreements will be required in respect of any deposit, securities or commodities account located in the United States or Canada.

(h) Neither the Issuer nor any Guarantor shall be required to obtain any collateral access agreements, landlord waivers, warehouse agreements or any similar agreements.

(i) No Liens will be taken over parts, inventory, moveable plant, equipment or receivables to the extent that the creation or perfection of such Lien requires labelling, segregation or periodic listing, filing, notification or specification of such parts, inventory, moveable plant, equipment or receivable. Subject to the foregoing, where, under applicable local law, supplemental pledges or notices are required in respect of future acquired assets in order to create or perfect a Lien over such class of assets, such supplemental pledges or notices will be provided only upon request of the Security Trustee and, in any event, unless an Event of Default shall have occurred and is continuing, no more frequently than once in any calendar year.

(j) Subject to the Security Principles, to the extent practicable and consistent with the current and customary market practice and applicable law in the relevant jurisdiction, Liens created under the Security Documents will automatically create security over future assets of the same type as those already subject thereto.

(k) The Security Documents will expressly provide that the proceeds of enforcement of any Liens granted thereunder will be applied in the manner set forth in the Intercreditor Deed.

(l) Representations and covenants and undertakings in the Security Documents shall be strictly limited to those necessary for the creation, perfection or maintenance of the security and shall not be included to the extent that the subject matter thereof is the same as the corresponding covenant or undertaking in the Indenture; *provided* that representations (which, if included, will in any event be given only as of the date of the relevant Security Document), covenants and undertakings may be included to the extent consistent with applicable law and current and customary practice in the relevant jurisdiction, in which event such representation, covenant and undertaking shall be on the same terms as the corresponding provisions in the Indenture and, for the avoidance of doubt, in any event, shall not restrict any action or transaction that is permitted or not restricted by the Indenture or require any additional consents, authorizations or approvals.

(m) Without prejudice to, or the limiting of, the obligations of the Issuer and the Guarantors as set forth in the definition of Excluded Property, to the extent and for so long as any asset constitutes an Excluded Property, neither the Issuer nor any Guarantor shall have any obligation in respect of such Excluded Property under any "further assurances" or similar covenants or undertakings set forth in the Security Documents.

(n) The Security Documents shall not contain any rights of set-off, expense reimbursement or indemnity provisions, *provided* that the Security Documents may include such provisions to the extent consistent with applicable law and current and customary practice in the relevant jurisdiction, in which event such provisions shall be in the form no less favorable to the Issuer and the Guarantors than the terms of the corresponding provisions in the Indenture.

(o) Each Security Document shall expressly provide that (i) in the event of any conflict or inconsistency between such Security Document and the Intercreditor Deed, the Intercreditor Deed will control and (ii) nothing in such Security Document (A) shall restrict any action, transaction or other matter that is permitted or not restricted under the Finance Documents (as defined in the Intercreditor Deed) secured thereby (for the avoidance of doubt, excluding such Security Document) or (B) shall require any additional notices or consents with respect to any such action, transaction or other matter (it being understood that nothing in this clause (B) shall affect any such notices or consents required under such applicable Finance Documents); *provided* that clause (ii) shall not apply to the extent that its application would adversely affect the validity, ranking, priority or enforceability of the security interest(s) created under such Security Document (other than any such security interests that, in accordance with the Security Principles, would not have been required to be created).

(p) In respect of pledges of Capital Stock, the customary limitations on the exercise of voting rights attaching to any Capital Stock pledged by any pledgor and on the right to receive and retain dividends or other distributions on any Capital Stock pledged by them, in each case, to the extent these purport to protect the validity and enforceability of the Liens over such Capital Stock shall apply. In addition, until notice of intention to enforce has been given by the Security Trustee following the occurrence of an Event of Default which is continuing, the pledgors will be permitted to retain and to exercise voting rights attaching to any Capital Stock pledged by them and to receive and retain dividends or other distributions on any Capital Stock pledged by them, in each case, in a manner that does not adversely affect the validity or enforceability of the Liens or cause an Event of Default to occur and the pledgors will be permitted to pay dividends or other distributions upstream on pledged Capital Stock to the extent permitted by the Indenture.

(q) The Security Trustee and the Trustee shall only be able to exercise a power of attorney granted to it following the occurrence of an Event of Default that is continuing or if the Issuer or the relevant Guarantor, as applicable, has failed to comply with a further assurance or perfection obligation (after the passage of any applicable grace period).

(r) Any security interest created for the benefit of any Second Secured Creditor (as defined in the Intercreditor Deed) pursuant to any Security Document governed by the laws of the United States, any State thereof or the District of Columbia must be created as a separate and distinct junior Lien from any security interest granted for the benefit of any Priority Creditor (as defined in the Intercreditor Deed).

Notwithstanding the provisions of the Security Principles that would result in such Guarantees or such Liens not being required (but subject to the other provisions hereof), (a) each Parent Intermediate Holdco shall be required to provide a Guarantee and (b) the Parent and each Parent Intermediate Holdco shall be required to grant a Lien over the Capital Stock of each Parent Intermediate Holdco and the Company.

Subject to the Security Principles, the Issuer and the Guarantors will be responsible for payment of all registration costs, disbursements, taxes, notary fees and other costs (including the reimbursement for fees, disbursements and other charges by counsel to the Security Trustee) incurred in implementing the Guarantee and security package agreed upon in accordance with the Security Principles (including any of the foregoing arising in connection with a resignation of an existing Security Trustee and an appointment of a new Security Trustee), it being understood and agreed that, consistent with clause (l) of the first paragraph above, neither the Issuer nor Guarantor shall be responsible for payment of any registration costs, disbursements, taxes, notary fees or other costs arising as a result of any assignment, transfer or participation by any holder of the Notes or in case of voluntary registration in Luxembourg with the *Administration de l'enregistrement, des domaines et de la TVA* of any of the Security Documents or of the Intercreditor Deed by a holder of Notes or the Security Trustee where such registration, submission or filing is or was not required to maintain, preserve, establish or enforce the rights of such holder of Notes or of the Security Trustee under any Security Document or the Intercreditor Deed.

Extensions of time for the creation and perfection of security interests in, or the obtaining of title insurance, legal opinions, surveys or other deliverables or formalities with respect to, particular properties or assets or the provision of any Guarantee by any Restricted Subsidiary (including extensions in connection with assets acquired, or Restricted Subsidiaries formed or acquired, after the Issue Date) may apply where the Company, acting reasonably, determines that such action cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required to be accomplished by the Indenture, the Security Documents or any other Notes Document.

Exceptions to any requirement to create or perfect security interests in, or to obtain title insurance, legal opinions, surveys or other deliverables or formalities with respect to, particular properties or assets or to provide any Guarantee by any Restricted Subsidiary (including exceptions in connection with assets acquired, or Restricted Subsidiaries formed or acquired, after the Issue Date) may apply where the Company, acting reasonably, determines that any such security interests or Guarantees would, under the Indenture and the other Notes Documents, be required or permitted to be released and discharged reasonably promptly after the creation, perfection or provision thereof.

The application of the Security Principles will be by the Company, acting reasonably and in a manner which is consistent with current market practice at the time.

Each of the Trustee and the Security Trustee shall be entitled to conclusively rely on an Officer's Certificate of the Company delivered to it in connection with the Security Principles as to any matter of fact or any determination to be made under the Security Principles.

Notwithstanding the foregoing, amendments, supplements and other modifications to the Security Documents contemplated by the Indenture shall be permitted as so contemplated.

***Enforcement of Security***

The Security Documents generally will only become enforceable after the Security Trustee gives notice of an intention to enforce following the occurrence of an event of default under the Senior Secured Term Loans, an event of default under the 2028 Senior Secured Notes Indenture, an event of default under the March 2026 Senior Secured Notes Indenture, an event of default under the May 2026 Senior Secured Notes Indenture, an event of default under the 2025 Senior Secured Notes Indenture, an Event of Default under the Indenture or an event of default (or similar event, however described) under other Senior Secured Indebtedness which is subject to the Intercreditor Deed. The Security Trustee will only be permitted to enforce the Security Documents in accordance with instructions permitted to be given under the Intercreditor Deed and each relevant Security Document.

The Intercreditor Deed restricts the ability of the Trustee or the holders of the Notes to instruct the Security Trustee to take enforcement action, and the Security Trustee will act only at the direction of creditors holding a simple majority in aggregate principal amount of committed or funded debt under the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes, the Notes, any Additional Notes and any other Senior Secured Indebtedness incurred in the future will be able to instruct the Security Trustee to enforce the security. For a description of security enforcement and other intercreditor provisions, please see "*Description of Other Indebtedness—Intercreditor Deed*".

***Priority***

The relative priority among (a) the lenders under the Senior Secured Credit Facilities, (b) the Trustee and the holders of the Notes, (c) the trustee under the 2028 Senior Secured Notes Indenture and the holders of the 2028 Senior Secured Notes, (d) the trustee under the March 2026 Senior Secured Notes Indenture and the holders of the March 2026 Senior Secured Notes, (e) the trustee under the May 2026 Senior Secured Notes Indenture and the holders of the May 2026 Senior Secured Notes, (f) the trustee under the 2025 Senior Secured Notes Indenture and the holders of the 2025 Senior Secured Notes, (g) the Hedge Counterparties to the extent that they are owed Hedging Liabilities and (h) the Cash Management Banks to the extent they are owed Cash Management Liabilities with respect to the Liens on the Collateral that are created by the Security Documents and secure obligations under the Notes or the Guarantees and the Indenture, will be established by the terms of the Intercreditor Deed and the Security Documents, which will provide that the obligations under the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes, the Hedging Liabilities, the Cash Management Liabilities and the Notes are secured equally and ratably by, subject to Permitted Collateral Liens, a first priority interest in the Collateral (or, with respect to French and certain German security interests, junior ranking security interests).

Certain Liens securing the Notes created under German and French law will, as a matter of local law, be granted as junior ranking Liens in relation to the Liens in respect of the Senior Secured Credit Facilities. Nevertheless, the Intercreditor Deed provides that as a contractual matter as among Senior Secured Creditors (as defined in the Intercreditor Deed), the Notes will be secured on a *pari passu* basis with the Senior Secured Credit Facilities, certain hedging obligations and certain cash management obligations and will be treated as such for purposes of the application of proceeds from the enforcement of such Collateral.

The existing first-ranking Liens securing the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes that were created under New York, Luxembourg and Norwegian law will remain in place and will extend to secure the Notes. In some jurisdictions, the Security Documents creating the existing first-ranking Liens securing the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes will be amended to extend such Liens (or, with respect to Belgian security, to confirm that these Liens extend) to the Notes (or, with respect to French and certain German security interests, junior ranking security interests will be granted). The existing first-ranking Liens securing the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes that were created under English law, Jersey law, Scottish law and Singapore law will remain in place, and new Liens over the same Collateral will be created in these jurisdictions to secure the Notes. In these jurisdictions where new Liens are created, the ranking of these new Liens relative to the existing Liens will, as a matter of general law, depend on a number of factors, such as the nature of the Liens, the order of creation of the Liens, compliance with the jurisdiction's perfection requirements with respect to the Liens and the order of giving notices with respect to the Liens, and accordingly without the Intercreditor Deed, the new Liens would be likely to rank after the existing Liens. However, the Intercreditor Deed provides that, as a contractual matter, the Liens securing the Notes, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes and the Senior Secured Credit Facilities will rank *pari passu* and will be treated as having equal priority with respect to the application of proceeds from the enforcement of any Collateral.

***Release of Security***

The Liens on the Collateral will be automatically and unconditionally released and discharged, without any action by, or the necessity of the consent of, the Trustee, the Security Trustee or the holders of the Notes, as follows (and each holder of the Notes will be deemed to have irrevocably authorized the Trustee and the Security Trustee to execute and deliver (and, at the request and cost of the Issuer, each of the Trustee and the Security Trustee will execute and deliver) any document to the extent necessary or reasonably requested by the Issuer to evidence such release and discharge):

(a) in connection with any sale, assignment, transfer or other disposition of such Collateral (other than Capital Stock in the Company) to a Person that is not the Parent, a Parent Intermediate Holdco, the Company or a Restricted Subsidiary or, subject to the requirements of clause (iv) of the first paragraph of the covenant described under "*—Certain Covenants—Impairment of Security Interest*", to any other Person that is not the Issuer or a Guarantor, in each case, if such sale, assignment, transfer or other disposition does not violate the requirements of the covenant set forth under "*—Certain Covenants—Limitation on Sale of Assets*" or is otherwise permitted by the Indenture;

(b) if such Collateral is an asset of any Guarantor (other than the Parent, any Parent Intermediate Holdco or the Company) or any of its Subsidiaries, in connection with any sale, assignment, transfer or other disposition of Capital Stock of such Guarantor or such Subsidiary (or of the Capital Stock of any direct or indirect parent company of such Guarantor or such Subsidiary, in each case, other than the Parent, any Parent Intermediate Holdco, the Company or the Issuer) as a result of which such Guarantor or such Subsidiary shall cease to be a Restricted Subsidiary of the Company, if such sale, assignment, transfer or other disposition does not violate the requirements of the covenant set forth under "*—Certain Covenants—Limitation on Sale of Assets*" or is otherwise permitted by the Indenture;

(c) in the case of any Guarantor that is released from its Guarantee pursuant to the terms of the Indenture, any Security Document or the Intercreditor Deed or any additional intercreditor agreement (which release shall be of the Liens on the property and assets, and Capital Stock, of such Guarantor);

(d) in connection with any Permitted Receivables Financing (which release shall be of the Liens on the Receivables Assets transferred in connection therewith);

(e) in connection with any inventory financing or similar arrangement incurred pursuant to clause (22) of the definition of Permitted Indebtedness (which release shall be of the Liens on the inventory and related assets transferred in connection therewith);

(f) if the Company designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with "*—Certain Covenants—Limitation on Unrestricted Subsidiaries*" (which release shall be of the Liens on the property and assets, and Capital Stock, of such Restricted Subsidiary);

(g) with respect to the Collateral, upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "*—Defeasance or Covenant Defeasance of Indenture*" and "*—Satisfaction and Discharge*";

(h) as described under "*—Modifications and Amendments*" and "*—Certain Covenants—Limitation on Liens*";

(i) if the Lien granted in favor of each of the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes is released (only to the extent that there is no other Indebtedness secured by a Lien on the assets constituting such Collateral that would result in the requirement for the Notes and/or the Guarantees to be secured on such property or assets pursuant to the covenant described under the caption "*—Certain Covenants—Limitation on Liens*", it being understood that the foregoing limitation will not be applicable to the extent that such Indebtedness is secured by a Permitted Lien, *provided* that, for the purposes of this provision only, clauses (a) and (bb) of the definition of "Permitted Liens" shall not apply and clause (hh) of the definition of "Permitted Liens" shall not apply to any Indebtedness that was outstanding on the Issue Date);

(j) in accordance with the Intercreditor Deed;

(k) in the case of any Collateral (other than any Capital Stock in the Company), upon written notice by the Company to the Trustee and the Security Trustee if such Collateral is intended to secure (A) Indebtedness incurred under Capital Lease Obligations or Purchase Money Obligations or other Indebtedness of the Parent, any Parent Intermediate Holdco, the Company or any Restricted Subsidiary incurred for the purpose of financing all or any part of the acquisition, development, construction or improvement of real or personal, movable or immovable, property or assets (including Capital Stock) used or to be used in the business of the Company and its Restricted Subsidiaries, or any refinancing of any such Indebtedness, or (B) Indebtedness incurred under lines of credit, bilateral facilities, working capital or overdraft facilities or other operating facilities permitted to be incurred by the covenant described under "—*Certain Covenants—Limitation on Indebtedness*"; *provided* that the Fair Market Value of all the Collateral released since the Issue Date from Liens under this clause (k) (excluding any portion thereof to the extent Liens thereon are subsequently granted in favor of the Security Trustee, for the benefit of the holders of the Notes, and with the Fair Market Value of any Collateral being measured at the time of the release and without giving effect to subsequent changes in value) does not exceed the greater of (x) €50.0 million and (y) 0.25% of Total Assets in the aggregate;

(l) in the case of any Escrowed Proceeds, in accordance with the release provisions set forth in the applicable Security Documents creating Liens thereon;

(m) with respect to Liens on any Proceeds Loan, upon the payment in full or other discharge of such Proceeds Loan (including as a result of any merger or consolidation of the payor or the payee thereunder);

(n) to release and/or re-take any Lien on any Collateral to the extent otherwise permitted by the terms of the Indenture, the Security Documents or the Intercreditor Deed or any additional intercreditor agreement;

(o) to the extent set forth in "—*Consolidation, Merger and Sale of Assets*", in connection with any merger, consolidation, amalgamation, sale, assignment, conveyance, transfer or other disposition made in compliance with the covenant described under "—*Certain Covenants—Consolidation, Merger and Sale of Assets*";

(p) in accordance with "—*Certain Covenants—Impairment of Security Interests*";

(q) with respect to all Collateral, upon the full and final payment and performance of all obligations of the Issuer under the Notes and the Indenture;

(r) in connection with a Permitted Reorganization;

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

(t) with respect to Liens on any Capital Stock of INEOS Belgium, any of its Restricted Subsidiaries that is not a Guarantor, any other Restricted Subsidiary that is not a Guarantor or any Project Finance Entity, in connection with incurrence of Indebtedness by any such Restricted Subsidiary or any of its Restricted Subsidiaries or by any such Project Finance Entity; or

(u) in the case of any Collateral, upon written notice by the Company to the Trustee and the Security Trustee, if the release of the Lien on such Collateral is for bona fide purposes in connection with any commercial transaction, so long as the Fair Market Value of the Collateral being released does not exceed €2.5 million in the aggregate for any release or series of related releases;

*provided*, *however*, that the Company shall have the right, in its sole discretion, by written notice to the Trustee and the Security Trustee delivered prior to the automatic release and discharge of any Lien as specified above, to (A) waive such automatic release and discharge of such Lien and maintain such Lien in effect until such time as the Company shall instruct and direct the Trustee to instruct the Security Trustee in writing to release and discharge such Lien or (B) elect that the release and discharge of such Lien shall not occur automatically as contemplated by this paragraph but shall occur at such other time or times, in such manner and order and upon the occurrence of such other events as shall be specified by the Company in such notice to the Trustee and the Security Trustee; *provided further* that nothing in this clause (B) shall allow the Company to require the release and discharge of any Lien prior to (unless such release and discharge is to occur substantially concurrently with) the occurrence of the applicable event(s) set forth in clauses (a) through (t) above providing for the release and discharge thereof.

Notwithstanding anything to the contrary set forth in the Notes Documents, the Issuer and each Guarantor may, without any release or consent by the Security Trustee or the Trustee, take any action in the ordinary course in respect of the Collateral not prohibited under the Security Documents, the Intercreditor

Deed and the Indenture, including any sale, transfer, assignment or other disposition of assets in the ordinary course of business. See "*—Other*".

The Indenture will provide that any release of a Lien on Collateral may be evidenced, at the Company's option, by the delivery by the Company to the Security Trustee and the Trustee of an Officer's Certificate, and that the Trustee and the Security Trustee shall, at the Company's request, acknowledge and confirm receipt of such Officer's Certificate and the release of such Lien evidenced thereby.

***Other***

Subject to the terms of the Security Documents, and subject to certain exceptions required to ensure the Liens securing the Notes and the Guarantees under the Security Documents are perfected, the Issuer and the Guarantors will have the right to remain in possession and retain exclusive control of the Collateral, to collect, invest and dispose of any income therefrom and to vote in relation to the pledged shares. The Issuer and the Guarantors may, among other things, without any release or consent by the Trustee or the Security Trustee, conduct ordinary course activities with respect to the Collateral, including, without limitation but subject to the covenant contained under the caption "*—Certain Covenants—Limitation on Sale of Assets*", (i) selling or otherwise disposing of, in any transaction or series of related transactions, any property and assets subject to Liens under the Security Documents which has become worn out, defective or obsolete or no longer used or useful in the business, and (ii) selling, transferring or otherwise disposing of assets in the ordinary course of business.

No appraisal of any of the Collateral has been prepared by or on behalf of the Issuer, the Parent or the Company in connection with the issuance of the Notes. There can be no assurance that the proceeds from the sale of the Collateral remaining after sharing with other creditors entitled to share in such proceeds would be sufficient to satisfy the obligations owed to the holders of the Notes. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral will be able to be sold in a short period of time, if at all. In addition, the Intercreditor Deed places limitations on the ability of the Security Trustee to cause the sale of the Collateral, by reference to the interests of certain creditors, including holders of the Notes, lenders under the SFA Loans, the holders of the 2028 Senior Secured Notes, the holders of the March 2026 Senior Secured Notes, the holders of the May 2026 Senior Secured Notes and the holders of the 2025 Senior Secured Notes. These limitations may include requirements that some or all of the Collateral be disposed of only pursuant to public auctions or only at a price confirmed by a valuation.

The Indenture will provide that each holder, by accepting a Note, shall be deemed to have authorized the execution and delivery of, and to have agreed to and accepted the terms and conditions of, the Security Documents and the Intercreditor Deed.

***The Notes Proceeds Loans***

Upon the issuance of the Notes, the Issuer, as lender, and IHL, as borrower, will enter into the Dollar Notes Proceeds Loan Agreement and the Euro Notes Proceeds Loan Agreement pursuant to which the Issuer will loan to IHL the proceeds from the issuance of the Dollar Notes and the Euro Notes, respectively.

The Euro Notes Proceeds Loan will be denominated in euro and will be in an aggregate principal amount equal to the aggregate principal amount of the Euro Notes. The Euro Notes Proceeds Loan will bear interest at a rate at least equal to the rate required to enable the Issuer to make payments of principal, premium and interest (including Additional Amounts and default interest) and any costs, fees and expenses under the Euro Notes. The Dollar Notes Proceeds Loan will be denominated in dollars and will be in an aggregate principal amount equal to the aggregate principal amount of the Dollar Notes. The Dollar Notes Proceeds Loan will bear interest at a rate at least equal to the rate required to enable the Issuer to make payments of principal, premium and interest (including Additional Amounts and default interest) and any costs, fees and expenses under the Dollar Notes.

The Notes Proceeds Loan Agreements will be subject to the terms of the Intercreditor Deed and will provide that IHL will pay the Issuer interest and principal due and payable on the Notes and, in each case, any Additional Amounts due thereunder and any costs, fees and expenses. All amounts payable under the Notes Proceeds Loans will be payable to such account or accounts with such Person or Persons as the Issuer may designate. The maturity date of the Notes Proceeds Loans will be the same as the maturity date of the Notes.

The obligations of IHL in respect of the Notes Proceeds Loans will rank *pari passu* with the obligations of IHL in respect of its guarantee of the Senior Secured Credit Facilities, the SFA Proceeds Loans, its Guarantee of the Notes, its guarantees of the 2028 Senior Secured Notes, its obligations under the 2028 Senior Secured Notes Proceeds Loans, its guarantee of the March 2026 Senior Secured Notes, its obligations under the March 2026 Senior Secured Notes Proceeds Loan, its guarantee of the May 2026 Senior Secured Notes, its obligations under the May 2026 Senior Secured Notes Proceeds Loan, its guarantee of the 2025 Senior Secured Notes and its obligations under the 2025 Senior Secured Notes Proceeds Loan. Except as otherwise required by law, all payments under the Notes Proceeds Loan Agreements will be made without deductions or withholding for, or on account of, any applicable tax. In the event that IHL is required to make any such deduction or withholding, it shall gross-up each payment to the Issuer to ensure that the Issuer receives and retains a net payment equal to the payment which it would have received had no such deduction or withholding been made.

The Notes Proceeds Loan Agreements will provide that IHL will make all payments pursuant thereto on a timely basis in order to ensure that the Issuer can satisfy its payment obligations under the Notes and the Indenture, taking into account the administrative and timing requirements under the Indenture with respect to amounts payable on the Notes.

The Notes Proceeds Loans will be assigned by way of security to the Security Trustee for the benefit of holders of the Notes, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the 2025 Senior Secured Notes, the creditors under the Senior Secured Credit Facilities, the Hedge Counterparties and the banks in respect of Cash Management Arrangements as described in "Description of the Collateral and the Guarantees."

**Principal, Maturity and Interest**

The Euro Notes initially will be issued in the aggregate principal amount of €          million and will mature on          , 2029, unless redeemed prior thereto as described herein. The Dollar Notes initially will be issued in the aggregate principal amount of $          million and will mature on          , 2029, unless redeemed prior thereto as described herein. The Indenture will allow additional Euro Notes (the "**Additional Euro Notes**") and additional Dollar Notes (the "**Additional Dollar Notes**" and, together with the Additional Euro Notes, the "**Additional Notes**") to be issued from time to time, subject to certain limitations described under "*—Certain Covenants—Limitation on Indebtedness*"; *provided*, *however*, that any Additional Notes that are issued with the same ISIN, common code or CUSIP number will be fungible with the previously issued applicable series of Notes for U.S. federal income tax purposes. Each of the Euro Notes and the Dollar Notes will constitute a separate series of Notes. The Notes and any Additional Notes will be treated as a single class for all purposes of the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase, except as otherwise provided for in the Indenture.

The Euro Notes will bear interest at the rate of      % per annum and the Dollar Notes will bear interest at the rate of      % per annum, in each case, from and including          , 2024 or from and including the most recent interest payment date to which interest has been paid, payable semi-annually in arrear on          and          in each year, commencing on          , 2024. The Issuer will make each interest payment to the holders of record of the Euro Notes and Dollar Notes on the immediately preceding          and          . Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the interest payment date it was most recently paid. Interest on the Euro Notes and Dollar Notes will be computed on the basis of a 360-day year composed of twelve 30-day months. Interest on overdue principal and, to the extent permitted by law, on overdue installments of interest will accrue at the rate of interest borne by the Euro Notes and Dollar Notes, as applicable.

Principal of, premium, if any, any applicable Additional Amounts (as defined below) and interest on the Notes will be payable, and the Notes will be exchangeable and transferable, at the office or agency of the Issuer in London maintained for such purposes (which initially will be the corporate trust office of the Trustee). Principal, interest and premium, if any, on the global notes (as described below) will be payable at the specified office or agency of one or more Paying Agents; *provided* that all such payments with respect to Notes represented by one or more global notes registered in the name of or held by a depositary common to Euroclear and/or Clearstream or a nominee of DTC, as applicable, will be made by wire transfer of immediately available funds to the account specified by the holder or holders thereof. The initial Paying Agent will be The Bank of New York Mellon, London Branch.

The Euro Notes will initially be represented by one or more global notes and will be issued in fully registered form without coupons attached and in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Dollar Notes will initially be represented by one or more global notes and will be issued in fully registered form without coupons attached and in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof. The global notes will be deposited with a common depositary for Euroclear and Clearstream, or its nominee or with a custodian for DTC or its nominee, as applicable. Ownership of interests in the global notes, referred to as "**book-entry interests**," will be limited to Persons that have accounts with DTC, Euroclear and/or Clearstream, as applicable, or Persons that may hold interests through such participants. Book-entry interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by DTC, Euroclear and/or Clearstream, as applicable, and their participants. Please see "*Book-Entry, Delivery and Form*".

Settlement for the Notes will be made in same day funds. All payments of principal, any applicable Additional Amounts and interest will be made by the Issuer in same day funds.

If the due date for any payment in respect of the Notes is not a Business Day, payment shall be made on the next succeeding day that is a Business Day, and no interest shall accrue for the intervening period.

When issued, the Euro Notes and the Dollar Notes will each be a new issue of securities with no established trading market. No assurance can be given as to the liquidity of the trading market for the Notes. Application will be made for the Euro Notes and the Dollar Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be traded on the Euro MTF Market thereof.

***Optional Redemption***

*Euro Notes*

The Euro Notes will be subject to redemption at any time prior to , 2026, at the option of the Issuer, in whole or in part, on not less than five nor (except as provided under "*—Selection and Notice of Optional Redemption*") more than 60 days' prior notice at a redemption price equal to 100% of the principal amount thereof, plus the Applicable Redemption Premium and accrued and unpaid interest and applicable Additional Amounts (if any) to, but not including, the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

The Euro Notes will be subject to redemption at any time and from time to time on or after , 2026, at the option of the Issuer, in whole or in part, on not less than five nor (except as provided under "*—Selection and Notice of Optional Redemption*") more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning on of the year indicated below:

| Year | Euro Notes Redemption Price |
|---|---|
| 2026 | % |
| 2027 | % |
| 2028 and thereafter | 100.000% |

together with any applicable Additional Amounts and accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

In addition, at any time on or prior to , 2026, the Issuer or any Parent Holdco, at its option, on not less than five nor (except as provided under "*—Selection and Notice of Optional Redemption*") more than 60 days' prior notice, may use the net cash proceeds of one or more Public Equity Offerings (plus amounts equal to any Additional Amounts and accrued and unpaid interest, if any, to, but not including, the redemption date) to redeem the Euro Notes and Additional Euro Notes in an amount up to an aggregate of 40% of the sum of the initial aggregate principal amount of the Euro Notes originally issued under the Indenture and the initial aggregate principal amount of any Additional Euro Notes issued under the Indenture after the Issue Date at a redemption price equal to % of the aggregate principal amount of the Euro Notes, plus any applicable Additional Amounts and accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date); *provided* that Euro Notes and Additional Euro Notes in an amount equal to at least 50% of the sum of the initial aggregate principal amount of Euro Notes originally issued under the Indenture and the initial aggregate principal amount of any Additional Euro Notes issued under the Indenture after the Issue Date remains outstanding immediately after the occurrence of such redemption.

In order to effect the foregoing redemption, the Issuer must consummate such redemption within 180 days of the closing of the Public Equity Offering.

In connection with any tender offer for, or other offer to purchase, all of the Euro Notes, if holders of not less than 90% of the aggregate principal amount of the then-outstanding Euro Notes validly tender and do not validly withdraw such Euro Notes in such tender offer and the Issuer, or any other Person making such tender offer in lieu of the Issuer, purchases all of the Euro Notes validly tendered and not validly withdrawn by such holders, all of the holders of the Euro Notes that remain outstanding will be deemed to have consented to a redemption of the Euro Notes on the terms set forth in this paragraph, and, accordingly, within 60 days of such purchase, the Issuer or such other Person will have the right upon not less than five nor more than 60 days' notice following such purchase date, to redeem all (but not less than all) Euro Notes that remain outstanding following such purchase at a price equal to the highest price (excluding any early tender premium or similar payment and, for the avoidance of doubt, any accrued and unpaid interest and Additional Amounts, if any, thereon) paid to each other holder in such tender offer, plus accrued and unpaid interest and Additional Amounts, if any, thereon, to, but not including, the date of such redemption (subject to the rights of holders of record on the relevant record dates to receive interest due on an interest payment date). In determining whether the Holders of at least 90% of the aggregate principal amount of the then-outstanding Euro Notes have validly tendered and not withdrawn such Euro Notes in a tender offer for all of the Euro Notes, Euro Notes owned by the Issuer, an Affiliate of the Issuer or by funds controlled or managed by any Affiliate of the Issuer, or any successor thereof, shall be deemed to be outstanding and to have been tendered for the purposes of such tender offer.

*Dollar Notes*

The Dollar Notes will be subject to redemption at any time prior to , 2026, at the option of the Issuer, in whole or in part, on not less than five nor (except as provided under "—*Selection and Notice of Optional Redemption*") more than 60 days' prior notice at a redemption price equal to 100% of the principal amount thereof, plus the Applicable Redemption Premium and accrued and unpaid interest and applicable Additional Amounts (if any) to, but not including, the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

The Dollar Notes will be subject to redemption at any time and from time to time on or after , 2026, at the option of the Issuer, in whole or in part, on not less than five nor (except as provided under "— *Selection and Notice of Optional Redemption*") more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning on of the year indicated below:

| Year | Dollar Redemption Price |
|---|---|
| 2026 | % |
| 2027 | % |
| 2028 and thereafter | 100.000% |

together with any applicable Additional Amounts and accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

In addition, at any time on or prior to , 2026, the Issuer or any Parent Holdco, at its option, on not less than five nor (except as provided under "—*Selection and Notice of Optional Redemption*") more than 60 days' prior notice, may use the net cash proceeds of one or more Public Equity Offerings (plus amounts equal to any Additional Amounts and accrued and unpaid interest, if any, to, but not including, the redemption date) to redeem the Dollar Notes and Additional Dollar Notes in an amount up to an aggregate of 40% of the sum of the initial aggregate principal amount of the Dollar Notes originally issued under the Indenture and the initial aggregate principal amount of any Additional Dollar Notes issued under the Indenture after the Issue Date at a redemption price equal to % of the aggregate principal amount of the Dollar Notes, plus any applicable Additional Amounts and accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date); *provided* that Dollar Notes and Additional Dollar Notes in an amount equal to at least 50% of the sum of the initial aggregate principal amount of Dollar Notes originally issued under the Indenture and the initial aggregate principal amount of any Additional Dollar Notes issued under the Indenture after the Issue Date remains outstanding immediately after the occurrence of such redemption. In order to effect the foregoing redemption, the Issuer must consummate such redemption within 180 days of the closing of the Public Equity Offering.

In connection with any tender offer for, or other offer to purchase, all of the Dollar Notes, if holders of not less than 90% of the aggregate principal amount of the then-outstanding Dollar Notes validly tender and do not validly withdraw such Dollar Notes in such tender offer and the Issuer, or any other Person making such tender offer in lieu of the Issuer, purchases all of the Dollar Notes validly tendered and not validly withdrawn by such holders, all of the holders of the Dollar Notes that remain outstanding will be deemed to have consented to a redemption of the Dollar Notes on the terms set forth in this paragraph, and, accordingly, within 60 days of such purchase, the Issuer or such other Person will have the right upon not less than five nor more than 60 days' notice following such purchase date, to redeem all (but not less than all) Dollar Notes that remain outstanding following such purchase at a price equal to the highest price (excluding any early tender premium or similar payment and, for the avoidance of doubt, any accrued and unpaid interest and Additional Amounts, if any, thereon) paid to each other holder in such tender offer, plus accrued and unpaid interest and Additional Amounts, if any, thereon, to, but not including, the date of such redemption (subject to the rights of holders of record on the relevant record dates to receive interest due on an interest payment date). In determining whether the Holders of at least 90% of the aggregate principal amount of the then-outstanding Dollar Notes have validly tendered and not withdrawn such Dollar Notes in a tender offer for all of the Dollar Notes, Dollar Notes owned by the Issuer, an Affiliate of the Issuer or by funds controlled or managed by any Affiliate of the Issuer, or any successor thereof, shall be deemed to be outstanding and to have been tendered for the purposes of such tender offer.

***Selection and Notice of Optional Redemption***

If less than all of any series of Notes are to be redeemed at any time, the Paying Agent or the Registrar shall select the Notes of such series for redemption on a *pro rata* basis or by lot (or, in the case of Notes issued in global form as discussed under "*Book-Entry; Delivery and Form*", based on a method that most nearly approximates a *pro rata* or by lot selection as Euroclear, Clearstream, DTC or such successor depositary, the Paying Agent or the Registrar, as applicable, deems fair and appropriate) unless otherwise required by applicable law or applicable stock exchange or depositary requirements. None of the Trustee, any Paying Agent, or the Registrar shall be liable for any selection made under this paragraph.

No Euro Notes shall be redeemed in part if the resulting Euro Note would have a minimum denomination that is less than €100,000. No Dollar Notes shall be redeemed in part if the resulting Dollar Note would have a minimum denomination that is less than $200,000. Notices of redemption shall be mailed by first class mail at least five but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address, except that a redemption notice may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture or as specified in the next paragraph, in each case in accordance with the provisions of the Indenture. For Notes represented by global certificates held on behalf of Euroclear and Clearstream or DTC, as applicable, notices may be given by delivery to Euroclear and Clearstream or DTC for communication to entitled account owners in substitution for the aforesaid mailing.

A notice of redemption shall state: the redemption date and the record date; the redemption price and the amount of accrued and unpaid interest, if any, and Additional Amounts, if any, to be paid; the paragraph of the applicable Notes pursuant to which such Notes are being redeemed; the name and address of the Paying Agent; that the applicable Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price, plus accrued and unpaid interest, if any, and Additional Amounts, if any; that, unless the Issuer defaults in making the redemption payment, interest, if any, and Additional Amounts, if any, on the applicable Notes called for redemption shall cease to accrue on and after the redemption date; if any series of Notes is being redeemed in part, the portion of the principal amount of such series of Notes to be redeemed; that the only remaining right of the holders of such series of Notes is to receive payment of the redemption price upon surrender to the Paying Agent of such Notes; that, if less than all of any series of Notes is to be redeemed, the identification of the particular Notes and the principal amount (or portion thereof) of such Notes to be redeemed and the aggregate principal amount of such Notes to be outstanding after such partial redemption; whether the redemption is conditioned on any events and, if so, a detailed explanation of such conditions; and that no representation is made as to the correctness or accuracy of the ISIN, Common Code or CUSIP numbers, if any, listed in such notice or printed on the applicable Notes. Subject to the satisfaction of any conditions precedent set forth in a notice of redemption, Notes called for redemption become due on the date fixed for redemption. If such redemption is subject to the satisfaction of one or more conditions precedent, the related notice may, for the avoidance of doubt, state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied or waived (*provided* that in no event shall the redemption date be delayed to a date later than 60 days from the date of the original notice of redemption, except that redemption notices may be given more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture), and the Issuer shall provide notice of the satisfaction or waiver of such conditions prior to the redemption date for any conditional redemption, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or waived by the redemption date, or by the redemption date so delayed. On and after the redemption date, interest will cease to accrue on the series of Notes, or the portions thereof, called for redemption.

So long as any Notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Luxembourg Stock Exchange's Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, the Issuer will inform the Luxembourg Stock Exchange of any such redemption and will publish a notice regarding such redemption in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, posted on the Luxembourg Stock Exchange's official website, www.bourse.lu.

**Redemption upon Changes in Withholding Taxes**

If, as a result of:

(a) any amendment to, or change in, the laws or treaties (or regulations or rulings promulgated thereunder) of any Relevant Taxing Jurisdiction (as defined below under "*—Payment of Additional Amounts*"); or

(b) any change in the official application or the official interpretation or administration of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published administrative practice)

(each of the foregoing in clauses (a) and (b), a "**Change in Tax Law**"), the Issuer, any Guarantor or any Surviving Entity (as defined below under "*—Consolidation, Merger and Sale of Assets*") would be obligated to pay, on the next date for any payment, Additional Amounts, as described below under "*—Payment of Additional Amounts*", with respect to the Notes of any series which the Issuer, such Guarantor or such Surviving Entity cannot avoid by the use of reasonable measures available to it (including, without limitation, making payment through a paying agent located in another jurisdiction), then the Issuer or the Surviving Entity, as the case may be, may redeem, at its option, all, but not less than all, of the Notes of the relevant series at any time on or after the Issue Date and following such Change in Tax Law, upon not less than 30 nor more than 60 days' notice to the holders of the relevant series of Notes, at a redemption price of 100% of their principal amount, plus accrued and unpaid interest, if any, to, but not including, the redemption date.

In the case of the United Kingdom or any other jurisdiction that is a Relevant Taxing Jurisdiction on the Issue Date, the applicable Change in Tax Law must become effective on or after the date of this offering memorandum. In the case of a jurisdiction that becomes a Relevant Taxing Jurisdiction after the Issue Date, the applicable Change in Tax Law must become effective after the date that such jurisdiction becomes a Relevant Taxing Jurisdiction.

Prior to the giving of any notice of redemption described in this section, the Issuer or the Surviving Entity, as the case may be, will deliver to the Trustee in form and substance reasonably satisfactory to the Trustee:

(i) an Officer's Certificate of the Issuer, or the Surviving Entity, as the case may be, stating that the obligation to pay such Additional Amounts cannot be avoided by the Issuer, such Guarantor or such Surviving Entity taking reasonable measures available to it; and

(ii) a written opinion of independent legal counsel of recognized standing addressed to the Issuer or the Surviving Entity, as the case may be, to the effect that the Issuer, such Guarantor or such Surviving Entity has or will become obligated to pay such Additional Amounts as a result of a Change in Tax Law described above.

The Trustee will accept without further inquiry such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions to a redemption upon a Change in Tax Law, including any changes in withholding Taxes, in which event it will be conclusive and binding on the holders of the Notes.

Notwithstanding the foregoing, no such notice will be given (a) earlier than 90 days prior to the earliest date on which the Issuer or the relevant Surviving Entity or Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment were then due and (b) unless, at the time such notice is given, such obligation to pay such Additional Amounts remains in effect.

**Payment of Additional Amounts**

All payments by or on behalf of the Issuer or any Surviving Entity under or with respect to the Notes, or by or on behalf of any Guarantor or any Surviving Entity with respect to any Guarantee, will be made free and clear of, and without withholding or deduction for, or on account of, any Taxes, unless such withholding or deduction is required by law or by the official interpretation or administration of law, or by an applicable certification, identification, information or other reporting requirement or agreement, if entering into or complying with such requirement or agreement is required by law or by a taxing authority as a precondition to relief or exemption from such Tax. If any amount for, or on account of, Taxes imposed or levied by or on behalf of any jurisdiction in which the Issuer, any Guarantor or, if applicable, any Surviving Entity, is incorporated, organized, resident for Tax purposes or otherwise subject to Tax or from or through which any payment is made on or with respect to the Notes or a Guarantee by any taxing authority therein or political subdivision thereof (each, as applicable, a "**Relevant Taxing Jurisdiction**") is required to be withheld or deducted from any payment made under or with respect to the Notes or any Guarantee, the Issuer, such Guarantor or such Surviving Entity, as the case may be, will pay such additional amounts ("**Additional Amounts**") as may be necessary to ensure that the net amount received after such withholding or deduction will be not less than the amount that would have been received if such Taxes had not been required to be withheld or deducted.

Notwithstanding the foregoing, no Additional Amounts will be payable in respect of or on account of:

(a) any Taxes that are imposed or levied by a Relevant Taxing Jurisdiction by reason of the holder's or beneficial owner's present or former connection with such Relevant Taxing Jurisdiction, including, without limitation, the holder or beneficial owner being, or having been, a citizen, national, or resident, being, or having been, engaged in a trade or business, being, or having been, physically present in or having or having had a permanent establishment in a Relevant Taxing Jurisdiction (but not including, in each case, any connection arising from the mere holding of Notes or the receipt of payments thereunder or under a Guarantee or the exercise or enforcement of rights under any Notes or the Indenture or a Guarantee);

(b) any Taxes that are imposed or levied by reason of the failure of the holder or beneficial owner of Notes (or any financial institution through which the holder or beneficial owner holds the Notes or through which payment on the Notes is made), following the written request of the Issuer, any Guarantor or any Surviving Entity (as the case may be) made at a time that would enable the holder or beneficial owner (or any such financial institution) acting reasonably to comply with that request and in accordance with the notice procedures set forth in the Indenture, to comply with any certification, identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a Relevant Taxing Jurisdiction, as a precondition to exemption from, or reduction in the rate of withholding or deduction of, Taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not resident in the Relevant Taxing Jurisdiction);

(c) any estate, inheritance, gift, sale, excise, transfer, personal property or similar Taxes;

(d) any Tax that is payable otherwise than by withholding or deduction from payments made under or with respect to the Notes or a Guarantee;

(e) any Tax that is imposed or levied by reason of the presentation (where presentation is required in order to receive payment) of such Notes for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever is later, except to the extent that the beneficial owner or holder thereof would have been entitled to Additional Amounts had the Notes been presented for payment on any date during such 30-day period;

(f) any Tax that is imposed or levied on or with respect to a payment made to a holder or beneficial owner of Notes who would have been able to avoid such withholding or deduction by presenting the Notes to another Paying Agent in a Member State of the European Union;

(g) [Reserved];

(h) any Taxes that are imposed or withheld pursuant to Sections 1471 through 1474 of the Code, as of the Issue Date (or any amended or successor version of such sections), any regulations promulgated thereunder, any official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing or any law or regulation implementing any such intergovernmental agreement;

(i) any Tax that is payable in accordance with the Luxembourg law of 23 December 2005 (as amended) introducing a withholding tax on certain interest paid to Luxembourg resident individuals; or

(j) any combination of items (a) through (i) above.

Notwithstanding the first paragraph of this section, Additional Amounts will not be paid with respect to the Notes to a holder who is a fiduciary, a partnership, a limited liability company or any person other than the sole beneficial owner of the payment under or with respect to the Notes, to the extent that a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in that limited liability company or a beneficial owner would not have been entitled to the Additional Amounts had it been the holder of the Notes.

The Issuer, the relevant Guarantor or the relevant Surviving Entity, as the case may be, will (i) make such withholding or deduction as is required by applicable law and (ii) remit the full amount withheld or deducted to the relevant taxing authority in accordance with applicable law.

At least 30 calendar days prior to each date on which any payment under or with respect to the Notes is due and payable, if the Issuer, any Guarantor or a Surviving Entity will be obligated to pay Additional Amounts with respect to such payment (unless such obligation to pay Additional Amounts arises after the 30th day prior to the date on which payment under or with respect to the Notes is due and payable, in which case it will be promptly thereafter), the Issuer, the relevant Guarantor or the relevant Surviving Entity (as the case may be) will deliver to the Trustee (with a copy to the Paying Agent) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee stating that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Paying Agent to pay such Additional Amounts to holders on the payment date. The Trustee shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary. The Issuer, the relevant Guarantor or the relevant Surviving Entity, as the case may be, will promptly publish a notice in accordance with the notice provisions set forth in the Indenture stating that such Additional Amounts will be payable and describing the obligation to pay such amounts.

Upon written request, the Issuer, the relevant Guarantor or the relevant Surviving Entity, as the case may be, will furnish to the Trustee or to a holder of the Notes copies of tax receipts evidencing the payment of any Taxes by the Issuer, such Guarantor or such Surviving Entity in such form as provided in the normal course by the taxing authority imposing such Taxes and as is reasonably available to the Issuer, such Guarantor or such Surviving Entity. If, notwithstanding the efforts of the Issuer, such Guarantor or such Surviving Entity to obtain such receipts, the same are not obtainable, the Issuer, such Guarantor or such Surviving Entity will provide the Trustee or such holder with other evidence reasonably satisfactory to the Trustee or such holder.

In addition, the Issuer, any Guarantor and any Surviving Entity, as the case may be, will pay any present or future stamp, issue, registration, court, documentation, excise or property taxes or other similar taxes, charges and duties, including interest and penalties with respect thereto, imposed by or in any Relevant Taxing Jurisdiction in respect of the execution, issue, enforcement or delivery of the Notes or any other document or instrument referred to thereunder (other than on or in connection with (i) a transfer of the Notes other than the initial resale by the Initial Purchasers, (ii) the issue of replacement Notes or certificated Notes pursuant to the Indenture or (iii) Luxembourg registration duties (*droits d'enregistrement*) payable due to a voluntary registration, submission or filing with the *Administration de l'enregistrement, des domaines et de la TVA* of any Security Document or the Intercreditor Deed by a holder of Notes or the Security

Trustee where such registration, submission or filing is or was not required to maintain, preserve, establish or enforce the rights of such holder of Notes or the Security Trustee under any Security Document or the Intercreditor Deed).

Whenever the Indenture, the Notes or this "*Description of the Notes*" refers to, in any context, the payment of principal, premium, if any, interest or any other amount payable under or with respect to any Note or with respect to any Guarantee, such reference includes the payment of Additional Amounts, if applicable.

**Currency Indemnity**

The Euro is the sole currency of account and payment for all sums payable by the Issuer or any Guarantor under the Euro Notes and any Guarantee of the Euro Notes. Any amount received or recovered in currency other than Euro in respect of the Euro Notes (whether as a result of, or as a result of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up or dissolution of the Parent, the Issuer, any Subsidiary of the Parent or otherwise) by the Trustee or holder in respect of any sum expressed to be due to it from the Issuer or any Guarantor of the Euro Notes shall constitute a discharge of the Issuer or any Guarantor of the Euro Notes only to the extent of the Euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not possible to make that purchase on that date, on the first date on which it is possible to do so). If that Euro amount is less than the Euro amount expressed to be due to the recipient under any Euro Note, the Issuer and each Guarantor of the Euro Notes, jointly and severally, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this indemnity, it will be sufficient for the holder to certify (indicating the sources of information used) that it would have suffered a loss had the actual purchase of Euro been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of Euro on such date had not been possible, on the first date on which it would have been possible).

The Dollar is the sole currency of account and payment for all sums payable by the Issuer or any Guarantor under the Dollar Notes and any Guarantee of the Dollar Notes. Any amount received or recovered in currency other than Dollars in respect of the Dollar Notes (whether as a result of, or as a result of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up or dissolution of the Parent, the Issuer, any Subsidiary of the Parent or otherwise) by the Trustee or holder in respect of any sum expressed to be due to it from the Issuer or any Guarantor of the Dollar Notes shall constitute a discharge of the Issuer or any Guarantor of the Dollar Notes only to the extent of the Dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not possible to make that purchase on that date, on the first date on which it is possible to do so). If that Dollar amount is less than the Dollar amount expressed to be due to the recipient under any Dollar Note, the Issuer and each Guarantor of the Dollar Notes, jointly and severally, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this indemnity, it will be sufficient for the holder to certify (indicating the sources of information used) that it would have suffered a loss had the actual purchase of Dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of Dollars on such date had not been possible, on the first date on which it would have been possible).

Each of the above indemnities will, to the extent permitted by law:

- constitute a separate and independent obligation from the other obligations of the Issuer and any Guarantor;
- give rise to a separate and independent cause of action;
- apply irrespective of any waiver granted by any holder; and
- continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

**Sinking Fund**

The Notes will not be entitled to the benefit of any sinking fund.

**Open Market Purchases**

The Parent, the Company and the Restricted Subsidiaries may at any time and from time to time purchase Notes in the open market or otherwise.

**Purchase of Notes upon a Change of Control**

If a Change of Control shall occur at any time, then each holder of Notes shall have the right to require that the Issuer purchase such holder's Notes in whole or in part (equal to €100,000 or $200,000, as the case may be, or an integral multiple of €1,000 or $1,000, as the case may be, in excess thereof), at a purchase price (the "**Change of Control Purchase Price**") in cash in an amount equal to 101% of the principal amount of such Notes, plus any Additional Amounts and accrued and unpaid interest, if any, to, but not including, the date of purchase (the "**Change of Control Purchase Date**") (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date), pursuant to the offer described below (the "**Change of Control Offer**") and in accordance with the other procedures set forth in the Indenture; *provided*, *however*, that the Issuer shall not be obliged to repurchase any series of Notes as described under this caption "*—Purchase of Notes upon a Change of Control*" in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes of such series as described under "*—Optional Redemption*". No such purchase in part shall reduce the principal amount at maturity of the Notes held by any holder to below €100,000, in the case of the Euro Notes, or $200,000, in the case of the Dollar Notes.

Within 30 days following any Change of Control, the Issuer shall notify the Trustee thereof and give written notice of such Change of Control to each holder of Notes by first class mail, postage prepaid, at the address appearing in the security register, stating, among other things:

- that a Change of Control has occurred and the date of such event;
- the circumstances and relevant facts regarding such Change of Control (including, but not limited to, applicable information with respect to *pro forma* historical income, cash flow and capitalization after giving effect to the Change of Control);
- the purchase price and the purchase date which shall be fixed by the Issuer on a Business Day no earlier than 10 days nor later than 60 days from the date such notice is mailed, or such later date as is necessary to comply with requirements under the U.S. Exchange Act;
- that any Note not tendered will continue to accrue interest and, unless the Issuer defaults in payment of the Change of Control Purchase Price, any Notes accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Change of Control Purchase Date; and
- any other procedures that a holder of Notes must follow to accept a Change of Control Offer or to withdraw such acceptance.

The Issuer shall make available to the newswire service of Bloomberg (or if Bloomberg does not then operate, any similar agency) or, so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Euro MTF Market thereof and the rules of the Luxembourg Stock Exchange so require, a newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the Luxembourg Stock Exchange's official website, *www.bourse.lu*, the notice described above.

The ability of the Issuer to repurchase Notes pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control would constitute an event of default under the Senior Secured Term Loans Agreement. In addition, certain events that may constitute a change of control under the Senior Secured Term Loans Agreement may not constitute a Change of Control under the Indenture. The future Indebtedness of the Issuer, the Parent and its Subsidiaries may also contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of the Notes of their right to require the Issuer to repurchase the Notes could cause a default under such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer, the Parent and its Subsidiaries. Finally, the ability of the Issuer to pay cash to the holders of the Notes upon a repurchase may be limited by its and the Company's then-existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases.

The Change of Control provisions described above will be applicable whether or not any other provisions of the Indenture are applicable, except, for the avoidance of doubt, to the extent satisfaction and discharge of the Indenture, as described under "*—Satisfaction and Discharge*," has occurred or the Issuer has elected to exercise its option for Legal Defeasance or Covenant Defeasance, as described under

"—*Defeasance or Covenant Defeasance of Indenture*," in each case prior to the occurrence of a Change of Control. Except as described above with respect to a Change of Control, the Indenture will not contain provisions that permit the holders of the Notes to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The existence of a holder's right to require the Issuer to repurchase such holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Issuer, the Parent or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

The Paying Agent will promptly deliver to each holder of Notes properly tendered the Change of Control Purchase Price for such Notes and the Trustee will, in respect of the global notes, make such notations thereon as are necessary to reflect the Notes (or interest therein) purchased in such Change of Control Offer, and the Paying Agent will, in respect of certificated notes, cause to be authenticated and mailed to each holder a new certificated note or notes equal in principal amount to any unpurchased portion of Notes surrendered, if any; *provided* that each such new note will be in a principal amount of €100,000 or $200,000, as applicable, or an integral multiple of €1,000 or $1,000, as applicable, in excess thereof. The Issuer will publicly announce the results of the Change of Control Offer on, or as soon as practicable after, the Change of Control Purchase Date.

The definition of "**Change of Control**" includes a disposition of "all or substantially all" of the assets of the Company. Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Company. As a result, it may be unclear as to whether a Change of Control has occurred and whether the Issuer must make an offer to repurchase the Notes as described above.

The Issuer will comply with the applicable tender offer rules, including Rule 14e-1 under the U.S. Exchange Act, and any other applicable securities laws or regulations, including administrative interpretations thereof (including those of the United States and the United Kingdom), in connection with a Change of Control Offer. To the extent that the provisions of any applicable securities laws or regulations conflict with the provisions of this covenant (other than the obligation to make an offer pursuant to this covenant), the Issuer will comply with the securities laws and regulations and will not be deemed to have breached its obligations described in this covenant by virtue thereof.

**Certain Calculations**

(a) Notwithstanding any other provision of the Indenture or any other Note Document, solely for the purposes of determining whether a Limited Condition Transaction may be consummated or any related transaction, including the assumption or incurrence of any Indebtedness or Liens, may be consummated in connection therewith, (i) each of the Parent's Consolidated EBITDA, the Parent's Consolidated Fixed Charge Coverage Ratio, the Parent's Consolidated Net Total Leverage Ratio, the Parent's Consolidated Net Senior Secured Leverage Ratio and the Total Assets may, at the Company's election, be determined as of the last day of or for the most recent period of four full fiscal quarters for which financial statements are available as of the date the definitive agreement for such Limited Condition Transaction is entered into (or, if applicable, in the case of any Acquisition or Investment made pursuant to a tender or similar offer, as of the date such offer has been commenced or, in the case of a Permitted Payment or Restricted Payment, as of the date of the declaration thereof or the date of the delivery of irrevocable (which may be conditional) notice with respect thereto) (and shall not be tested again on the date on which such Limited Condition Transaction or any related transaction, including the assumption or incurrence of any Indebtedness or Liens, is consummated) and shall be calculated giving *pro forma* effect to both the consummation of such Limited Condition Transaction and any related transaction, including the assumption or incurrence of any Indebtedness or Liens; *provided* that, following any such election by the Company with respect to any Limited Condition Transaction (and which Limited Condition Transaction has not yet been consummated and with respect to which such definitive agreement, tender or similar offer, declaration or notice has not been terminated or been revoked without the consummation thereof), any subsequent calculation or determination (including any subsequent calculation or determination made in reliance on this paragraph (a)) of any such ratio or other metric shall be made giving *pro forma* effect to the consummation of such Limited Condition Transaction and any related transaction, including the assumption or incurrence of any Indebtedness or Liens and (ii) any condition thereto as to the absence of any Default or Event of Default may, at the Company's election, be determined as of the date the definitive agreement for such Limited Condition Transaction is entered into (or, if applicable, in the case of any Acquisition or Investment made pursuant to a tender or similar offer, as of the date such offer has been commenced or, in the case of a Permitted Payment or Restricted Payment, as of the date of the declaration thereof or the date of the delivery of irrevocable (which may be conditional) notice with respect thereto) (and shall not be tested again on the date on which such Limited Condition Transaction or any related transaction, including the assumption or incurrence of any Indebtedness or Liens, is consummated). For the avoidance of doubt, in making any determination contemplated by this paragraph (a) as to any amounts in Dollars, Euro or any other currency, it is understood that the Company may, at its election, select currency exchange rates in effect (x) as of the last day of the most recent period of four full fiscal quarters for which financial statements are available as of the date the definitive agreement for such Limited Condition Transaction is entered into (or, if applicable, in the case of any Acquisition or Investment made pursuant to a tender or similar offer, as of the date such offer has been commenced or, in the case of a Permitted Payment or Restricted Payment, as of the date of the declaration thereof or the date of the delivery of irrevocable (which may be conditional) notice with respect thereto), (y) as of the date the definitive agreement for such Limited Condition Transaction is entered into (or, if applicable, in the case of any Acquisition or Investment made pursuant to a tender or similar offer, as of the date such offer has been commenced or, in the case of a Permitted Payment or Restricted Payment, as of the date of the declaration thereof or the date of the delivery of irrevocable (which may be conditional) notice with respect thereto) or (z) as of the date on which such Limited Condition Transaction or such related transaction, including the assumption or incurrence of any Indebtedness or Liens, is consummated.

(b) For purposes of determining Consolidated EBITDA, the Consolidated Net Total Leverage Ratio, the Consolidated Net Senior Secured Leverage Ratio, the Consolidated Fixed Charge Coverage Ratio, Consolidated Income Tax Expense, Consolidated Interest Expense, Consolidated Net Income (Loss), Consolidated Non-Cash Charges, Consolidated revenues, Excess Proceeds, Net Cash Proceeds (including for purposes of paragraph (b) under the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*") or any other financial ratio, basket calculation or financial measurement of any kind whatsoever of the Parent, the Company, the Financial Group or the Restricted Group in respect of a period commencing prior to the date of completion of any Permitted Reorganization and ending on or after such date, such determination shall be made using the results for the applicable period prior to such date of the Parent, the Company, the Financial Group or the Restricted Group as in effect during such prior period and the results for the applicable period on and after such date of the Parent, the Company, the Financial Group or the Restricted Group as in effect during such subsequent period. For purposes of each of clauses (1) and (2) under the first paragraph of the covenant described under "*—Certain Covenants—Provision of Financial Statements*", at any time when the most recent fiscal year or fiscal quarter, as applicable, ended after the date of the completion of any Permitted Reorganization and the comparable prior year period ended prior to such date, the financial statements delivered in respect of such prior period may be those of the Parent as of the last day of such prior fiscal year or fiscal quarter, as applicable.

(c) For purposes of determining the permissibility of any action, change, transaction or event that requires a calculation of any financial ratio, Consolidated EBITDA, Total Assets, Fair Market Value or any other financial metric, such financial ratio or such other test shall be calculated at the time such action is taken, such change is made, such transaction is consummated or such event occurs, as the case may be (or, in each case, such other time as is applicable thereto pursuant to paragraph (a) of "*—Certain Calculations*"), it being understood, for the avoidance of doubt, that for purposes of determining compliance with any Consolidated EBITDA or Total Asset percentage restriction in connection with any Acquisition or Investment, the amount of the Consolidated EBITDA or the Total Assets will be determined after giving *pro forma* effect thereto, and no Default or Event of Default shall occur solely as a result of a subsequent change in such financial ratio, Consolidated EBITDA, Total Assets, Fair Market Value or other financial metric, as the case may be. Notwithstanding anything to the contrary in "*—Certain Covenants—Limitation on Indebtedness*" or "*—Certain Covenants—Limitation on Liens*", (i) in connection with the incurrence of any Indebtedness, or any Lien securing any Indebtedness, in each case, in reliance on any exception set forth in "*—Certain Covenants—Limitation on Indebtedness*" or "*—Certain Covenants—Limitation on Liens*" that is based on a percentage of Consolidated EBITDA or Total Assets, the amount of Consolidated EBITDA or Total Assets shall be determined after giving *pro forma* effect to the application of the proceeds of such Indebtedness (and any other Indebtedness incurred substantially concurrently therewith), and any Indebtedness, or any Lien securing any Indebtedness, in each case, incurred in reliance on any exception set forth in "*—Certain Covenants— Limitation on Indebtedness*" or "*—Certain Covenants—Limitation on Liens*" that is based on a financial ratio or a percentage of Consolidated EBITDA or Total Assets will be permitted to be refinanced under such exception (if otherwise complying with the requirements of such exception) notwithstanding that, at the time of and after giving effect to such refinancing, the amount thereof might exceed the applicable financial ratio or the applicable percentage of Consolidated EBITDA or Total Assets, solely as a result of a subsequent change in such financial ratio, Consolidated EBITDA or Total Assets, and (ii) in the case of any obligation to purchase or repurchase any inventory as part of any inventory financing or similar arrangement, no Default or Event of Default shall occur solely as a result of a change in the Fair Market Value of such inventory after the date of the initial incurrence of such obligation, and such inventory financing or similar arrangement incurred in reliance on any exception set forth in "*—Certain Covenants— Limitation on Indebtedness*" or "*—Certain Covenants—Limitation on Liens*" will be permitted to be refinanced under such exception (if otherwise complying with the requirements of such exception) notwithstanding that, at the time of and after giving effect to such refinancing, the amount thereof might exceed the applicable cap set forth in such exception. For purposes of the Indenture, whenever *pro forma* effect is to be given to any transaction or calculation, the *pro forma* calculations will be as determined in good faith by a responsible financial or accounting officer of the Parent.

(d) Notwithstanding anything to the contrary set forth herein, for purposes of determining compliance with any of the covenants described under the captions "*—Certain Covenants*" or "*—Consolidation, Merger and Sale of Assets*", in the event that any Indebtedness, Lien, Restricted Payment, Permitted Payment, Investment, Asset Sale or other transaction (each of the foregoing, an "**Item**") (or any portion thereof) meets the criteria of more than one of the exceptions set forth under such captions (or in any applicable defined term used under such caption), the classification of such Item (or any portion thereof) on the date of its incurrence, making, undertaking or consummation under any such exception shall be made by the Company in its sole discretion and the Company may, at any time or from time to time thereafter, in its sole discretion, reclassify such Item (or any portion thereof) as having been incurred, made, undertaken or consummated under one or more other exceptions set forth under such caption (or in any applicable defined term used under such caption) if such Item (or such portion thereof) (i) at the time of its incurrence, making, undertaking or consummation, would have been permitted under such other exception or exceptions (but after giving effect to such other Item or Items (but not, for the avoidance of doubt, any other change in circumstance) that were incurred, made, undertaken or consummated since such time in reliance on such other exception or exceptions) or (ii) solely in the case of any Indebtedness, Lien, Restricted Payment, Permitted Payment or Investment, at the time of such reclassification would have met the criteria set forth in such other exception or exceptions if then incurred, made, undertaken or consummated and, in each case, such Item shall constitute a usage of any availability under such exception only to the extent so classified or reclassified. In addition, the Company may, at any time or from time to time thereafter, in its sole discretion, reclassify (or deem such reclassification to have occurred automatically) any Indebtedness, Lien, Restricted Payment, Permitted Payment or Investment (or any portion thereof), as applicable, previously incurred, made, undertaken or consummated under any basket other than a "ratio-based" basket as having been incurred, made, undertaken or consummated under any applicable "ratio-based" basket set forth under such caption (or in any applicable defined term used under such caption) if such Item (or such portion thereof) would, using the figures as of the last day of or for any period of four full fiscal quarters for which financial statements are available on or after the date of such incurrence, making, undertaking or consummation, be permitted under the applicable "ratio-based" basket. For the avoidance of doubt, any amount so classified or reclassified to any applicable "ratio-based" basket shall be disregarded, and shall be deemed not to be outstanding, for purposes of determining the amount of availability under any other applicable exception under such caption (including, in the case of clause (b)(1) under "*—Certain Covenants—Limitation on Indebtedness*", any other applicable clause under such caption) that does not require compliance with a ratio. Notwithstanding the foregoing, Indebtedness incurred under the Senior Secured Term Loans Agreement outstanding on the Issue Date (including, for the avoidance of doubt, the SFA Loans to be borrowed in connection with the Transactions) shall be deemed to have been incurred pursuant to clause (1)(A)(x) of paragraph (b) of "*—Certain Covenants—Limitation on Indebtedness*" and may not be subsequently reclassified.

(e) For purposes of assessing whether any financial ratio or test set forth in any of the covenants described under the captions "*—Certain Covenants*" or "*—Consolidation, Merger and Sale of Assets*" (or in any applicable defined term used under such captions) has been or would be complied with in connection with any Item (or any portion thereof) incurred, made, undertaken or consummated in reliance on an exception that requires compliance with such financial ratio or test, any other Item (or any portion thereof) substantially contemporaneously incurred, made, undertaken or consummated, in each case, in reliance on any other available exceptions that do not require such other Item (or such portion thereof) to comply with such financial ratio or test (including, in the case of Indebtedness limited by clause (1)(B) of paragraph (b) under "*—Certain Covenants—Limitation on Indebtedness*", any other sub-clause of such clause (1)) shall be disregarded (even if part of the same transaction and, in the case of Indebtedness or Liens securing any Indebtedness, even if such other Item is Indebtedness of the same tranche or series as such Indebtedness being incurred under such financial ratio or test); *provided* that full *pro forma* effect shall be given to such other Item (or such portion thereof) for purposes of determining any increase in the amount of Consolidated EBITDA or Total Assets resulting therefrom.

(f) For purposes of determining compliance with the Indenture, (i) the outstanding principal amount of Indebtedness issued at a price that is less than the principal amount thereof shall be equal to the amount thereof that would appear on a consolidated balance sheet of the Parent prepared in conformity with IFRS and (ii) the accrual of interest, the accrual of dividends, the accretion of accreted value, the amortization of original issue discount, the payment of interest or a dividend in the form of additional Indebtedness and/or any increase in the amount of Indebtedness outstanding solely as a result of any fluctuation in the exchange rate of any applicable currency shall not be deemed to be an incurrence of Indebtedness and, to the extent secured, shall not be deemed to result in an increase of the obligations so secured or to be a grant of a Lien securing any such obligations.

(g) Except as otherwise expressly provided in the Indenture, all terms of an accounting or financial nature used therein will be construed in accordance with IFRS as in effect from time to time; *provided* that if the Company, by written notice to the Trustee, shall request an amendment to any provision hereof to eliminate the effect of any change occurring after the Issue Date in IFRS or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in IFRS or in the application thereof, then such provision shall be interpreted on the basis of IFRS as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith and therewith. Notwithstanding the foregoing, for purposes of any calculations pursuant to the Indenture (but not for purposes of the financial statements required to be delivered pursuant to the covenant described under the caption "*—Certain Covenants—Provision of Financial Statements*"), IFRS shall be deemed to treat operating leases in a manner consistent with the treatment thereof under IFRS as in effect on January 1, 2018, notwithstanding any modifications or interpretative changes thereto that may have occurred or may occur after such date.

(h) For all purposes under the Notes Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (i) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (ii) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Capital Stock at such time.

**Certain Covenants**

The Indenture will contain, among others, the following covenants:

***Limitation on Indebtedness***

(a) The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, create, issue, incur, assume or guarantee (collectively, "**incur**") any Indebtedness (including any Acquired Indebtedness); *provided*, *however*, that the Company and its Restricted Subsidiaries may incur Indebtedness if, on the date of such incurrence and after giving *pro forma* effect thereto (including giving *pro forma* effect to the use of the proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow), the Parent's Consolidated Fixed Charge Coverage Ratio for the most recent period of four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Indebtedness is at least 2.00 to 1.00.

(b) Notwithstanding paragraph (a) above, the Company and its Restricted Subsidiaries may incur each and all of the following (collectively, the "**Permitted Indebtedness**"):

(1) (A) Indebtedness of the Company and its Restricted Subsidiaries under Credit Facilities, including such Indebtedness under the Senior Secured Credit Facilities outstanding on the Issue Date; *provided* that, with respect to any incurrence of such Indebtedness after the Issue Date, at the time of incurrence thereof and after giving *pro forma* effect thereto (including the use of proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow), the aggregate outstanding principal amount of Indebtedness under this clause (1) shall not exceed the sum of (x) the aggregate principal amount of each series of loans (as of the date such series of loans was initially borrowed and, with respect to any additional loans of any series, the date such additional loans were initially borrowed) outstanding under the Senior Secured Term Loans Agreement on the Issue Date (including, for the avoidance of doubt, the SFA Loans to be borrowed in connection with the Transactions), plus (y) the greater of (i) €300.0 million and (ii) 4.50% of Total Assets, plus (z) the aggregate amount of fees (including original issue discount), underwriting discounts, premiums and other costs and expenses incurred in connection with any refinancing of any Indebtedness permitted under this clause (1), plus (B) additional Indebtedness of the Company and its Restricted Subsidiaries under Credit Facilities so long as, in the case of this clause (B), after giving *pro forma* effect thereto (including use of proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow), the Parent's Consolidated Net Senior Secured Leverage Ratio as of the last day of the most recent period of four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Indebtedness is not greater than 3.00 to 1.00, *provided* that solely for the purpose of determining the Consolidated Net Senior Secured Leverage Ratio as set forth in this clause (B), any Indebtedness incurred in reliance on this clause (B) shall be deemed to be (whether or not it actually is) Senior Secured Indebtedness;

(2) [Reserved];

(3) Indebtedness of the Issuer pursuant to the Notes (other than Additional Notes) and Indebtedness of the Guarantors pursuant to the Guarantees of the Notes (other than Additional Notes);

(4) Indebtedness of the Company, the Issuer and the other Guarantors pursuant to the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes and the guarantees in respect of any of the foregoing;

(5) Indebtedness of IHL, the Parent, the Company or any Restricted Subsidiary incorporated or organized under the laws of England and Wales or Scotland consisting of Guarantees of all outstanding liabilities of its Receivables Subsidiaries incorporated or organized under the laws of England and Wales or Scotland to the extent necessary under the laws of England and Wales or Scotland, as the case may be, to exempt such Receivables Subsidiaries from U.K. statutory audit requirements;

(6) Indebtedness of the Company or any of its Restricted Subsidiaries outstanding on the Issue Date after giving *pro forma* effect to the use of proceeds of the offering of the Notes (other than the Indebtedness under the Senior Secured Credit Facilities and the Indebtedness pursuant to the 2028 Senior Secured Notes, the 2025 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes and the Notes, in each case, outstanding on the Issue Date);

(7) Indebtedness of the Issuer owing to the Company or any of its Restricted Subsidiaries (other than the Issuer); *provided* that any Indebtedness of the Issuer owing to any Restricted Subsidiary of the Company that is not a Guarantor is unsecured and is subordinated in right of payment to the payment and performance of the Issuer's obligations under the Notes pursuant to, and to the extent required by, the Intercreditor Deed; *provided*, *further*, that any disposition or transfer of any such Indebtedness to a Person (other than a disposition or transfer to the Company or any of its Restricted Subsidiaries) shall be deemed to be an incurrence of such Indebtedness by the Issuer not permitted by this clause (7);

(8) Indebtedness of the Company or a Restricted Subsidiary (other than the Issuer) owing to the Company or any of its Restricted Subsidiaries; *provided* that any Indebtedness of the Company (if the Company is not the Issuer) or a Subsidiary Guarantor owing to any Restricted Subsidiary that is not a Subsidiary Guarantor or the Issuer is unsecured and subordinated in right of payment to the payment and performance of the Company's or such Subsidiary Guarantor's, as the case may be, obligations under its Guarantee pursuant to, and to the extent required by, the Intercreditor Deed; *provided*, *further*, that any disposition or transfer of any such Indebtedness to a Person (other than a disposition or transfer to the Company or a Restricted Subsidiary) shall be deemed to be an incurrence of such Indebtedness by the obligor not permitted by this clause (8);

(9) guarantees by the Company or any Restricted Subsidiary of any Indebtedness of the Company or any Restricted Subsidiary, including any guarantee of an Unrestricted Subsidiary's guarantee of any Indebtedness of the Company or a Restricted Subsidiary, so long as the incurrence of such Indebtedness by the Company or such Restricted Subsidiary is otherwise permitted by the Indenture; *provided* that if the Indebtedness being guaranteed is subordinated in right of payment to the Notes or any Guarantee, then such guarantee, if provided by the Issuer, the Company or a Subsidiary Guarantor, will be subordinated to the Notes or such Guarantee, as applicable, substantially to the same extent as the relevant Indebtedness guaranteed;

(10) [Reserved];

(11) obligations of the Company or a Restricted Subsidiary in respect of:

    (A) any Interest Rate Agreement,

    (B) any Currency Hedging Agreement, or

(C) any Commodity Price Protection Agreement,

in each case, entered into for *bona fide* business purposes (including any commodity trading or commodity risk management business) and not for speculative purposes, as determined in good faith by the Board of Directors or senior management of the Company;

(12) Indebtedness of the Company or a Restricted Subsidiary incurred after the Issue Date represented by Capital Lease Obligations or Purchase Money Obligations and other Indebtedness of the Company or a Restricted Subsidiary incurred after the Issue Date for the purpose of financing all or any part of the acquisition, development, construction or improvement of real or personal, movable or immovable property or assets (including Capital Stock) used or to be used in the business of the Company and its Restricted Subsidiaries, and any Permitted Refinancing Indebtedness with respect to any such Indebtedness; *provided* that, at the time of incurrence of any such Indebtedness and after giving *pro forma* effect thereto (including the use of proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow), the aggregate outstanding principal amount of Indebtedness permitted under this clause (12) shall not exceed the sum of (A) the greater of (x) €200.0 million and (y) 2.50% of Total Assets plus (B) the aggregate amount of fees (including original issue discount), underwriting discounts, premiums and other costs and expenses incurred in connection with any refinancing of any Indebtedness permitted under this clause (12);

(13) Indebtedness of the Company or any of its Restricted Subsidiaries represented by Permitted Refinancing Indebtedness with respect to Indebtedness that was permitted to be incurred under paragraph (a) of this covenant or clauses (1) (in the case of Indebtedness incurred in reliance on clause (B) thereof), (3), (4), (6), (13) or (18) of this paragraph (b);

(14) to the extent constituting Indebtedness, obligations of the Company and its Restricted Subsidiaries in respect of (A) letters of credit issued in the ordinary course of business with respect to trade payables relating to purchase of materials (including obligations under any LC Facility) and (B) other letters of credit, bank guarantees, surety, performance, Tax or appeal bonds, completion guarantees, judgment, advance payment, customs, VAT or other Tax guarantees or similar instruments issued in the ordinary course of business and not in connection with the borrowing of money, including letters of credit, bank guarantees or similar instruments in respect of self-insurance and workers compensation obligations (including obligations under any LC Facility); *provided*, *however*, that, upon the drawing of such letters of credit, bank guarantees or other instruments, such obligations are reimbursed within 30 days following such drawing;

(15) Indebtedness of the Company and its Restricted Subsidiaries owed to their employees in connection with loan stock issued under employee stock purchase plans; *provided* that the aggregate principal amount of Indebtedness under this clause (15) shall not exceed €10.0 million outstanding at any time;

(16) Indebtedness of the Company and its Restricted Subsidiaries in connection with (A) any Permitted Receivables Financing and (B) any sales and leasebacks (or similar arrangements) of inventory with customers so long as the Fair Market Value of such inventory shall not exceed 5.0% of the Fair Market Value of the Consolidated inventories of the Company and its Restricted Subsidiaries at any one time;

(17) Indebtedness of the Company and its Restricted Subsidiaries represented by Management Advances in the form of guarantees;

(18) (A) Acquisition Indebtedness incurred by the Issuer or any Guarantor and (B) Acquired Indebtedness incurred by the Company and its Restricted Subsidiaries; *provided*, *however*, that (x) (i) at the time of the acquisition or other transaction

pursuant to which such Acquired Indebtedness or such Acquisition Indebtedness, as applicable, was incurred, the Company would have been able to incur €1.00 of additional Indebtedness pursuant to paragraph (a) of this covenant after giving *pro forma* effect to the incurrence of such Indebtedness pursuant to this clause (18) (including after giving *pro forma* effect to the use of the proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow) or (ii) the Consolidated Fixed Charge Coverage Ratio of the Parent for the most recent period of four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Indebtedness would not be less, after giving *pro forma* effect as set forth above to such incurrence, than it would be for such period prior to giving *pro forma* effect thereto, or (y) after giving pro forma effect to the incurrence of such Indebtedness pursuant to this clause (18) (including after giving pro forma effect to the use of the proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow), the Consolidated Net Senior Secured Leverage Ratio of the Parent as of the last day of the most recent period of four full fiscal quarters for which financial statements are available immediately preceding the incurrence of such Indebtedness would either (i) be not greater than 3.00 to 1.00 or (ii) be not greater than it was immediately prior to giving pro forma effect thereto; *provided* that solely for the purpose of determining the Consolidated Net Senior Secured Leverage Ratio as set forth in this clause (y), any Indebtedness incurred in reliance on this clause (y) shall be deemed to be (whether or not it actually is) Senior Secured Indebtedness;

(19) Indebtedness arising from agreements of the Company or any Restricted Subsidiary providing for customary indemnification, obligations in respect of earnouts or other adjustments of purchase price or, in each case, similar obligations, in each case, incurred in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than guarantees of Indebtedness incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition);

(20) Indebtedness of the Company and its Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business or owed in respect of Cash Management Arrangements;

(21) Indebtedness of the Company and its Restricted Subsidiaries incurred in connection with Permitted Joint Ventures or other joint ventures of the Company or any Restricted Subsidiary, including guarantees by the Company and its Restricted Subsidiaries of Indebtedness of Permitted Joint Ventures or such other joint ventures, and any Permitted Refinancing Indebtedness with respect to any such Indebtedness; *provided* that, at the time of incurrence of any such Indebtedness and after giving *pro forma* effect thereto (including the use of proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow), the aggregate outstanding principal amount of Indebtedness permitted under this clause (21), together with the aggregate outstanding amount of Investments made pursuant to clause (l) of the definition of "Permitted Investments" (and without duplication to the extent proceeds of any such Indebtedness are used to make any such Investment), shall not exceed the sum of (A) the greater of (x) €475.0 million and (y) 5.00% of Total Assets plus (B) the aggregate amount of fees (including original issue discount), underwriting discounts, premiums and other costs and expenses incurred in connection with any refinancing of any Indebtedness permitted under this clause (21);

(22) Indebtedness of the Company and its Restricted Subsidiaries incurred in connection with inventory financing or similar arrangements, including any guarantees thereof, and any Permitted Refinancing Indebtedness with respect to any such Indebtedness; *provided* that, at the time of incurrence of any such Indebtedness and after giving *pro forma* effect thereto (including the use of

proceeds thereof) the aggregate outstanding principal amount of Indebtedness permitted under this clause (22) shall not exceed the sum of (A) the greater of (x) €500.0 million and (y) 4.5% of Total Assets plus (B) the aggregate amount of fees (including original issue discount), underwriting discounts, premiums and other costs and expenses incurred in connection with any refinancing of any Indebtedness permitted under this clause (22);

(23) Indebtedness of the Company and its Restricted Subsidiaries under the Proceeds Loans Documents;

(24) Indebtedness of the Company and its Restricted Subsidiaries incurred in connection with a Permitted Reorganization; *provided* that after the consummation of such Permitted Reorganization, such Indebtedness is owed to the Company or its Restricted Subsidiaries (including, for the avoidance of doubt, any Surviving Entity) and would be permitted by clause (7) or (8) above; and

(25) Indebtedness of the Company and its Restricted Subsidiaries in addition to that described in clauses (1) through (24) above; *provided* that, at the time of incurrence of any such Indebtedness after giving *pro forma* effect thereto (including the use of proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow), the aggregate outstanding principal amount of Indebtedness permitted under this clause (25) shall not exceed the sum of (A) the greater of (x) €550.0 million and (y) 7.50% of Total Assets plus (B) the aggregate amount of fees (including original issue discount), underwriting discounts, premiums and other costs and expenses incurred in connection with any refinancing of any Indebtedness permitted under this clause (25).

(c) [Reserved].

(d) For purposes of determining any particular amount of Indebtedness under this "*—Limitation on Indebtedness*" covenant and compliance with this "*—Limitation on Indebtedness*" covenant, (i) guarantees, Liens or obligations with respect to letters of credit, bank guarantees, bankers' acceptances or similar instruments supporting Indebtedness that is otherwise included in the determination of any such particular amount will be disregarded, (ii) in the case of any new Indebtedness of the Company and its Restricted Subsidiaries the net proceeds of which are to be applied to refinance any existing Indebtedness of the Company and its Restricted Subsidiaries, the determination of any such particular amount and such compliance will be made on a *pro forma* basis giving effect to the application of the net proceeds of such new Indebtedness as if such application occurred on the date of incurrence thereof, (iii) any Proceeds Loans made by a Parent Holdco or a Financing Subsidiary with the proceeds of any Indebtedness incurred by such Parent Holdco or Financing Subsidiary, which Indebtedness is guaranteed by the Company or any of its Restricted Subsidiaries in accordance with this "*—Limitation on Indebtedness*" covenant, will be disregarded and (iv) if obligations in respect of letters of credit, bank guarantees, bankers' acceptances or other similar instruments are incurred pursuant to any Credit Facility and are being treated as incurred pursuant to clause (1), (12), (13), (21), (22) or (25) of paragraph (b) of this "*—Limitation on Indebtedness*" covenant or pursuant to paragraph (a) of this "*—Limitation on Indebtedness*" covenant, then to the extent such letters of credit, bank guarantees, bankers' acceptances or other similar instruments support other Indebtedness, such other Indebtedness will be disregarded.

(e) For purposes of determining compliance with this "*—Limitation on Indebtedness*" covenant and the "*—Limitation on Liens*" covenant:

(i) in the case of any exception requiring compliance with any financial ratio or test, to the extent the committed amount of any Indebtedness has been tested, such committed amount may thereafter be borrowed and, in the case of commitments of a revolving nature, reborrowed in whole or in part, from time to time, without any further testing under this "*—Limitation on Indebtedness*" covenant or the covenant described under the caption "*—Limitation on Liens*", it being understood, however, that for purposes of any subsequent determination of compliance with such financial ratio or test, such Indebtedness (other than, for purposes of paragraph (a) under this "*—Limitation on* Indebtedness" covenant, any Indebtedness that is revolving in nature) shall, solely to the extent of the reliance at such time on this clause (i) with respect to such committed amount, be deemed to be outstanding;

(ii) any Escrow Indebtedness shall be deemed to be incurred on the date of the original incurrence thereof (and, for the avoidance of doubt, not on the date of the release of such Indebtedness from escrow or the date on which the obligor in respect of such Indebtedness becomes a Restricted Subsidiary or transfers its assets to, or merges, consolidates or amalgamates with, the Company or any Restricted Subsidiary); *provided* that, for the avoidance of doubt, any Escrow Indebtedness that is redeemed pursuant to a special mandatory redemption or the proceeds of which are not released to the Company or any Restricted Subsidiary for any other reason shall be deemed not to have been incurred by the Company or any Restricted Subsidiary on the date of original incurrence thereof; and

(iii) such determinations and calculations in connection with any Limited Condition Transaction or any related transaction shall be subject to paragraph (a) under "*—Certain Calculations*" above.

(f) For purposes of determining compliance with any Euro-denominated restriction on the incurrence of Indebtedness where Indebtedness is denominated in a different currency, the amount of such Indebtedness will be the Euro Equivalent determined on the date of such determination; *provided*, *however*, that if any such Indebtedness that is denominated in a different currency is subject to a Currency Hedging Agreement (with respect to Euro) covering principal amounts payable on such Indebtedness, the amount of such Indebtedness expressed in Euro will be adjusted to take into account the effect of such agreement. The principal amount of any Permitted Refinancing Indebtedness, if incurred in the same currency as the Indebtedness being refinanced, will be the Euro Equivalent of the Indebtedness refinanced, determined on the date such Indebtedness being refinanced was initially incurred. The principal amount of any Permitted Refinancing Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, will be calculated based on the currency exchange rate applicable to the currencies in which such Permitted Refinancing Indebtedness is denominated that is in effect on the date of such refinancing. Notwithstanding any other provision of this "*—Limitation on Indebtedness*" covenant, the maximum amount that the Company or any of its Restricted Subsidiaries may incur pursuant to this "*—Limitation on Indebtedness*" covenant shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, solely as a result of fluctuations in the exchange rates of currencies (and, for the avoidance of doubt, such Indebtedness will be permitted to be refinanced notwithstanding that, after giving effect to such refinancing, such excess will continue). Notwithstanding the foregoing, any determinations and calculations pursuant to this paragraph (f) in connection with any Limited Condition Transaction or any related transaction shall be subject to paragraph (a) under "*—Certain Calculations*".

***Limitation on Restricted Payments***

(a) The Company will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly take any of the following actions (each of which, other than any such action that is a Permitted Payment, is referred to as a "**Restricted Payment**"):

(1) declare or pay any dividend on, or make any distribution on, the Company's Capital Stock to any Person (other than dividends or distributions payable solely in shares of its Qualified Capital Stock or in options, warrants or other rights to acquire shares of such Qualified Capital Stock) or make any payment of cash interest in respect of Subordinated Shareholder Funding;

(2) purchase, redeem, defease or otherwise acquire or retire for value, directly or indirectly, (A) the Company's Capital Stock or any Capital Stock of any Affiliate of the Company (other than a Restricted Subsidiary) held by Persons other than the Company or a Restricted Subsidiary, (B) options, warrants or other rights to acquire such Capital Stock or (C) any Subordinated Shareholder Funding held by any Person;

(3) make any principal payment on, or repurchase, redeem, defease, retire or otherwise acquire for value, prior to any scheduled principal payment, sinking fund payment or maturity, (A) any Subordinated Indebtedness (other than the purchase, repurchase, redemption, defeasance, retirement or other acquisition of (x) Subordinated Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement and (y) any Indebtedness incurred pursuant to clause (7) or (8) of paragraph (b) of the covenant described under "*—Limitation on Indebtedness*") or (B) any Subordinated Shareholder Funding (it being understood, for the avoidance of doubt, that payment of interest on and scheduled amortization of any Subordinated Indebtedness or, to the extent permitted by the definition of such term, the payment of interest on Subordinated Shareholder Funding is not subject to this clause (3));

(4) declare or pay any dividend or distribution on any Capital Stock of any Restricted Subsidiary to any Person (other than (A) to the Company or any of its Wholly Owned Restricted Subsidiaries, (B) dividends or distributions made by a Restricted Subsidiary on a *pro rata* basis (or, if not on a *pro rata* basis, on a basis more favorable to the Company and its Restricted Subsidiaries) to all stockholders of such Restricted Subsidiary or (C) dividends or distributions payable solely in its Qualified Capital Stock or in options, warrants or other rights to acquire shares of such Qualified Capital Stock or in Subordinated Shareholder Funding); or

(5) make any Investment in any Person;

*provided* that (A) the Company and the Restricted Subsidiaries may make any Permitted Investment and (B) for the avoidance of doubt, any payment on, or repurchase, redemption, defeasance or otherwise acquisition or retirement for value of, any Senior Secured Term Loans, the Notes, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes or any other Senior Secured Indebtedness held by any Affiliate of the Company does not constitute a Restricted Payment.

(b) Notwithstanding paragraph (a) of this "*—Limitation on Restricted Payments*" covenant, the Company or any Restricted Subsidiary may make a Restricted Payment if, at the time of and after giving *pro forma* effect to such proposed Restricted Payment:

(1) no Default or Event of Default shall have occurred and be continuing;

(2) the Company could incur at least €1.00 of additional Indebtedness under paragraph (a) of the covenant described under "*—Limitation on Indebtedness*"; and

(3) the aggregate amount of all Restricted Payments (together with, except as otherwise provided in paragraph (d) below, the aggregate amount of all Permitted Payments) made (and not returned or rescinded) after the Issue Date does not exceed the sum of:

(A) 50% of the aggregate Consolidated Net Income (Loss) of the Parent determined on a cumulative basis for the period beginning on the Issue Date (and, for the avoidance of doubt, calculated from the first day of the first fiscal quarter of the Parent ended prior to the Issue Date immediately following the most recent fiscal quarter for which financial statements were then available (without double counting)) and ending on the last day of the Parent's most recent fiscal quarter for which financial statements are available ending immediately prior to the date of such Restricted Payment (or, if such aggregate cumulative Consolidated Net Income (Loss) shall be a loss, minus 100% of such loss);

(B) the aggregate Net Cash Proceeds and the Fair Market Value of property, assets or marketable securities received after the Issue Date by the Company either (x) as capital contributions to the Company in respect of

Qualified Capital Stock of the Company or (y) from the issuance or sale (other than to any of its Restricted Subsidiaries) of Qualified Capital Stock of the Company or any options, warrants or rights to purchase such Qualified Capital Stock of the Company or from any Subordinated Shareholder Funding (except, in each case, to the extent such Net Cash Proceeds are used as set forth in clause (2) or (3) of paragraph (c) below) (and excluding the Net Cash Proceeds and the Fair Market Value of property, assets or marketable securities from the issuance of Capital Stock or Subordinated Shareholder Funding financed, directly or indirectly, using funds borrowed from, or the borrowing of which is guaranteed by, the Company or any of its Restricted Subsidiaries except to the extent such borrowing is repaid in cash);

(C) the aggregate Net Cash Proceeds and the Fair Market Value of property, assets or marketable securities received after the Issue Date by the Company (other than from any of its Restricted Subsidiaries) upon the exercise of any options, warrants or rights to purchase Qualified Capital Stock of the Company (and excluding the Net Cash Proceeds and the Fair Market Value of property, assets or marketable securities from the exercise of any options, warrants or rights to purchase such Qualified Capital Stock financed, directly or indirectly, using funds borrowed from, or the borrowing of which is guaranteed by, the Company or any of its Restricted Subsidiaries except to the extent such borrowing is repaid);

(D) the aggregate Net Cash Proceeds and the Fair Market Value of property, assets or marketable securities received after the Issue Date by the Company or its Restricted Subsidiaries from the conversion or exchange, if any, of Indebtedness or Redeemable Capital Stock of the Company or its Restricted Subsidiaries into or for Qualified Capital Stock of the Company plus, to the extent such Indebtedness or Redeemable Capital Stock was incurred or issued after the Closing Date, the aggregate Net Cash Proceeds and the Fair Market Value of property, assets or marketable securities received from their original incurrence or issuance (except, in each case, to the extent such Net Cash Proceeds are used as set forth in clause (2) or (3) of paragraph (c) under this "—*Limitation on Restricted Payments*" covenant) (and excluding the Net Cash Proceeds and the Fair Market Value of property, assets or marketable securities from the conversion or exchange of Indebtedness or Redeemable Capital Stock financed, directly or indirectly, using funds borrowed from, or the borrowing of which is guaranteed by, the Company or any Restricted Subsidiary except to the extent such borrowing is repaid);

(E) the amount equal to the sum (without duplication) of:

(i) 100% of the aggregate Net Cash Proceeds and the Fair Market Value of property, assets or marketable securities received by the Company or any Restricted Subsidiary upon the sale or other disposition of an Investment that had been a Restricted Payment or, for the avoidance of doubt, a Permitted Payment (to the extent such Permitted Payment is included in the sum under this clause (b)(3)) or an SFA Payment or from repayments of an Investment (including by way of dividend, distribution, interest payment, return of capital or other transfer of assets) to the Company or any Restricted Subsidiary;

(ii) upon the full and unconditional release of a guarantee that had been a Restricted Payment or, for the avoidance of doubt, a Permitted Payment (to the extent such Permitted Payment is included in the sum under this clause (b)(3)) or an SFA Payment made by the Company or a Restricted Subsidiary in favor of any Person (other than the Company or a Restricted Subsidiary), to the extent not included in clause (i) above, an amount equal to the amount of such guarantee;

(iii) upon the redesignation of any Unrestricted Subsidiary as a Restricted Subsidiary, the Fair Market Value of the Company's or any Restricted Subsidiary's interest in such Unrestricted Subsidiary;

(iv) 100% of the Net Cash Proceeds and the Fair Market Value of property, assets or marketable securities received by the Company or any Restricted Subsidiary from a sale or disposition of Capital Stock of an Unrestricted Subsidiary (other than to the Company or any Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any of its Restricted Subsidiaries for the benefit of its employees);

(v) to the extent any Investment constituting a Restricted Payment or, for the avoidance of doubt, a Permitted Payment (to the extent such Permitted Payment is included in the sum under this clause (b)(3)) or an SFA Payment was made after the Closing Date in a Person that subsequently becomes a Restricted Subsidiary, the Fair Market Value of such Investment as of the date such Person becomes a Restricted Subsidiary; and

(vi) 100% of the Net Cash Proceeds and the Fair Market Value of property, assets or marketable securities received by the Company or any of its Restricted Subsidiaries from any dividend or distribution made by any Unrestricted Subsidiary;

*provided*, *however*, that in the case of any amount referred to in this clause (E) that would also be included in Consolidated Net Income (Loss) for the purposes of clause (A) above, such amount (or any portion thereof) may be included for the purposes of this clause (E) or for the purposes of clause (A) above, all as determined by the Company in its discretion (but without duplication); and

(F) an amount equal to the amount available as of the Issue Date for making Restricted Payments pursuant to Section 8.3(b)(iii) (*i.e.*, the restricted payments build-up basket) of the Senior Secured Term Loans Agreement (without double counting) (we estimate that the amount available for Restricted Payments pursuant to this clause (F) would have been approximately €1,677.6 million as of the Issue Date).

(c) Notwithstanding paragraph (a) above, the provisions thereof shall not prohibit the following actions (any action permitted under any of clauses (1) through (17) below being referred to as a "**Permitted Payment**"):

(1) the payment of any dividend within 60 days after the date of declaration thereof, if at such date of declaration such payment was permitted by this covenant (and such payment shall be deemed to have been paid on such date of declaration);

(2) any Restricted Payment included in clauses (2), (3) and (5) of paragraph (a) of this covenant made by exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip), or in an amount not in excess of the Net Cash Proceeds of a substantially concurrent issuance and sale (other than to a Restricted Subsidiary of the Company and excluding the Net Cash Proceeds from the issuance of any Capital Stock or of Subordinated Shareholder Funding financed, directly or indirectly, using funds borrowed from, or the borrowing of which is guaranteed by, the Company or any Restricted Subsidiary except to the extent such borrowing is repaid in cash) of, Qualified Capital Stock or Subordinated Shareholder Funding of, or a capital contribution to, the Company; *provided* that the Net Cash Proceeds from the issuance of such Qualified Capital

Stock or Subordinated Shareholder Funding or from such capital contribution (to the extent such Net Cash Proceeds are used to make such Permitted Payment) are excluded from clauses (3)(B) and (3)(D) of paragraph (b) of this covenant;

(3) the repurchase, redemption, defeasance, retirement or acquisition for value of, or payment of principal of, any Subordinated Indebtedness in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip), or in an amount not in excess of the Net Cash Proceeds of a substantially concurrent issuance and sale (other than to any Restricted Subsidiary of the Company) of, any Qualified Capital Stock or Subordinated Shareholder Funding of, or a capital contribution to, the Company; *provided* that the Net Cash Proceeds from the issuance of such Qualified Capital Stock or Subordinated Shareholder Funding (to the extent such Net Cash Proceeds are used to repurchase, redeem, defease, retire or acquire such Subordinated Indebtedness) are excluded from clauses (3)(B) and (3)(D) of paragraph (b) of this covenant;

(4) the repurchase, redemption, defeasance, retirement, refinancing or other acquisition for value of, or payment of principal of, and payment of accrued and unpaid interest on, any Subordinated Indebtedness (but not, for the avoidance of doubt, Subordinated Shareholder Funding) through the substantially concurrent incurrence of new Indebtedness of the Company or any Restricted Subsidiary that is permitted by the covenant under the caption "*—Limitation on Indebtedness*";

(5) the repurchase, redemption, defeasance, retirement, refinancing or other acquisition for value of, or payment of principal of, and payment of accrued and unpaid interest on, (A) Subordinated Indebtedness (but not, for the avoidance of doubt, Subordinated Shareholder Funding) of the Company or any Restricted Subsidiary (other than Subordinated Indebtedness held by Affiliates of the Company) upon a "change of control" or "asset sale" to the extent required by the agreement governing such Subordinated Indebtedness, but only if the Issuer shall have complied, to the extent applicable, with the covenants described under the captions "*—Purchase of Notes upon a Change of Control*" or "*—Limitation on Sale of Assets*", as the case may be, and the Issuer shall have repurchased, or shall repurchase, all Notes tendered pursuant to the offer required by such covenants to be repurchased prior to or substantially concurrently with such repurchase, redemption, defeasance, retirement, refinancing or other acquisition for value of, or payment of principal of, Subordinated Indebtedness, (B) Subordinated Indebtedness (but not, for the avoidance of doubt, Subordinated Shareholder Funding) of the Company or any Restricted Subsidiary that constitutes Acquired Indebtedness (other than any such Subordinated Indebtedness held by Affiliates of the Company) and (C) Subordinated Indebtedness and Subordinated Shareholder Funding, in each case, for the avoidance of doubt, under this sub-clause (C), to the extent of any Declined Proceeds;

(6) to the extent constituting Restricted Payments, the Specified Affiliate Payments;

(7) the declaration and payment of dividends or other distributions by the Company in respect of its Capital Stock, and the declaration and payment of any such dividends or other distributions, or the making of loans and advances, by the Company or any Restricted Subsidiary to any Parent Holdco to make payments of dividends or other distributions by any Parent Holdco in respect of its Capital Stock; *provided* that the aggregate amount (without duplication) of all such dividends or other distributions, or loans and advances, under this clause (7) shall not exceed in any fiscal year 6% of the Net Cash Proceeds received by the Company from a Public Equity Offering;

(8) payments by the Company, or loans, advances, dividends or distributions to any Parent Holdco to make payments, to holders of Capital Stock of the Company or any Parent Holdco in lieu of the issuance of fractional shares of such Capital Stock; *provided* that the aggregate amount of any such payments, loans, advances,

dividends or distributions made since the Issue Date (in the case of any loans or advances, to the extent outstanding) shall not exceed €10.0 million;

(9) dividends, distributions, contributions or other transfers of Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries;

(10) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation or any other fees and payments in connection with a Permitted Receivables Financing;

(11) [Reserved]

(12) loans, advances, dividends, distributions or other payments by the Company or any of its Restricted Subsidiaries to or on behalf of any Parent Holdco or Financing Subsidiary to service the substantially concurrent payment of interest, premiums, make whole amounts, fees, costs, expenses, hedging, tax, breakage costs and indemnification obligations as and when due under or in respect of Indebtedness of any Parent Holdco or Financing Subsidiary that has been guaranteed by, or is otherwise considered Indebtedness of, the Company or any of its Restricted Subsidiaries incurred in accordance with the covenant described under the caption "*—Limitation on Indebtedness*"; *provided* that (x) the Net Cash Proceeds of such Indebtedness have been contributed or loaned to the Company or any of its Restricted Subsidiaries or (y) at the time such Indebtedness is incurred by such Parent Holdco or Financing Subsidiary, the Company is deemed to have made, and is able to make in accordance with this "*—Limitation on Restricted Payments*" covenant, a Restricted Payment, a Permitted Payment or a Permitted Investment, or a combination thereof (as determined by the Company in accordance with this "*—Limitation on Restricted Payments*" covenant), in an aggregate amount equal to the Net Cash Proceeds of such Indebtedness;

(13) any Restricted Payment; *provided* that (x) no Default or Event of Default has occurred and is continuing at the time of the making of such Restricted Payment and (y) the Consolidated Net Total Leverage Ratio of the Parent as of the last day of the most recent period of four full fiscal quarters for which financial statements are available immediately prior to the making of such Restricted Payment, after giving *pro forma* effect thereto, is not greater than 1.75 to 1.00;

(14) any Restricted Payments made as part of any Permitted Reorganization, or to pay or reimburse (prior to or within a reasonable time after the consummation thereof) any costs and expenses related to the consummation thereof;

(15) any payments or other transactions pursuant to Tax Sharing Agreements between the Company and any other Person or any Restricted Subsidiary and any other Person with which the Company or any Restricted Subsidiary files a consolidated Tax return or with which the Company or any of its Restricted Subsidiaries is part of a group for Tax purposes or any Tax advantageous group contribution made pursuant to applicable legislation; *provided* that any such Tax Sharing Agreement does not permit or require payments in excess of Taxes that would be payable by the Company and its Restricted Subsidiaries on a stand-alone basis;

(16) any Restricted Payments made in connection with the funding of, or by, German pension trusts (which, for the avoidance of doubt, does not extend to any Restricted Payments to which clause (22) of the covenant described in "*—Limitation on Transactions with Affiliates*" would apply); and

(17) any other Restricted Payment; *provided* that, at the time of such Restricted Payment and after giving effect thereto, the aggregate amount of Restricted Payments made under this clause (17) since the Issue Date (in the case of any Investment, to the extent outstanding) does not exceed the greater of (A) €350.0 million and (B) 5.00% of Total Assets.

(d) In calculating the amount of Restricted Payments made after the Issue Date for purposes of clause (3) of paragraph (b) of this "*—Limitation on Restricted Payments*" covenant, Permitted Payments made pursuant to paragraph (c) of this covenant (other than clause (5)(A) or (7) (or clause (1) to the extent relating to clause (5)(A) or (7)) of paragraph (c) of this covenant) shall be excluded from such calculation.

(e) The amount of any Restricted Payment or Permitted Payment that is not made in cash shall be deemed to be equal to the Fair Market Value thereof at the date of the making of such Restricted Payment or Permitted Payment.

***Limitation on Transactions with Affiliates***

(a) The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including the sale, purchase, exchange or lease of assets, property or services) with any Affiliate of the Company (other than a Restricted Subsidiary) involving aggregate consideration in excess of the greater of (x) €10.0 million and (y) 0.10% of Total Assets, unless such transaction or series of related transactions is entered into in good faith and:

(1) such transaction or series of related transactions is on terms that are no less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could reasonably be expected to be obtained in a comparable transaction in arm's length dealings with an unrelated third party, as determined by the Company in good faith; and

(2) with respect to any transaction or series of related transactions involving aggregate consideration in excess of the greater of (x) €25.0 million and (y) 0.25% of Total Assets, the Company delivers to the Trustee either (A) an Officer's Certificate of the Company attaching a resolution of the Board of Directors of the Company (or, in the case of a transaction or series of related transactions to be entered into by IHL or any of its Restricted Subsidiaries, a resolution of the Board of Directors of IHL or the Company) pursuant to which such transaction or series of related transactions has been approved by a majority of the Disinterested Directors of the Board of Directors of the Company or IHL, as applicable, or in the event there is only one Disinterested Director, by such Disinterested Director, or (B) a written opinion of an accounting, appraisal or investment banking firm of international standing, or other recognized independent expert with experience appraising the terms and conditions of the type of transaction or series of related transactions for which an opinion is required, stating that such transaction or series of related transactions is fair from a financial point of view taking into account all relevant circumstances; *provided* that the liability of such accounting, appraisal or investment banking firm or such other independent expert in giving such opinion may be limited in accordance with its engagement policies.

(b) The restrictions in paragraph (a) shall not apply to:

(1) any employment agreement, collective bargaining agreement, consultant agreement or other employee benefit arrangements with any employee, consultant, officer or director of any Parent Holdco, the Company or any Restricted Subsidiary, including under any stock option, stock appreciation rights, stock incentive or similar plans, entered into in the ordinary course of business;

(2) payment of compensation to employees, consultants, officers or directors of any Parent Holdco, the Company or any Restricted Subsidiary in the ordinary course of business;

(3) maintenance in the ordinary course of business (and payments required thereby) of benefit programs and other arrangements for employees, consultants, officers or directors of any Parent Holdco, the Company or any Restricted Subsidiary, including vacation plans, health and life insurance plans, deferred compensation plans, severance plans, employees', consultants', directors' and officers' indemnification agreements and retirement or savings plans and similar plans;

(4) Management Advances;

(5) transactions between or among the Company and its Restricted Subsidiaries (including any Person that becomes a Restricted Subsidiary as a result of such transaction), between or among the Restricted Subsidiaries (including any Person that becomes a Restricted Subsidiary as a result of such transaction) and between or among the Restricted Subsidiaries and any Receivables Subsidiary;

(6) any Restricted Payment or Permitted Investment;

(7) any Permitted Payment;

(8) any transaction in the ordinary course of business between or among the Company or any Restricted Subsidiary and any Affiliate of the Company or a joint venture or similar Person that would otherwise be subject to this "*—Limitation on Transactions with Affiliates*" covenant solely because the Company or a Restricted Subsidiary owns any of the Capital Stock of or otherwise controls such Affiliate, joint venture or similar Person;

(9) any payments or other transactions pursuant to Tax Sharing Agreements between the Company and any other Person or any Restricted Subsidiary and any other Person with which the Company or any Restricted Subsidiary files a consolidated Tax return or with which the Company or any of its Restricted Subsidiaries is part of a group for Tax purposes or any Tax advantageous group contribution made pursuant to applicable legislation; *provided* that any such Tax Sharing Agreement does not permit or require payments in excess of Taxes that would be payable by the Company and its Restricted Subsidiaries on a stand-alone basis;

(10) the Senior Secured Term Loans Agreement, the 2028 Senior Secured Notes Indenture, the March 2026 Senior Secured Notes Indenture, the May 2026 Senior Secured Notes Indenture, the 2025 Senior Secured Notes Indenture, the Indenture, the other Notes Documents, any other Senior Secured Note Documents (as defined in the Intercreditor Deed), any High Yield Documents, the Proceeds Loans Documents, the Proceeds Loans, and any other definitive documents governing or evidencing any Indebtedness not prohibited by the Indenture (and, in each case, the transactions contemplated thereby), any collateral (including the High Yield Notes Shared Collateral) for or guarantee by the Company or any Restricted Subsidiaries of any obligations under any of the foregoing (and any release thereof), any release of any Proceeds Loans, the Intercreditor Deed (and any additional intercreditor agreement) and any other agreement or action relating to any Indebtedness not prohibited by the Indenture;

(11) (A) issuances or sales of Capital Stock of the Company, any receipt of capital contributions by the Company and any issuance or incurrence of any Subordinated Shareholder Funding and (B) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding that is in compliance with the other provisions of the Indenture and, if applicable, the Intercreditor Deed or any additional intercreditor agreement, as applicable;

(12) any transaction effected in connection with a Permitted Receivables Financing;

(13) Specified Affiliate Payments;

(14) (A) the provision of administrative or infrastructure goods or services, asset sharing, the allocation of customers, contracts or other business or any other transaction with customers, clients, suppliers or purchasers or sellers of goods or services (including, among others, feedstocks and raw materials) or any other transaction in the ordinary course of business between the Company or a Restricted Subsidiary, on the one hand, and any Affiliate that is not a Restricted Group Company, on the other, and (B) to the extent that a Refining/Entrepreneurial Entity or the Infrastructure Entity may be deemed to be an Affiliate of the Company, the provision of administrative or infrastructure goods or services, asset sharing, the allocation of customers, contracts or other business or any other transaction in the ordinary course of business between the Company or a Restricted Subsidiary and such Refining/Entrepreneurial Entity or the Infrastructure Entity, as the

case may be, *provided* that, in each case, such transactions, when taken together with all other transactions between the Company and its Restricted Subsidiaries, on the one hand, and such Affiliates, the Refining/Entrepreneurial Entities or the Infrastructure Entity, as applicable, on the other hand, are in all material respects (i) not inconsistent with those applying prior to the Issue Date for similar transactions among such Persons or (ii) on terms substantially consistent with those that might have been obtained in comparable transactions at such time on an arm's length basis from a Person that is not an Affiliate, as determined by the Company in good faith (it being understood that where such transactions are entered into pursuant to a master agreement or similar arrangement, such arm's length determination may be made with respect to such agreement or arrangement, which will cover all transactions entered into pursuant thereto);

(15) any transaction by any Person referred to in clause (a)(2) or (a)(3) of the definition of Permitted Investment that is entered pursuant to an arrangement existing (or that is made pursuant to, and as required under, legally binding agreements that exist) on the date such Person becomes a Restricted Subsidiary or is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or any Restricted Subsidiary (for the avoidance of doubt, in any event including any transaction with any joint venture of any such Person entered into or made pursuant to such arrangement or binding agreement, whether or not such joint venture is acquired by the Company or any Restricted Subsidiary after such Person becomes a Restricted Subsidiary or after the consummation of such merger, consolidation, amalgamation, transfer, conveyance or liquidation); *provided* that such agreement was not entered into in contemplation of such Person becoming a Restricted Subsidiary or such merger, consolidation, amalgamation, transfer, conveyance or liquidation;

(16) to the extent that a Lavéra Entity may be deemed to be an Affiliate of the Company, the provision of administrative or infrastructure goods or services, asset sharing, the allocation of customers, contracts or other business, or any other transaction in the ordinary course of business between the Company or a Restricted Subsidiary and such Lavéra Entity; *provided* that such transactions, when taken together with all other transactions between the Company and its Restricted Subsidiaries, on the one hand, and the Lavéra Entities, on the other hand, are in all material respects not inconsistent with those applying prior to the Lavéra Divestiture for similar transactions among such Persons;

(17) to the extent that a Grangemouth Entity may be deemed to be an Affiliate of the Company, the provision of administrative or infrastructure goods or services, asset sharing, the allocation of customers, contracts or other business or any other transaction in the ordinary course of business between the Company or a Restricted Subsidiary and such Grangemouth Entity; *provided* that in each such case such transactions, when taken together with all other transactions between the Company and its Restricted Subsidiaries, on the one hand, and the Grangemouth Entities, on the other hand, are in all material respects on terms substantially consistent with those that would have been obtained in comparable transactions at such time on an arm's length basis from a Person who is not an Affiliate, as determined by the Company in good faith (it being understood that where such transactions are entered into pursuant to a master agreement or similar arrangement, such arm's length determination may be made with respect to such agreement or arrangement, which will cover all transactions entered into pursuant thereto);

(18) [Reserved];

(19) to the extent that any LAO Entity may be deemed to be an Affiliate of the Company, the provision of administrative or infrastructure goods or services, asset sharing, the allocation of customers, contracts or other business, or any other transaction in the ordinary course of business between the Company or a Restricted Subsidiary and such LAO Entity; *provided* that, in each case, such transactions, when taken together with all other transactions between the Company

and its Restricted Subsidiaries, on the one hand, and the LAO Entities, on the other hand, are in all material respects on terms substantially consistent with those that might have been obtained in comparable transactions at such time on an arm's length basis from a Person that is not an Affiliate, as determined by the Company in good faith (it being understood that where such transactions are entered into pursuant to a master agreement or similar arrangement, such arm's length determination may be made with respect to such agreement or arrangement, which will cover all transactions entered into pursuant thereto);

(20) to the extent that a Project Finance Entity may be deemed to be an Affiliate of the Company, the provision of administrative or infrastructure goods or services, asset sharing, the allocation of customers, contracts or other business or any other transaction in the ordinary course of business between the Company or a Restricted Subsidiary and such Project Finance Entity; *provided* that, in each case, such transactions, when taken together with all other transactions between the Company and its Restricted Subsidiaries, on the one hand, and the Project Finance Entity, on the other hand, are in all material respects on terms substantially consistent with those that might have been obtained in comparable transactions at such time on an arm's length basis from a Person that is not an Affiliate, as determined by the Company in good faith (it being understood that where such transactions are entered into pursuant to a master agreement or similar arrangement, such arm's length determination may be made with respect to such agreement or arrangement, which will cover all transactions entered into pursuant thereto);

(21) any transaction effected pursuant to any inventory financing or similar arrangement that is incurred pursuant to clause (22) of the definition of Permitted Indebtedness;

(22) to the extent that a German pension trust or any other Person to which such German pension trust may loan funds may be deemed to be an Affiliate of the Company, the provision of administrative or infrastructure goods or services, asset sharing or other business or any other transaction in the ordinary course of business or sale and leaseback transactions between the Company or a Restricted Subsidiary and such German pension trust or other Person; *provided* that, in each case, such transactions, when taken together with all other transactions between the Company and its Restricted Subsidiaries, on the one hand, and the German pension trust or other Person, on the other hand, are in all material respects on terms substantially consistent with those that might have been obtained in comparable transactions at such time on an arm's length basis from a Person that is not an Affiliate, as determined by the Company in good faith (it being understood that where such transactions are entered into pursuant to a master agreement or similar arrangement, such arm's length determination may be made with respect to such agreement or arrangement, which will cover all transactions entered into pursuant thereto); and

(23) any transaction effected as part of a Permitted Reorganization.

***Limitation on Liens***

The Company will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume, affirm or suffer to exist any Lien (the "**Initial Lien**") of any kind securing any Indebtedness upon any property or assets of the Company or any Restricted Subsidiary, including any Capital Stock or intercompany notes or other Indebtedness of any Restricted Subsidiary, owned on the Issue Date or acquired thereafter, or any income, profits or proceeds therefrom, except (a) in the case of any property or asset that does not constitute Collateral, (i) Permitted Liens and (ii) Liens on property or assets that are not Permitted Liens if the Notes and the Guarantees are, subject to the Security Principles, directly secured equally and ratably or on a prior basis with the Indebtedness secured by such Initial Lien (and if such Indebtedness so secured is Subordinated Indebtedness, on a senior priority basis) and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens (for the avoidance of doubt, it being understood that any Lien existing in reliance on clause (a)(ii) above shall not also be required to be a Permitted Collateral Lien notwithstanding that the assets subject thereto shall have become Collateral).

Any Lien created for the benefit of the holders of the Notes pursuant to clause (a)(ii) of the preceding paragraph of this covenant will, and will be deemed to, provide by its terms that such Lien will be automatically and unconditionally released and discharged, without any action by the Trustee, the Security Trustee or the holders of the Notes (and each holder of the Notes will be deemed to have irrevocably authorized the Trustee and the Security Trustee to execute and deliver (and, at the request and cost of the Company, each of the Trustee and the Security Trustee will execute and deliver) any document to the extent necessary or reasonably requested by the Company to evidence such release and discharge), (a) upon the release and discharge of the applicable Initial Lien, (b) upon the sale or other disposition of the property or assets subject to such Initial Lien (or the sale or other disposition of the Person that owns such property or assets) in compliance with the terms of the Indenture, (c) with respect to the property or assets of, or the Capital Stock in, any Guarantor that is encumbered by such Lien, upon the release of the Guarantee of such Guarantor in accordance with the terms of the Indenture, (d) with respect to the property or assets of, or the Capital Stock in, any Restricted Subsidiary that are encumbered by such Lien, upon the designation of such Restricted Subsidiary as an Unrestricted Subsidiary in accordance with the terms of the Indenture, (e) upon effectiveness of any defeasance or satisfaction and discharge of the Notes as specified in the Indenture, (f) in the case of any Lien on any Proceeds Loan, upon the payment in full or other discharge of such Proceeds Loan (including as a result of any merger, consolidation or amalgamation of the payor or the payee thereunder) or (g) as otherwise provided under the caption "*—Brief Description of the Notes, the Guarantees and the Security—Security—Release of Security*"; *provided*, *however*, that the Company shall have the right, in its sole discretion, by written notice to the Trustee and the Security Trustee delivered prior to the automatic release and discharge of any such Lien as specified above, to (i) waive such automatic release and discharge of such Lien and maintain such Lien in effect until such time as the Company shall instruct and direct the Security Trustee in writing to release and discharge such Lien or (ii) elect that the release and discharge of such Lien shall not occur automatically as contemplated by this paragraph but shall occur at such time or times, in such manner and order and upon the occurrence of such other events as shall be specified by the Company in such notice to the Trustee and the Security Trustee (and the Trustee and the Security Trustee, at the request of the Company, shall execute and deliver any document requested by the Company to effect and evidence the release and discharge of such Lien); *provided further* that nothing in this clause (ii) shall allow the Company to require the release and discharge of any Lien prior to (unless such release and discharge is to occur substantially concurrently with) the occurrence of the applicable event(s) set forth in clauses (a) through (g) above providing for the release and discharge thereof.

For purposes of determining compliance with any Euro-denominated restriction on the incurrence of any Lien where the Indebtedness secured by such Lien is denominated in a different currency, the amount of such Indebtedness shall be the Euro Equivalent determined on the date of such determination; *provided*, *however*, that if any such Indebtedness is Indebtedness that is denominated in a different currency and is subject to a Currency Hedging Agreement (with respect to Euro) covering principal amounts payable on such Indebtedness, the amount of such Indebtedness expressed in Euro shall be adjusted to take into account the effect of such agreement. Notwithstanding any other provision of this "*—Limitation on Liens*" covenant, the maximum amount of Indebtedness secured by any Lien that the Company or any of its Restricted Subsidiaries may incur pursuant to this "*—Limitation on Liens*" covenant shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, due solely to the result of fluctuations in the exchange rates of currencies (and such Indebtedness will be permitted to be refinanced with other secured Indebtedness notwithstanding that, after giving effect to such refinancing, such excess shall continue). Notwithstanding the foregoing, any determinations and calculations pursuant to this paragraph in connection with any Limited Condition Transaction or any related transaction shall be subject to paragraph (a) of "*—Certain Calculations*").

***Limitation on Sale of Assets***

(a) The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless:

(1) at least 75% of the consideration from such Asset Sale or series of related Asset Sales is received (A) in cash, cash equivalents or Temporary Cash Investments or (B) in the form of the assumption by the purchaser of liabilities of the Company or any of its Restricted Subsidiaries (other than liabilities (or guarantees thereof) that are by their terms subordinated to the Notes or Guarantees) as a result of which the Company and its Restricted Subsidiaries are no longer obligated with respect to such liabilities; and

(2) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the properties or assets subject to such Asset Sale.

(b) Within 540 days after the receipt of any Net Cash Proceeds from an Asset Sale consummated after the Issue Date, the Company or any of its Restricted Subsidiaries may apply all or a portion of such Net Cash Proceeds (at the option of the Company or any such Restricted Subsidiary):

(1) to invest in properties and other assets (including Capital Stock) that (as determined by the Board of Directors or senior management of the Company) replace the properties and assets (including Capital Stock) that were the subject of such Asset Sale or in properties and assets that will be used in or are related to the businesses of the Company or its Restricted Subsidiaries existing on the Issue Date or prior to such Asset Sale;

(2) to either (i) purchase the Euro Notes or the Dollar Notes or any other series of Additional Notes issued under the Indenture pursuant to an offer to all holders of such series of Notes at a purchase price equal to or greater than 100% of the principal amount thereof, plus accrued and unpaid interest to (but not including) the date of purchase (a "**Notes Offer**") and/or (ii) redeem the Euro Notes or the Dollar Notes or any other series of Additional Notes on a *pro rata* basis pursuant to the redemption provisions set forth above under the caption "*—Optional Redemption*";

(3) to repurchase, prepay, redeem, repay or otherwise acquire for value (A) any Indebtedness under the Senior Secured Credit Facilities, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes or the 2025 Senior Secured Notes (or, in each case, any Permitted Refinancing Indebtedness in respect thereof) or (B) any Pari Passu Indebtedness that is secured by a Permitted Collateral Lien on the properties or assets that are the subject of such Asset Sale that ranks equal to or prior to any Lien thereon securing the Notes, any Guarantee or the Indenture;

(4) to repurchase, prepay, redeem, repay or otherwise acquire for value Indebtedness that is (or, immediately prior to such Asset Sale, was) secured by a Lien (other than a Permitted Collateral Lien (except a Permitted Collateral Lien referred to in clause (k) of the definition of such term)) on any of the properties or assets which are the subject of such Asset Sale;

(5) to repurchase, prepay, redeem, repay or otherwise acquire for value any Indebtedness of the Company or a Restricted Subsidiary that is not *Pari Passu* Indebtedness or Subordinated Indebtedness; or

(6) pursuant to a binding commitment (including pursuant to an offer to purchase) to apply such Net Cash Proceeds in a manner described in any of clauses (1) through (5) above; *provided* that such binding commitment shall be treated as a permitted application of such Net Cash Proceeds from the date of such commitment until the earlier of (A) the date on which such application of such Net Cash Proceeds occurs and (B) the 180th day following the expiration of the aforementioned 540-day period.

The amount of Net Cash Proceeds not applied as specified above within such 540-day period shall constitute "**Excess Proceeds**". Pending the final application of the Net Cash Proceeds of any Asset Sale, the Company or any Restricted Subsidiary may temporarily reduce Indebtedness, invest such Net Cash Proceeds in Temporary Cash Investments or otherwise use such Net Cash Proceeds for general corporate purposes.

(c) When the aggregate amount of Excess Proceeds exceeds the greater of (x) €100.0 million and (y) 1.00% of Total Assets, the Company (or another Restricted Subsidiary on the Company's behalf) will apply the Excess Proceeds to the repurchase, prepayment, redemption, repayment or acquisition for value of Indebtedness under the Notes and any *Pari Passu* Indebtedness secured by a Permitted Collateral Lien that ranks equal to or prior to any Lien on the applicable assets securing the Notes (which, solely for the purposes of this clause (c), shall be deemed to include any Permitted Receivables Financing) outstanding with similar provisions requiring the Company or a Restricted Subsidiary to make an offer to repurchase, prepay, redeem, repay or acquire for value such Indebtedness with the proceeds from any Asset Sale as follows:

(1) the Company or a Restricted Subsidiary will make an offer to purchase (an "**Asset Sale Offer**") from all holders of the Notes in accordance with the procedures set forth in the Indenture in respect of an aggregate maximum principal amount of Notes (expressed as a multiple of €1,000, in the case of the Euro Notes, or $1,000, in the case of the Dollar Notes) (the "**Note Amount**") equal to the product of such Excess Proceeds multiplied by a fraction, the numerator of which is the outstanding principal amount of the Notes, and the denominator of which is the sum of the outstanding principal amount of the Notes and such *Pari Passu* Indebtedness (subject to proration in the event the Note Amount is less than the aggregate Offered Price (as defined herein) of all Notes tendered);

(2) to the extent required by such *Pari Passu* Indebtedness to permanently reduce the principal amount of such *Pari Passu* Indebtedness, the Company or a Restricted Subsidiary, as the case may be, will make an offer to repurchase, prepay, redeem, repay or otherwise acquire for value such *Pari Passu* Indebtedness (a "***Pari Passu*** Offer") in an amount (the "***Pari Passu* Debt Amount**") equal to the excess of the Excess Proceeds over the Note Amount; *provided* that in no event will the Company or a Restricted Subsidiary be required to make a *Pari Passu* Offer in a *Pari Passu* Debt Amount exceeding the principal amount of such *Pari Passu* Indebtedness plus the amount of any premium required to be paid to repurchase such *Pari Passu* Indebtedness; and

(3) the offer price for the Notes will be payable in cash in an amount equal to 100% of the principal amount of the Notes plus accrued and unpaid interest, if any, to the date (the "**Offer Date**") such Asset Sale Offer is consummated (the "**Offered Price**"), in accordance with the procedures set forth in the Indenture.

To the extent that the aggregate Offered Price of the Notes tendered pursuant to the Asset Sale Offer is less than the Note Amount relating thereto or the aggregate amount of *Pari Passu* Indebtedness that is repurchased, prepaid, redeemed, repaid or otherwise acquired for value in a *Pari Passu* Offer is less than the *Pari Passu* Debt Amount, the Company or any Restricted Subsidiary may use any remaining Excess Proceeds for general corporate purposes, including reinvesting in assets useful to the business of the Restricted Group. If the aggregate principal amount of Notes and *Pari Passu* Indebtedness surrendered by holders thereof exceeds the amount of Excess Proceeds, the Company shall select the Notes to be purchased on a *pro rata* basis, unless otherwise required by applicable law or applicable stock exchange or depositary requirements. Upon the completion of the purchase of all the Notes tendered pursuant to an Asset Sale Offer and the completion of a *Pari Passu* Offer, the amount of Excess Proceeds, if any, shall be reset at zero.

The Issuer, the Company or a Restricted Subsidiary, as the case may be, may make an Asset Sale Offer prior to the expiration of the 540-day period referred to in paragraph (b) above.

(d) If the Company or a Restricted Subsidiary becomes obligated to make an Asset Sale Offer pursuant to paragraph (c) above, the Notes and the *Pari Passu* Indebtedness shall be purchased by the Company or a Restricted Subsidiary, at the option of the holders thereof, in whole or in part (in a principal amount of €100,000, in the case of the Euro Notes, or $200,000, in the case of the Dollar Notes) or an integral multiple of €1,000 or $1,000, as applicable, in excess thereof, such that no Euro Note of less than €100,000 and no Dollar Note of less than $200,000 remains outstanding thereafter) on a date that is not earlier than 30 days and not later than 60 days from the date the notice of the Asset Sale Offer is given to holders, or such later date as may be necessary for the Company or a Restricted Subsidiary to comply with the requirements under the U.S. Exchange Act or other applicable laws or regulations (including, without limitation, those of any securities exchange on which the Notes are listed).

(e) If the Company or a Restricted Subsidiary is required to make an Asset Sale Offer or makes a Notes Offer, the Company or such Restricted Subsidiary, as applicable, will comply with the applicable tender offer rules, including Rule 14e-1 under the U.S. Exchange Act, and any other applicable securities laws or regulations, including administrative interpretations thereof (including those of the United States and the United Kingdom, to the extent applicable), in connection with such Asset Sale Offer or Notes Offer. To the extent that the provisions of any applicable securities laws or regulations conflict with the provisions of this covenant (other than the obligation to make an Asset Sale Offer pursuant to this covenant), the Company and such Restricted Subsidiary, as the case may be, will comply with the securities laws and regulations and will not be deemed to have breached its obligations described in this covenant by virtue thereof.

(f) If the Offer Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest will be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest will be payable to holders of the Notes who tender Notes pursuant to the Asset Sale Offer or Notes Offer.

(g) Compliance with paragraph (a) of this covenant shall be determined as of the date of consummation of the applicable Asset Sale, without giving effect to any post-closing purchase price adjustments not then determined, and for purposes of sub-clause (1) thereof, the following will be deemed to be cash:

  (1) securities, notes or other obligations received by the Company or any Restricted Subsidiary from the transferee that are converted by the Company or such Restricted Subsidiary into cash, cash equivalents or Temporary Cash Investments within 180 days following the closing of such Asset Sale;

  (2) liabilities of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, *provided* that the Company and each other Restricted Subsidiary of the Company are released from any guarantee of payment of such liabilities in connection with such Asset Sale;

  (3) consideration consisting of liabilities of the Company or any Restricted Subsidiary (other than Subordinated Indebtedness) received after the Issue Date from Persons that are not the Company or any Restricted Subsidiary;

  (4) any properties and assets (including Capital Stock of a business) of the kind referred to in clause (b)(1) above; and

  (5) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed (for the avoidance of doubt, with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value) the greater of (x) €475.0 million and (y) 5.00% of Total Assets.

***Limitation on Issuance of Guarantees of Indebtedness by Restricted Subsidiaries***

(a) The Company will not cause or permit any Restricted Subsidiary (which is not a Guarantor or the Issuer), directly or indirectly, to guarantee (i) any Indebtedness of the Issuer or any Guarantor under any Credit Facilities or (ii) any Public Debt (including, for the avoidance of doubt, any guarantee of Public Debt) of the Issuer or any Guarantor, in each case, unless such Restricted Subsidiary (if not the Issuer or a Guarantor) simultaneously executes and delivers a supplemental indenture to the Indenture providing for a Guarantee of the Notes on the same terms (subject to any applicable Guarantee limitations) as the other Guarantees of the Notes by the Guarantors; *provided* that:

  (1) no Guarantee shall be required as a result of any guarantee of Indebtedness that existed at the time such Person became a Restricted Subsidiary if the guarantee was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary;

(2) no Guarantee shall be required as a result of any guarantee in connection with a Permitted Receivables Financing or any inventory financing or similar arrangement;

(3) such Guarantee need not be secured unless required pursuant to the "*—Limitation on Liens*" covenant;

(4) if such Indebtedness is by its terms expressly subordinated to the Notes or any Guarantee, any such guarantee by such Restricted Subsidiary of such Indebtedness shall be subordinated to such Restricted Subsidiary's Guarantee of the Notes at least to the same extent as such Indebtedness is subordinated to the Notes or any other Guarantee;

(5) no Guarantee shall be required as a result of any guarantee given in connection with any Cash Management Arrangement of the Company or any Restricted Subsidiary;

(6) no Guarantee shall be required under this covenant if such Guarantee would not be required under the Security Principles, including if such Guarantee could reasonably be expected to give rise to or result in (A) personal, whether civil or criminal, liability for any officers, directors, legal representatives or shareholders of such Restricted Subsidiary, (B) any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to the Company or such Restricted Subsidiary or (C) any significant cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out of pocket expenses and other than reasonable expenses incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (B) undertaken in connection with, such Guarantee, which cannot be avoided through measures reasonably available to the Company or such Restricted Subsidiary (it being understood, for the avoidance of doubt, that the cost of providing a Guarantee shall in any event be deemed to be significant and unreasonable (and such Guarantee shall not be required to be provided) if the cost shall exceed the realizable value of such Guarantee); and

(7) each such Guarantee will be limited as set forth in or contemplated by the Indenture and the Security Principles, including as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, rules or regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

(b) Notwithstanding the foregoing, any Guarantee by a Restricted Subsidiary of the Company created pursuant to paragraph (a) above will be deemed to provide by its terms that it shall be automatically and unconditionally released and discharged, without any action by the Trustee, the Security Trustee or the holders of the Notes, upon:

(1) any sale, exchange or transfer, directly or indirectly, to any Person that is not the Company or any of its Restricted Subsidiaries, of all of the Capital Stock held by the Company and other Restricted Subsidiaries in, or all or substantially all the assets of, such Restricted Subsidiary (which sale, exchange or transfer is not prohibited by the Indenture) and such Restricted Subsidiary is released from all guarantees, if any, by it of other Credit Facilities and Public Debt of the Company or any Restricted Subsidiaries;

(2) with respect to any Guarantee created after the Issue Date, the release by the holders of the Credit Facilities and Public Debt of the Issuer or any Guarantor described in paragraph (a) above of their guarantee by such Restricted Subsidiary at such time as (A) no other Credit Facility or Public Debt of the Issuer or any Guarantor has been guaranteed by such Restricted Subsidiary or (B) the holders of all other Credit Facilities and Public Debt of the Issuer or any Guarantor which is guaranteed by such Restricted Subsidiary also release their guarantee by such Restricted Subsidiary;

(3) any defeasance or discharge of the Notes as provided in "*—Defeasance or Covenant Defeasance of Indenture*" or "*—Satisfaction and Discharge*"; or

(4) the satisfaction of the requirements of any of the other provisions described under the caption "*—Brief Description of the Notes, the Guarantees and the Security—The Guarantees—Release of the Guarantees*";

*provided*, *however*, that the Company shall have the right, in its sole discretion, by written notice to the Trustee delivered prior to the automatic release and discharge of any such Guarantee as specified above, to (A) waive such automatic release and discharge of such Guarantee and maintain such Guarantee in effect until such time as the Company shall instruct and direct the Trustee in writing to release and discharge such Guarantee or (B) elect that the release and discharge of such Guarantee shall not occur automatically as contemplated by this paragraph (b) but shall occur at such time or times, in such manner and order and upon the occurrence of such other events as shall be specified by the Company in such notice to the Trustee (and the Trustee, at the request of the Company, shall execute and deliver any document requested by the Company to effect and evidence the release of such Guarantee); *provided further* that nothing in this clause (B) shall allow the Company to require the release and discharge of any Guarantee prior to (unless such release and discharge is to occur substantially concurrently with) the occurrence of the applicable event(s) set forth in clauses (1) through (4) above providing for the release and discharge thereof.

***Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries***

(a) The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distribution on its Capital Stock or any other interest or participation in, or measured by, its profits to the Company or any Restricted Subsidiary;

(2) pay any Indebtedness owed to the Company or any Restricted Subsidiary;

(3) make any loans or advances to the Company or any Restricted Subsidiary; or

(4) transfer any of its properties or assets to the Company or any Restricted Subsidiary;

*provided* that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) any Indebtedness owed to the Company or any Restricted Subsidiary to other Indebtedness incurred by the Company or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

(b) Notwithstanding anything to the contrary in paragraph (a) above, the provisions of such paragraph will not prohibit:

(1) any encumbrance or restriction pursuant to (A) the Senior Secured Term Loans Agreement, any LC Facility, the 2028 Senior Secured Notes Indenture, the March 2026 Senior Secured Notes Indenture, the May 2026 Senior Secured Notes Indenture, the 2025 Senior Secured Notes Indenture, the Indenture, other Senior Secured Notes Documents (as defined in the Intercreditor Deed), any High Yield Documents, the Intercreditor Deed, the Proceeds Loans Documents and the other Notes Documents, (B) any other agreement in effect on the Issue Date and (C) any indenture for any Public Debt of the Company or any Restricted Subsidiary;

(2) any encumbrance or restriction with respect to a Restricted Subsidiary that is not a Restricted Subsidiary of the Company on the Issue Date in existence at the time such Person becomes a Restricted Subsidiary of the Company and not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary; *provided* that such encumbrances and restrictions are not

applicable to the Company or any Restricted Subsidiary or the properties or assets of the Company or any Restricted Subsidiary other than such Person (and its properties or assets or Capital Stock) that is becoming a Restricted Subsidiary;

(3) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person which is assumed by the Company or any Restricted Subsidiary in connection with any Acquisition or any other acquisition of assets (other than Capital Stock or Indebtedness incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which the Company or any Restricted Subsidiary entered into such acquisition) and outstanding on the date of consummation of such acquisition, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or property or assets or Capital Stock of the Person, so acquired;

(4) any encumbrance or restriction under the Indenture, the Notes (including Additional Notes) and any other Notes Documents;

(5) any encumbrance or restriction under Purchase Money Obligations and Capital Lease Obligations that imposes restrictions with respect only to the property and assets that are the subject thereof (and any rights relating thereto) and any restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;

(6) any encumbrance or restriction (A) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, (B) by virtue of any transfer of, agreement to transfer, option or right with respect to or a Lien on any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by the Indenture, (C) contained in security agreements, mortgages or other agreements relating to any secured Indebtedness to the extent such encumbrance or restriction restricts the transfer of the property or assets subject to the Liens securing such Indebtedness, (D) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary or (E) in respect of Intellectual Property contained in licenses or sublicenses of, or other grants of rights to use or exploit, such Intellectual Property;

(7) any encumbrances or restrictions pursuant to contracts for the sale of assets, including any encumbrance or restriction with respect to any Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition as determined in good faith by the Board of Directors or the senior management of the Company;

(8) customary provisions in leases, licenses and other agreements restricting the assignment thereof;

(9) any encumbrances or restrictions created under any agreement (A) with respect to Indebtedness permitted to be incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under the caption "*—Limitation on Indebtedness*" if (i) the encumbrances and restrictions are not materially less favorable to the holders of the Notes than those contained in the Senior Secured Term Loans Agreement, the Indenture, the 2028 Senior Secured Notes Indenture, the March 2026 Senior Secured Notes Indenture, the May 2026 Senior Secured Notes Indenture or the 2025 Senior Secured Notes Indenture, in each case, on the Issue Date or in comparable financings (as determined in good faith by the Company) or (ii) the Company determines at the time of the incurrence of such Indebtedness that such encumbrances or restrictions will not materially adversely affect the ability of the Issuer to make principal or interest payments on the Notes or (B) constituting an additional intercreditor agreement entered into in

compliance with the covenant described under "—*Intercreditor Deed; Additional Intercreditor Agreements*";

(10) any encumbrances or restrictions required by any Governmental Authority having jurisdiction over the Company or any of its Restricted Subsidiaries or any of their businesses;

(11) in the case of (A) any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary or (B) the Capital Stock in any Person that is not a Restricted Subsidiary (including any Unrestricted Subsidiary), encumbrances and restrictions imposed by the organizational documents of such Restricted Subsidiary or such other Person or contained in any related joint venture, shareholders' or similar agreement or in any agreement or instrument relating to Indebtedness of such Person; *provided* that such encumbrances and restrictions apply only to such Restricted Subsidiary (and its properties and assets) and/or to any Capital Stock in such Restricted Subsidiary or such other Person; *provided further* that the Company determines that such encumbrances or restrictions will not materially adversely affect the ability of the Issuer to make principal or interest payments on the Notes;

(12) encumbrances or restrictions existing by reason of any Lien permitted under the covenant described under "—*Limitation on Liens*";

(13) any encumbrance or restriction on cash or other deposits or net worth imposed under leases, agreements with customers entered into in the ordinary course of business or other agreements entered into in the ordinary course of business;

(14) any encumbrance or restriction pursuant to Hedging Obligations or Cash Management Arrangements;

(15) (A) any encumbrance or restriction effected in connection with a Permitted Receivables Financing that, in the good faith determination of the Board of Directors or senior management of the Company, is necessary or advisable to effect such Permitted Receivables Financing and (B) any encumbrance or restriction effected in connection with any inventory financing or similar arrangement that, in the good faith determination of the Board of Directors or senior management of the Company, is necessary or advisable to effect such inventory financing or similar arrangement;

(16) contracts entered into in the ordinary course of business, not relating to Indebtedness, and that do not, individually or in the aggregate, (A) detract from the value of property or assets of the Company or any Restricted Subsidiary of the Company in any manner material to the Company and its Restricted Subsidiaries, taken as a whole, or (B) materially adversely affect the ability of the Issuer to make principal or interest payments in respect of the Notes; or

(17) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (1) through (16) or in this clause (17); *provided* that the terms and conditions of any such encumbrances or restrictions are no more restrictive in any material respect than those under or pursuant to the agreement so extended, renewed, refinanced or replaced, as determined by the Board of Directors or senior management of the Company in good faith.

***Limitation on Unrestricted Subsidiaries***

The Company may designate after the Issue Date (a "**Designation**") any Subsidiary of the Company (other than the Issuer) as an Unrestricted Subsidiary under the Indenture; *provided* that:

(a) no Event of Default shall have occurred and be continuing at the time of or after giving effect to such Designation or would occur as a consequence of such Designation;

(b) either (i) the Subsidiary to be so designated has total assets of €1,000 or less or (ii) the Company would be permitted to make a Restricted Payment, Permitted Payment or

Permitted Investment at the time of such Designation (assuming the effectiveness of such Designation) pursuant to the covenant described under "*—Limitation on Restricted Payments*" in an amount (the "**Designation Amount**") equal to the greater of (1) the net book value of the Company's interest in such Subsidiary calculated in accordance with IFRS and (2) the Fair Market Value of the Company's interest in such Subsidiary;

(c) such Subsidiary does not own directly or indirectly any Capital Stock of the Company or any Restricted Subsidiary of the Company which is not simultaneously being designated an Unrestricted Subsidiary; and

(d) such Subsidiary is not a party to any agreement, contract, arrangement or understanding at the time of such Designation with the Company or any Restricted Subsidiary (other than any Restricted Subsidiary that is to be simultaneously designated as an Unrestricted Subsidiary) unless (i) the terms of any such agreement, contract, arrangement or understanding are no less favorable in any material respect to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company or would be permitted under the covenant described under "*—Limitation on Transactions with Affiliates*" or (ii) to the extent the requirements of clause (i) above are not satisfied, the value of such agreement, contract, arrangement or understanding to such Unrestricted Subsidiary (to the extent, for the avoidance of doubt, not already included in the Designation Amount) shall be deemed a Restricted Payment.

For purposes of the foregoing, the Designation of a Subsidiary of the Company as an Unrestricted Subsidiary shall be deemed to be the Designation of all of the Subsidiaries of such Subsidiary as Unrestricted Subsidiaries.

In the event of any Designation, unless sub-clause (i) of clause (b) of the first paragraph of this covenant applies, the Company will be deemed to have made an Investment in an amount equal to the Designation Amount.

The Company will not and will not cause or permit any Restricted Subsidiary to provide a guarantee of, or subject any of its property or assets (other than the Capital Stock of any Unrestricted Subsidiary) to the satisfaction of, any Indebtedness of any Unrestricted Subsidiary, in each case, except to the extent permitted under the covenants described under "*—Limitation on Indebtedness*" and "*—Limitation on Restricted Payments*."

The Company may redesignate any Unrestricted Subsidiary as a Restricted Subsidiary (a "**Redesignation**") if:

(a) no Event of Default shall have occurred and be continuing at the time of and after giving effect to such Redesignation or would occur as a consequence of such Redesignation; and

(b) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Redesignation would, if incurred at such time, have been permitted to be incurred for all purposes of the Indenture.

***Impairment of Security Interest***

The Parent and the Company will not, and the Company will not permit any Restricted Subsidiary to, take or knowingly or negligently omit to take any action which action or omission would have the result of materially impairing the security interests with respect to the Collateral for the benefit of the Trustee and the holders of the Notes, and the Parent and the Company shall not, and the Company shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Trustee or the Trustee, for the benefit of the Trustee and the holders of the Notes and the other beneficiaries described in the Security Documents, any Lien whatsoever on any of the Collateral, in each case, except as otherwise permitted by the Indenture (including pursuant to the following paragraph or as described under "*—Suspension of Covenants and Release of Guarantees on Achievement of Investment Grade Status*" or "*Brief Description of the Notes, the Guarantees and the Security—Security—Release of Security*") or the Security Documents, including (i) the grant of any Permitted Collateral Liens or any other Lien that is not prohibited by the covenant described under "*—Limitation on Liens*", (ii) the implementation of any transaction that is subject to the covenant described under the caption "*—Consolidation, Merger and Sale of Assets*" and is completed in compliance therewith, (iii) the implementation of any transaction as part of a Permitted Reorganization and (iv) any sale, transfer or other disposition of Collateral that is permitted by the covenant described under

"*—Limitation on Sale of Assets*" or that does not constitute an Asset Sale under the definition thereof; *provided* that in the case of any sale, transfer or other disposition, other than in the ordinary course of business, by the Issuer or any Guarantor to the Company or any of its Restricted Subsidiaries of any assets that constitute Collateral and that are material to the business and operations of the Issuer or such Guarantor, unless (A) the transferee thereof would be permitted, were it a Guarantor, to be released from its Guarantee pursuant to clause (a), (b), (c), (d) and (g) under the caption "*—Brief Description of the Notes, the Guarantees and the Security—Release of the Guarantees*", (B) the transferee thereof would be permitted, were it a Guarantor, to be released from its Guarantee pursuant to clause (i) under the caption "*—Brief Description of the Notes, the Guarantees and the Security—Release of the Guarantees*" if the calculations set forth therein were redetermined on a *pro forma* basis to give effect to such sale, transfer or other deposition or (C) the release of Liens on such assets would be permitted under clause (d), (e), (f), (k), (s), (t) or (u) under the caption "*—Brief Description of the Notes, the Guarantees and the Security—Security—Release of Security*", then either the transferee thereof shall have granted or shall grant, substantially concurrently with such sale, transfer or other disposition, a Lien on such Collateral to the Security Trustee for the benefit of the Trustee and the holders of the Notes or an existing Lien on such Collateral in favor of the Security Trustee for the benefit of the Trustee and the holders of the Notes shall remain in effect immediately after such sale, transfer or other disposition, subject to any subsequent release thereof as provided under the caption "*—Brief Description of the Notes, the Guarantees and the Security—Security—Release of Security*".

At the request of the Company from time to time, the Trustee and the Security Trustee shall, and will be deemed to have been irrevocably authorized and directed by the holders of the Notes to, in each case on behalf of such holders and without any further consent, authorization or other action by such holders, execute and deliver one or more amendments, supplements or other modifications to the Security Documents to:

(i) cure any ambiguity, omission, defect or inconsistency therein or reflect changes of a minor, technical or administrative nature;

(ii) provide for Permitted Collateral Liens;

(iii) add to the Collateral;

(iv) make any change necessary or desirable, in the good faith determination of the Board of Directors or senior management of the Company, in order to implement any transaction that is subject to, and is completed in compliance with, the covenant described under the caption "*—Consolidation, Merger and Sale of Assets*";

(v) implement any transaction as part of a Permitted Reorganization (including any such change to any Security Document to provide for upstream security and guarantees or security and guarantees over or in favor of Proceeds Loans);

(vi) provide for the release of any properties and assets constituting Collateral from the Liens created under the Security Documents; *provided* that such release is followed by the substantially concurrent (as determined in good faith by the Company, it being agreed that in making such determination the Company may take into account the occurrence of any related transactions and that the re-taking need not occur on the same day as the release) re-taking (irrespective of the Security Principles) of a Lien in favor of the Security Trustee, for the benefit of the Trustee and the holders of the Notes, securing the Notes and/or the applicable Guarantees, as the case may be, on such properties or assets of at least equivalent priority (subject to any Liens thereon permitted under the Indenture); *provided further* that, in the case of this clause (vi), the Company will deliver to the Trustee either (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee, from an accounting, appraisal or investment banking firm of national standing confirming the solvency of the Company and its Restricted Subsidiaries, taken as a whole, after giving effect to any transactions relating to such release and/or re-taking, (2) a certificate substantially in the form of an exhibit attached to the Indenture from the chief financial officer or the Board of Directors of the Company (acting in good faith) which confirms the solvency of the Company and its Restricted Subsidiaries, taken as a whole, after giving effect to any transactions relating to such release and re-taking or (3) an opinion of counsel, in form and substance reasonably satisfactory to the Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to any such transactions, the Lien or Liens securing the Notes and/or the applicable Guarantees created under the applicable Security Documents are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, to which such Lien or Liens were not otherwise subject immediately prior to such release and re-taking;

(vii) (A) provide for the release of the Liens on any Proceeds Loans upon the payment in full or other discharge or repurchase or redemption of such Proceeds Loans (including as a result of any merger, consolidation or amalgamation of the payor or the payee thereunder) (and the release of the Liens on any amounts so repaid or discharged) or (B) with respect to any repayment, defeasance, satisfaction, cancellation or other discharge of all or any portion of the underlying Indebtedness giving rise to any Proceeds Loans, provide for the repayments, defeasance, satisfaction, cancellation or other discharge of such Proceeds Loans, *provided* that any amount remaining under such Proceeds Loan after such repayments, defeasance, satisfaction, cancellation or discharge remains subject to a valid Lien;

(viii) make any other change to the Security Documents to provide for additional Indebtedness (which may be *Pari Passu* Indebtedness or Subordinated Indebtedness) or other obligations that are permitted by the terms of the Indenture to be secured by a Lien on the Collateral on a senior, *pari passu* or junior basis with the Liens securing the Notes or the Guarantees, including changes to the definition of the term "Secured Obligations" in the Security Documents (or any other term, however described, relating to the obligations of the Company, the Guarantors and the Restricted Subsidiaries of the Company that are subject to the security interest created therein); *provided* that, in the case of this clause (viii), the Company shall deliver to the Trustee either (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee from an accounting, appraisal or investment banking firm of national standing confirming the solvency of the Company and its Restricted Subsidiaries, taken as a whole, after giving effect to any transactions relating to such change, (2) a certificate substantially in the form of an exhibit attached to the Indenture from the chief financial officer or the Board of Directors of the Company (acting in good faith) which confirms the solvency of the Company and its Restricted Subsidiaries, taken as a whole, after giving effect to the transactions relating to such change or (3) an opinion of counsel, in form and substance reasonably satisfactory to the Trustee (subject to customary exceptions and qualifications), confirming that, after giving effect to the transactions relating to such change, the Lien or Liens securing the Notes and/or the applicable Guarantees created under the applicable Security Documents are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, to which such Lien or Liens were not otherwise subject immediately prior to such transactions;

(ix) amend or otherwise modify any Security Document to the extent necessary (A) to conform any restriction or limitation contained therein to any analogous restriction or limitation contained in the Indenture or to eliminate any restriction or limitation therein that is not contained in the Indenture except to the extent such restriction or limitation is necessary to create, perfect, preserve or enforce the security interest in the Collateral purported to be created by such Security Document, (B) to conform to the Security Principles or the security principles under the Senior Secured Term Loans Agreement ("**SFA Security Principles**") (including any amendment or other modification to exclude from the Liens created or purported to be created by such Security Document any assets that, in accordance with the Security Principles or the SFA Security Principles, would not or would no longer be required to be subject to such Liens (it being understood and agreed that such exclusion may provide that its effectiveness is delayed until the satisfaction of any requirement set forth on the Security Principles or the SFA Security Principles that must be satisfied in order for such assets to not be required, in accordance with the Security Principles or the SFA Security Principles, to be subject to such Liens)), (C) to amend, supplement or modify any one or more Security Documents to eliminate or reduce administrative burdens imposed on the Parent, the Company or any of its Restricted Subsidiaries by (i) eliminating, reducing the frequency of or delaying the timing of notices or other informational requirements, (ii) limiting representations and covenants and undertakings in the Security Documents to those necessary for the creation, perfection or maintenance of the security and excluding such representations and covenants and undertakings to the extent that the subject matter thereof is the same as the corresponding covenant or undertaking in the Indenture or the Senior Secured Term Loans Agreement; *provided* that (x) representations (to the extent included) need only be given as of the date of the relevant Security Document and (y) representations, covenants and undertakings may be included to the extent consistent with applicable law and current and customary practice in the relevant jurisdiction, in which event such representation, covenant and undertaking shall be on the same terms as the corresponding provisions in the Indenture or the Senior Secured Term Loans Agreement, and (iii) eliminating restrictions on any action, transaction or other matter that is permitted or not restricted under the Notes Documents (for the avoidance of doubt, excluding such Security Document) and any required additional notices or consents with respect to any such action, transaction or other matter (it being understood that nothing in this clause (iii) shall affect any such notices or consents required under such applicable Notes Documents); *provided* that each of clauses (i), (ii) and (iii) shall not apply to the extent that its application would adversely affect the validity, ranking, priority or enforceability of, or materially adversely affect the ability to take enforcement over, the security interest(s) created under such Security Document (other than any such security interests that, in accordance with the Security Principles or the SFA Security Principles, would not have been required to be created), in each case, as determined by the Company in good faith or (D) to amend, supplement or modify any one or more Security Documents to the extent necessary or appropriate to eliminate any conflict or inconsistency between provisions of the Security Documents and those of any other Note Document;

(x) make any other change thereto that does not adversely affect the holders of the Notes in any material respect; or

(xi) effect or confirm transfers of Collateral permitted under the first paragraph of this covenant.

Notwithstanding the foregoing, no Security Document may be amended and no waiver of any of the requirements of, or granting of any consent under, any Security Document may be made unless any such amendment, waiver or consent applies equally to all holders of the Notes. In the event of any action under this covenant, the consent of the Trustee, the Security Trustee or the holders of the Notes shall not be required, but each of the Trustee and the Security Trustee shall be entitled to receive, if requested, an indemnity and/or security (including by way of prefunding) reasonably satisfactory to it in connection with such action.

***Intercreditor Deed; Additional Intercreditor Agreements***

The Security Trustee is a party to the Intercreditor Deed and the Trustee will become a party to the Intercreditor Deed by executing an accession and/or amendment deed thereto on or about the Issue Date, and each holder of a Note, by accepting such Note, will be deemed to have irrevocably (i) authorized and directed each of the Trustee and the Security Trustee to execute and deliver the Intercreditor Deed and any other intercreditor agreement contemplated by the Indenture, in each case on behalf of such holder and without any further consent, authorization or other action by such holder, (ii) consented to the treatment of Liens to be provided for under the Intercreditor Deed and any other intercreditor agreement contemplated by the Indenture, (iii) agreed that, upon the execution and delivery thereof, such holder will be bound by the provisions of the Intercreditor Deed and/or any other intercreditor agreement contemplated by the Indenture as if it were a signatory thereto and will take no actions contrary to the provisions of the Intercreditor Deed and any other intercreditor agreement contemplated by the Indenture, (iv) appointed each of the Trustee and the Security Trustee to act on its behalf and to perform the duties and exercise the rights, powers and discretions that are specifically given to them under the Intercreditor Deed and under any other intercreditor agreement contemplated by the Indenture, (v) authorized and directed the Trustee and the Security Trustee to carry out the provisions and intent of this section and the Intercreditor Deed and any other intercreditor agreement contemplated by the Indenture, (vi) authorized and directed the Trustee and the Security Trustee to take such actions as shall be required to release Liens on the Collateral in accordance with the terms of the Intercreditor Deed and any other intercreditor agreement contemplated by the Indenture and (vii) agreed that no holder of the Notes shall have any right of action whatsoever against the Trustee or the Security Trustee as a result of any action taken by the Trustee or the Security Trustee pursuant to this covenant or in accordance with the terms of the Intercreditor Deed and/or any other intercreditor agreement contemplated by the Indenture.

At the request of the Company, at the time of, or prior to, the incurrence or establishment of any Indebtedness or other obligations that are permitted to be secured by Liens on the Collateral pursuant to the definition of Permitted Collateral Liens, the Trustee and the Security Trustee shall, and by accepting a Note, each holder of the Notes shall be deemed to have irrevocably authorized and directed the Trustee and the Security Trustee to, in each case on behalf of such holder and without any further consent, authorization or other action by such holder, execute and deliver (i) an additional intercreditor agreement (A) on terms that are substantially the same as those contained in the Intercreditor Deed (or terms that are no less favorable to the holders of the Notes) and/or (B) in the case of any inventory financing or similar arrangement, on terms that are within the range of terms and conditions customary for intercreditor agreements that are of the type that govern intercreditor relationships between providers of inventory financings or similar arrangements, on the one hand, and holders of Public Debt, on the other hand, and do not materially impair the rights of the holders of the Notes in respect of payment or enforcement, in each case as determined in good faith by the Company and consented to by the Trustee (such consent not to be unreasonably withheld, delayed or conditioned, it being understood that in providing such consent the Trustee may conclusively rely on an Officer's Certificate of the Company setting forth its determination set forth above) or (ii) an accession and/or amendment to the Intercreditor Deed to permit such Indebtedness or other obligations to be subject to (and benefit from) substantially the same terms with respect to the release of the Collateral and Guarantees, enforcement of security interests, turnover, limitations on enforcement and other rights and limitations of the creditors of Senior Secured Indebtedness or Subordinated Indebtedness, as applicable, as those contained in the Intercreditor Deed (or, in the case of any such terms, terms that are no less favorable to the holders of the Notes), it being understood and agreed, in each case, that the execution and delivery by the Trustee and the Security Trustee of any such additional intercreditor agreement or any such accession or amendment shall be conclusive evidence of the satisfaction of the foregoing requirements as to the terms thereof.

At the request of the Company from time to time, the Trustee and Security Trustee shall, and by accepting a Note, each holder of the Notes shall be deemed to have irrevocably authorized and directed the Trustee and the Security Trustee to, in each case on behalf of such holder and without any further consent, authorization or other action by such holder, execute and deliver one or more amendments, supplements or other modifications to the Intercreditor Deed (including any other intercreditor agreement contemplated by the Indenture) to:

(i) cure any ambiguity, omission, defect or inconsistency therein or reflect changes of a minor, technical or administrative nature;

(ii) increase or decrease the amount or change the type of Indebtedness or other obligations covered thereby that are permitted by the terms of the Indenture to be incurred by the Company or a Restricted Subsidiary and to be subject thereto;

(iii) add Restricted Subsidiaries, Guarantors or other Persons (such as representatives of new issuances or incurrences of Indebtedness or other obligations) as parties thereto;

(iv) further secure the Notes, including to make provision for the grant of Liens on the Collateral to secure Additional Notes;

(v) implement any Permitted Collateral Liens and provide for other Liens not prohibited by the covenant described under "*—Limitation on Liens*";

(vi) make any other change to the Intercreditor Deed (or such other intercreditor agreement) to provide for additional Indebtedness (which may be Pari Passu Indebtedness or Subordinated Indebtedness) or other obligations that are permitted by the terms of the Indenture to be secured by a Lien on the Collateral on a senior, *pari passu* or junior basis with the Liens securing the Notes and the Guarantees;

(vii) provide for the release of the Liens on any Proceeds Loans upon the payment in full or other discharge of such Proceeds Loans (including as a result of any merger, consolidation or amalgamation of the payor or the payee thereunder) (and the release of the Liens on any amounts so repaid or discharged) or the repayment, defeasance, satisfaction, cancellation or other discharge of the relevant SFA Loans, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes, the Notes, other Senior Secured Notes, any High Yield Notes or any other Indebtedness;

(viii) provide for (A) the cancellation and discharge of all or a portion of the principal amount of any Proceeds Loans in excess of the aggregate principal amount of the corresponding Indebtedness giving rise thereto then-outstanding, (B) the cancellation and discharge of a corresponding amount of the principal amount of any Proceeds Loans upon the repayment, defeasance, satisfaction, cancellation or other discharge of the corresponding Indebtedness giving rise thereto and (C) the cancellation and discharge of any Guarantor from its obligations and liabilities in respect of any Proceeds Loans upon the repayment, defeasance, satisfaction, cancellation or other discharge of all of the corresponding Indebtedness giving rise thereto then-outstanding;

(ix) make any change necessary or desirable, in the good faith determination of the Board of Directors of the Company, in order to implement any transaction that is subject to the covenant described under the caption "*—Consolidation, Merger and Sale of Assets*";

(x) implement any transaction in connection with the renewal, extension, refinancing, replacement or increase of Indebtedness permitted by the Indenture;

(xi) make any other change thereto that does not adversely affect the rights of the holders of the Notes in any material respect, as determined in good faith by the Board of Directors or senior management of the Company;

(xii) reflect appropriately therein any changes made to the definitions in any Senior Secured Term Loans Agreement that are referred to or included in the Intercreditor Deed (or any such other intercreditor agreement); *provided* that no such changes shall be permitted under this clause (xii) to the extent they affect the ranking of any Note or Guarantee in a manner that would adversely affect the rights of the holders of the Notes in any material respect except as otherwise permitted by the Indenture or the Intercreditor Deed (or any such other intercreditor agreement); or

(xiii) permit payments to be made to the Issuer that would not otherwise have been permitted pursuant to the terms thereof.

The Company will not otherwise direct the Trustee or the Security Trustee to enter into any amendment, supplement or other modification to the Intercreditor Deed and any other intercreditor agreement contemplated by the Indenture without the consent of the holders of a majority in principal amount of the outstanding Notes, other than any such amendment, supplement or other modification that, pursuant to the provisions described under "*—Modifications and Amendments*" or the Intercreditor Deed, does not require the consent of at least the holders of a majority in principal amount of the outstanding Notes.

If (i) (A) any payment, repayment, redemption, acquisition or defeasance in respect of any Second Secured Liabilities, Subordinated High Yield Liabilities, Subordinated Liabilities or Hedging Liabilities (each, as defined in the Intercreditor Deed) or (B) the taking, acceptance or receipt of the benefit of any Lien, guarantee, indemnity or assurance against loss in respect of any Intra-Group Liabilities is permitted or not otherwise prohibited under the Indenture (each a "**Permitted Action**"); and (ii) any such Permitted Action is not permitted, or the Company determines that any such Permitted Action may not be permitted, under clauses 4.1 (*Second Secured Creditors: Rights and Obligations—Payment*), 6.1 (*High Yield Creditors: Rights and Obligations—Payment*), 7.2 (*Intra-Group Creditors: Rights and Obligations—Security Interests*), 8.1 (*Subordinated Creditors: Rights and Obligations—Payment*) or, as the case may be, 9.2 (*Hedge Counterparties: Rights and Obligations—Payment*) of the Intercreditor Deed, each holder of the Notes shall, by accepting a Note, be deemed to have agreed that such Permitted Action shall be deemed, for the purposes of the Intercreditor Deed, to have been prohibited under the Indenture and each holder of the Notes shall, by accepting such Notes, be deemed to have given its prior consent to such Permitted Action and to have authorized each of the Trustee and the Security Trustee to execute and deliver such document as the Company may request confirming such consent; *provided* that this paragraph shall be without prejudice to and shall not affect the rights and obligations under clause 11 (*Stop Events and Payment Blockage Events*) of the Intercreditor Deed. In this paragraph, capitalized words and expressions shall have the meaning given them in the Intercreditor Deed.

***Provision of Financial Statements***

For so long as any Notes are outstanding, the Parent will provide to the Trustee the following reports:

(1) within 120 days after the end of each fiscal year, beginning with the fiscal year ended December 31, 2023: (i) the audited consolidated balance sheet of the Parent as of the end of, and the audited consolidated statements of income and cash flows of the Parent for, such fiscal year, setting forth in each case in comparative form the figures for the prior fiscal year (which may be presented on a *pro forma* combined basis), together with required footnotes to such financial statements and the report of the independent auditors on such financial statements (which report shall be prepared in accordance with IFRS), (ii) *pro forma* consolidated income statement and balance sheet information of the Parent (which need not comply with Article 11 of Regulation S-X), together with explanatory footnotes, for any material (as determined by the Company in good faith) acquisitions, dispositions or recapitalizations that have occurred since the beginning of such fiscal year, unless *pro forma* information with respect thereto has been previously provided pursuant to this covenant, (iii) an operating and financial review of the audited consolidated financial statements, including a discussion of the consolidated results of operations, financial condition, and liquidity and capital resources of the Parent, and a discussion of material commitments and contingencies and critical accounting policies, (iv) a description of the business, management and shareholders of the Parent, all material affiliate transactions and all material contractual arrangements, including material debt instruments, (v) a description of material risk factors (which, for the avoidance of doubt, shall be limited to risk factors affecting the business of the Company and its Restricted Subsidiaries) and material recent developments, (vi) a presentation of earnings before interest, taxes, depreciation and amortization, (vii) a presentation of capital expenditures, and (viii) a presentation of depreciation and amortization; *provided* that any disclosure with respect to any item (referred to in clauses (ii) through (viii) above) that (x) complies in all material respects with the requirements that would be applicable under Form 20-F under the U.S. Exchange Act with respect to such item or (y) the Company otherwise determines to be reasonable as to such item, consistent with the Company's past practice, in each case, shall be deemed to satisfy the requirements under this clause (1) with respect to such item; *provided further* that if the SEC has granted generally to non-accelerated filers an extension of any annual financial statement reporting deadline, and such extended deadline would be later than the applicable deadline described in this clause (1), then such extended deadline shall apply for purposes of this clause (1) with respect to the applicable period;

(2) within 60 days after the end of the first three fiscal quarters in each fiscal year, beginning with the fiscal quarter ending March 31, 2024: (i) the unaudited condensed consolidated balance sheet of the Parent as of the end of such fiscal quarter and the unaudited condensed consolidated statements of income and cash flows of the Parent for such fiscal quarter or the portion of the fiscal year then ended, setting forth in each case in comparative form the figures for the comparable prior year period (which may be presented on a *pro forma* combined basis), together with condensed footnotes to such financial statements, (ii) *pro forma* condensed consolidated income statement and balance sheet information of the Parent (which need not comply with Article 11 of Regulation S-X), together with explanatory footnotes, for any material (as determined by the Company in good faith) acquisitions, dispositions or recapitalizations that have occurred since the beginning of such fiscal year, unless *pro forma* information with respect thereto has been previously provided pursuant to this covenant, (iii) an operating and financial review of the unaudited condensed consolidated financial statements, including a discussion of the consolidated results of operations, financial condition, and liquidity and capital resources of the Parent, and a discussion of material commitments and contingencies and critical accounting policies, and (iv) a description of material recent developments and any material changes to the risk factors disclosed in the most recent annual report; *provided* that any disclosure with respect to any item (referred to in clauses (ii) through (iv) above) that (x) complies in all material respects with the requirements that would be applicable under Form 10-Q under the U.S. Exchange Act with respect to such item or (y) the Company otherwise determines to be reasonable as to such item, consistent with the Company's past practice, in each case, shall be deemed to satisfy the requirements under this clause (2) with respect to such item; *provided further* that if the SEC has granted generally to non-accelerated filers an extension of any quarterly financial statement reporting deadline, and such extended deadline would be later than the applicable deadline described in this clause (2), then such extended deadline shall apply for purposes of this clause (2) with respect to the applicable period; and

(3) promptly after the occurrence of any acquisition, disposition or restructuring that is material to the Company and its Restricted Subsidiaries, taken as a whole, or any senior executive officer changes at the Parent or the Issuer or change in auditors of the Parent or the Issuer or any other material event that the Parent or any of its Restricted Subsidiaries announces publicly, a report containing a description of such event.

Delivery of such reports, information and documents to the Trustee shall be for informational purposes only and the Trustee's receipt of such shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants under the Indenture or the Notes (as to which the Trustee shall be entitled to rely exclusively on Officer's Certificates).

All financial statements and *pro forma* financial information will be prepared in accordance with IFRS on a consistent basis for the periods presented; *provided*, *however*, that the reports set forth in clauses (1) and (2) above may, in the event of a change in applicable IFRS, present earlier periods on a basis that applied to such periods, subject to the provisions of the Indenture. Except as provided for above, no report need include separate financial statements for Subsidiaries of the Parent or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this offering memorandum. For the purposes of this covenant, IFRS shall be deemed to be IFRS as in effect from time to time, without giving effect to the proviso in the definition thereof.

Contemporaneously with the furnishing of each such report discussed above, the Company will also post such report on the Parent's website. In the event that the Parent becomes subject to the reporting requirements of Section 13(a) or 15(d) of the U.S. Exchange Act, or elects to comply with such provisions, the Parent will, for so long as it continues to file the reports required by Section 13(a) or 15(d) with the SEC, make available to the Trustee the annual reports, information, documents and other reports that the Parent is required to file with the SEC pursuant to such Section 13(a) or 15(d). Upon complying with the foregoing requirement, the Parent will be deemed to have complied with the provisions contained in the preceding three paragraphs.

The Indenture will also provide that, so long as any of the Notes remain outstanding, the Parent will make available to any prospective purchaser of Notes or beneficial owner of Notes in connection with any sale thereof the information required by Rule 144A(d)(4) under the U.S. Securities Act. The Parent and the Issuer will also make any of the foregoing information available during normal business hours at the offices of the listing agent in Luxembourg if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market thereof and the rules of the stock exchange so require.

***Listing***

Each of the Company and the Issuer will use its commercially reasonable efforts to obtain on or prior to the first interest payment date a listing of the Notes on the Official List of the Luxembourg Stock Exchange and the admission of the Notes to trading on the Euro MTF Market of the Luxembourg Stock Exchange, and use its commercially reasonable efforts to maintain such listing for so long as such Notes are outstanding; *provided* that if at any time the Issuer determines that it will not seek or maintain such listing, it will use commercially reasonable efforts to obtain, prior to the first interest payment date or prior to the delisting of the Notes from the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market of the Luxembourg Stock Exchange, a listing of such Notes on another "recognised stock exchange" as defined in section 1005 of the United Kingdom Income Tax Act 2007 (the "**ITA**") for the purposes of section 987 of the ITA, or the admission of such Notes to trading on a "multilateral trading facility" operated by a "regulated recognised stock exchange" (within the meaning of section 987 of the ITA).

***Limitation on Parent and Parent Intermediate Holdcos Activities***

Notwithstanding anything contained in the Indenture:

(1) neither the Parent nor any Parent Intermediate Holdco will engage in any business activity, except any such activity (i) reasonably relating to the offering, sale, issuance, incurrence and servicing, purchase, redemption, amendment, exchange, refinancing or retirement of the Notes or any other Indebtedness not prohibited by the Indenture or of any Capital Stock; (ii) undertaken with the purpose of fulfilling any other obligations under the Senior Secured Term Loans Agreement, the 2028 Senior Secured Notes, the

March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes, the Notes or other Senior Secured Notes, any High Yield Notes, the Proceeds Loans, any Hedging Obligations or any agreements or instruments relating to any other Indebtedness or other obligations not prohibited by the Indenture, including any Proceeds Loan or any guarantees or Liens relating to any of the foregoing; (iii) involving the provision of administrative services (including treasury services), human resources functions and other corporate and overhead services to its Subsidiaries of a type customarily provided by a holding company to its Subsidiaries and the receipt of any amounts related thereto; (iv) related to the establishment and/or maintenance of such Person's corporate existence or corporate activities, the acquisition, holding or disposition of assets not prohibited to be held by it under the Indenture or reasonably related to its function as a holding company, including, for the avoidance of doubt, (1) the participation in tax and accounting matters as a member of the consolidated group with the Company and its Subsidiaries, (2) the entry into, and performance of its obligations with respect to, contracts and other arrangements with officers, directors, employees and consultants, (3) the obtainment of, and the payment of any fees and expenses for, management, consulting, monitoring, investment banking, advisory and other services, (4) the payment of dividends and distributions and the purchase of Capital Stock of, and the making of capital contributions to, its Subsidiaries and (5) preparing reports to Governmental Authorities and complying with applicable law; (v) undertaken in connection with any Permitted Investment, any Restricted Payment, any Permitted Payment, any Permitted Reorganization or the Financing Transactions; or (vi) other activities not specifically enumerated above that are immaterial in nature; and

(2) neither the Parent nor any Parent Intermediate Holdco will own any assets or property other than (i) Capital Stock of another Parent Intermediate Holdco, any Financing Subsidiary or the Company, (ii) intercompany Indebtedness, (iii) any rights under any contract or agreement, *provided* that the Parent or such Parent Intermediate Holdco shall remain in compliance with the preceding clause (1), (iv) any cash, cash equivalents or Temporary Cash Investments, (v) any assets and properties arising from activities of the Parent or any Parent Intermediate Holdco undertaken in compliance with the preceding clause (1) and (vi) other assets and properties that are immaterial in nature; *provided* that each of the Parent and any Parent Intermediate Holdco may from time to time receive in a transaction otherwise permitted under the Indenture and the Security Documents properties and assets (including cash, cash equivalents, Temporary Cash Investments, shares of Capital Stock of another Person and/or Indebtedness and other obligations) for the purpose of transferring such properties and assets to any Parent Holdco, any Subsidiary or any other Person, so long as in any case such further transfer is made promptly by the Parent or such Parent Intermediate Holdco, as applicable, and, after giving effect thereto, the Parent or such Parent Intermediate Holdco, as applicable, is in compliance with this clause (2).

***Concerning the Parent***

At any time on or after the consummation of an initial Public Equity Offering, the Company may, in its sole discretion, by written notice to the Trustee, elect that the Parent or any Parent Intermediate Holdco (a) cease to be subject to the covenants described under the caption "*—Certain Covenants—Limitation on Parent and Parent Intermediate Holdcos Activities*" and (b) thereafter be subject to the other covenants set forth under the caption "*—Certain Covenants*" and the Events of Default set forth under the caption "*—Events of Default*", in each case, as if the Parent or such Parent Intermediate Holdco, as applicable, were the Company. In the event the Company so elects, the Company and the Trustee shall be deemed to be authorized by the Holders to enter into amendments to the Indenture and the other Notes Documents as may be appropriate, in the reasonable opinion of the Company, to give effect to the provisions of clauses (a) and (b) above (which may, if elected by the Company in its sole discretion, provide that the Parent or the applicable Parent Intermediate Holdco (i) be added as a co-issuer under the Indenture and/or (ii) succeed to, and be substituted for, the Company under the Indenture and the other Notes Documents).

***Limitations on Use of Proceeds***

The net proceeds from each issue of Notes will be applied by the Issuer outside Switzerland unless

(i) use in Switzerland is permitted under the Swiss taxation laws in force from time to time or (ii) it is confirmed in a tax ruling by the Swiss Federal Tax Administration that such use of proceeds is permitted, in each case without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.

***Suspension of Covenants and Release of Guarantees on Achievement of Investment Grade Status***

If on any date following the Issue Date, the Investment Grade Requirement shall have been satisfied and no Default or Event of Default has then occurred and is continuing (a "**Suspension Event**"), then, beginning on such date and continuing until such time, if any, at which the Investment Grade Requirement ceases to be satisfied,

(a) the provisions of the Indenture summarized under the following captions will not apply to the Notes: "*—Limitation on Indebtedness*", "*—Limitation on Restricted Payments*", "*—Limitation on Transactions with Affiliates*", "*—Limitation on Sale of Assets*", "*—Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*", the first paragraph of "*—Impairment of Security Interest*", "*—Limitation on Unrestricted Subsidiaries*", clause (c) of the covenant described under "*—Consolidation, Merger and Sale of Assets—The Parent, the Parent Intermediate Holdcos and the Company*" and clause (c) of the covenant described under "*—Consolidation, Merger and Sale of Assets—Issuer*" and any related Default or Event of Default provisions of the Indenture will cease to have any force and effect (and the Parent, the Parent Intermediate Holdcos, the Company and its Restricted Subsidiaries shall not be required to comply therewith); and

(b) the Company shall have the right, in its sole discretion, by written notice to the Trustee and the Security Trustee, to request the release and discharge of all Guarantees by any Restricted Subsidiary of the Company (other than the Guarantee of any Restricted Subsidiary that is a parent entity of the Issuer) created under the Indenture or any supplemental indenture to the Indenture, whereupon the Trustee and the Security Trustee shall execute and deliver any document requested by the Company to effect and evidence the release and discharge of such Guarantees and any related release of Liens pursuant to "*—Brief Description of the Notes, the Guarantees and the Security—Security—Release of Security*"; *provided* that such Guarantee shall not be released and discharged unless, substantially concurrently with such release and discharge, any guarantee by such Restricted Subsidiary in respect of the SFA Term Loans shall be released and discharged and no other Indebtedness is at that time guaranteed by the relevant Restricted Subsidiary that would have otherwise given rise to an obligation to guarantee the Notes pursuant to the covenant described under "*Certain Covenants—Limitation on Issuance of Guarantees of Indebtedness by Restricted Subsidiaries*" had the relevant Restricted Subsidiary not already been a Guarantor;

*provided further* that if the Investment Grade Requirement ceases to be satisfied, then such provisions of the Indenture, and any related Defaults or Events of Default, will again apply in accordance with their terms from and after the first day on which the Investment Grade Requirement ceases to be satisfied (it being understood and agreed, however, that such provisions of the Indenture, and any related Defaults and Events of Default, will not be of any effect with regard to actions of the Parent, any Parent Intermediate Holdco, the Company or any Restricted Subsidiary properly taken prior thereto, and the "*—Limitation on Restricted Payments*" covenant will be interpreted as if it had been in effect since the Issue Date except that no Default or Event of Default will be deemed to have occurred solely by reason of a Restricted Payment made while such covenant was suspended).

The Company shall notify the Trustee that the conditions set forth above in this covenant have been satisfied, *provided* that such notification shall not be a condition for the suspension of the covenants set forth above to be effective, nor shall failure to notify the Trustee thereof constitute a breach of this covenant or default under the Indenture. The Trustee shall be under no obligation to notify the holders of the Notes that the conditions set forth in this covenant have been satisfied.

### *Additional Provisions*

The Indenture will also contain provisions with respect to the following matters: (a) payment of principal, premium, any Additional Amounts and interest; (b) maintenance of certain offices or agencies; and (c) arrangements regarding the handling of money held in trust.

### Consolidation, Merger and Sale of Assets

### *The Parent, the Parent Intermediate Holdcos and the Company*

Subject to the provisions described under "—*General*" below, none of the Parent, any Parent Intermediate Holdco or the Company will, in a single transaction or through a series of related transactions, consolidate with, amalgamate with or merge with or into any other Person (whether or not the Parent,

such Parent Intermediate Holdco or the Company, as applicable, is the surviving Person), or sell, assign, convey, transfer, lease or otherwise dispose of its properties and assets (or permit any of its Restricted Subsidiaries to enter into any such transaction or series of transactions) if such transaction or series of transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or disposition to any other Person or group of Persons of all or substantially all of the properties and assets of the Parent and its Restricted Subsidiaries, such Parent Intermediate Holdco and its Restricted Subsidiaries or the Company and its Restricted Subsidiaries, as the case may be, on a Consolidated basis, unless at the time of the transaction and after giving effect thereto:

(a) either:

(1) the Parent, such Parent Intermediate Holdco or the Company, as the case may be, will be the continuing Person; or

(2) the Person (if other than the Parent, such Parent Intermediate Holdco or the Company, as the case may be) formed by such consolidation or amalgamation or into which the Parent, such Parent Intermediate Holdco or the Company is merged or the Person which acquires by sale, assignment, conveyance, transfer, lease or other disposition all or substantially all of the properties and assets of the Parent and its Restricted Subsidiaries, such Parent Intermediate Holdco and its Restricted Subsidiaries or the Company and its Restricted Subsidiaries, as the case may be, on a Consolidated basis (for the purposes of this subsection of the covenant described under "—*Consolidation, Merger and Sale of Assets*", the "**Surviving Entity**") will be a Person duly organized and validly existing under the laws of any EU state which is a member of the EU on the Issue Date, the United Kingdom, Norway, Switzerland, the United States of America, any state thereof or the District of Columbia or the Island of Jersey or a Permitted Jurisdiction and such Person expressly assumes all the obligations of the Parent, such Parent Intermediate Holdco or the Company, as the case may be, under the Notes, the Indenture, the Intercreditor Deed and the Security Documents to which it is a party pursuant to agreements reasonably satisfactory to the Trustee (and the Guarantees will be confirmed as applying to such Surviving Entity's obligations);

(b) immediately after giving effect to such transaction on a *pro forma* basis (and treating any Indebtedness not previously an obligation of the Company or any of its Restricted Subsidiaries which becomes the obligation of the Company or any of its Restricted Subsidiaries as a result of such transaction as having been incurred at the time of such transaction), no Event of Default will have occurred and be continuing; and

(c) at the time of such transaction, the Parent, such Parent Intermediate Holdco, the Company or the Surviving Entity, as applicable, will have delivered, or caused to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officer's Certificate or an opinion of legal counsel, each to the effect that such consolidation, merger, transfer, sale, assignment, conveyance, lease or other transaction and the supplemental indenture in respect thereof comply with the Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with; *provided* that in giving an opinion of counsel, counsel may rely on an Officer's Certificate as to any matters of fact. The Trustee shall be entitled to rely conclusively on such Officer's Certificate or opinion of counsel without independent verification.

In the event of any transaction (other than a lease) described in and complying with the conditions set forth in the immediately preceding paragraph in which the Parent, the applicable Parent Intermediate Holdco or the Company, as the case may be, is not the Surviving Entity, the Surviving Entity will succeed to, and be substituted for, and may exercise every right and power of the Parent, such Parent Intermediate Holdco or the Company, as the case may be, and the Parent, such Parent Intermediate Holdco or the Company, as applicable, will, subject to the second paragraph of the provisions described under "—*General*", be automatically and unconditionally released and discharged from all obligations and covenants under the Indenture (including its Guarantee and, if the Company shall have been the Issuer, the Notes) and each of the other Notes Documents to which the Parent, such Parent Intermediate Holdco or the Company, as applicable, is a party.

***Issuer***

Subject to the provisions described under "—*General*" below, the Issuer (other than, if it shall be the Issuer, the Company) will not, in a single transaction or through a series of related transactions, consolidate with, amalgamate with or merge with or into any other Person (whether or not the Issuer is the surviving Person), or sell, assign, convey, transfer, lease or otherwise dispose of its properties and assets (or permit any of its Restricted Subsidiaries to enter into any such transaction or series of transactions) if such transaction or series of transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or disposition to any other Person or group of Persons of all or substantially all of the properties and assets of the Issuer and its Restricted Subsidiaries on a Consolidated basis, unless at the time of the transaction and after giving effect thereto:

(a) either:

  (1) the Issuer will be the continuing Person; or

  (2) the Person (if other than the Issuer) formed by such consolidation or amalgamation or into which the Issuer is merged or the Person which acquires by sale, assignment, conveyance, transfer, lease or other disposition all or substantially all of the properties and assets of the Issuer and its Restricted Subsidiaries on a Consolidated basis (for the purposes of this subsection of the covenant described under "—*Consolidation, Merger and Sale of Assets*", the "**Surviving Entity**") will be a Person duly organized and validly existing under the laws of any EU state which is a member of the EU on the Issue Date, the United Kingdom, Norway, Switzerland, the United States of America, any state thereof or the District of Columbia or the Island of Jersey or a Permitted Jurisdiction and such Person expressly assumes all the obligations of the Issuer under the Notes, the Indenture, the Intercreditor Deed and the Security Documents to which the Issuer is a party pursuant to agreements reasonably satisfactory to the Trustee (and the Guarantees will be confirmed as applying to such Surviving Entity's obligations);

(b) immediately after giving effect to such transaction on a *pro forma* basis (and treating any Indebtedness not previously an obligation of the Company or any of its Restricted Subsidiaries which becomes the obligation of the Company or any of its Restricted Subsidiaries as a result of such transaction as having been incurred at the time of such transaction), no Event of Default will have occurred and be continuing; and

(c) at the time of such transaction, the Issuer or the Surviving Entity will have delivered, or caused to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officer's Certificate or an opinion of legal counsel, each to the effect that such consolidation, merger, transfer, sale, assignment, conveyance, lease or other transaction and the supplemental indenture in respect thereof comply with the Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with; *provided* that in giving an opinion of counsel, counsel may rely on an Officer's Certificate as to any matters of fact. The Trustee shall be entitled to rely conclusively on such Officer's Certificate and opinion of counsel without independent verification.

In the event of any transaction (other than a lease) described in and complying with the conditions set forth in the immediately preceding paragraph in which the Issuer is not the Surviving Entity, the Surviving Entity will succeed to, and be substituted for, and may exercise every right and power of the Issuer, and the Issuer will, subject to the second paragraph of the provisions described under "—*General*", be automatically and unconditionally be released and discharged from all obligations and covenants under the Indenture, the Notes and each of the other Notes Documents to which the Issuer is a party.

***Subsidiary Guarantors***

Subject to the provisions described under "—*General*", a Subsidiary Guarantor (other than a Subsidiary Guarantor whose Guarantee is to be released in accordance with the terms of the Guarantee and the Indenture) will not, in a single transaction or through a series of related transactions, consolidate with, amalgamate with or merge with or into any other Person (whether or not such Subsidiary Guarantor is the surviving Person), or sell, assign, convey, transfer, lease or otherwise dispose of its properties and assets (or permit any of its Restricted Subsidiaries to enter into any such transaction or series of transactions) if such transaction or series of transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or disposition to any other Person or group of Persons of all or substantially all of the properties and assets of such Subsidiary Guarantor and its Restricted Subsidiaries on a Consolidated basis, unless at the time of the transaction and after giving effect thereto:

(a) either:

(1) such Subsidiary Guarantor will be the continuing Person; or

(2) the Person (if other than such Subsidiary Guarantor) formed by such consolidation or amalgamation or into which such Subsidiary Guarantor is merged or the Person which acquires by sale, assignment, conveyance, transfer, lease or other disposition all or substantially all of the properties and assets of such Subsidiary Guarantor and its Restricted Subsidiaries on a Consolidated basis (for the purposes of this subsection of the covenant described under "—*Consolidation, Merger and Sale of Assets*", the "**Surviving Entity**") will be a Person duly organized and validly existing under the laws of any state that was a member of the European Union on the Issue Date, the United Kingdom, Norway, Switzerland, the United States of America, any State thereof or the District of Columbia, the Island of Jersey or any other jurisdiction where one or more Subsidiary Guarantors are organized and such Person expressly assumes all the obligations of such Subsidiary Guarantor under the Indenture (including its Guarantee), the Intercreditor Deed and the other Notes Documents to which such Subsidiary Guarantor is a party pursuant to agreements reasonably satisfactory to the Trustee (it being agreed that the Guarantee of such Surviving Entity may contain limitations set forth in or contemplated by "*Limitations on Validity and Enforceability of the Guarantees and the Security Interests*" and as contemplated by the Security Principles);

(b) immediately after giving effect to such transaction on a *pro forma* basis (and treating any Indebtedness not previously an obligation of the Company or any of its Restricted Subsidiaries which becomes the obligation of the Company or any of its Restricted Subsidiaries as a result of such transaction as having been incurred at the time of such transaction), no Event of Default will have occurred and be continuing; and

(c) at the time of such transaction, such Subsidiary Guarantor, the Company or the Surviving Entity will have delivered, or caused to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officer's Certificate or an opinion of legal counsel, each to the effect that such consolidation, merger, transfer, sale, assignment, conveyance, lease or other transaction and the supplemental indenture in respect thereof comply with the Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with; *provided* that in giving an opinion of counsel, counsel may rely on an Officer's Certificate as to any matters of fact. The Trustee shall be entitled to rely conclusively on such Officer's Certificate and opinion of counsel without independent verification.

In the event of any transaction (other than a lease) described in and complying with the conditions set forth in the immediately preceding paragraph in which the applicable Subsidiary Guarantor is not the Surviving Entity, the Surviving Entity will succeed to, and be substituted for, and may exercise every right and power of such Subsidiary Guarantor and such Subsidiary Guarantor will, subject to the second paragraph under "—*General*" below, be automatically and unconditionally released and discharged from all obligations and covenants under the Indenture (including its Guarantees), the Proceeds Loans Documents and each of the other Notes Documents to which such Guarantor is a party.

***General***

Notwithstanding anything to the contrary in paragraph (b) of the subsection "—*The Parent, the Parent Intermediate Holdcos and the Company*", paragraph (b) of the subsection "—*Issuer*" and paragraph (b) of the subsection "—*Subsidiary Guarantors*" (which shall not apply to transactions referred to in this sentence), (i) any Restricted Subsidiary of the Company may consolidate or otherwise combine with, amalgamate with, merge with or into or sell, assign, convey, transfer, lease or otherwise dispose of all or any part of its properties and assets to the Issuer, the Company or any other Restricted Subsidiary and (ii) the Parent, any Parent Intermediate Holdco, the Company or the Issuer may consolidate or otherwise combine with, amalgamate with or merge with or into an Affiliate incorporated or organized for the primary purpose of changing the legal domicile of the Parent, such Parent Intermediate Holdco, the Company or the Issuer in another jurisdiction, reincorporating the Parent, such Parent Intermediate Holdco, the Company or the Issuer in another jurisdiction or changing the legal form of the Parent, such Parent Intermediate Holdco, the Company or the Issuer (in each case, in a jurisdiction that would be permitted under paragraph (a)(2) under the caption "—*The Parent, the Parent Intermediate Holdcos and the Company*" or paragraph (a)(2) under the caption "—*Issuer*", as applicable).

Notwithstanding anything to the contrary set forth in this covenant, upon the succession and substitution of any Guarantor by any Surviving Entity in a sale, assignment, conveyance, transfer, lease or other disposition of properties and assets subject to this covenant, upon the written request of the Company to the Trustee, such Guarantor shall not be released and discharged from its Guarantee and shall continue to be bound by its obligations and covenants under the Indenture and the other Notes Documents to which it is a party as a Guarantor; *provided* that, in the event such Guarantor is the Parent, any Parent Intermediate Holdco, the Company or the Issuer and to the extent provided in such request, such Guarantor shall continue to be bound by its obligations and covenants under the Indenture and the other Notes Documents solely in its capacity as a Guarantor and shall not be subject to or bound by any of the obligations and covenants applicable to the Parent, a Parent Intermediate Holdco, the Company or the Issuer, as applicable, and only the applicable Surviving Entity shall be subject to and bound by such obligations and covenants.

Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

Notwithstanding anything to the contrary set forth in the Indenture and in any other Notes Document, the Parent, any Parent Intermediate Holdco, the Company and its Restricted Subsidiaries may implement a Permitted Reorganization.

**Events of Default**

An Event of Default will occur under the Indenture if:

(a) there shall be a default in the payment of any interest or Additional Amounts on any Note when it becomes due and payable, and such default shall continue for a period of 30 days;

(b) there shall be a default in the payment when due (at maturity, upon redemption or otherwise) of the principal of (or premium, if any, on) any Note;

(c) (1) there shall be a default in the performance, or breach, of any covenant or agreement of the Issuer or any Guarantor under the Indenture or any Guarantee (other than a default in the performance, or breach, of a covenant or agreement which is specifically dealt with in clause (a), (b) or in clause (2), (3) or (4) of this clause (c)) and such default or breach shall continue for a period of 60 days after written notice has been given, by certified mail, (x) to the Issuer by the Trustee or (y) to the Issuer and the Trustee by the holders of at least 30% in aggregate principal amount of the outstanding Notes voting as a single class,

(2) there shall be a default in the performance or breach of the provisions described in "—*Consolidation, Merger and Sale of Assets*",

(3) the Company or a Restricted Subsidiary shall have failed to make or consummate an Asset Sale Offer in accordance with the provisions of "—*Certain Covenants—Limitation on Sale of Assets*", or

(4) the Issuer or the Company shall have failed to make or consummate a Change of Control Offer in accordance with the provisions of "*—Purchase of Notes upon a Change of Control*";

(d) any default in the payment of the principal or premium, if any, on any Indebtedness shall have occurred under any of the agreements, indentures or instruments under which the Issuer, any Guarantor or any Significant Restricted Subsidiary then has outstanding Indebtedness in excess of the greater of (x) €50.0 million and (y) 0.50% of Total Assets when the same shall become due and payable in full and such default shall have continued after any applicable grace period and shall not have been cured or waived and, if not already matured at its final maturity in accordance with its terms, the holder of such Indebtedness shall have accelerated such Indebtedness;

(e) any Guarantee by the Parent, the Company or a Significant Restricted Subsidiary is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be, or shall for any reason be asserted in writing by any Guarantor or the Issuer not to be, in full force and effect and enforceable in accordance with its terms, except to the extent contemplated by the Indenture and any such Guarantee;

(f) (i) one or more of the Security Documents that, taken as a whole, create Liens on a material portion of the Collateral shall, at any time, cease to be in full force and effect, or shall be declared invalid or unenforceable by a court of competent jurisdiction, other than, in each case, pursuant to limitations on enforceability, validity or effectiveness imposed by applicable law or the terms of such Security Document or except in accordance with the terms of such Security Document, the Intercreditor Deed or the Indenture, including the release provisions thereof, and such failure to be in full force and effect shall have continued uncured for a period of 15 days after the Company becomes aware of such failure or (ii) repudiation or disaffirmation by the Issuer or any Guarantor of any of their respective obligations under the Security Documents that, taken as a whole, create Liens on a material portion of the Collateral;

(g) one or more final judgments, orders or decrees of any court or regulatory or administrative agency for the payment of money in excess of the greater of (x) €50.0 million and (y) 0.50% of Total Assets, either individually or in the aggregate (to the extent not covered by independent third-party insurance), shall be rendered against the Issuer, the Company or any Significant Restricted Subsidiary or any of their respective properties and shall not be discharged and there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of an appeal or otherwise, shall not be in effect;

(h) [Reserved]; or

(i) certain events of bankruptcy or insolvency described in the Indenture with respect to the Parent, the Company, the Issuer or any Significant Restricted Subsidiary shall have occurred.

If an Event of Default (other than as specified in clause (i) of the prior paragraph) shall occur and be continuing with respect to the Indenture, the Trustee or the holders of not less than 30% in aggregate principal amount of the Notes then outstanding may, and the Trustee, at the request of such holders, shall declare all unpaid principal of, premium, if any, any Additional Amounts and accrued interest on all Notes to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by the holders of the Notes) and upon any such declaration, such principal, premium, if any, any Additional Amounts and interest shall become due and payable immediately. If an Event of Default specified in clause (i) of the prior paragraph occurs and is continuing, then all the Notes shall *ipso facto* (to the fullest extent permitted by law) become and be due and payable immediately in an amount equal to the principal amount of the Notes, together with any Additional Amounts and accrued and unpaid interest, if any, to the date the Notes become due and payable, without any declaration or other act on the part of the Trustee or any holder. Thereupon, the Trustee may, at its discretion, proceed to protect and enforce the rights of the holders of the Notes by appropriate judicial proceedings. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (d) of the prior paragraph has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (d) shall be remedied or cured, or waived by the holders of the Indebtedness that gave rise to such Event of Default, or such Indebtedness shall be discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except non-payment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

After a declaration of acceleration, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of a majority in aggregate principal amount of Notes outstanding by written notice to the Issuer and the Trustee may rescind an acceleration and annul such declaration and its consequences under the Indenture if:

(a) the Issuer has paid or deposited with the Trustee a sum sufficient to pay:

(1) all sums paid or advanced by the Trustee under the Indenture and the properly incurred compensation, expenses, disbursements and advances of the Trustee, its agents and counsel,

(2) all overdue interest and Additional Amounts on all Notes then outstanding,

(3) the principal of and premium, if any, on any Notes then-outstanding which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Notes, and

(4) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by the Notes;

(b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and

(c) all Events of Default, other than the non-payment of principal of, premium, if any, and any Additional Amounts and interest on the Notes, which have become due solely by such declaration of acceleration, have been cured or waived as provided in the Indenture. No such rescission shall affect any subsequent default or impair any right consequent thereon.

The holders of not less than a majority in aggregate principal amount of all outstanding Notes may, by written notice to the Trustee, on behalf of the holders of all outstanding Notes, waive any past default under the Indenture and its consequences, except a default in respect of a covenant or provision hereof which under the Indenture cannot be modified or amended without the consent of the holders of not less than 90% of the then-outstanding amount of one or more series of Notes, in which case the consent of the holders of at least 90% of the then-outstanding Notes or relevant series of Notes, as applicable, shall be required.

Subject to certain limitations, holders of a majority in aggregate principal amount of the then-outstanding Notes may direct the Trustee in its exercise of any trust of power. The Trustee may withhold from holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or Additional Amounts or premium, if any.

No holder of any of the Notes has any right to institute any proceedings with respect to the Indenture or any remedy thereunder, unless the holders of at least 30% in aggregate principal amount of the outstanding Notes have made written request, and offered satisfactory indemnity and/or security (including by way of pre-funding), to the Trustee to institute such proceeding as the Trustee under the Notes and the Indenture, the Trustee has failed to institute such proceeding within 60 days after receipt of such notice and offer of satisfactory indemnity and/or security (including by way of pre-funding) and the Trustee, during such 60-day period, has not received directions inconsistent with such written request from the holders of a majority in aggregate principal amount of the outstanding Notes. Such limitations do not, however, apply to a suit instituted by a holder of a Note for the enforcement of the payment of the principal of, premium, if any, and any Additional Amounts or interest on such Note on or after the respective due dates expressed in such Note.

The Company will promptly, and in any event within 15 Business Days of becoming aware of such Default or Event of Default, notify the Trustee of the occurrence of any Default or Event of Default that is continuing. Except in the case of a Default or an Event of Default in payment of principal of, premium, if any, Additional Amounts or interest on any Notes, the Trustee may withhold the notice to the holders of such Notes if a committee of its trust officers in good faith determines that withholding the notice is in the interests of the holders of the Notes. If a Default or an Event of Default occurs and is continuing and the Trustee is informed in writing, the Trustee will mail to each holder of the Notes notice of the Default or Event of Default within five Business Days after being notified of its occurrence. The Company will deliver to the Trustee, on or before a date not more than 120 days after the end of each fiscal year, a written statement as to compliance with the Indenture, including whether or not any Default has occurred. The Trustee is under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the holders of the Notes unless such holders offer to the Trustee indemnity and/or security (including by way of pre-funding) satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred thereby.

Notwithstanding the foregoing, the Trustee may not (and the holders of the Notes shall not request that the Trustee) exercise any rights or remedies provided under the Notes Documents with respect to any Event of Default if (a) the event giving rise to such Event of Default was disclosed to the Trustee in a notice delivered pursuant to the immediately preceding paragraph and (b) two years have passed since the date of such notice; *provided* that such limitation shall not apply if the Trustee has commenced any remedial action in respect of such Event of Default prior to the end of such two-year period.

Notwithstanding anything to the contrary in the Indenture, with respect to any Default or Event of Default, the words "exists", "is continuing" or similar expressions with respect thereto shall mean that such Default or Event of Default has occurred and has not yet been cured or waived. For the avoidance of doubt, if any Default or Event of Default occurs due to (a) the failure by the Issuer to take any action by a specified time (pursuant to the second immediately preceding paragraph), such Default or Event of Default shall be deemed to have been cured at the time, if any, the Issuer takes such action or (b) the taking of any action by the Issuer that is not then permitted by the terms of the Indenture or any other Notes Document, such Default or Event of Default shall be deemed to be cured on the earlier to occur of (x) the date on which such action would be permitted at such time to be taken under the Indenture and the other Notes Documents and (y) the date on which such action is unwound or otherwise modified to the extent necessary for such revised action to be permitted at such time by the Indenture and the other Notes Documents. For the avoidance of doubt, if any Default or Event of Default occurs that is subsequently cured (a "Cured Default"), any other Default or Event of Default resulting from the taking of any action by the Issuer or any Subsidiary of the Issuer, in each case which subsequent Default or Event of Default would not have arisen had the Cured Default not occurred, shall be deemed to be cured automatically upon, and simultaneous with, the cure of the Cured Default. Notwithstanding anything to the contrary in this paragraph, an Event of Default (the "Initial Default") may not be cured pursuant to this paragraph:

(a) if the taking of any action by the Issuer, any Guarantor or Restricted Subsidiary that is not permitted during, and as a result of, the continuance of such Initial Default directly results in the cure of such Initial Default and the Issuer, any Guarantor or Restricted Subsidiary had actual knowledge at the time of taking any such action that the Initial Default had occurred and was continuing;

(b) in the case of an Event of Default clause (e) or (f) of the first paragraph under this caption "*—Events of Default*" that directly results in material impairment of the rights and remedies of the holders of the Notes and the Trustee under the Notes Documents and such material impairment is incapable of being cured; or

(c) (A) in the case of an Event of Default under clause (c)(1) of the first paragraph under this caption "*—Events of Default*" arising due to a failure to deliver a notice of default in accordance with the second immediately preceding paragraph or (B) in the case of an Initial Default for which the Issuer failed to give notice of such Initial Default in accordance with the second immediately preceding paragraph and, in each case, an Authorized Officer of the Issuer had actual knowledge of such failure to give such notice and reasonably should have known in the course of his or her duties that the failure to provide such notice would constitute an Event of Default.

**Defeasance or Covenant Defeasance of Indenture**

The Issuer may, at its option and at any time, elect to have all of its obligations terminated with respect to the outstanding Notes of a series and all obligations of the Guarantors discharged with respect to the Guarantees of such series of Notes ("**Legal Defeasance**") and cure all then-existing Events of Default with respect to such series of Notes, except for, among other things, certain obligations, including those relating to the defeasance trust, obligations to transfer or exchange Notes of such series, to pay Additional Amounts with respect to such series of Notes, to replace mutilated, destroyed, lost or stolen Notes of such series and to maintain a paying agent for such series of Notes, and obligations with respect to the rights, powers, trusts, duties and immunities of the Trustee.

In addition, the Issuer may, at its option and at any time, elect to have its obligations and the obligations of the Guarantors released with respect to certain covenants that are described in the Indenture and the Guarantees ("**Covenant Defeasance**") and thereafter any omission to comply with such obligations shall not constitute a Default or Event of Default with respect to the Notes of a series. In the event Covenant Defeasance occurs, certain events (not including non-payment, and, solely with respect to the Issuer, bankruptcy and insolvency events) described under "*—Events of Default*" will no longer constitute an Event of Default with respect to the Notes of such series.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Issuer must irrevocably deposit in trust with the Trustee (or such entity designated or appointed (as agent) by the Trustee for this purpose), for the benefit of the holders of the Notes of the applicable series, cash in Euro, European Government Obligations, or a combination thereof (in the case of the Euro Notes) or Dollars or U.S. Government Obligations, or a combination thereof (in the case of the Dollar Notes), in such aggregate amounts as will be sufficient to pay the principal of, interest and premium, if any, on the Notes of such series to maturity;

(b) in the case of Legal Defeasance, the Issuer must deliver to the Trustee:

    (1) an opinion of United States counsel reasonably acceptable to the Trustee confirming that (A) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (B) since the Issue Date, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the holders of the outstanding Notes of the applicable series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred; and

    (2) an opinion of counsel in the jurisdiction of incorporation of the Issuer and reasonably acceptable to the Trustee to the effect that the holders of the Notes of the applicable series will not recognize income, gain or loss for tax purposes of such jurisdiction as a result of such Legal Defeasance and will be subject to tax in such jurisdiction on the same amounts and in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred; and

(c) in the case of Covenant Defeasance, the Issuer must deliver to the Trustee:

    (1) an opinion of United States counsel reasonably acceptable to the Trustee confirming that the holders of the outstanding Notes of the applicable series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred; and

    (2) an opinion of counsel in the jurisdiction of incorporation of the Issuer and reasonably acceptable to the Trustee to the effect that the holders of the Notes of the applicable series will not recognize income, gain or loss for tax purposes of such jurisdiction as a result of such Covenant Defeasance and will be subject to tax in such jurisdiction on the same amounts and in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred.

**Satisfaction and Discharge**

The Indenture will be discharged and will cease to be of further effect (except as to transfer or exchange of the Notes as expressly provided for in the Indenture) as to all the outstanding Notes of a series issued under the Indenture when:

(a) either:

(1) all such Notes of the applicable series theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid or Notes whose payment has been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust as provided for in the Indenture) have been delivered to the Trustee for cancellation, or

(2) all Notes of the applicable series not theretofore delivered to the Trustee for cancellation (A) have become due and payable, (B) will become due and payable at their stated maturity within one year, or (C) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer; and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee (or such entity designated or appointed (as agent) by the Trustee for this purpose) as trust funds in trust an amount in Euro, European Government Obligations or a combination thereof (in the case of the Euro Notes or any other Euro-denominated series) or Dollars, U.S. Government Obligations or a combination thereof (in the case of the Dollar Notes or any other Dollar- denominated series) sufficient to pay and discharge the entire indebtedness on the Notes of the applicable series not theretofore delivered to the Trustee for cancellation, including the principal of, premium, if any, any Additional Amounts and accrued interest on, such Notes at such Maturity, stated maturity or redemption date;

(b) the Issuer or any Guarantor has paid or caused to be paid all other sums payable under the Indenture with respect to the Notes of the applicable series by the Issuer and any Guarantor; and

(c) the Issuer has delivered to the Trustee an Officer's Certificate and an opinion of independent counsel, in form and substance reasonably satisfactory to the Trustee, each stating that:

(1) all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture with respect to the Notes of the applicable series have been complied with; and

(2) such satisfaction and discharge will not result in a breach or violation of, or constitute a default under, the Indenture or any other material agreement or instrument to which the Issuer, any Guarantor or any Subsidiary is a party or by which the Issuer, any Guarantor or any Subsidiary is bound;

*provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with this clause (c) and the foregoing clauses (a) and (b)). The Trustee will be entitled to rely conclusively on such Officer's Certificate and opinion of counsel without independent verification.

If requested by the Issuer, the Trustee may distribute any amounts deposited in trust to the holders prior to maturity or the redemption date, as the case may be. In such case, the payment to each holder will equal the amount such holder would have been entitled to receive at the stated maturity or on the relevant redemption date, as the case may be. For the avoidance of doubt, the distribution and payment to holders prior to the maturity or redemption date as set forth above will not include any negative interest, present value adjustment, break cost or any other premium on such amounts.

**Modifications and Amendments**

Without limiting the Issuer's and the Guarantors' ability to effect modifications or amendments that are expressly permitted under "*—Certain Covenants—Impairment of Security Interest*" or "*—Certain Covenants—Intercreditor Deed; Additional Intercreditor Agreements*" or are otherwise permitted under this caption "*—Modifications and Amendments*", modifications and amendments of the Indenture, the Notes, any Guarantee, the Intercreditor Deed, any additional intercreditor agreement and/or the Security Documents may be made by the Issuer, the Guarantors, the Trustee and the Security Trustee, in each case, to the extent a party thereto, with the consent of the holders of at least a majority in aggregate principal amount of the

Notes then outstanding (unless a modification or amendment will only affect one series of the Notes, in which case only the consent of the holders of at least a majority in aggregate principal amount of the Notes then outstanding of such series shall be required); *provided*, *however*, that no such modification or amendment may, without the consent of the holders of at least 90% of the then-outstanding aggregate principal amount of the Notes (or, if a modification or amendment will only affect one series of the Notes, the consent of the holders of at least 90% of the aggregate principal amount of the Notes then outstanding of such series):

(a) change the stated maturity of the principal of, or any installment of any Additional Amounts or interest on any Note, or change to an earlier date the time at which any Note may be redeemed, or waive a default in the payment of the principal of, premium, if any, any Additional Amounts or interest on, any such Note or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which the principal of any such Note or any premium or any Additional Amounts or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment after the stated maturity thereof (or, in the case of redemption, on or after the redemption date);

(b) reduce the percentage in principal amount of such outstanding Notes, the consent of whose holders is required for any such supplemental indenture, or the consent of whose holders is required for any amendment, waiver of or compliance with provisions of the Indenture;

(c) modify any of the provisions relating to any supplemental indentures requiring the consent of holders or relating to the waiver of past defaults or relating to the waiver of certain covenants, except to increase the percentage of such outstanding Notes required for such actions or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each such Note affected thereby;

(d) except as otherwise permitted under "—*Consolidation, Merger and Sale of Assets*" or the definition of the term "Parent", "Parent Intermediate Holdco" or "Company" or as part of a Permitted Reorganization, assign or transfer any of the rights and obligations under the Indenture of the Issuer or any Guarantor;

(e) release all or substantially all of the Collateral from the Liens created in favor of the Trustee or the Security Trustee pursuant to the Security Documents or all or substantially all of the Guarantors from the Guarantees created pursuant to the Indenture or any supplemental indenture thereto, except as otherwise permitted by the terms of the Indenture, the Security Documents or the Intercreditor Deed or any additional intercreditor agreement;

(f) except as permitted by the Indenture or the Intercreditor Deed (or any additional intercreditor agreement), make any change to any provision of the Indenture or the Intercreditor Deed affecting the ranking or priority of any Note or Guarantee that would adversely affect the rights of the holders of the Notes in any material respect;

(g) make any change in the provisions of the Indenture described under "—*Payment of Additional Amounts*" that adversely affects the holder's or beneficial owner's entitlement to (x) any exemption, in whole or in part, from withholding Taxes or (y) Additional Amounts, in each case as described thereunder, unless the Issuer agrees to pay Additional Amounts (if any) in respect thereof; or

(h) except as permitted by the Indenture or the Intercreditor Deed (or any additional intercreditor agreement), release the Guarantee of the Parent or the Company.

Notwithstanding the preceding paragraph, the Indenture will provide that certain Guarantees or Liens on the Collateral may be released in connection with sales or other dispositions of property or assets (including Capital Stock) that do not violate the requirements of the covenants described under the caption "—*Certain Covenants—Limitation on Restricted Payments*" or "—*Certain Covenants—Limitation on Sale of Assets*", as each such covenant may be amended from time to time.

For the avoidance of doubt, it shall not be necessary for the consent of the holders of the Notes to approve the particular form of any proposed amendment, waiver or other modification but it shall be sufficient if such consent approves the substance thereof.

For the purposes of determining whether holders of the requisite aggregate principal amount of any series of Notes not denominated in Euro have taken any action under the Indenture, the aggregate principal amount of such series of Notes will be deemed to be the Euro Equivalent as of the date such series of Notes is first issued of the outstanding aggregate principal amount of such series of Notes.

In addition to any modifications and amendments that are permitted under, or governed by, the covenants set forth under the captions "*—Certain Covenants—Impairment of Security Interest*", "*—Certain Covenants—Intercreditor Deed; Additional Intercreditor Agreements*", or the other provisions of this caption "*—Modifications and Amendments*" and not in limitation thereof, without the consent of any holders of the Notes, the Issuer, the Trustee and the Security Trustee, in each case to the extent a party thereto (without the need for any consent of or authorization or execution by any other party to the Indenture) may modify or amend the Indenture, the Notes, any Guarantee, the Intercreditor Deed, any additional intercreditor agreement or any Security Document:

(a) to evidence the succession of another Person to the Issuer or any Guarantor or any other obligor under the Notes and the assumption by any such successor of the covenants of the Issuer or such Guarantor in the Indenture (including any supplemental indenture), the Notes, any Guarantee, the Intercreditor Deed, any additional intercreditor agreement or any Security Document, as applicable, in accordance with "*—Consolidation, Merger and Sale of Assets*";

(b) to add to the covenants of the Issuer, any Guarantor or any other obligor upon the Notes for the benefit of the holders of the Notes or to surrender any right or power conferred upon the Issuer or any Guarantor or any other obligor upon the Notes, as applicable, in the Indenture (including any supplemental indenture), the Notes, any Guarantee, the Intercreditor Deed, any additional intercreditor agreement or any Security Document;

(c) to cure any ambiguity, or to correct or supplement any provision in the Indenture (including any supplemental indenture), the Notes, any Guarantee, the Intercreditor Deed, any additional intercreditor agreement or any Security Document which may be defective or, for the avoidance of doubt, erroneous, or inconsistent with any other provision in the Indenture (including any supplemental indenture), the Notes, any Guarantee, the Intercreditor Deed, any additional intercreditor agreement or any Security Document or any disclosure in the Offering Memorandum or to make any other provisions with respect to matters or questions arising under the Indenture (including any supplemental indenture), the Notes, any Guarantee, the Intercreditor Deed, any additional intercreditor agreement or any Security Document that shall not adversely affect the legal rights of the holders of the Notes in any material respect or that shall improve or increase the rights of the holders of the Notes;

(d) to add a Guarantor under the Indenture and to provide for or confirm the existence of any limitations in any Guarantee authorized under the Indenture;

(e) to evidence and provide the acceptance of the appointment of a successor Trustee under the Indenture;

(f) to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Trustee for the benefit of the holders of the Notes as additional security for the payment and performance of the Issuer's or any Guarantor's obligations under the Indenture, in any property, or assets, including any of which are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Trustee pursuant to the Indenture or otherwise (any such additional security shall be deemed to be Collateral for all purposes under the Indenture);

(g) to provide for the issuance of Additional Notes in accordance with the Indenture;

(h) to conform the text of the Indenture or the Notes to any passage in this "*Description of the Notes*" to the extent that such passage was intended to be a verbatim recitation of a provision of the Indenture or the Notes;

(i) to make, complete or confirm any grant of Collateral permitted or required by the Indenture;

(j) to evidence or provide for the release of any Guarantee or any Lien on any Collateral that is otherwise permitted by the terms of the Indenture, the Security Documents or the Intercreditor Deed or any additional intercreditor agreement; or

(k) to provide for uncertificated Notes in addition to or in place of certificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code).

In connection with its execution of any amendment pursuant to the preceding paragraph, the Trustee shall be entitled to request and rely on such evidence as to whether such amendment is authorized by such paragraph as the Trustee may request, which may include an Officer's Certificate and/or an opinion of counsel.

Notwithstanding anything to the contrary in the paragraph above, in order to effect an amendment authorized by clause (d) above to add a Guarantor under the Indenture, it shall only be necessary for the supplemental indenture providing for the accession of such additional Guarantor to be duly authorized and executed by (i) the Issuer, (ii) such additional Guarantor and (iii) the Trustee. Except as otherwise set forth herein, any amendments permitted by the Indenture need only be duly authorized and executed by the Issuer and the Trustee.

The holders of a majority in aggregate principal amount of the Notes outstanding may waive compliance with the restrictive covenants and provisions of the Indenture.

For the avoidance of doubt, no modification or amendment to, or deletion of, or actions taken in compliance with, any of the covenants described under "—*Certain Covenants*", shall be deemed to impair or affect any rights of the holders of the Notes to receive payment of principal of, or premium, if any, or interest on, the Notes.

**Governing Law**

The Indenture, the Notes and the Guarantees will be governed by, and construed in accordance with, the laws of the State of New York. The Intercreditor Deed will be governed by, and construed in accordance with, English law. The Security Documents will be governed by applicable local law of the jurisdiction under which Liens are granted.

**Consent to Jurisdiction and Service**

The Indenture will provide that the Issuer and each Guarantor will appoint INEOS USA LLC, with its registered office at Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States or any successor, as its authorized agent upon whom process may be served in any suit, action or proceeding arising out of or based upon the Indenture, the Notes or the Guarantees or the transaction contemplated in the Indenture which may be instituted in any New York State or Federal court in the Borough of Manhattan, New York, New York and will submit to such jurisdiction.

**Enforceability of Judgments**

Since many of the assets of the Issuer and the Guarantors are outside the United States, any judgment obtained in the United States against the Issuer or any Guarantor, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, redemption price and any purchase price with respect to the Notes, may not be collectable within the United States.

**No Personal Liability of Directors, Officers, Employees and Shareholders**

No director, officer, employee, incorporator, member or shareholder of the Issuer, any Guarantor, any of their respective parent companies or any of their respective Subsidiaries or Affiliates as such, shall have any liability for any obligations of the Issuer under the Indenture (including the Guarantees), the Notes or the Security Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

**Prescription**

Claims against the Issuer or any Guarantor for the payment of principal, or premium, if any, on the Notes will be prescribed 10 years after the applicable due date for payment thereof. Claims against the

Issuer or any Guarantor for the payment of interest on the Notes will be prescribed five years after the applicable due date for payment of interest.

**Concerning the Trustee**

The Trustee will be permitted to engage in other transactions with the Issuer and its Affiliates and Subsidiaries.

The holders of a majority in principal amount of the then-outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture will provide that in case an Event of Default occurs (which has not been cured), the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Notes unless such holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

**Acknowledgment and Consent to Bail-In**

Under this caption "—*Acknowledgment and Consent to Bail-In*":

"**Bail-in Legislation**" means (a) with respect to any EEA Member Country implementing Article 55 of BRRD of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time that is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their Affiliates (other than through liquidation, administration or other insolvency proceedings).

"**BRRD**" means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

"**BRRD Liability**" means a liability in respect of which the relevant write-down and conversion powers in the applicable Bail-in Legislation may be exercised.

"**BRRD Party**" means The Bank of New York Mellon SA/NV, Dublin Branch, as Registrar and Transfer Agent under the Indenture.

"**Bail-in Powers**" means any write-down and conversion powers as defined in relation to the relevant Bail-in Legislation.

"**EU Bail-in Legislation Schedule**" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"**Relevant Resolution Authority**" means the resolution authority with the ability to exercise any Bail-in Powers in relation to the relevant BRRD Party.

Notwithstanding and to the exclusion of any other term of the Indenture or any other agreements, arrangements, or understanding between the parties, each counterparty to a BRRD Party under the Indenture shall acknowledge and accept that a BRRD Liability arising under the Indenture may be subject to the exercise of Bail-in Powers by the Relevant Resolution Authority, and acknowledge, accept, and agree to be bound by:

(a) the effect of the exercise of Bail-in Powers by the Relevant Resolution Authority in relation to any BRRD Liability of any BRRD Party to it under the Indenture, that (without limitation) may include and result in any of the following, or some combination thereof:

  (i) the reduction of all, or a portion, of the BRRD Liability or outstanding amounts due thereon;

  (ii) the conversion of all, or a portion, of the BRRD Liability into shares, other securities or other obligations of the relevant BRRD Party or another person (and the issue to or conferral on it of such shares, securities or obligations);

  (iii) the cancellation of the BRRD Liability; or

(iv) the amendment or alteration of the amounts due in relation to the BRRD Liability, including any interest, if applicable, thereon, the maturity or the dates on which any payments are due, including by suspending payment for a temporary period; and

(b) the variation of the terms of the Indenture, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of Bail-in Powers by the Relevant Resolution Authority.

**Certain Definitions**

"**2025 Senior Secured Indenture**" means the indenture dated as of November 3, 2017, among the Issuer, the guarantors named therein, The Bank of New York Mellon, London Branch, as trustee and principal paying agent, The Bank of New York Mellon SA/NV, Luxembourg Branch, as registrar, transfer agent and Luxembourg paying agent and Barclays Bank PLC, as security trustee under the indenture and senior security agent under the Intercreditor Deed, as it may from time to time be supplemented or amended by one or more indentures supplemental thereto entered into pursuant to the applicable provisions thereof.

"**2025 Senior Secured Notes**" means the €550,000,000 aggregate principal amount of 2⅛% Senior Secured Notes due 2025, issued by the Issuer on November 3, 2017.

"**2025 Senior Secured Notes Proceeds Loan**" means the loan of the gross proceeds of the 2025 Senior Secured Notes pursuant to the 2025 Senior Secured Notes Proceeds Loans Agreement, and all loans directly or indirectly replacing or refinancing such loan or any portion thereof.

"**2025 Senior Secured Notes Proceeds Loan Agreements**" means those certain loan agreements made on November 3, 2017, by and among IHL, as borrower, and the Issuer, as lender.

"**2028 Senior Secured Indenture**" means the Indenture dated as of February 16, 2023 among the Issuer, the guarantors named therein, Bank of New York Mellon Corporate Trustee Services, as trustee, The Bank of New York Mellon, London Branch, as paying agent, The Bank of New York Mellon SA/NV, Luxembourg Branch, as registrar and transfer agent, and Barclays Bank PLC, as security trustee under the indenture and as senior security agent under the Intercreditor Deed, as it may from time to time be supplemented or amended by one or more of the indentures supplemental thereto entered into pursuant to the applicable provisions thereof.

"**2028 Senior Secured Notes**" means the (i) €400,000,000 aggregate principal amount of 6⅝% Senior Secured Notes due 2028 and (ii) $425,000,000 aggregate principal amount of 6¾ Senior Secured Notes due 2028, in each case issued by the Issuer on February 16, 2024.

**"2028 Senior Secured Notes Proceeds Loans"** means the loans of the gross proceeds of the Euro-denominated and Dollar-denominated 2028 Senior Secured Notes pursuant to the 2028 Senior Secured Notes Proceeds Loans Agreements, and all loans directly or indirectly replacing or refinancing such loan or any portion thereof.

"**2028 Senior Secured Notes Proceeds Loan Agreements**" means those certain loan agreements made on February 16, 2023, by and among IHL, as borrower, and the Issuer, as lender.

"**Acquired Indebtedness**" means Indebtedness of any Person:

(a) existing at the time such Person becomes a Restricted Subsidiary;

(b) assumed in connection with the acquisition of assets from such Person; or

(c) existing at the time such Person merges, consolidates or amalgamates with the Company or any Restricted Subsidiary;

in each case, other than Indebtedness incurred by such Person in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or such acquisition, merger, consolidation or amalgamation, as the case may be (it being understood and agreed, for the avoidance of doubt, that, so long as the aggregate principal amount of such Indebtedness is not increased thereby, the terms of Acquired Indebtedness may be amended, restated, supplemented or otherwise modified substantially concurrently with such Person becoming a Restricted Subsidiary or such acquisition, merger, consolidation or amalgamation, as the case may be, and such amendment, restatement, supplement or other modification shall not cause such Indebtedness to cease to be Acquired Indebtedness).

Except as otherwise provided herein, Acquired Indebtedness shall be deemed to be incurred on the date such Person becomes a Restricted Subsidiary, on the date of such acquisition of assets from such Person or at the time of such merger, consolidation or amalgamation, as the case may be.

"**Acquisition**" means any acquisition (including pursuant to a merger, consolidation or amalgamation involving the Company or any Subsidiary) of any Capital Stock in, or all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line or line of business of), any Person.

"**Acquisition Indebtedness**" means Indebtedness of a Person incurred to finance any Acquisition or related transactions, including Indebtedness incurred to refinance existing Indebtedness of any Person that is the subject of such Acquisition.

"**Additional Collateral**" means the Collateral granted pursuant to the Security Documents entered into after the Issue Date.

"**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person.

For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through ownership of Voting Stock, by contract or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

"**Affiliated Holder**" shall mean any Permitted Holder or any of its Affiliates, other than (a) the Parent, the Company or any of their respective Subsidiaries or (b) any natural person.

"**Applicable Redemption Premium**" means, with respect to any Note on any redemption date, the greater of (a) one percent of the principal amount of the Note and (b):

(i) with respect to any Euro Note, the excess of

(1) the present value at such redemption date of the redemption price of such Euro Note at , 2026, plus all required interest payments that would otherwise be due to be paid on such Euro Note during the period between the redemption date and , 2026, excluding accrued but unpaid interest, computed using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points, over

(2) the principal amount of such Euro Note.

(ii) with respect to any Dollar Note, the excess of

(1) the present value at such redemption date of the redemption price of such Dollar Note at , 2026, plus all required interest payments that would otherwise be due to be paid on such Dollar Note during the period between the redemption date and , 2026, excluding accrued but unpaid interest, computed using a discount rate equal to the Treasury Rate at such redemption date plus 50 basis points, over

(2) the principal amount of such Dollar Note.

For the avoidance of doubt, calculation of the Applicable Redemption Premium shall not be a duty or obligation of the Trustee or the Paying Agent.

"**Asset Sale**" means any sale, issuance, conveyance, transfer, lease or other disposition (including by way of merger, consolidation, amalgamation or sale and leaseback transaction) (collectively, a "**disposition**"), directly or indirectly, in one or a series of related transactions, of:

(a) any Capital Stock of any Restricted Subsidiary (other than directors' qualifying shares and other nominal amounts of Capital Stock that are required to be held by other Persons under applicable law);

(b) all or substantially all of the properties and assets of any division or line of business of the Company and its Restricted Subsidiaries; or

(c) any other properties or assets of the Company or any Restricted Subsidiary other than in the ordinary course of business.

Notwithstanding the foregoing, the term "Asset Sale" shall not include any disposition of properties and assets:

(i) that is governed by the provisions described under "*—Consolidation, Merger and Sale of Assets*";

(ii) that is by the Company to any Restricted Subsidiary, or by any Restricted Subsidiary to the Company or any other Restricted Subsidiary in accordance with the terms of the Indenture;

(iii) that is a disposition of cash, cash equivalents or Temporary Cash Investments;

(iv) that is a disposition of inventory, trading stock or other assets (A) in the ordinary course of business or (B) pursuant to an inventory financing or similar arrangement that is permitted pursuant to clause (22) of paragraph (b) of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*";

(v) that is a disposition of obsolete, used, surplus or worn-out equipment or other assets or of any assets that, as determined, for the avoidance of doubt, in the good faith judgment of the Company, are no longer useful or economically practicable to maintain in the conduct of the business of the Company or any Restricted Subsidiary (including allowing any registrations or any applications for registration of any Intellectual Property Rights to lapse or go abandoned and dispositions that relate to closed facilities or the discontinuation of any product line);

(vi) the Fair Market Value of which, in the aggregate, does not exceed the greater of (A) €50.0 million and (B) 0.50% of Total Assets (determined at the time of (but prior to giving effect to) such disposition) in any transaction or series of related transactions;

(vii) that is a Restricted Payment permitted under the covenant described in "*—Certain Covenants—Limitation on Restricted Payments*" or a Permitted Payment or a Permitted Investment or a disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(viii) that is a disposition as part of any Permitted Reorganization;

(ix) that is a disposition of receivables (and/or related assets, including any credit support or payment instruments relating to receivables) in connection with the compromise, settlement or collection thereof or in the ordinary course of business (including, in each case, pursuant to any "factoring" or similar arrangement) or in insolvency, bankruptcy or similar proceedings;

(x) that is a foreclosure, condemnation or any similar action with respect to any property or assets or a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind, including the unwinding of any Hedging Agreement in accordance with the terms thereof;

(xi) that is a disposition of Receivables Assets in connection with any Permitted Receivables Financing or the conversion or exchange of accounts receivable for notes receivable;

(xii) that is by the Company or a Restricted Subsidiary by way of lease or license in respect of land to a counterparty to which the Company or such Restricted Subsidiary, as applicable, provides services on that land in the ordinary course of business;

(xiii) [Reserved];

(xiv) that is a disposition of assets to a joint venture of the Company or any of its Restricted Subsidiaries; *provided* that (A) such disposition must be for fair consideration as determined in good faith by the Board of Directors or senior management of the Company and (B) the aggregate amount of the dispositions made to joint ventures pursuant to this clause (xiv) since the Issue Date, less the aggregate amount of cash, cash equivalents and Temporary Cash Investments received by the Company and its Restricted Subsidiaries in exchange for such dispositions, does not exceed the greater of (x) €475.0 million and (y) 5.00% of Total Assets at the time of (but prior to giving effect to) such disposition;

(xv) that is a disposition of an Investment in any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary or in any other joint venture to the extent required by, or made pursuant to, contractual buy/sell or similar arrangements between the equity holders of such Restricted Subsidiary or the joint venture parties set forth in the agreements relating to such Restricted Subsidiary or such other joint venture; *provided* that the relevant agreement resulted from *bona fide* arm's length negotiation at the time it was entered into;

(xvi) that is a grant of a Lien that is not prohibited by the covenant described in "*—Certain Covenants—Limitation on Liens*" or a disposition in connection with any such Lien;

(xvii) that is a grant of licenses to Intellectual Property Rights to third parties on an arm's length basis in the ordinary course of business;

(xviii) that is a lease, sublease, license, sublicense or other grant of rights to use or exploit, occupancy agreements in respect of or other assignments of, any property, including Intellectual Property Rights, in each case that does not, individually or in the aggregate, materially interfere with the business of the Company and the Restricted Subsidiaries, taken as a whole, as determined in good faith by the Board of Directors or senior management of the Company;

(xix) that is a disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or a Restricted Subsidiary) from which such Restricted Subsidiary was acquired, or from which such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or part of the consideration in respect of such acquisition;

(xx) that is a disposition of non-core assets (as determined, for the avoidance of doubt, by the Company in good faith) acquired in connection with any Acquisition or similar Investment; or

(xxi) that is a disposition made to comply with any order of any Governmental Authority or any applicable law.

In the event that a transaction (or a portion thereof) meets the definition of an Asset Sale or an exclusion from the definition of Asset Sale and would also be a Restricted Payment, Permitted Payment or Permitted Investment permitted hereunder, the Company, in its sole discretion, will be entitled to divide and classify such transaction (or such portion thereof) as an Asset Sale or an exclusion from an Asset Sale and/or one or more of the types of Restricted Payments, Permitted Payments or Permitted Investments, as the case may be, permitted hereunder.

"**Asset Sale Offer**" has the meaning provided in clause (c)(1) of the "*—Limitation on Sale of Assets*" covenant.

"**Attributable Debt**" means, with respect to any sale and leaseback transaction at the time of determination, the present value (discounted at the interest rate implicit in the lease determined in accordance with IFRS or, if not known, at the Company's incremental borrowing rate, as determined, for the avoidance of doubt, by the Company in good faith) of the total obligations of the lessee of the property subject to such lease for rental payments during the remaining term of the lease included in such sale and leaseback transaction, including any period for which such lease has been extended or may, at the option of the lessor, be extended, or until the earliest date on which the lessee may terminate such lease without penalty or upon payment of penalty (in which case the rental payments shall include such penalty), after excluding from such rental payments all amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water, utilities and similar charges.

"**Average Life**" means, as of the date of determination with respect to any Indebtedness, the quotient obtained by dividing:

(a) the sum of the products of:

(x) the number of years (calculated to the nearest one-twelfth) from the date of determination to the date or dates of each successive scheduled principal payment of such Indebtedness, multiplied by

(y) the amount of each such scheduled principal payment (with the amount of each such scheduled principal payment prior to the final maturity thereof to be determined disregarding the effect thereon of any prepayment made in respect of such Indebtedness), by

(b) the sum of all such principal payments.

"**Bankruptcy Law**" means (a) Title 11, United States Bankruptcy Code of 1978, as amended, or any successor thereto, (b) the England and Wales Insolvency Act 1986, as amended, or any successor thereto, (c) when it relates to a Luxembourg entity, administrative dissolution without liquidation (*dissolution administrative sans liquidation*), bankruptcy (*faillite*), insolvency, winding-up, liquidation, moratorium, suspension of payment (*sursis de paiement*), conciliation (*conciliation*), reorganisation procedure in the form of a mutual agreement (*réorganisation par accord amiable*), judicial reorganisation proceedings in the form of a mutual agreement (*réorganisation judiciaire par accord amiable*), a collective agreement (*réorganisation judiciaire par accord collectif*) or a transfer by court order (*réorganisation judiciaire par transfert par décision de justice*), fraudulent conveyance, general settlement with creditors, reorganisation or similar measures, orders or proceedings affecting the rights of creditors generally under the Luxembourg law dated 7 August 2023 on business preservation and the modernisation of the bankruptcy laws or (d) any other law of the United States, England and Wales or any other jurisdiction (or, in each case, any political subdivision thereof) relating to bankruptcy, insolvency, receivership, examinership, winding-up, liquidation, reorganization or relief of debtors or any amendment to, succession to or change in any such law.

"**Board of Directors**" means:

(a) with respect to a corporation, the board of directors (or analogous governing body) of such corporation or any committee thereof duly authorized to act on behalf of such board;

(b) with respect to a partnership, the board of directors (or analogous governing body) of such partnership or of the general partner of such partnership or, in each case, any committee thereof duly authorized to act on behalf of such board;

(c) with respect to a limited liability company (including a public limited company and a private limited company incorporated under the laws of England and Wales), the board of directors (or analogous governing body) of such company or of the managing member or members thereof, or any committee thereof duly authorized to act on behalf of such board, or the managing member or members thereof, or any controlling committee of managing members thereof; and

(d) with respect to any Person, the board or committee of such Person serving a similar function.

"**Building**" means a building or structure with at least two walls and a roof or any such building or structure in the course of construction.

"**Bund Rate**" means, as of any redemption date, the greater of (i) 0% and (ii) the rate per annum equal to the equivalent yield to maturity as of such redemption date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

(a) "**Comparable German Bund Issue**" means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to        , 2026, and that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then-outstanding principal amount of the Notes and of a maturity most nearly equal to        , 2026, *provided*, *however*, that, if the period from such redemption date to        , 2026, is less than one year, a fixed maturity of one year shall be used;

(b) "**Comparable German Bund Price**" means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(c) "**Reference German Bund Dealer**" means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith; and

(d) "**Reference German Bund Dealer Quotations**" means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt am Main, Germany time on the third business day in Germany preceding the relevant date.

"**Business Day**" means each day that is not a Saturday, Sunday or other day on which banking institutions in Luxembourg, London, United Kingdom, or New York, United States or any other place of payment under the Indenture are authorized or required by law or other governmental actions to remain closed; *provided*, *however*, that for any payments to be made in euro under the Indenture, such day shall also be a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer ("**TARGET**") payment system is open for the settlement of payments.

"**Capital Expenditures**" means any expenditure or obligations of the Financial Group in respect of expenditure (including any obligation in respect of the capital element of any finance lease or capital lease) for the acquisition of equipment, fixed assets, real property, intangible assets and other assets of a capital nature, or for the replacements or substitutions therefor or additions or improvements thereto, that in any such case have a useful life of more than one year, together, in any case, with costs incurred in connection therewith all as accounted for as capital expenditure.

"**Capital Lease Obligation**" of any Person means any obligation of such Person under any lease of (or other agreement conveying the right to use) real or personal property which, in accordance with IFRS, subject to paragraph (g) under the caption "*—Certain Calculations*", is required to be recorded as a capital lease obligation.

"**Capital Stock**" of any Person means any and all shares, interests, limited liability company interests, participations, rights in or other equivalents (however designated) of such Person's capital stock, partnership interests (whether general or limited), other equity interests and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, such Person and any rights (other than debt securities or other Indebtedness exchangeable or convertible into Capital Stock prior to the exchange or conversion thereof), warrants or options exchangeable for or convertible into such Capital Stock.

"**Cash Management Arrangements**" means any cash management, cash pooling or netting or setting off arrangements, any arrangements for the honoring of checks, drafts or similar instruments and any other treasury, depositary or similar services, including services with respect to commercial credit cards, stored value cards, purchasing cards, treasury management, check drawing and automated payment services (including depositary, overdraft, controlled disbursement, ACH transactions, return items, interstate depositary network services, Society for Worldwide Interbank Financial Telecommunication transfers, cash pooling and operational foreign exchange management), dealer incentive, supplier finance or similar programs, current account facilities and arrangements or services similar to any of the foregoing.

"**Change of Control**" means the occurrence of any of the following events:

(a) prior to the consummation of an initial Public Equity Offering, the Permitted Holders cease to be the "beneficial owners" (as defined in Rules 13d-3 and 13d-5 under the U.S. Exchange Act), directly or indirectly, of at least 50% of the total voting power represented by the outstanding Voting Stock of the Company (including, for the avoidance of doubt, any Surviving Entity of the Company as described under the caption "*—Consolidation, Merger and Sale of Assets—The Parent, the Parent Intermediate Holdcos and the Company*");

(b) on and after the consummation of an initial Public Equity Offering, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the U.S. Exchange Act), other than (i) the Permitted Holders, (ii) any employee benefit plan and/or any Person acting as the trustee, agent or other fiduciary or administrator therefor and (iii) any underwriter in connection with any Public Equity Offering, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the U.S. Exchange Act), directly or indirectly, of more than 50% of the total voting power represented by the outstanding Voting Stock of the Public Parent Holdco; *provided* that any Voting Stock of which any Permitted Holder is the "beneficial owner" (other than deemed beneficial ownership derived from membership in a "group") shall not be included in any Voting Stock of which any other "person" or "group" is the "beneficial owner", unless such "person" or "group" is not an Affiliate of a Permitted Holder and has the sole voting power with respect to such Voting Stock;

(c) the Company consolidates with or merges with or into any Person (other than any Restricted Subsidiary) or sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its Consolidated assets to any Person (other than any Restricted Subsidiary), or any Person (other than any Restricted Subsidiary) consolidates with or merges into or with the Company, in any such event pursuant to a transaction in which the outstanding Voting Stock of the Company is converted into or exchanged for cash, securities or other property, other than any such transaction where (i) the outstanding Voting Stock of the Company is converted into or exchanged for Voting Stock of the surviving Person and (ii) immediately after such transaction, no "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the U.S. Exchange Act), other than (A) the Permitted Holders, (B) any employee benefit plan and/or any Person acting as the trustee, agent or other fiduciary or administrator therefor and (C) any underwriter in connection with any Public Equity Offering, is the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the U.S. Exchange Act), directly or indirectly, of more than 50% of the total voting power represented by the outstanding Voting Stock of (1) prior to the consummation of an initial Public Equity Offering, the surviving Person or (2) on and after the consummation of an initial Public Equity Offering, the Public Parent Holdco; *provided* that any Voting Stock of which any Permitted Holder is the "beneficial owner" (other than deemed beneficial ownership derived from membership in a "group") shall not be included in any Voting Stock of which any other "person" or "group" is the "beneficial owner", unless such "person" or "group" is not an Affiliate of a Permitted Holder and has the sole voting power with respect to such Voting Stock; *provided* further that this clause (c) shall not apply to any such transaction that is consummated in accordance with the covenants described under the caption "*—Consolidation, Merger and Sale of Assets—The Parent, the Parent Intermediate Holdcos and the Company*" or "*—Consolidation, Merger and Sale of Assets—General*"; or

(d) on and after the consummation of an initial Public Equity Offering, the failure of the Company (including, for the avoidance of doubt, any Surviving Entity of the Company as described under the caption "*—Consolidation, Merger and Sale of Assets—The Parent, the Parent Intermediate Holdcos and the Company*") to be a direct or indirect Subsidiary of, and to be controlled (within the meaning of such term set forth in the definition of "Affiliate") by, the Public Parent Holdco.

"**Clearstream**" means Clearstream Banking, S.A.

"**Closing Date**" means May 4, 2012, the closing date under the Senior Secured Term Loans Agreement.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time. "**Collateral**" means the Initial Collateral and the Additional Collateral and all other rights, property and assets in which a security interest is granted or purported to be granted pursuant to any Security Document to secure the Notes or any Guarantee.

"**Commodity Price Protection Agreement**" means any forward contract, commodity swap, commodity option or other similar financial agreement or arrangement relating to, or the value of which is dependent upon, fluctuations in commodity prices.

"**Company**" means:

(a) Luxco I, until any designation is made in accordance with clause (b) below; or

(b) any other Subsidiary of the Parent (A) that guarantees (or, substantially concurrently with such designation, will guarantee, including as a result of the assumption of obligations referred to in clause (iii) below) the Notes and (B) is designated, as part of any Permitted Reorganization, by the then current Company to be the "Company" by written notice to the Trustee; *provided* that (i) such other Subsidiary is wholly owned by the Parent, (ii) the Issuer (unless the Issuer is the Company or such other Subsidiary) is a wholly owned direct or indirect Subsidiary of such other Subsidiary and (iii) such other Subsidiary expressly assumes the obligations of the Company under each of the Notes Documents to which the Company is a party pursuant to agreements reasonably satisfactory to the Trustee;

in each case, until a successor replaces such Person pursuant to the covenant described under the caption "*—Consolidation, Merger and Sale of Assets*", and thereafter (unless another Subsidiary of the Parent is designated in accordance with clause (b) of this definition), shall mean such successor. It is understood and agreed that any designation under clause (b) of this definition may be made concurrently with any designation under clause (b) of the definition of Parent, in which case the satisfaction of the requirements set forth in clause (b) of this definition shall be determined on a *pro forma* basis immediately after giving effect to each such designation.

In the event any other Subsidiary of the Parent is designated as the "Company" pursuant to and in accordance with the provisions of clause (b) above, upon the effectiveness of such designation the Subsidiary that was the Company immediately prior thereto shall cease to be the "Company" for all purposes of the Notes and the other Notes Documents.

"**Consolidated EBITDA**" of any Person means, for any period, the sum of (a) Consolidated Net Income (Loss) for such period of such Person and its Restricted Subsidiaries, *plus* (b) the sum of, in each case to the extent deducted (and not already added back) in computing Consolidated Net Income (Loss) for such period, Consolidated Interest Expense, Consolidated Income Tax Expense and Consolidated Non-Cash Charges for such period of such Person and its Restricted Subsidiaries, all determined in accordance with IFRS, *plus* (c) an adjustment for the amount of *pro forma* "run rate" effects of cost savings, operating expense reductions, synergies, operating improvements and commencement of or changes in operations (including "run rate" effects arising from any acquisition, construction, development or improvement of any plant, facility or other assets used or to be used in the business of the Company and its Restricted Subsidiaries) (collectively, "**Run Rate Adjustment**") (such adjustment to be calculated on a *pro forma* basis as though such cost savings, operating expense reductions, synergies and operating improvements had been realized, or such operations commenced or changed, on the first day of such period, but net of the actual amounts realized during such period) relating to Asset Sales, Acquisitions, Investments, dispositions, Capital Expenditures or other transactions, any restructurings or any cost saving initiatives, business optimization initiatives and other initiatives to the extent such effects are projected by the Parent in good faith to be realized by the Financial Group within 24 months after the consummation, adoption or implementation of the applicable transaction, event or initiative. For the avoidance of doubt, it is understood that in the event any item meets the criteria of more than one clause of the definition of "Consolidated EBITDA" and/or the definition of "Consolidated Net Income (Loss)", the classification of such item as among such clauses shall be determined by the Company in its sole discretion (but without duplication).

"**Consolidated Fixed Charge Coverage Ratio**" of any Person shall mean, for any period, the ratio of (a) Consolidated EBITDA for such period of such Person and its Restricted Subsidiaries to (b) the sum of Consolidated Interest Expense for such period of such Person and its Restricted Subsidiaries, *plus* cash dividends due (whether or not declared) on any Preferred Stock of such Person or its Restricted Subsidiaries paid or payable during such period to any Person (other than to a Financial Group Company or to a joint venture partner in a Financial Group Company), in each case after giving *pro forma* effect to:

(1) the incurrence of the Indebtedness giving rise to the need to make such calculation and (if applicable) the application of the net proceeds therefrom, including to refinance other Indebtedness, as if such Indebtedness was incurred, and the application of such proceeds occurred, on the first day of such period;

(2) the incurrence, repayment or retirement of any other Indebtedness by such Person and its Restricted Subsidiaries since the first day of such period as if such Indebtedness was incurred, repaid or retired at the beginning of such period; *provided*, *however*, that the *pro forma* calculation of Consolidated Interest Expense shall not give effect to (A) any Indebtedness incurred on the date of determination pursuant to paragraph (b) of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (other than subclause (x) of clause (18) of paragraph (b) thereof) and (B) any repayment or retirement

of any Indebtedness on the date of determination to the extent such repayment or retirement results from the proceeds of Indebtedness incurred pursuant to paragraph (b) of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (other than subclause (x) of clause (18) of paragraph (b) thereof);

(3) any acquisition or disposition by such Person and its Restricted Subsidiaries of any Person or any business or any assets out of the ordinary course of business, whether by merger, consolidation, amalgamation, stock purchase or sale or asset purchase or sale, and any related incurrence or repayment or retirement of Indebtedness, in each case since the first day of such period, assuming such acquisition or disposition had been consummated on the first day of such period;

*provided* that, in making any computation under clause (1), (2) or (3) above, the Consolidated Interest Expense attributable to interest on any Indebtedness computed on a *pro forma* basis and (x) bearing a floating interest rate shall be computed as if the rate in effect on the date of computation had been the applicable rate for the entire period and (y) which was not outstanding during the period for which the computation is being made but which bears, at the option of such Person, a fixed or floating rate of interest, shall be computed by applying at the option of such Person either the fixed or floating rate (in the case of clauses (x) and (y), taking into account any Interest Rate Agreement applicable to such Indebtedness for a period equal to the remaining term of such Interest Rate Agreement).

For purposes of this definition, whenever *pro forma* effect is to be given to any transaction or calculation, the *pro forma* calculations (including in respect of the Run Rate Adjustment) will be as determined in good faith by a responsible financial or accounting officer of the Parent.

"**Consolidated Income Tax Expense**" of any Person means, for any period, the provision for federal, national, state and local income taxes of the United States, the United Kingdom or any other jurisdiction of such Person and its Restricted Subsidiaries for such period, determined on a Consolidated basis in accordance with IFRS.

"**Consolidated Interest Expense**" of any Person means, without duplication, for any period, the sum of:

(a) the interest expense (net of interest income) of such Person and its Restricted Subsidiaries for such period, determined on a Consolidated basis in accordance with IFRS, excluding any debt issuance costs and currency translation differences, and in each case any amortization thereof, and any interest expense on employee benefit liabilities, but including (to the extent included in such interest expense):

(1) amortization of debt discount;

(2) the net costs associated with Interest Rate Agreements and, to the extent relating to Indebtedness, Currency Hedging Agreements (but excluding, for the avoidance of doubt, net costs associated with any other Hedging Agreements);

(3) the interest portion of any deferred payment obligation;

(4) all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers acceptance financing; and

(5) accrued interest; plus

(b) the interest component of the Capital Lease Obligations accrued by such Person and its Restricted Subsidiaries during such period, determined on a Consolidated basis in accordance with IFRS; *plus*

(c) the interest expense under any Guaranteed Debt of such Person or any of its Restricted Subsidiaries (other than in respect of any Indebtedness of such Person or any of its Restricted Subsidiaries) to the extent not included under clause (a) above (and excluding any debt issuance costs and currency translation differences, and in each case any amortization thereof, and any interest expense on employee benefit liabilities), to the extent paid by such Person or its Restricted Subsidiaries during such period.

"**Consolidated Net Income (Loss)**" of any Person means, for any period, the net income (or loss) of such Person and its Restricted Subsidiaries for such period determined on a Consolidated basis in accordance with IFRS, adjusted, to the extent included (or, in the case of lost profits referred to in clause (o) below, not included) in calculating such net income (or loss), to exclude (or, in the case of lost profits referred to in clause (o) below, to include), without duplication:

(a) all extraordinary or exceptional (as determined, for the avoidance of doubt, by the Company in good faith) gains or charges, losses or expenses, net of taxes;

(b) the portion of net income (or loss) of such Person and its Restricted Subsidiaries on a Consolidated basis attributable to interests in unconsolidated Persons or Unrestricted Subsidiaries, except to the extent that cash dividends or distributions have actually been received by such Person or any of its Restricted Subsidiaries (it being understood and agreed that the full amount of such cash dividends and distributions received in any period shall be included in Consolidated Net Income for such period); *provided* that, in the case of any increase in net income (or any decrease in net loss) of such Person and its Restricted Subsidiaries on a Consolidated basis attributable to interests in any unconsolidated Person, this clause (b) shall not apply to the extent the aggregate amount of such increase (or such decrease) attributable to interests in all unconsolidated Persons does not exceed for such period €10,000,000;

(c) net income (or loss) of any Person combined with such Person or any of its Restricted Subsidiaries on a "pooling of interests" basis attributable to any period prior to the date of combination;

(d) (i) any gain or charge, loss or expense, net of taxes, realized upon the termination or modification of any employee benefit plan or (ii) any non-cash interest expense on employee benefit liabilities, net of any non-cash interest income on defined benefit pension plan assets;

(e) (i) any charge, loss or expense attributable to any disposed, divested and/or discontinued operations or (ii) any gain or charge, loss or expense, net of taxes, in respect of dispositions, divestitures or discontinuation of assets or operations other than in the ordinary course of business;

(f) the net income of any Restricted Subsidiary to the extent that the declaration of dividends or similar distributions by such Restricted Subsidiary of that income is not at the time permitted, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary or its shareholders, in each case, other than by encumbrances and restrictions which are not prohibited by the covenant described under "*—Certain Covenants—Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*";

(g) the amount of any deduction attributable to non-controlling interests in any non-wholly owned Restricted Subsidiary of such Person;

(h) any net gain or charge, loss or expense arising from the acquisition of any securities or from early extinguishment of any Indebtedness or early termination of any Hedging Agreement, including any charge, loss or expense with respect to any write-off or amortization of any deferred financing costs and/or premiums paid;

(i) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards;

(j) any charges, losses or expenses attributable to the undertaking and/or implementation of restructurings, cost savings initiatives, operating improvements, business optimization initiatives and similar initiatives, including (i) charges, losses and expenses in connection with any integration, any reconfiguration of fixed assets for alternative uses, any construction, development or improvement of any assets, any opening, closure or consolidation of any operations, any project startup or any other strategic initiative, (ii) systems implementation costs and (iii) any severance costs and any retention or completion bonuses;

(k) (i) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of such Person or any of its Restricted Subsidiaries,

(ii) any unrealized foreign currency gains or losses relating to translation of assets and liabilities denominated in foreign currencies and (iii) any unrealized gains or losses arising from changes in the fair value of Hedging Obligations;

(l) the impact of capitalized or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding;

(m) (i) without limiting any addback pursuant to any other clause of this definition, Consolidated Non-Cash Charges (other than depreciation of fixed assets), including any non-cash charges, losses or expenses arising from any write-off and/or write-down of assets, including any impairment charge, or any amortization of goodwill or other intangible assets (but not depreciation of fixed assets), or (ii) any non-cash gain on revaluation of assets;

(n) the cumulative effect of a change (whether effected through cumulative effect adjustment or retroactive application) in, or the adoption or modification of, accounting principles or policies in accordance with IFRS which affect Consolidated Net Income (Loss);

(o) charges, losses, expenses and lost profits (as determined in good faith by the responsible financial or accounting officer of the Parent) to the extent covered by insurance or third-party indemnity or similar arrangements, including any indemnification provisions in connection with any Acquisition or any disposition of assets and, in the case of lost profits, any business interruption insurance, in each case, to extent that (i) such amounts are actually reimbursed or (ii) coverage has not been denied in writing by the applicable insurer or indemnitor and the Parent has made a determination that there exists reasonable evidence that such amounts will in fact be reimbursed by the applicable insurer or indemnitor within 365 days of such determination (with a deduction for any amount so added back to the extent not so reimbursed within 365 days);

(p) (i) any gains or charges, losses or expenses relating to contingent or deferred consideration payable by such Person or its Restricted Subsidiaries in connection with any Acquisition or similar Investment for such period, including any gains or charges, losses or expenses arising from changes in the fair value of such contingent or deferred consideration, (ii) the amount of incremental amortization or depreciation arising as a result of any adjustments to inventory, equipment and other assets arising as a result of the consummation of, and any other expense, loss or other charge arising from other accounting effects of the consummation of, any Acquisition or similar Investment and (iii) any charge, loss or expense that is established, adjusted and/or incurred, as applicable, within 12 months after the closing of any Acquisition or similar Investment that is required to be established, adjusted or incurred, as applicable, as a result of such Acquisition or Investment in accordance with IFRS;

(q) any charge, loss or expense (including non-cash charges) relating to any Permitted Reorganization, including the amount of incremental amortization or depreciation arising as a result of any adjustments to inventory, equipment and other assets arising as a result of the consummation of, and any other charge, loss or expense arising from other accounting effects of the consummation of, such Permitted Reorganization; and

(r) any charge, loss or expense (including non-cash charges) relating to the Financing Transactions.

"**Consolidated Net Senior Secured Leverage Ratio**" of any Person means, as at any date of determination, the ratio of (a)(i) the Funded Indebtedness of such Person and its Restricted Subsidiaries but only to the extent constituting Senior Secured Indebtedness, determined on a Consolidated basis in accordance with IFRS, as of such date, minus (ii) the aggregate amount of cash, cash equivalents and Temporary Cash Investments (which, in each case, for purposes of this definition shall only include amounts restricted in favor of any such Indebtedness or amounts which are unrestricted, but shall not include proceeds of any incurrence of Indebtedness with respect to which the calculation is then being made) of such Person and its Restricted Subsidiaries, determined on a Consolidated basis in accordance with IFRS, as of such date, to (b) the Consolidated EBITDA of such Person and its Restricted Subsidiaries for the period of four most recent full fiscal quarters for which financial statements are available, in each case after giving *pro forma* effect to:

(i) the incurrence of the Indebtedness giving rise to the need to make such calculation and (if applicable) the application of the net proceeds therefrom, including to refinance other Indebtedness, as if such Indebtedness was incurred, and the application of such proceeds occurred, on the first day of such period;

(ii) the incurrence, repayment or retirement of any other Indebtedness by such Person and its Restricted Subsidiaries since the first day of such period as if such Indebtedness was incurred, repaid or retired at the beginning of such period, *provided*, *however*, that the *pro forma* calculation of Consolidated Net Senior Secured Leverage Ratio shall not give effect to (A) any Indebtedness incurred on the date of determination pursuant to paragraph (b) of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (other than clause (1)(B) or clause (18)(y) of such paragraph or, to the extent such Indebtedness is Senior Secured Indebtedness and is incurred in reliance on clause (m) of the definition of Permitted Collateral Liens, clause (18)(x) of such paragraph) and (B) any repayment or retirement of any Indebtedness on the date of determination to the extent such repayment or retirement results from the proceeds of Indebtedness incurred pursuant to paragraph (b) of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*" (other than clause (1)(B) or clause (18)(y) of such paragraph or, to the extent such Indebtedness is Senior Secured Indebtedness and is incurred in reliance on clause (m) of the definition of Permitted Collateral Liens, clause (18)(x) of such paragraph); and

(iii) any acquisition or disposition by such Person and its Restricted Subsidiaries of any Person or any business or any assets out of the ordinary course of business, whether by merger, consolidation, amalgamation, stock purchase or sale or asset purchase or sale, and any related incurrence or repayment or retirement of Indebtedness, in each case since the first day of such period, assuming such acquisition or disposition had been consummated on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to any transaction or calculation, the *pro forma* calculations (including in respect of the Run Rate Adjustment) will be as determined in good faith by a responsible financial or accounting officer of the Parent.

"**Consolidated Net Total Leverage Ratio**" of any Person means, as at any date of determination, the ratio of (a)(i) the Funded Indebtedness of such Person and its Restricted Subsidiaries, determined on a Consolidated basis in accordance with IFRS, as of such date, minus (ii) the aggregate amount of cash, cash equivalents and Temporary Cash Investments (which, in each case, for purposes of this definition shall only include amounts restricted in favor of any such Indebtedness or amounts which are unrestricted, but shall not include proceeds of any incurrence of Indebtedness with respect to which the calculation is then being made) of such Person and its Restricted Subsidiaries, determined on a Consolidated basis in accordance with IFRS, as of such date, to (b) the Consolidated EBITDA of such Person and its Restricted Subsidiaries for the period of four most recent full fiscal quarters for which financial statements are available, in each case after giving *pro forma* effect to:

(i) the incurrence of any Indebtedness incurred in connection with a transaction giving rise to the need to make such calculation and (if applicable) the application of the net proceeds therefrom, including to refinance other Indebtedness, as if such Indebtedness was incurred, and the application of such proceeds occurred, on the first day of such period;

(ii) the incurrence, repayment or retirement of any other Indebtedness by such Person and its Restricted Subsidiaries since the first day of such period as if such Indebtedness was incurred, repaid or retired at the beginning of such period; and

(iii) any acquisition or disposition by such Person and its Restricted Subsidiaries of any Person or any business or any assets out of the ordinary course of business, whether by merger, consolidation, amalgamation, stock purchase or sale or asset purchase or sale, and any related incurrence or repayment or retirement of Indebtedness, in each case since the first day of such period, assuming such acquisition or disposition had been consummated on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to any transaction or calculation, the *pro forma* calculations (including in respect of the Run Rate Adjustment) will be as determined in good faith by a responsible financial or accounting officer of the Parent.

"**Consolidated Non-Cash Charges**" of any Person means, for any period, the aggregate depreciation, amortization and other non-cash charges, losses or expenses of such Person and its Restricted Subsidiaries on a Consolidated basis for such period, as determined in accordance with IFRS (excluding any non-cash charge, loss or expense which represents an accrual or reserve for cash payments in any future period).

"**Consolidation**" means, with respect to any Person, the consolidation of the accounts of such Person and each of its Subsidiaries (or, to the extent specified herein, its Restricted Subsidiaries) if and to the extent the accounts of such Subsidiary would be required to be consolidated with those of such Person in accordance with IFRS. The term "**Consolidated**" shall have a similar meaning.

"**Credit Facilities**" means one or more debt facilities (including debt facilities made available under, or in accordance with, the Senior Secured Term Loans Agreement) or commercial paper facilities, credit facility agreements, notes, bonds, debentures, indentures, trust deeds, fiscal agency agreements, note purchase agreements, debt instruments or arrangements with banks, insurance companies or other institutional lenders or investors providing for revolving credit loans, term loans, receivables financing (including through the sale or factoring of receivables to such lenders or investors or to special purpose entities formed to borrow from or issue securities to such lenders against such receivables), letters of credit or other forms of guarantees and assurances, notes, bonds, debentures, indentures, trust deeds, fiscal agency agreements, note purchase agreements, debt instruments or other indebtedness, including overdrafts, in each case, as amended, restated, modified, renewed, refunded, replaced, refinanced, increased or extended in whole or in part from time to time, and whether or not with the original administrative agent and lenders or another administrative agent or agents or trustee or trustees or fiscal agents or agents or other banks or other institutional lenders or investors and whether provided under the Senior Secured Term Loans Agreement or one or more other credit agreements or financing agreements or indentures or trust deeds or fiscal agency agreements or note purchase agreements or other debt instruments and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes, bonds, debentures and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "**Credit Facility**" shall include any agreement or instrument (a) changing the maturity of any Indebtedness incurred thereunder or contemplated thereby, (b) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (c) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder or (d) otherwise altering the terms and conditions thereof.

"**Currency Hedging Agreements**" means any foreign exchange contracts, currency swap agreements or other similar agreements or arrangements designed to protect against fluctuations in currency values.

"**Declined Proceeds**" means the share of any mandatory prepayment required to be made under the Senior Secured Term Loans Agreement rejected by any lenders thereunder pursuant to the terms thereof.

"**Default**" means any event, act or condition that with notice or lapse of time, or both, unless cured or waived, would constitute an Event of Default.

"**Designated Non-Cash Consideration**" means the Fair Market Value of non-cash consideration received by the Company or any of its Restricted Subsidiaries in connection with an Asset Sale that is designated as "Designated Non-Cash Consideration" by the Company, less the amount of cash, cash equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed, retired, sold or otherwise disposed of in compliance with the covenant described under "*—Certain Covenants—Limitation on Sale of Assets*".

"**Designation**" has the meaning provided under the "*—Limitation on Unrestricted Subsidiaries*" covenant.

"**Designation Amount**" has the meaning provided under the "*—Limitation on Unrestricted Subsidiaries*" covenant.

"**Disinterested Director**" means with respect to any transaction or series of related transactions, a member of the Board of Directors of the Company or IHL, as the context requires, who does not have any material direct or indirect financial interest in or with respect to such transaction or series of related transactions. A member of the Board of Directors of the Company or IHL, as the case may be, shall not be deemed to have such a financial interest by reason of such member's holding Capital Stock of the Company, IHL, any Parent Holdco or any Financing Subsidiary or any options, warrants or other rights in respect of such Capital Stock.

"**Dollars**", "**US$**" or "**$**" means dollars in lawful currency of the United States of America.

"**Dollar Initial Purchasers**" are Barclays Capital Inc.; Crédit Agricole Corporate and Investment Bank; Deutsche Bank AG, London Branch; Goldman Sachs Bank Europe SE; J.P. Morgan Securities LLC; Santander US Capital Markets LLC; ABN AMRO Capital Markets (USA) LLC; Commerz Markets LLC; Landesbank Hessen-Thüringen Girozentrale; ING Bank N.V., London Branch; Intesa Sanpaolo IMI Securities Corp.; KBC Bank NV; Lloyds Bank Corporate Markets plc; and NatWest Markets Plc.

"**Dollar Notes**" are to the $ % Senior Secured Notes due 2029 offered hereby.

"**Dollar Notes Proceeds Loan**" means the loan of the gross proceeds of the Dollar Notes issued on the Issue Date pursuant to the Dollar Notes Proceeds Loan Agreement and all loans directly or indirectly replacing or refinancing such loan or any portion thereof.

"**Dollar Notes Proceeds Loan Agreement**" means that certain loan agreement made as of the Issue Date by and among IHL, as borrower, and the Issuer, as lender with respect to the Dollar Notes Proceeds Loan.

"**DTC**" means The Depository Trust Company.

"**EEA Member Country**" means any of the member states of the European Union, Iceland, Liechtenstein and Norway.

"**Escrow Indebtedness**" means Indebtedness that is initially incurred by a Person that is not the Company or a Restricted Subsidiary and the proceeds of which are initially funded and held in escrow pending such Person becoming a Restricted Subsidiary or transferring its assets to, or merging, consolidating or amalgamating with, the Company or a Restricted Subsidiary.

"**Escrowed Proceeds**" means the proceeds from the issuance of any debt securities or incurrence of any other Indebtedness paid into any escrow account on the date of the applicable issuance or incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events, together with any cash, cash equivalents or Temporary Cash Investments paid into such escrow account to prefund the payment of interest, premiums, make-whole amounts, fees, costs or other expenses on such debt securities or such other Indebtedness. The term "**Escrowed Proceeds**" shall include any such escrow account and all funds, securities, interest, dividends, distributions and other property and payments deposited into or credited to such escrow account.

"**Euro**" or "**€**" means the single currency of Participating Member States of the European Union.

"**Euro Equivalent**" means (a) with respect to any amount in Euro, such amount and (b) with respect to any amount in a currency other than Euro, as of any date, the amount of Euro obtained by translating such other currency into Euro at the spot rate for the purchase of Euro with the applicable other currency as published in *The Financial Times* (or, if *The Financial Times* is no longer published, or if such information is no longer available in *The Financial Times*, a comparable source as may be selected in good faith by the Company) on or about the date of determination of such Euro Equivalent.

"**Euro Initial Purchasers**" are Barclays Bank PLC; Crédit Agricole Corporate and Investment Bank; Deutsche Bank AG, London Branch; Goldman Sachs Bank Europe SE; J. P. Morgan Securities plc; Banco Santander, S.A.; ABN AMRO Bank N.V.; Commerzbank Aktiengesellschaft; Landesbank Hessen-Thüringen Girozentrale; ING Bank N.V., London Branch; Intesa Sanpaolo S.p.A., London Branch; KBC Bank NV; Lloyds Bank Corporate Markets plc; and NatWest Markets Plc.

"**Euro Notes**" are to the € % Senior Secured Notes due 2029 offered hereby.

"**Euro Notes Proceeds Loan**" means the loan of the gross proceeds of the Euro Notes issued on the Issue Date pursuant to the Euro Notes Proceeds Loan Agreement and all loans directly or indirectly replacing or refinancing such loan or any portion thereof.

"**Euro Notes Proceeds Loan Agreement**" means that certain loan agreement made as of the Issue Date by and among IHL, as borrower, and the Issuer, as lender with respect to the Euro Notes Proceeds Loan.

"**Euroclear**" means Euroclear Bank SA/NV.

"**European Government Obligations**" means direct obligations (or certificates representing an ownership interest in such obligations) of a member state of the European Union (including any agent or instrumentality thereof) for the payment of which the full faith and credit of such government is given.

"**Event of Default**" has the meaning provided under the caption "*—Events of Default*".

**"Excess Proceeds**" has the meaning provided under the "*—Limitation on Sale of Assets*" covenant.

"**Excluded Buildings**" means any Buildings located in Special Flood Hazard Areas.

"**Excluded Jurisdiction**" means any of Bermuda, Brazil, China, the Czech Republic, France, Hong Kong, India, Indonesia, Italy, Jordan, Malaysia, Mexico, Norway, Poland, Romania, Saudi Arabia, Singapore, South Korea, Spain, Sweden, Taiwan, Trinidad and Tobago and Turkey.

"**Excluded Property**" has the meaning provided under clause (a)(e) of "*—Brief Description of the Notes, the Guarantees and the Security—Security—Security Principles*".

"**Fair Market Value**" means, with respect to any asset or property, the fair market value thereof, as determined by the Company in good faith, and may be conclusively established by means of an Officer's Certificate of the Company or a resolution of the Board of Directors of the Company delivered to the Trustee, in each case, setting forth such fair market value as so determined.

"**FEMA**" means the Federal Emergency Management Agency.

"**Financial Group**" means the Parent, the Company and its Restricted Subsidiaries from time to time.

"**Financial Group Company**" means a member of the Financial Group.

"**Financing Subsidiary**" means a financing Subsidiary of any Parent Holdco that is not a Parent

Intermediate Holdco, the Company or a Restricted Subsidiary.

"**Financing Transactions**" means, collectively, the issuance of the Notes, the making or repayment of any SFA Loans, the transactions contemplated by the Notes Documents, any incurrence or repayment, redemption, defeasance or other satisfaction (in whatever form) of any other Indebtedness and the payment of related fees and expenses with respect to the foregoing.

"**Fitch**" means Fitch Ratings, and any successor to its rating agency business.

"**Funded Indebtedness**" means Indebtedness of the type referred to in clauses (a), (b), (c) (solely with respect to Indebtedness in respect of drawings under letters of credit that have not been reimbursed), (d), (e), (g) and (j) of the definition of such term; *provided* that, to the extent otherwise included therein, Funded Indebtedness shall not include any Indebtedness in respect of any Cash Management Arrangements or any Hedging Agreements; *provided further* that Indebtedness of the type referred to in clauses (d) and (e) of the definition of such term shall constitute Funded Indebtedness only if such Indebtedness would be reflected as financial indebtedness (or a similar line item) on the Parent's Consolidated balance sheet prepared in accordance with IFRS.

"**Governmental Authority**" means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

"**Grangemouth Business**" means the petrochemicals business and assets transferred to INEOS Grangemouth Limited (formerly INEOS Grangemouth plc) pursuant to the Grangemouth Divestiture.

"**Grangemouth Divestiture**" means the disposition by the Restricted Group of INEOS Chemicals Grangemouth Limited and INEOS Commercial Services UK Limited, which include the assets, liabilities (including pension liabilities) and business of the Grangemouth petrochemical operations, to INEOS Grangemouth Limited (formerly INEOS Grangemouth plc) with effect from October 1, 2013.

"**Grangemouth Entity**" means any Person that conducts the Grangemouth Business or owns, directly or indirectly, any Capital Stock in any other Person that conducts the Grangemouth Business.

"**Guarantee**" means the guarantee by any Guarantor of the Notes.

"**Guaranteed Debt**" of any Person means, without duplication, all Indebtedness of any other Person (the "**debtor**") guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement:

(a) to pay or purchase such Indebtedness or to advance or supply funds for the payment or purchase of such Indebtedness;

(b) to purchase property or services primarily for the purpose of enabling the debtor to make payment of such Indebtedness or to assure the holder of such Indebtedness against loss;

(c) to supply funds to, or in any other manner invest in, the debtor (including any agreement to pay for property or services without requiring that such property be received or such services be rendered);

(d) to maintain working capital or equity capital of the debtor, or otherwise to maintain the net worth, solvency or other financial condition of the debtor or to cause such debtor to achieve certain levels of financial performance; or

(e) otherwise to assure the holder of such Indebtedness against loss;

*provided* that the term "**Guaranteed Debt**" shall not include (i) endorsements for collection or deposit, in either case in the ordinary course of business or (ii) any liability owing to customers or suppliers in respect of volume offtake, transportation or capacity reservation arrangements (including pursuant to take-or-pay arrangements) or forward purchase arrangements.

"**Guarantors**" means (i) the Initial Guarantors, (ii) the Subsequent Guarantors and (iii) any other Person that otherwise provides a Guarantee of the Notes after the Issue Date, in each case until (x) the Guarantee of such Person has been released in accordance with the provisions of the Indenture or (y) a successor replaces such Person pursuant to the applicable provisions of the Indenture and, thereafter (until the Guarantee of such successor has been so released), shall mean such successor.

"**Hedge Counterparties**" has the meaning set forth in the Intercreditor Deed.

"**Hedging Agreements**" means any Interest Rate Agreements, Currency Hedging Agreements or Commodity Price Protection Agreements.

"**Hedging Obligations**" means, with respect to any Person, the obligations of such Person under any Hedging Agreement.

"**High Yield Documents**" shall have the meaning provided in the Intercreditor Deed. "**High Yield Notes**" shall have the meaning provided in the Intercreditor Deed.

"**High Yield Notes Shared Collateral**" means (a) any High Yield Proceeds Loan and any other Proceeds Loan arising from the lending of proceeds of Indebtedness of any Parent Holdco and (b) the Capital Stock of IHL, the Company or any Parent Intermediate Holdco.

"**High Yield Proceeds Loan**" shall have the meaning provided in the Intercreditor Deed.

"**High Yield Proceeds Loan Agreement**" shall have the meaning provided in the Intercreditor Deed. "**IFRS**" means, subject to paragraph (g) under the caption "*—Certain Calculations*", the accounting standards issued by the International Accounting Standards Board and its predecessors, as adopted by the European Union or the United Kingdom, as in effect from time to time.

"**IHL**" means INEOS Holdings Limited, a company incorporated under the laws of England and Wales with registered number 4215887, until a successor replaces such Person pursuant to the covenant described under the caption "*—Consolidation, Merger and Sale of Assets*", and thereafter means such successor.

"**Immaterial Subsidiary**" means a Subsidiary which has not traded or has ceased trading and which does not own assets or have liabilities, in either case with an aggregate value greater than €1.0 million (or its equivalent); *provided* that any asset or liability which consists solely of a claim by a Subsidiary upon another Subsidiary where but for that asset or liability, both Subsidiaries would be Immaterial Subsidiaries under this definition shall be disregarded.

"**incur**" has the meaning provided in paragraph (a) of "*—Certain Covenants—Limitation on Indebtedness*".

"**Indebtedness**" means, with respect to any Person, without duplication:

(a) the principal amount of all indebtedness of such Person for borrowed money;

(b) the principal amount of all obligations of such Person evidenced by bonds, notes, debentures or other similar instruments;

(c) all obligations, contingent or otherwise, of such Person in respect of any letters of credit issued under letter of credit facilities, acceptance facilities or other similar facilities (including reimbursement obligations with respect thereto, except to the extent such reimbursement obligations relate to a trade payable and such obligation is satisfied no later than 30 days following receipt by such Person of a demand for such reimbursement);

(d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade payables arising in the ordinary course of business (it being agreed that the amount of Indebtedness under this clause (d) will be the lesser of (i) the Fair Market Value of such property at the date of determination and (ii) the amount of such indebtedness);

(e) the principal component of all obligations of such Person to pay the deferred purchase price of property or services, excluding (i) any obligations owing to customers or suppliers in respect of volume offtake, transportation or capacity reservation arrangements (including pursuant to take-or-pay arrangements) or forward purchase arrangements and any trade payables or other accrued current liabilities arising in the ordinary course of business and (ii) any guarantees of any obligations referred to in clause (i);

(f) all obligations under Hedging Agreements of such Person (the amount of any such obligations to be equal at any time to the termination value of the applicable Hedging Agreement giving rise to such obligation that would be payable by such Person at such time, giving effect to any netting arrangements);

(g) all Capital Lease Obligations of such Person;

(h) all obligations referred to in clauses (a) through (g) above of other Persons (but only to the extent such obligations constitute Indebtedness) the payment of which is secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on any property (including accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness (it being agreed that the amount of Indebtedness under this clause (h) will be the lesser of (i) the Fair Market Value of such property at the date of determination and (ii) the amount of such Indebtedness of such other Person);

(i) all Guaranteed Debt of such Person; and

(j) all Attributable Debt of such Person.

Notwithstanding the foregoing, and where applicable, for the avoidance of doubt, the term "**Indebtedness**" shall not include:

(i) Subordinated Shareholder Funding;

(ii) any lease of (or other agreement conveying the right to use) property (or guarantee thereof) which would be considered an operating lease under IFRS as in effect on January 1, 2018;

(iii) contingent obligations incurred in the ordinary course of business;

(iv) in connection with any Acquisition by the Parent or any of its Restricted Subsidiaries, any earnout, indemnity or other contingent obligation or any purchase price adjustment, in each case, until such obligation (A) becomes fixed and determined and (B) has not been paid within 30 days after becoming due and payable (it being understood, for the avoidance of doubt, that any such obligation or adjustment that is subject to a good faith ongoing dispute by the Parent or any of its Restricted Subsidiaries shall not be deemed fixed or determined, or due and payable, pending the settlement or other resolution of such dispute);

(v) deferred compensation payable to directors, officers, employees or consultants and any obligations in respect of workers' compensation claims, early retirement obligations, pension fund obligations or contributions or social security or wage Taxes;

(vi) deferred or prepaid revenues;

(vii) prepayments or deposits received from clients or customers in the ordinary course of business;

(viii) obligations under any license, permit or other approval (or guarantees given in respect of such obligations) incurred prior to the Issue Date or in the ordinary course of business;

(ix) accrued expenses and trade payables (including non-interest bearing installment obligations and accrued liabilities or forward purchase agreements incurred in the ordinary course of business that are not more than 120 days past due);

(x) obligations in respect of performance, completion, surety, Tax, appeal, judgment, advance payment, customs or VAT bonds, guarantees or similar instruments provided by the Parent or any of its Restricted Subsidiaries in the ordinary course of business;

(xi) obligations in respect of letters of credit and bank guarantees provided by the Parent or any of its Restricted Subsidiaries in the ordinary course of business, to the extent such letters of credit or bank guarantees are not drawn upon or, if and to the extent drawn upon, are reimbursed no later than 30 days following receipt by such Person of a demand for reimbursement following such drawing;

(xii) any indebtedness to the extent that, upon or prior to the maturity thereof, cash, cash equivalents or Temporary Cash Investments shall have been irrevocably deposited with the applicable agent, trustee or other proper Person in trust or escrow for the benefit of the holders of such indebtedness for the payment, prepayment, redemption, discharge or other satisfaction of such indebtedness and such cash, cash equivalents or Temporary Cash Investments shall be sufficient to pay, prepay, redeem, discharge or otherwise satisfy such indebtedness, together with all accrued interest, fees, and other amounts, in full; or

(xiii) indebtedness incurred by the Parent or any of its Restricted Subsidiaries in connection with a transaction where (A) such indebtedness is borrowed from a bank or trust company, having a combined capital and surplus and undivided profits of not less than €250.0 million and whose debt has a rating immediately prior to the time such transaction is entered into of at least BBB− or the equivalent thereof by S&P and Baa3 or the equivalent thereof by Moody's and (B) a substantially concurrent Investment is made by the Parent or any of its Restricted Subsidiaries in the form of cash deposited with the lender of such indebtedness, or a Subsidiary or Affiliate thereof, in an amount equal to such indebtedness.

"**INEOS Belgium**" means INEOS Olefins Belgium NV (formerly, INEOS Manufacturing Belgium II NV) (including, for the avoidance of doubt, its successors and assigns) and its Subsidiaries, if any.

"**INEOS Capital**" means the Permitted Holders and any Person controlled by any of them that controls the Parent.

"**Infrastructure Entity**" means a joint venture between a Refining/Entrepreneurial Entity and an Affiliate of the Company for, among other things, the provision of power, terminal access and other infrastructure goods and services to the Refining/Entrepreneurial Entities, the Company or the Restricted Subsidiaries, and the Subsidiaries of any such joint venture.

"**Initial Collateral**" means the assets and property on which Liens are granted pursuant to the Security Documents entered into on the Issue Date.

"**Initial Guarantors**" means INEOS Americas LLC, INEOS Belgium Holdco SA, INEOS Belgium NV, INEOS Chocolate Bayou Pipeline LLC, INEOS Deutschland GmbH, INEOS Deutschland Holding GmbH, INEOS Europe AG, INEOS European Holdings Limited, INEOS Feluy SA, INEOS Finance

Company 3 Limited, INEOS Fluor Holdings Limited, INEOS Fluor Limited, INEOS Group AG, the Parent, INEOS Holdings (Investments) Limited, INEOS Holdings International Limited, INEOS Holdings Limited, INEOS Holdings Norge AS, INEOS Investment Holdings (Germany) Limited, INEOS Investments International Limited, INEOS Jersey Limited, INEOS Köln Beteiligungs GmbH & Co. KG, INEOS Köln GmbH, INEOS Köln Verwaltungs GmbH, INEOS LLC, INEOS Luxembourg I S.A., INEOS Luxembourg II S.A., INEOS Manufacturing (Hull) Limited, INEOS Manufacturing Belgium NV, INEOS Manufacturing Deutschland GmbH, INEOS Nitriles USA LLC, INEOS NV, INEOS Oligomers USA LLC, INEOS Oxide Limited, INEOS Phenol Belgium NV, INEOS Phenol GmbH, INEOS Phenol Verwaltungsgesellschaft mbH, INEOS Polypropylene LLC, INEOS Sales (UK) Limited, INEOS Silicas Holdings Limited, INEOS Silicas Limited, INEOS Singapore Pte. Ltd., INEOS Technologies Americas LLC, INEOS Technologies USA LLC, INEOS US Finance LLC, INEOS US I Inc., INEOS USA LLC and INEOS USA Manufacturing LLC.

"**Initial Purchasers**" means the Euro Initial Purchasers and the Dollar Initial Purchasers.

"**Intellectual Property**" means the Intellectual Property Rights owned or used by any Restricted Group Company throughout the world or the interests of any Restricted Group Company in any such Intellectual Property Rights, together with the benefit of all agreements entered into or the benefit of which is enjoyed by any Restricted Group Company relating to the use or exploitation of any such Intellectual Property Rights.

"**Intellectual Property Rights**" means all patents and patent applications, trade and service marks and trade and service mark applications (and all goodwill associated with any such registrations and applications), all brand and trade names, all copyrights and rights in the nature of copyright, all design rights, all registered designs and applications for registered designs, all inventions, all trade secrets, all know-how and all other intellectual property rights throughout the world.

"**Intercreditor Deed**" means the intercreditor deed, dated May 12, 2010, between, among others, the Parent, the Issuer, the other Guarantors and the Security Trustee, as amended, restated, supplemented or otherwise modified from time to time to which the Trustee will accede on the Issue Date and, to the extent applicable, any other intercreditor agreement entered into that is permitted under "*Certain Covenants—Intercreditor Deed; Additional Intercreditor Agreements*".

"**Interest Rate Agreements**" means any interest rate protection agreements (including interest rate swaps, caps, floors, collars and similar agreements) and any interest rate hedging agreements of any other type.

"**Investment**" means, with respect to any Person, directly or indirectly, any advance, loan or other extension of credit (including guarantees) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities issued by any other Person; *provided* that:

(a) Hedging Obligations entered into for bona fide business purposes (including any commodity trading or commodity risk management business) and not for speculative purposes, as determined in good faith by the Board of Directors or senior management of the Company;

(b) endorsements of negotiable instruments and documents in the ordinary course of business;

(c) any advances, loans or other extensions of credit to customers or suppliers in the ordinary course of business; and

(d) any liability owing to customers or suppliers in respect of volume offtake, transportation or capacity reservation arrangements (including pursuant to take-or-pay arrangements) or forward purchase arrangements;

shall, in each case be deemed not to be an Investment.

For purposes of "*—Certain Covenants—Limitation on Restricted Payments*":

(a) Investment will include the Designation Amount as and to the extent set forth in the third paragraph of the covenant under the caption "*—Certain Covenants—Limitation on*

*Unrestricted Subsidiaries*"; *provided*, *however*, that upon a Redesignation of any Unrestricted Subsidiary as a Restricted Subsidiary, the Company will be deemed to continue to have a permanent "Investment" in such Unrestricted Subsidiary in an amount (if positive) equal to the Company's "Investment" in such Subsidiary at the time of such Redesignation less the portion (proportionate to the Company's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Unrestricted Subsidiary at the time that such Unrestricted Subsidiary is so Redesignated as a Restricted Subsidiary; and

(b) any property transferred to or from an Unrestricted Subsidiary will be valued at its Fair Market Value at the time of such transfer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment plus the cost of all additional Investments therein by the Company or any of its Restricted Subsidiaries, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment, reduced (at the Company's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"**Investment Grade Rating**" shall mean, with respect to any Rating Agency:

(a) in the case of S&P, a rating of "BBB−" or higher;

(b) in the case of Moody's, a rating of "Baa3" or higher;

(c) in the case of Fitch, a rating of "BBB−" or higher; or

(d) in the case of any other Rating Agency, the equivalent of any such rating by such Rating Agency.

"**Investment Grade Requirement**" shall be deemed to be satisfied if the Notes shall have an Investment Grade Rating from at least two Ratings Agencies.

"**Item**" has the meaning provided in paragraph (d) of "*Certain Calculations*". "**Issue Date**" means the original issue date of the Notes under the Indenture.

"**LAO Entity**" means any Person formed primarily for the purpose of developing a linear alpha olefins plant (and related facilities and developments) at Chocolate Bayou, Texas.

"**Lavéra Business**" means the petrochemicals assets and businesses transferred to INEOS Chemicals Holdings Luxembourg II S.A. pursuant to the Lavéra Divestiture.

"**Lavéra Divestiture**" means the disposition by the Restricted Group of the Lavéra petrochemical assets and businesses, together with the other French and Italian assets of O&P South, to INEOS Chemicals Holdings Luxembourg II S.A., a Subsidiary of INEOS AG, with effect from July 2, 2014.

"**Lavéra Entity**" means any Person that conducts the Lavéra Business or owns, directly or indirectly, any Capital Stock in any other Person that conducts the Lavéra Business.

"**LC Account Party**" means any Restricted Subsidiary of the Company that is an account party, borrower or guarantor in respect of any LC Facility; *provided* that immediately prior to becoming an account party, borrower or guarantor in respect of any LC Facility such Restricted Subsidiary would constitute an Immaterial Subsidiary and thereafter does not carry on any business other than being an account party, borrower or guarantor in respect of (a) such LC Facility or any other LC Facility, (b) any letters of credit issued in the ordinary course of business with respect to trade payables, (c) any other letters of credit, bank guarantees, surety, performance, completion, Tax, appeal, judgment, advance payment, customs or VAT bonds, guarantees or similar instruments, in each case issued in the ordinary course of business and not in connection with the borrowing of money, including letters of credit, bank guarantees or similar instruments in respect of self-insurance and workers compensation obligations, or (d) any Cash Management Arrangements.

"**LC Facility**" means (a) the on-demand letter of credit facility established pursuant to the LC Facility Agreement entered into on May 4, 2012, between Barclays Bank PLC or an affiliate designated by it, as the issuing bank, and INEOS Treasury (UK) Limited, as the borrower or (b) any other letter of credit, bank guarantee, performance bonds or similar working capital facility; *provided* that, the aggregate outstanding principal amount of Indebtedness under the LC Facilities shall not exceed €350.0 million at any time.

"**Lien**" means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), privilege, security interest, assignment or transfer for security purposes, easement, hypothecation, claim, preference, priority or other encumbrance, in each case, in the nature of security, upon or with respect to any property of any kind (including any conditional sale, capital lease or other title retention agreement), real or personal, movable or immovable, now owned or hereafter acquired. A Person will be deemed to own subject to a

Lien any property which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capital Lease Obligation or other title retention agreement.

"**Limited Condition Transaction**" means any Acquisition, Investment, disposition, Restricted Payment or Permitted Payment.

"**Long-Term Indebtedness**" means any Indebtedness that, in accordance with IFRS, constitutes (or, when incurred, constituted) a long-term liability.

"**Luxco I**" means INEOS Luxembourg I S.A., a public limited liability company (*société anonyme*) organized under the laws of the Grand Duchy of Luxembourg, having its registered office at 62, avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B158195.

"**Management Advances**" means loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent Holdco, the Company or any Restricted Subsidiary:

(a) in respect of travel, entertainment or moving related expenses incurred in the ordinary course of business;

(b) in respect of moving related expenses incurred in connection with any closing or consolidation of any facility or office; or

(c) in the ordinary course of business and (in the case of this clause (c)) not exceeding €20.0 million in the aggregate outstanding at any time.

"**March 2026 Senior Secured Indenture**" means the indenture dated as of October 29, 2020 among the Issuer, the guarantors named therein, The Bank of New York Mellon, London Branch, as trustee and principal paying agent, The Bank of New York Mellon SA/NV, Luxembourg Branch, as registrar, transfer agent and Luxembourg paying agent, and Barclays Bank PLC, as security trustee under the indenture and senior security agent under the Intercreditor Deed, as it may from time to time be supplemented or amended by one or more indentures supplemental thereto entered into pursuant to the applicable provisions thereof.

"**March 2026 Senior Secured Notes**" means the €325,000,000 aggregate principal amount 33⁄8% Senior Secured Notes due 2026 issued by the Issuer on October 29, 2020.

"**March 2026 Senior Secured Notes Proceeds Loan**" means the loan of the gross proceeds of the March 2026 Senior Secured Notes pursuant to the March 2026 Senior Secured Notes Proceeds Loan Agreements, and all loans directly or indirectly replacing or refinancing such loan or any portion thereof.

"**March 2026 Senior Secured Notes Proceeds Loan Agreements**" means those certain loan agreements made on October 29, 2020, by and among IHL, as borrower, and the Issuer, as lender.

"**Material Real Property**" means (a) any real property owned by the Issuer or any Guarantor in fee that constitutes Collateral as of the Issue Date and (b) any other real property owned by the Issuer or any Guarantor in fee and that, as of the Issue Date or as of the time of the acquisition thereof by the Issuer or such Guarantor, has a Fair Market Value in excess of €20.0 million.

"**Maturity**" means, when used with respect to the Notes, the date on which the principal of the Notes becomes due and payable as therein provided or as provided in the Indenture, whether at stated maturity, the Offer Date or the redemption date and whether by declaration of acceleration, offer in respect of Excess Proceeds, Change of Control Offer in respect of a Change of Control, call for redemption or otherwise.

"**May 2026 Senior Secured Indenture**" means the indenture dated as of April 24, 2019, among the Issuer, the guarantors named therein, The Bank of New York Mellon, London Branch, as trustee and principal paying agent, The Bank of New York Mellon SA/NV, Luxembourg Branch, as registrar, transfer agent and Luxembourg paying agent and Barclays Bank PLC, as security trustee under the indenture and senior security agent under the Intercreditor Deed, as it may from time to time be supplemented or amended by one or more indentures supplemental thereto entered into pursuant to the applicable provisions thereof.

"**May 2026 Senior Secured Notes**" means the €770,000,000 aggregate principal amount of 27/8% Senior Secured Notes due 2026, issued by the Issuer on April 24, 2019.

"**May 2026 Senior Secured Notes Proceeds Loan**" means the loan of the gross proceeds of the

May 2026 Senior Secured Notes pursuant to the May 2026 Senior Secured Notes Proceeds Loan Agreements, and all loans directly or indirectly replacing or refinancing such loan or any portion thereof.

"**May 2026 Senior Secured Notes Proceeds Loan Agreements**" means those certain loan agreements made on April 24, 2019, by and among IHL, as borrower, and the Issuer, as lender.

"**Moody's**" means Moody's Investors Service, Inc. or any successor to its rating business. "**Net Cash Proceeds**" means:

(a) with respect to any Asset Sale by any Person, the proceeds thereof (without duplication in respect of all Asset Sales) in the form of cash, cash equivalents or Temporary Cash Investments, including payments in respect of deferred payment obligations or purchase price adjustments when received in the form of, or stock or other assets or any Designated Non-Cash Consideration when disposed of for, cash, cash equivalents or Temporary Cash Investments, but only as and when received (and, for the avoidance of doubt, excluding any proceeds subject to escrow until and to the extent actually received) and excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Sale (in each case, except to the extent that the proceeds of such Asset Sale are financed by, or the properties or assets that are the subject of such Asset Sale are disposed with recourse to, the Company or any Restricted Subsidiary), net of:

  (1) brokerage commissions and other reasonable fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale;

  (2) provisions for all Taxes payable as a result of such Asset Sale;

  (3) payments made to retire Indebtedness where such Indebtedness is secured by the assets or properties that are the subject of such Asset Sale (but excluding assets or properties that are subject to Liens created by the Security Documents);

  (4) provision for payments made in respect of earn out obligations and other purchase price adjustments, including in respect of working capital items;

  (5) amounts required to be paid to any Person (other than the Company or any Restricted Subsidiary) owning a beneficial interest in the assets subject to such Asset Sale;

  (6) amounts reserved by the Company or any Restricted Subsidiary in accordance with IFRS against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary, as the case may be, after such Asset Sale, including pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale; and

  (7) in the case of any Asset Sale in respect of the assets of any Restricted Subsidiary that is not a Wholly-Owned Restricted Subsidiary, the pro rata portion of the Net Cash Proceeds of such Asset Sale (calculated without regard to this clause (7)) attributable to non-controlling interests in such Restricted Subsidiary; and

(b) with respect to any capital contributions, issuance or sale or exercise (as applicable) of Capital Stock or options, warrants or rights to purchase Capital Stock, or debt securities or Capital Stock that have been converted into or exchanged for Capital Stock as referred to under "*—Certain Covenants—Limitation on Restricted Payments*", the proceeds thereof in the form of cash, cash equivalents or Temporary Cash Investments, including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash, cash equivalents or Temporary Cash Investments (in each case, except to the extent that the proceeds of such contribution, issuance, sale or exercise are financed by the Company or any Restricted Subsidiary), net of attorney's fees, accountant's fees and brokerage, consultation, underwriting and other fees (including placement agents' fees, listing fees, or other discounts and commissions) and expenses actually incurred in connection therewith and net of Taxes paid or payable as a result thereof.

"**Notes Documents**" means the Notes (including Additional Notes), the Indenture, the Security Documents, the Intercreditor Deed and any additional intercreditor agreement.

"**Notes Proceeds Loans**" means, collectively, (a) the Euro Notes Proceeds Loan and the Dollar Notes Proceeds Loan; and (b) any other loan from the Issuer to a Restricted Subsidiary of the gross proceeds from the issuance of Additional Notes permitted by the Indenture and, in each case, all loans directly or indirectly replacing or refinancing each loan or any portion thereof.

"**Notes Proceeds Loan Agreement**" means the Dollar Notes Proceeds Loan Agreement and the Euro Proceeds Loan Agreement.

"**Offer Date**" has the meaning provided in clause (c)(3) of the "*—Limitation on Sale of Assets*" covenant.

"**Offered Price**" has the meaning provided in clause (c)(3) of the "*—Limitation on Sale of Assets*" covenant.

"**Officer's Certificate**" means a certificate signed (without personal liability) by an officer or, for the avoidance of doubt, director of the Parent, the Company, the Issuer, or any other Guarantor or a Surviving Entity, as the case may be, and delivered to the Trustee.

"**Parent**" means

(a) INEOS Group Holdings S.A., a public limited liability company (*société anonyme*) organized under the laws of the Grand Duchy of Luxembourg, having its registered office at 62, avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B157810, until any designation is made in accordance with clause (b) below; or

(b) any other Person that guarantees (or, substantially concurrently with such designation, will guarantee, including as a result of the assumption of obligations referred to in clause (ii) below) the Notes and is designated, as part of any Permitted Reorganization, by the then current Parent to be the "Parent" by written notice to the Trustee, *provided* that (i) the Company is a wholly owned direct or indirect Subsidiary of such other Person and (ii) such other Person expressly assumes the obligations of the Parent under the Indenture, the Intercreditor Deed and the other Notes Documents to which the Parent is a party pursuant to agreements reasonably satisfactory to the Trustee;

in each case, until a successor replaces such Person pursuant to "*—Certain Covenants—Consolidation, Merger and Sale of Assets—Parent*", and thereafter (unless another Person is designated in accordance with clause (b) of this definition), shall mean such successor. It is understood and agreed that any designation under clause (b) of this definition may be made concurrently with any designation under clause (b) of the definition of the Company, in which case the satisfaction of the requirements set forth in clause (b) of this definition shall be determined on a *pro forma* basis immediately after giving effect to each such designation.

In the event any other Person is designated as the "Parent" pursuant to and in accordance with the provisions of clause (b) above, upon the effectiveness of such designation the Person that was the Parent immediately prior thereto shall cease to be the "Parent" for all purposes of the Indenture and the other Notes Documents.

"**Parent Holdco**" means any Person (other than a natural person) of which the Company is or becomes a direct or indirect Subsidiary; *provided* that, other than in the case of any Parent Holdco that is a Public Parent Holdco (or any Parent Holdco that is a Subsidiary of such Public Parent Holdco), the primary purpose of such Person is to serve as a direct or indirect holding company of the Company. Unless the context expressly otherwise requires, the term "Parent Holdco" shall include the Parent.

"**Parent Intermediate Holdco**" means any Parent Holdco that is a direct or indirect Subsidiary of the Parent. As of the Issue Date, there will not be any Parent Intermediate Holdcos.

"***Pari Passu* Debt Amount**" has the meaning provided in clause (c)(2) of the "*—Limitation on Sale of Assets*" covenant.

"***Pari Passu* Indebtedness**" means (a) any Indebtedness of the Issuer that is *pari passu* in right of payment to the Notes and (b) any Indebtedness of the Company or any Subsidiary Guarantor that is *pari passu* in right of payment to the Guarantee of the Company or such Subsidiary Guarantor.

"***Pari Passu* Offer**" has the meaning provided in clause (c)(2) of the "*—Limitation on Sale of Assets*" covenant.

"**Participating Member State**" means any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"**Paying Agent**" means any Person authorized by the Company or the Issuer to pay the principal of (and premium, if any) or interest on any Note on behalf of the Issuer.

"**Permitted Collateral Liens**" means

(a) Liens to secure the Notes issued on the Issue Date and any related Guarantees (whether provided on or after the Issue Date);

(b) Liens to secure any Indebtedness of the Company or any Restricted Subsidiary that is permitted to be incurred under clause (b)(1) of "*—Certain Covenants—Limitation on Indebtedness*" (or, in the case of Liens on any property or assets of the Parent or any Parent Intermediate Holdco, any guarantee of any such Indebtedness); *provided* that, subject to the Security Principles, all property and assets (including the Collateral, but excluding any Escrowed Proceeds with respect to such Indebtedness) of the Issuer or any Guarantor securing such Indebtedness also secure the Notes or the Guarantees (x) if such Indebtedness is Pari Passu Indebtedness, on a senior or *pari passu* basis or, if such Indebtedness is Subordinated Indebtedness, on a senior basis, or (y) with respect to certain Liens securing the Senior Secured Credit Facilities or guarantees in respect thereof created under certain Security Documents governed by German or French law in effect on the Issue Date, a junior basis (*provided* that such Liens shall be subject to the ranking, waterfall and loss sharing provisions in the Intercreditor Deed); *provided further* that each holder of such Indebtedness (or a representative acting on its behalf) shall have entered into the Intercreditor Deed as a "Senior Creditor" or a "Second Secured Creditor" (or other category of creditors with substantially identical rights and obligations as the "Second Secured Creditors") as applicable (or the corresponding terms in any additional intercreditor agreement);

(c) [Reserved];

(d) [Reserved];

(e) Liens to secure any Indebtedness of the Company or any Restricted Subsidiary that is permitted to be incurred under clause (b)(25) of "*—Certain Covenants—Limitation on Indebtedness*" (or, in the case of Liens on any property or assets of the Parent or any Parent Intermediate Holdco, any guarantee of any such Indebtedness); *provided* that, subject to the Security Principles, all property and assets (including the Collateral, but excluding any Escrowed Proceeds with respect to such Indebtedness) of the Issuer or any Guarantor securing such Indebtedness also secure the Notes or Guarantees, if such Indebtedness is Pari Passu Indebtedness, on a senior or *pari passu* basis or, if such Indebtedness is Subordinated Indebtedness, on a senior basis; *provided further* that each holder of such Indebtedness (or a representative acting on its behalf) shall have entered into the Intercreditor Deed as a "Senior Creditor" or a "Second Secured Creditor" (or other category of creditors with substantially identical rights and obligations as the "Second Secured Creditors") as applicable (or the corresponding terms in any additional intercreditor agreement);

(f) Liens to secure any Indebtedness of the Company or any Restricted Subsidiary that is permitted to be incurred under paragraph (a) of "*—Certain Covenants—Limitation on Indebtedness*" (or, in the case of Liens on any property or assets of the Parent or any Parent Intermediate Holdco, any guarantee of any such Indebtedness); *provided* that after giving *pro forma* effect to the incurrence of such Indebtedness (including after giving *pro forma* effect to the use of the proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow), the Parent's Consolidated Net Senior Secured Leverage Ratio as of the last day of the most recent four full fiscal quarter period for which financial statements are available immediately preceding the incurrence of such Indebtedness is not greater than 3.00 to 1.0; *provided further* that, subject to the Security Principles, all property and assets (including the Collateral, but excluding any Escrowed Proceeds with respect to such Indebtedness) of the Issuer or any Guarantor securing such Indebtedness also secure the Notes or the Guarantees, if such Indebtedness is Pari Passu Indebtedness, on a senior or *pari passu* basis or, if such Indebtedness is Subordinated Indebtedness, on a senior basis; *provided further* that each holder of such Indebtedness (or a representative acting on its behalf) shall have entered into the Intercreditor Deed as a "Senior Creditor" or a "Second Secured Creditor" (or other category of creditors with substantially identical rights and obligations as the "Second Secured Creditors") as applicable (or the corresponding terms in any additional intercreditor agreement);

(g) any Lien to secure Indebtedness under the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes and guarantees in respect of any of the foregoing; *provided* that, subject to the Security Principles, all property and assets (including the Collateral) securing such Indebtedness also secure the Notes or the Guarantees on a senior or *pari passu* basis; *provided further* that each holder of such Indebtedness (or a representative acting on its behalf) shall have entered into the Intercreditor Deed as a "Senior Creditor" (or the corresponding terms in any additional intercreditor agreement);

(h) any Lien on the High Yield Notes Shared Collateral to secure Indebtedness under any High Yield Notes and other Indebtedness of a Parent Holdco, or guarantees in respect of any of the foregoing that are Subordinated Indebtedness; *provided* that, subject to the Security Principles, such High Yield Notes Shared Collateral also secure the Notes or the Guarantees on a senior basis; *provided further* that each holder of such Indebtedness (or a representative acting on its behalf) shall have acceded in the applicable capacity to the Intercreditor Deed (or any additional intercreditor agreement);

(i) Liens to secure Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refinance any Indebtedness which is secured by a Lien pursuant to clause (a), (b) (in the case of Indebtedness incurred in reliance on clause (1)(B) of paragraph (b) under "*—Certain Covenants—Limitation on Indebtedness*"), (f), (g) or (h) above, clause (k) below (in the case of Indebtedness incurred in reliance on clause (18) of paragraph (b) under "*—Certain Covenants—Limitation on Indebtedness*"), clause (m) below or this clause (i) (or, in the case of Liens on any property or assets of the Parent or any Parent Intermediate Holdco, any guarantee of any such Permitted Refinancing Indebtedness); *provided* that, subject to the Security Principles, all property and assets (including the Collateral, but excluding any Escrowed Proceeds with respect to such Indebtedness) of the Issuer or any Guarantor securing such Indebtedness also secure the Notes or the Guarantees with Lien priority with respect to the Permitted Refinancing Indebtedness substantially similar to, or higher than, that of the Indebtedness which is being refinanced; *provided further* that each holder of such Indebtedness (or its relevant representative acting on its behalf) shall have entered into the Intercreditor Deed (or any additional intercreditor agreement) in the applicable capacity;

(j) Liens securing obligations of the Company or any Restricted Subsidiary in respect of Hedging Agreements entered into in accordance with clause (b)(11) of "*—Certain Covenants—Limitation on Indebtedness*" or obligations in respect of Cash Management Arrangements entered into in the ordinary course of business (or, in the case of Liens on any property or assets of the Parent or any Parent Intermediate Holdco, any guarantee of any such obligations); *provided* that, subject to the Security Principles, all property and assets (including the Collateral, but excluding any Escrowed Proceeds with respect to such Indebtedness) of the Issuer or any Guarantor securing such obligations also secure the Notes or the Guarantees on a senior or *pari passu* basis; *provided further* that each holder of such obligations (or a representative acting on its behalf) shall have entered into the Intercreditor Deed (or any additional intercreditor agreement) in the applicable capacity;

(k) Liens that are described in one or more of clauses (b), (d), (e), (f), (j), (k), (l), (m), (o), (p), (q), (r), (s), (t), (v), (w), (x), (aa), (ff) and (gg) (or in clause (hh) to the extent relating to any of the foregoing clauses) of the definition of "Permitted Liens", it being understood that, except to the extent doing so would not be consistent with the applicable clause, any holder of such Lien (or a representative acting on its behalf) may, but shall not be required to, enter into the Intercreditor Deed (or any additional intercreditor agreement) in the applicable capacity;

(l) Liens securing obligations of the Company or any Restricted Subsidiary, as a primary obligor or as a guarantor, in respect of Proceeds Loans between the Company or any Restricted Subsidiary, as borrower, and the Company or any other Restricted Subsidiary, as lender, of the proceeds received from the issuance, incurrence or offering of any Indebtedness under any Credit Facilities and other Indebtedness permitted by "*—Certain Covenants—Limitation on Indebtedness*" to the extent such Proceeds Loans constitute Collateral; *provided* that such Indebtedness is or could be, at the time of creation of such Liens, secured by Permitted Collateral Liens under any of clauses (a) through (g), clause (i) above (other than, in the case of clause (i), Permitted Collateral Liens securing Permitted Refinancing Indebtedness in respect of Indebtedness secured by a Permitted Collateral Lien under clause (h) above), clause (j) above, clause (k) above and clause (m) below;

(m) Liens to secure any Indebtedness that is permitted to be incurred under clause (b)(18) of "*—Certain Covenants—Limitation on Indebtedness*"(or, in the case of Liens on any property or assets of the Parent or any Parent Intermediate Holdco, any guarantee of any such Indebtedness); *provided* that after giving *pro forma* effect to the incurrence of such Indebtedness (including after giving *pro forma* effect to the use of the proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow), the Parent's Consolidated Net Senior Secured Leverage Ratio as of the last day of the most recent four full fiscal quarter period for which financial statements are available immediately preceding the incurrence of such Indebtedness would either (i) be not greater than 3.00 to 1.00 or (ii) be not greater than it was immediately prior to giving *pro forma* effect to the relevant transaction and incurrence of such Indebtedness; *provided further* that, subject to the Security Principles, all property and assets (including the Collateral, but excluding any Escrowed Proceeds with respect to such Indebtedness) of the Issuer or any Guarantor securing such Indebtedness also secure the Notes and the Guarantees, if such Indebtedness is Pari Passu Indebtedness, on a senior or *pari passu* basis, or, if such Indebtedness is Subordinated Indebtedness, on a senior basis; *provided further* that each holder of such Indebtedness (or a representative acting on its behalf) shall have entered into the Intercreditor Deed as a "Senior Creditor" or a "Second Secured Creditor" (or other category of creditors with substantially identical rights and obligations as the "Second Secured Creditors") as applicable (or the corresponding terms in any additional intercreditor agreement);

(n) Liens to secure any Indebtedness that is permitted to be incurred under clause (b)(12) of "*Certain Covenants—Limitation on Indebtedness*" (or, in the case of Liens on any property or assets of the Parent or any Parent Intermediate Holdco, any guarantee of any such Indebtedness); *provided* that, subject to the Security Principles, all property and assets (including the Collateral, but excluding any Escrowed Proceeds with respect to such Indebtedness) of the Issuer or any Guarantor securing such Indebtedness also secure the Notes and the Guarantees, if such Indebtedness is Pari Passu Indebtedness, on a senior or *pari passu* basis, or, if such Indebtedness is Subordinated Indebtedness, on a senior basis; *provided further* that each holder of such Indebtedness (or a representative acting on its behalf) shall have entered into the Intercreditor Deed as a "Senior Creditor" or a "Second Secured Creditor" (or other category of creditors with substantially identical rights and obligations as the "Second Secured Creditors") as applicable (or the corresponding terms in any additional intercreditor agreement); and

(o) Liens securing the obligations owed to agents and other representatives of creditors, in their capacity as such, under Indebtedness referred to under any of clauses (a) through (n) above.

"**Permitted Holders**" means each and any of:

(a) James A. Ratcliffe, John Reece and Andrew Currie and any Affiliate of any of the foregoing;

(b) any person having a relationship with James A. Ratcliffe, John Reece or Andrew Currie by blood, marriage or adoption not more remote than first cousin;

(c) any heir of James A. Ratcliffe, John Reece or Andrew Currie and any beneficiary of their respective estates;

(d) any trust or similar arrangement established solely for the benefit of James A. Ratcliffe, John Reece or Andrew Currie or any Person mentioned in clause (b) or (c) above; *provided* that James A. Ratcliffe, John Reece or Andrew Currie or any such Person retains sole control over the voting rights of the Capital Stock held by such trust or arrangement;

(e) any Person that is directly or indirectly owned solely by one or more Permitted Holders described under clause (a), (b), (c) or (d) of this definition; and

(f) for the avoidance of doubt, any Person or group, together with its Affiliates, whose acquisition of beneficial ownership of the Voting Stock of the Company constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture.

"**Permitted Indebtedness**" has the meaning provided in paragraph (b) of "*—Certain Covenants—Limitation on Indebtedness*".

"**Permitted Investment**" means:

(a) Investments in (1) the Company, (2) any Restricted Subsidiary (including the purchase of Capital Stock of any Restricted Subsidiary) or (3) any Person which, as a result of such Investment, (A) becomes a Restricted Subsidiary or (B) is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or any Restricted Subsidiary;

(b) Indebtedness of the Company or a Restricted Subsidiary described under clauses (b)(7), (b)(8) and (b)(9) of "*—Certain Covenants—Limitation on Indebtedness*";

(c) Investments in any of the SFA Loans, the Notes, the 2028 Senior Secured Notes, the March 2026 Senior Secured Notes, the May 2026 Senior Secured Notes, the 2025 Senior Secured Notes, any other Senior Secured Notes, any High Yield Notes, any Proceeds Loans or any other Senior Secured Indebtedness (including, in each case, any guarantees in respect thereof);

(d) Investments in cash, cash equivalents and Temporary Cash Investments;

(e) Investments acquired by the Company or any Restricted Subsidiary in connection with an Asset Sale permitted under "*—Certain Covenants—Limitation on Sale of Assets*" to the extent such Investments are non-cash proceeds or deemed cash proceeds as permitted under such covenant, and Investments acquired by the Company or any Restricted Subsidiary in connection with a sale or other disposition that is specifically excluded from the definition of "Asset Sale" to the extent such Investments are non-cash proceeds or deemed cash proceeds;

(f) (i) Investments in existence (or made pursuant to, and as required under, legally binding agreements that exist) on the Issue Date and (ii) Investments consisting of any modification, replacement, renewal, reinvestment or extension of any of the foregoing (including, for the avoidance of doubt, modifications in the form of interposing one or more Restricted Subsidiaries to directly or indirectly hold such Investments or any other internal reorganization); *provided* that the amount of any Investment permitted pursuant to this clause (ii) is not increased from the amount of such Investment in existence on (or the amount thereof required under legally binding agreements that exist on) the Issue Date except pursuant to the terms of such Investment as of the Issue Date or as otherwise permitted under "*—Certain Covenants—Limitation on Restricted Payments*";

(g) receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided*, *however*, that such trade terms may include such concessionary trade terms as the Company or any such Restricted Subsidiary deems reasonable under the circumstances;

(h) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(i) loans or advances to directors, officers, employees and consultants of any Parent Holdco, the Company or any of its Restricted Subsidiaries made in the ordinary course of business not to exceed €20.0 million in the aggregate at any one time outstanding;

(j) Investments received in satisfaction of judgments or pursuant to any plan of reorganization, compromise or similar arrangement upon the bankruptcy or insolvency of a debtor, or in settlement of delinquent obligations of, or other disputes with, customers and suppliers or upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

(k) Hedging Obligations incurred in compliance with "*—Certain Covenants—Limitation on Indebtedness*";

(l) any Investment in respect of any Permitted Joint Venture or any other joint venture of the Company or any Restricted Subsidiary so long as the aggregate outstanding amount of such Investments, together with the aggregate outstanding principal amount of any Indebtedness incurred under clause (b)(21) of "*—Certain Covenants—Limitation on Indebtedness*" (without duplication to the extent proceeds of any such Indebtedness are used to make any such Investment), does not exceed at the time of such Investment and after giving *pro forma* effect thereto (including the use of proceeds thereof) the sum of (i) the greater of (x) €475.0 million and (y) 5.00% of Total Assets and (ii) the aggregate amount of fees (including original issue discount), underwriting discounts, premiums and other costs and expenses incurred in connection with any refinancing of any Indebtedness permitted under clause (b)(21) of "*—Certain Covenants—Limitation on Indebtedness*";

(m) (i) Investments of any Person referred to in clause (a)(2) or (a)(3) of this definition that exist (or are made pursuant to, and as required under, legally binding agreements that exist) on the date such Person becomes a Restricted Subsidiary or is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or any Restricted Subsidiary (for the avoidance of doubt, in any event including (A) any such Investments even if they are acquired or made by the Company or any Restricted Subsidiary after (but only if such Investments are acquired or made pursuant to legally binding agreements that exist at the time of) such Person becoming a Restricted Subsidiary or the consummation of the applicable merger, consolidation, amalgamation, transfer, conveyance or liquidation and (B) any Investments in any joint venture of any such Person entered into or made pursuant to such binding agreement, whether or not such joint venture is acquired by the Company or any Restricted Subsidiary after such Person becomes a Restricted Subsidiary or after the consummation of such merger, consolidation, amalgamation, transfer, conveyance or liquidation); *provided* that such Investment was not acquired or made (for the avoidance of doubt, other than as part of an internal reorganization) in contemplation of such Person becoming a Restricted Subsidiary or such merger, consolidation, amalgamation, transfer, conveyance or liquidation; and (ii) Investments consisting of any modification, replacement, renewal, reinvestment or extension of any of the foregoing (including, for the avoidance of doubt, modifications in the form of interposing one or more Restricted Subsidiaries to directly or indirectly hold such Investments or any other internal reorganization); *provided* that the amount of any Investment permitted pursuant to this clause (ii) is not increased from the amount of such Investment in existence on (or the amount thereof required under legally binding agreements that exist on) the date referred to in clause (i) above except pursuant to the terms of such Investment as of such date or as otherwise permitted under "*—Certain Covenants—Limitation on Restricted Payments*";

(n) (i) loans or other Investments made in connection with a Permitted Receivables Financing and (ii) Investments that may be deemed to exist as a result of the terms of any inventory financing or similar arrangement to the extent permitted under the terms of the Indenture;

(o) guarantees not prohibited by "*—Certain Covenants—Limitation on Indebtedness*";

(p) any Investment by the Company or any Restricted Subsidiary that, together with the aggregate outstanding amount of all other Investments under this clause (p), does not exceed at the time of such Investment and after giving *pro forma* effect thereto (including the use of proceeds thereof) the greater of (i) €475.0 million and (ii) 5.00% of Total Assets;

(q) Investments received in connection with the sale or licensing of technology, which, together with the aggregate outstanding amount of all other Investments under this clause (q), do not exceed at the time of such Investment and after giving *pro forma* effect thereto (including the use of proceeds thereof) the greater of (i) €50.0 million and (ii) 0.50% of Total Assets;

(r) Investments in joint ventures formed primarily for the purpose of conducting business operations in China (for the avoidance of doubt, whether made directly or indirectly, and including any Investment made in any Subsidiary for the purpose of making any Investment in any such joint venture), *provided* that, in the case of any such Investment in such joint ventures, (i) such Investment (A) exists (or is made as contemplated by legally binding agreements that exist) on the Issue Date or (B) is an Investment consisting of any modification, replacement, renewal, reinvestment or extension of any Investment referred to in clause (A) above (including modifications in the form of interposing one or more Subsidiaries to directly or indirectly hold such Investments or any other internal reorganization), *provided* that the amount of any Investment permitted pursuant to this clause (B) is not increased from the amount of such Investment in existence on (or the amount thereof contemplated by legally binding agreements that exist on) the Issue Date except pursuant to the terms of such Investment as of the Issue Date or as otherwise permitted under the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*", (ii) such Investment is in any joint venture with China Petroleum & Chemical Corporation (Sinopec) or any Affiliate thereof or (iii) such Investment, together with the aggregate outstanding amount of all other Investments under this clause (iii), does not exceed at the time of such Investment and after giving *pro forma* effect thereto (including the use of proceeds thereof) the greater of (A) €150.0 million and (B) 1.00% of Total Assets;

(s) loans or advances to directors, officers, employees or consultants of any Parent Holdco, the Company or any of its Restricted Subsidiaries to fund the purchase of Capital Stock of the Company or any Parent Holdco not to exceed €10.0 million in any calendar year (with unused amounts in any calendar year (less any amount carried forward to such calendar year) being carried forward to either of the immediately subsequent two calendar years);

(t) deposits and progress or similar payments made in the ordinary course of business with respect to capital equipment and construction projects;

(u) Investments in any LAO Entity, which, together with all other Investments under this clause (u), do not exceed €150.0 million outstanding at any one time;

(v) Investments (or increases in Investments) that result solely from the receipt by the Company or any of its Restricted Subsidiaries of a dividend, distribution or other payment in respect of Investments held by the Company or any of its Restricted Subsidiaries of the type that would constitute a Restricted Payment or a Permitted Payment if undertaken by the Company or a Restricted Subsidiary in the form of Capital Stock, evidences of Indebtedness or other securities (but not any additions thereto made after the date of the receipt thereof unless such additions involve no additional cost to the Company or any Restricted Subsidiary);

(w) Investments in any Project Finance Entity or Project Finance Subsidiary, which, together with all other Investments under this clause (w), do not exceed €750.0 million outstanding at any one time;

(x) any Investment in respect of any Permitted Joint Venture or any other joint venture of the Company or any Restricted Subsidiary as required by, or made pursuant to, customary contractual buy/sell or similar arrangements between the parties thereto set forth in joint venture agreements, shareholder agreements and similar binding arrangements; and

(y) Investments in connection with intercompany cash management arrangements and related activities in the ordinary course of business.

In connection with any assets or property contributed or transferred to any Person as an Investment, such property and assets shall be equal to the Fair Market Value at the time of Investment. For the avoidance of doubt, if an Investment is made pursuant to any clause of this definition in a Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to "*—Certain Covenants—Limitation on Unrestricted Subsidiaries*", such Investment may thereafter be deemed to have been made pursuant to clause (a)(2) or (a)(3) above and not such other clause of this definition.

"**Permitted Joint Venture**" means:

(a) each of the joint ventures of INEOS Jersey Limited, INEOS LLC, INEOS Solutions N.V., INEOS Belgium Holdco SA, INEOS Singapore Pte. Ltd. and INEOS Korea Limited existing on the Issue Date;

(b) (i) a joint venture pursuant to which or a Person with respect to which the liability of the Parent, the Company and the Restricted Subsidiaries is limited in amount; or (ii) a joint venture or other entity in which the Parent, the Company or a Restricted Subsidiary participates through special purpose companies with limited liability and no other business or assets, and, in the case of sub-clauses (i) and (ii), in which the interest of a Guarantor or a directly or indirectly wholly-owned Restricted Subsidiary of a Guarantor is more than 20%;

(c) Seminole Pipeline Company, in which the interest of a Guarantor or a directly or indirectly wholly-owned Restricted Subsidiary of a Guarantor is more than or equal to 10%;

(d) Aethylen Rohrleitungs GmbH & Co.KG, in which the interest of a Guarantor or a directly or indirectly wholly-owned Restricted Subsidiary of a Guarantor is more than 16%;

(e) (i) a joint venture pursuant to which the liability of the Company or any of its Restricted Subsidiaries is limited in amount; or (ii) a joint venture in which the Parent, the Company or a Restricted Subsidiary participates through special purpose companies with limited liability and no other assets, and, in the case of sub-clauses (i) and (ii), in which the interest of a Guarantor or a directly or indirectly wholly-owned Restricted Subsidiary of a Guarantor is less than 20% in connection with the payment of license fees;

(f) a joint venture consisting of a Person in which the Company or any of its Restricted Subsidiaries owns, directly or indirectly, not more than 50% of the total voting power represented by the outstanding Voting Stock of such Person; and

(g) any Unrestricted Subsidiary;

*provided*, in each case under clauses (b), (e) and (f) above, that each such Permitted Joint Venture is in a business relating, incidental or complementary to the business of the Parent, the Company and the Restricted Subsidiaries.

"**Permitted Jurisdiction**" means (a) any state of the United States (or the District of Columbia), Luxembourg or England and Wales or (b) any other jurisdiction if the organization of the relevant Person in such other jurisdiction is not, in the good faith determination of the Company, materially adverse to the interests of the holders of the Notes with respect to the Guarantees or the Collateral as compared to a jurisdiction referred to in clause (a) (it being agreed, without limiting the generality of the foregoing, that the organization of the relevant Person in any jurisdiction the laws of which provide for a moratorium, an automatic stay or similar restrictions on the enforcement of the Liens on any Collateral in the form of Capital Stock in the Company shall be deemed to be materially adverse to such interests of the holders of the Notes).

"**Permitted Lien**" means:

(a) any Lien existing as of the Issue Date;

(b) any Lien arising by reason of:

(1) any judgment, decree or order of any court and any Liens that are required to protect or enforce any rights in any administrative, arbitration or other court proceedings in the ordinary course of business;

(2) Taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings and, to the extent required by IFRS, for which reserves have been established in accordance with IFRS;

(3) security for payment of workers' compensation or other insurance (including general liability exposure of the Parent, any Parent Intermediate Holdco, the Company and its Restricted Subsidiaries);

(4) security for tenders, bids, leases and contracts (other than contracts for the payment of money);

(5) zoning restrictions, building codes, land use laws, easements, licenses, reservations, limitations, appropriations, title defects, statutory exceptions to title, conditions revealed by an accurate survey or a physical inspection of real property, rights of others for rights of way, utilities, sewers, electric lines, telephone or telegraph lines, and other similar purposes, provisions, covenants, conditions, waivers, restrictions on the use of real property or minor irregularities of title (and with respect to leasehold interests, mortgages, obligations, liens, easements and other encumbrances incurred, created, assumed or permitted to exist and arising by, through or under a landlord or owner of the leased property, with or without consent of the lessee), none of which materially impairs the use of any parcel of real property material to the operation of the business of the Company or any Restricted Subsidiary or the value of such property for the purpose of such business;

(6) security for public or statutory obligations, or in lieu of surety or appeal bonds;

(7) operation of law or any inchoate Lien, or in favor of mechanics, carriers, warehousemen, landlords, materialmen, laborers, contractors, subcontractors, employees, suppliers or similar Persons, incurred in the ordinary course of business for sums which are not yet overdue for a period of more than 60 days or are being contested in good faith by negotiations or by appropriate proceedings which suspend the collection thereof, or any Lien imposed pursuant to applicable Canadian federal or provincial pension benefits standards legislation for amounts required to be remitted but not yet due;

(8) compliance with the requirements of section 8a of the German Act on Partial Retirement (*Altersteilzeitgesetz*) or similar arrangements under applicable law or sections 7b and 7e of the German Social Security Code IV (*Sozialgesetzbuch IV*);

(9) operation of law (sections 22, 204 of the German Transformation Act (*Umwandlungsgesetz*)) in favor of creditors as a consequence of a merger or conversion permitted under the Indenture; or

(10) operation of law in favor of social security bodies or administrators;

(c) any Lien securing Hedging Obligations (other than Hedging Obligations that are secured by Permitted Collateral Liens on the Collateral);

(d) any Lien securing Acquired Indebtedness created prior to (and not created in connection with, or in contemplation of) the incurrence of such Indebtedness by the Company or any Restricted Subsidiary; *provided* that such Lien does not extend to any property or assets of the Company or any Restricted Subsidiary other than the assets acquired in connection with the incurrence of such Acquired Indebtedness by the Company or any Restricted Subsidiary (or, pursuant to the terms of such Acquired Indebtedness as then in effect, required to be subject thereto) and additions and accessions thereto and proceeds therefrom;

(e) any Lien to secure the performance of bids, trade contracts, leases (including statutory and common law landlord's liens), statutory obligations, performance, completion surety, Tax, appeal, judgment, customs or VAT bonds, guarantees or similar instruments, letters of credit (including obligations under any LC Facility) and other obligations of a like nature incurred in the ordinary course of business of the Parent, any Parent Intermediate Holdco, the Company or any Restricted Subsidiary;

(f) any Lien securing Capital Lease Obligations, Purchase Money Obligations or other Indebtedness that is incurred in connection with the financing of all or any part of the purchase price, lease expense or cost of development, construction or improvement of real or personal, moveable or immovable property (including Capital Stock) used or to be used in the business of the Company, any of its Restricted Subsidiaries or a Permitted Joint Venture, or any Permitted Refinancing Indebtedness with respect to any such Indebtedness; *provided* that such Lien shall only extend to such acquired, leased, developed, constructed or improved property (and any rights relating thereto) and additions and accessions thereto and proceeds therefrom, such Lien shall secure Indebtedness in an amount not in excess of the original purchase price or the original cost (or if greater, the Fair Market Value) of any such property or any such development, construction or improvement (or such Indebtedness shall be with recourse solely to such property (including such related rights), additions and accessions thereto and any proceeds therefrom), and the incurrence of such Indebtedness is permitted by "*—Certain Covenants—Limitation on Indebtedness*";

(g) [Reserved];

(h) (i) Liens on Capital Stock in or assets of INEOS Belgium or any of its Restricted Subsidiaries that is not a Guarantor securing Indebtedness of any such Person or any of its Restricted Subsidiaries, (ii) Liens on Capital Stock in or assets of any Project Finance Entity securing Indebtedness of any Project Finance Entity and (iii) Liens on Capital Stock in or assets of any Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor;

(i) Liens in favor of the Company or any Restricted Subsidiary;

(j) banker's liens, rights of set-off or similar rights and remedies as to deposit accounts, securities accounts or other funds maintained with a depositary institution or securities intermediary or Liens arising under the general terms and conditions of banks or savings and loans or other financial institutions (Allgemeine Geschäftsbedingungen der Banken oder Sparkassen); provided that such deposit account or securities account is not intended by the Parent, any Parent Intermediate Holdco, the Company or any Restricted Subsidiary to provide collateral to the depositary institution or securities intermediary;

(k) "precautionary" or purported Liens regarding operating leases or any sale, transfer or other disposition of any receivables (and/or any related assets, including any credit support or payment instruments relating to receivables), including filings of Uniform Commercial Code financing statements (or the equivalent in any other jurisdiction), and any other "precautionary" Liens;

(l) (i) mortgages, liens, security interests, restrictions, easements, encumbrances or any other matters that have been placed by any developer, landlord or other third party on property over which the Company or any Restricted Subsidiary has easement rights or on any real property leased by the Company or any Restricted Subsidiary and subordination or similar agreements relating thereto, (ii) easements, restrictions, rights of way, operating agreements and other similar matters with or for the benefit of any public utility provider or with or for the benefit of any developer or other third-party purchaser on any real property conveyed by the Company or any Restricted Subsidiary to such developer or third-party purchaser in accordance with "*—Certain Covenants—Limitation on Sale of Assets*" or otherwise permitted under the Indenture, and (iii) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

(m) any provision for the retention of title to any asset by the vendor or transferor of such asset which asset is acquired by the Company or any Restricted Subsidiary in a transaction entered into in the ordinary course of business of the Company or such Restricted Subsidiary and for which kind of transaction it is normal market practice for such retention of title provision to be included;

(n) other Liens; *provided* that, immediately after giving effect to the creation, incurrence or assumption of any such Lien, the aggregate outstanding principal amount of all Indebtedness secured pursuant to this clause (n) does not exceed, at the time such Lien is created, incurred or assumed and after giving *pro forma* effect to the incurrence of such Indebtedness (including the use of proceeds thereof, including, in the case of any Escrow Indebtedness, upon the release of such Indebtedness from escrow) the greater of (x) €550.0 million and (y) 7.50% of Total Assets;

(o) leases (including operating leases), licenses, subleases and sublicenses of assets (including real property and Intellectual Property Rights), in each case entered into in the ordinary course of business, including, for the avoidance of doubt (i) ground leases entered into by the Company or any of its Restricted Subsidiaries in connection with any development, construction, operation or improvement of assets on any real property owned by the Company or any of its Restricted Subsidiaries (and any Liens created by the lessee (in the case of any lessee that is the Company or a Restricted Subsidiary, only if such Liens are otherwise permitted under the Indenture) in connection with any such ground lease, including easements and rights of way, or on any of its assets located on the real property subject to such ground lease), and (ii) leases, licenses, subleases and sublicenses in respect of real property to any trading counterparty to which the Company or any of its Restricted Subsidiaries provides services on such real property in the ordinary course of its trading;

(p) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(q) Liens on Receivables Assets created or incurred in connection with any Permitted Receivables Financing;

(r) Liens on Capital Stock in or assets of a Receivables Subsidiary to secure Indebtedness or other obligations incurred in connection with any Permitted Receivables Financing;

(s) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;

(t) Liens on Capital Stock in or other securities of any Unrestricted Subsidiary that secure Indebtedness of any Unrestricted Subsidiary;

(u) any limited recourse Lien to secure Indebtedness incurred in connection with any project financing; *provided* that the assets or revenues which are subject to that Lien are:

  (1) assets which are the subject of the applicable project; or

  (2) claims, revenues or proceeds which arise from the use or operation, failure to meet specifications, failure to complete, expropriation, sale, or loss of or damage to, those assets;

(v) pledges of goods, the related documents of title and/or other related documents arising or created in the ordinary course of the Company's or any Restricted Subsidiary's business or operations as Liens only for Indebtedness to a bank or financial institution directly relating to the goods or documents on or over which that pledge exists;

(w) Liens arising in connection with Indebtedness incurred pursuant to clause (b)(22) of "*—Certain Covenants—Limitation on Indebtedness*";

(x) Liens created on any asset acquired by the Company or a Restricted Subsidiary or developed by the Company or a Restricted Subsidiary after the Issue Date for the sole purpose of financing or refinancing such acquisition or development and securing not more than 100% of the cost of acquisition or development, *provided* that (i) such Lien is released within 6 months of such acquisition or completion of such development or (ii) such Lien shall only extend to such acquired or developed asset (and any rights relating thereto, including Capital Stock) and additions and accessions thereto and any proceeds therefrom;

(y) Liens (other than floating charges) constituting finance leases over the assets leased pursuant to such permitted finance leases;

(z) Liens on any escrow account, and all funds, securities, interest, dividends, distributions and other property and payments deposited into or credited to such escrow account, pursuant to any purchase price retention arrangement as part of any permitted disposition by the Company or a Restricted Subsidiary; *provided* that the cash paid into such escrow account in relation to a disposition does not represent more than 15% of the net proceeds of such disposition;

(aa) Liens on Capital Stock in or assets of joint ventures securing obligations of joint ventures; *provided* that the incurrence of the liability secured by such Lien is not prohibited by "*—Certain Covenants—Limitation on Indebtedness*";

(bb) Permitted Collateral Liens (for the avoidance of doubt, whether such Liens are on Collateral or other assets);

(cc) Liens on any Proceeds Loans made by the Company or any Restricted Subsidiary in connection with any incurrence of Indebtedness (other than any Indebtedness of the type referred to in the proviso to clause (l) of the definition of Permitted Collateral Liens secured by Permitted Collateral Liens) permitted under the Indenture and securing that Indebtedness (without any requirement to secure the Notes or Guarantees with a Lien on such Proceeds Loans);

(dd) Liens incurred to secure Cash Management Arrangements or to implement cash pooling arrangements or to cash collateralize letters of credit, bank guarantees or similar instruments in the ordinary course of business and Liens incurred by any LC Account Party to secure obligations under any LC Facility;

(ee) Liens on cash, cash equivalents and Temporary Cash Investments made to defease or to satisfy and discharge any Indebtedness;

(ff) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof);

(gg) Liens arising in connection with any sale and leaseback transaction funded directly or indirectly by a German pension trust; and

(hh) any extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (gg); *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is the security for a Permitted Lien under the Indenture.

"**Permitted Payment**" has the meaning provided in clause (c) of the "*—Limitation on Restricted Payments*" covenant.

"**Permitted Receivables Financing**" means any financing pursuant to which the Company or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to any other Person, and grant a security interest in, any receivables (and related assets, including any credit support relating to such receivables) of the Company or any of its Restricted Subsidiaries; *provided* that, in each case, (a) the covenants, events of default and other provisions applicable to such financing shall be on market terms (as determined in good faith by the Board of Directors or senior management of the Company) at the time such financing is entered into and (b) such financing shall be non-recourse to the Company or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) except to a limited extent customary for such transactions and for any Guarantee permitted by clause (b)(5) of "*—Certain Covenants—Limitation on Indebtedness*". The amount of any Permitted Receivables Financing shall be deemed for the purposes hereof, at any time, to be the amount that would be required to repay, discharge or satisfy all obligations owing to lenders or other third-party investors that have made loans or extended credit in respect of such Permitted Receivables Financing, if such Permitted Receivables Financing were to be terminated at such time. For the avoidance of doubt, a "factoring" or similar arrangement shall not constitute a Permitted Receivables Financing.

"**Permitted Refinancing Indebtedness**" means any Indebtedness that refinances any Indebtedness, including any successive refinancings, so long as:

(a) such Indebtedness is in an aggregate principal or commitment amount (or if incurred with original issue discount, an aggregate issue price) not in excess of the sum of (i) the aggregate principal or commitment amount, respectively, of the Indebtedness being refinanced and (ii) an amount necessary to pay any fees (including original issue discount) and expenses, including premiums and defeasance costs, related to such refinancing; and

(b) (i) the Average Life of such Indebtedness is equal to or greater than the Average Life of the Indebtedness being refinanced, (ii) the final stated maturity of such Indebtedness is no earlier than the final stated maturity of the Indebtedness being refinanced and (iii) in the case of a refinancing of Subordinated Indebtedness, such Indebtedness is subordinated to, and subject to any other intercreditor provisions applicable to, the Notes and the Guarantees on substantially the same terms (or on terms (taken as a whole) that are not materially less favorable to the holders of the Notes) as provided in the Intercreditor Deed, as determined by the Company in good faith; *provided* that the requirements of clauses (i) and (ii) above shall apply only to (1) refinancings of Indebtedness to the extent the making of any principal payment on, or the purchase, repurchase, redemption, defeasance, retirement or other acquisition for value of, the Indebtedness being refinanced would constitute a Restricted Payment included in clause (a)(2)(C) or (a)(3) of the "*—Limitation on Restricted Payments*" covenant and (2) refinancings of Indebtedness to the extent the Indebtedness being refinanced was incurred pursuant to a provision of the Indenture that included an express limitation as to the final stated maturity or the Average Life of such Indebtedness; *provided* further that the requirements of clauses (i) and (ii) above shall in any event not apply to any refinancings of Indebtedness under, or with Indebtedness under, any revolving credit, working capital, commercial paper or letter of credit facilities, any receivables financing, any inventory financing, any capital lease or finance lease or any project finance, purchase money or similar financing;

*provided* that Permitted Refinancing Indebtedness shall not include (i) Indebtedness of the Company or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary or (ii) solely to the extent the Indebtedness being refinanced was incurred pursuant to a provision under "*—Certain Covenants—Limitation on Indebtedness*" that expressly provided that such Indebtedness may be incurred solely by a Borrower or a Guarantor, Indebtedness of a Person other than the Issuer or a Guarantor that refinances Indebtedness of the Issuer or a Guarantor. It is understood and agreed that (x) as used in this definition, a refinancing of any Indebtedness need not occur concurrently with (and may occur at any time after) the prepayment, repayment, redemption, repurchase, defeasance or other satisfaction of such Indebtedness and (y) so long as the requirements of clauses (a) and (b) above and the immediately preceding proviso are satisfied, the Company may, at its election, deem any Indebtedness to constitute Permitted Refinancing Indebtedness in respect of any other Indebtedness that shall have been prepaid, repaid, redeemed, repurchased, defeased or otherwise satisfied prior to the incurrence of such Permitted Refinancing Indebtedness.

"**Permitted Reorganization**" means any reorganization or corporate restructuring, on a solvent basis, involving one or more of the then current Parent, any Parent Intermediate Holdco, the then current Company or any of its Restricted Subsidiaries (any such reorganization or corporate restructuring, a "Reorganization"), whether or not such Reorganization also involves any other Person, including any merger, demerger, consolidation or amalgamation, any sale or other disposition of any assets or properties and any voluntary liquidation or winding up on a solvent basis, in each case, that is consummated as part of such Reorganization; provided that, in the case of any Reorganization and after giving effect to any related designations of a new Parent or a new Company as contemplated by the definition of such terms, (a) all the business and assets of the then current Company and its Restricted Subsidiaries (as in effect prior to such

Reorganization) shall remain within the Company and its Restricted Subsidiaries (other than for such period as may be reasonably required, in the good faith determination of the Company, to effect such Reorganization), (b) the Parent, each Parent Intermediate Holdco and the Company shall be organized under the laws of a Permitted Jurisdiction, (c) any Capital Stock or other assets that constitute Collateral and that are subject to any sale or other disposition as part of such Reorganization shall remain (other than for such period as may be reasonably required, in the good faith determination of the Company, to effect such Reorganization) Collateral (including as a result of Liens thereon granted by the new owner thereof), subject to Liens thereon securing the Notes and the Guarantees that are valid and enforceable substantially to the same extent as the Liens thereon were prior to such sale or other disposition, in each case, as determined by the Company in good faith, it being understood and agreed that, in connection with any Reorganization, Liens on any Collateral may be released and re-taken in a manner consistent with releases and re-takings permitted by clause (vi) of the second paragraph of "*—Certain Covenants—Impairment of Security Interest*", and (d) in the event of a sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the assets of, or a consolidation, amalgamation or merger with or into, the then current Parent, the then current Company, the Issuer or any Subsidiary Guarantor, the Surviving Entity thereof (if not the Parent, the Company, the Issuer or a Subsidiary Guarantor) shall assume the obligations of the Parent, the Company, the Issuer or such Subsidiary Guarantor, as applicable, in a manner consistent with "*—Consolidation, Merger and Sale of Assets*". Nothing in this definition shall be deemed to restrict any merger, demerger, consolidation, amalgamation, sale or other disposition, voluntary liquidation, winding up or other transaction, or any release of any Collateral or any Guarantee, in each case, that is permitted pursuant to the provisions of the Indenture other than those provisions expressly relating to a Permitted Reorganization.

"**Person**" means any individual, corporation, limited liability company (including, a public limited company and a private limited company incorporated under the laws of England and Wales), partnership, joint venture, association, joint stock company, trust, unincorporated organization or Governmental Authority.

"**Preferred Stock**" means, with respect to any Person, any Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over the Capital Stock of any other class in such Person.

"**Proceeds Loans**" means any High Yield Proceeds Loan, the Notes Proceeds Loans, the 2028 Senior Secured Notes Proceeds Loans, the March 2026 Senior Secured Notes Proceeds Loan, the May 2026 Senior Secured Notes Proceeds Loan, the 2025 Senior Secured Notes Proceeds Loan, the SFA Proceeds Loans and any other proceeds loan or other Indebtedness, in each case, arising from the lending of proceeds of any Indebtedness of any Parent Holdco, any Financing Subsidiary, the Company or any other Restricted Group Company to any Restricted Group Company.

"**Proceeds Loans Agreements**" means any High Yield Proceeds Loan Agreement, the Notes Proceeds Loan Agreements, the 2028 Senior Secured Notes Proceeds Loan Agreements, the March 2026 Senior Secured Notes Proceeds Loan Agreements, the May 2026 Senior Secured Notes Proceeds Loan Agreements, the 2025 Senior Secured Notes Proceeds Loan Agreements, the SFA Proceeds Loans Agreements and each loan agreement, deed or any other agreement (a) by and among the Company and its Restricted Subsidiaries or (b) by and among the Company and its Restricted Subsidiaries, on the one hand, and any Parent Holdco or any Financing Subsidiary, on the other, evidencing or governing any Proceeds Loan, in each case, as amended, supplemented, restated or substituted from time to time.

"**Proceeds Loans Documents**" means the Proceeds Loans Agreements and any documents that provide a guarantee by any Guarantor of, or create a Lien over any Collateral or other assets of any Guarantor as security for, any Proceeds Loan, in each case, as amended, supplemented, restated or substituted from time to time.

"**Project Finance Entity**" means (a) any Person formed primarily for the purpose of developing facilities and businesses related to the chemical intermediates business segment of the Parent and its Consolidated Subsidiaries in the Middle East and (b) any Person that does not own any material assets other than the Capital Stock of a Person described in clause (a) above and assets relating thereto (including contractual rights) or to its existence, including cash, cash equivalents and Temporary Cash Investments and items of Indebtedness.

"**Project Finance Subsidiary**" means (a) any Restricted Subsidiary formed by the Company for the purpose of acquiring (or constructing or developing) and operating any plant, facility or other fixed assets or any business and incurring Indebtedness in connection therewith, *provided* that such Restricted Subsidiary does not own any material assets other than (i) the plant, facility, other fixed assets or businesses so acquired, constructed or developed, any additions and accessions thereto and proceeds therefrom (and any rights relating thereto), (ii) assets relating to any of the foregoing (including contractual rights) or its activities in respect thereof (including to the operation thereof) or to its existence and (iii) cash, cash equivalents and Temporary Cash Investments and items of Indebtedness, and (b) any Restricted Subsidiary that does not own any material assets other than the Capital Stock of a Restricted Subsidiary described in clause (a) above and assets relating thereto (including contractual rights) or to its existence, including cash, cash equivalents and Temporary Cash Investments and items of Indebtedness.

"**Public Debt**" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (a) a public offering registered under the U.S. Securities Act or (b) a private placement to institutional investors whether or not it is underwritten for resale in accordance with Rule 144A or Regulation S, and whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC.

"**Public Equity Offering**" means any transaction or series of related transactions (including, for the avoidance of doubt, any acquisition by, or combination or other similar transaction with, a special purpose acquisition company (or any other Person the ordinary shares (or equivalent thereof) of which become so publicly traded as part of such transactions)) that results in any of the ordinary shares (or equivalent thereof) of the Company or any Parent Holdco being publicly traded.

"**Public Parent Holdco**" means any Parent Holdco the ordinary shares (or equivalent thereof) of which are, following the consummation of a Public Equity Offering, publicly traded.

"**Purchase Money Obligation**" means any Indebtedness secured by a Lien on assets related to the business of the Company and its Restricted Subsidiaries (and any additions and accessions thereto and proceeds therefrom) which are purchased, acquired, constructed, developed or improved by the Company or any Restricted Subsidiary at any time after the Issue Date; *provided* that:

(a) the security agreement or conditional sales or other title retention contract pursuant to which the Lien on such assets is created (collectively, a "**Purchase Money Security Agreement**") shall be entered into within 270 days after the purchase or acquisition or substantial completion of the construction, development or improvement of such assets and shall at all times be confined solely to such assets (and any rights relating thereto), any additions and accessions thereto and any proceeds therefrom; and

(b) either (i) the aggregate outstanding principal amount of Indebtedness secured thereby shall not at the time such Purchase Money Security Agreement is entered into exceed 100% of the purchase or acquisition price, or the cost of such construction, development or improvement (in each case, together with the fees, costs and expenses incurred in connection with the applicable acquisition, construction, development or improvement or such Indebtedness), to the Company or any Restricted Subsidiary of the assets subject thereto or (ii) the Indebtedness secured thereby shall be with recourse solely to such assets (including such related rights), any additions and accessions thereto and any proceeds therefrom.

"**Qualified Capital Stock**" of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

"**Rafnes Entities**" shall mean each of INEOS Rafnes AS, INEOS Bamble AS and each of their respective Subsidiaries.

"**Rating Agency**" means any of S&P, Moody's, Fitch or any other "nationally recognized statistical ratings organization" (within the meaning of Rule 436 under the U.S. Securities Act).

"**Receivables** Assets" means any assets that are or will be the subject of a Permitted Receivables Financing.

"**Receivables Fees**" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not the Company or a Restricted Subsidiary in connection with, any Permitted Receivables Financing.

"**Receivables Repurchase Obligation**" means any obligation of a seller of Receivables Assets in a Permitted Receivables Financing to repurchase any Receivables Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of any receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"**Receivables Subsidiary**" means any Subsidiary of the Company that engages in no activities other than in connection with a Permitted Receivables Financing; *provided* that other than pursuant to any Guarantee permitted by pursuant to clause (b)(5) of "*—Certain Covenants—Limitation on Indebtedness*":

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of such Subsidiary:

(1) is guaranteed by the Company or any Restricted Subsidiary (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to representations, warranties, covenants, and indemnities entered into in connection with a Permitted Receivables Financing);

(2) is recourse to (for the avoidance of doubt, other than as permitted by clause (3) below) or obligates the Company or any Restricted Subsidiary in any way other than pursuant to representations, warranties, covenants and indemnities entered into in connection with a Permitted Receivables Financing; or

(3) subjects any property or asset of the Company or any Restricted Subsidiary (other than receivables and related assets as provided in the definition of Permitted Receivables Financing and the Capital Stock of such Subsidiary), directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to representations, warranties, covenants and indemnities entered into in connection with a Permitted Receivables Financing;

(b) neither the Company nor any Restricted Subsidiary has any material contract, agreement, arrangement or understanding with such Subsidiary other than on terms no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company, other than fees payable in the ordinary course of business in connection with servicing accounts receivable; and

(c) neither the Company nor any Restricted Subsidiary has any obligation to maintain or preserve such Subsidiary's financial condition or cause such Subsidiary to achieve a certain level of operating results.

"**Redeemable Capital Stock**" means any Capital Stock that, either by its terms or by the terms of any security into which it is convertible or exchangeable or otherwise, is or upon the happening of an event or passage of time would be, required to be redeemed prior to the final stated maturity of the principal of the Notes or is redeemable at the option of the holder thereof at any time prior to such final stated maturity (other than upon a change of control or an asset sale (howsoever defined) in circumstances where the holders of the Notes would have similar rights), or is convertible into or exchangeable for debt securities at any time prior to such final stated maturity at the option of the holder thereof; *provided* that (a) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Redeemable Capital Stock and (b) any Capital Stock that would constitute Redeemable Capital Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale (howsoever defined or referred to) shall not constitute Redeemable Capital Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with "*—Certain Covenants—Limitation on Restricted Payments*".

"**Redesignation**" has the meaning provided in the "*—Limitation on Unrestricted Subsidiaries*" covenant.

"**refinances**" means renews, extends, repays, substitutes, refinances or replaces; "**refinanced**" and "**refinancing**" shall have correlative meanings.

"**Refineries**" means the refineries located at Grangemouth, Scotland and Lavéra, France.

"**Refining/Entrepreneurial Business**" means the crude oil refining/entrepreneurial business and related entrepreneurial activities conducted from time to time by or in connection with the Refineries and any other refineries owned by the Company and the Restricted Subsidiaries.

“**Refining/Entrepreneurial Entity**” means any Person that conducts the Refining/ Entrepreneurial Business or owns, directly or indirectly, any of the Refineries or any Capital Stock in any other Person that conducts the Refining/Entrepreneurial Business or owns, directly or indirectly, any of the Refineries, and the Subsidiaries of any such Person (other than, in each case, PetroChina International (London) Company Limited).

“**Regulation S**” means Regulation S under the U.S. Securities Act (including any successor regulation thereto), as it may be amended from time to time.

“**Regulation S-X**” means Regulation S-X under the U.S. Exchange Act as from time to time in effect.

“**Rental Payments**” means rental payments made by the Company and its Restricted Subsidiaries under leases and sub-leases on reasonable commercial terms (as determined in good faith by the Company) in respect of the headquarters or other offices or facilities used by the Company and/or its Restricted Subsidiaries.

“**Restricted Group**” means the Company and its Restricted Subsidiaries from time to time.
“**Restricted Group Company**” means a member of the Restricted Group.

“**Restricted Payment**” has the meaning provided in clause (a) of the “*—Limitation on Restricted Payments*” covenant.

“**Restricted Subsidiary**” means any Subsidiary of the Company (or such other Person as the context may require) other than an Unrestricted Subsidiary.

“**RPI**” means the index entitled “General Index of Retail Prices” prepared by the Office for National Statistics from time to time (or, if that index ceases to be so prepared, such other comparable index as is generally accepted).

“**Rule 144A**” means Rule 144A under the U.S. Securities Act (including any successor regulation thereto), as it may be amended from time to time.

“**Run Rate Adjustment**” has the meaning provided in the definition of Consolidated EBITDA.
“**S&P**” means S&P Global Ratings, a division of S&P Global Inc., or any successor to its rating business.

“**SEC**” means the U.S. Securities and Exchange Commission, as from time to time constituted, created under the U.S. Exchange Act, or if at any time after the execution of the Indenture, the U.S. Securities and Exchange Commission is not existing and performing the duties now assigned to it under the U.S. Securities Act and U.S. Exchange Act, then the body performing such duties at such time.

“**Security Documents**” means each document that provides for a Lien in favor of the Security Trustee, for the benefit of the Trustee and the holders of the Notes, over any Collateral, in each case, as amended, supplemented, restated or substituted from time to time.

“**Security Principles**” means the Security Principles set forth in the Indenture (or a schedule thereto), as applied reasonably and in good faith by the Company. For the avoidance of doubt, any requirement set forth in the Indenture with respect to the granting of a Lien or Guarantee under the Indenture shall be subject to the Security Principles.

“**Senior Indebtedness**” means any Indebtedness of the Company or any of its Restricted Subsidiaries that is not Subordinated Indebtedness.

“**Senior Management**” means James A. Ratcliffe, John Reece or Andrew Currie and each member of the Board of Directors of INEOS Limited, any Parent Holdco or the Company from time to time.

**“Senior Secured Credit Facilities**” means the Credit Facilities made available pursuant to the Senior Secured Term Loans Agreement to the extent constituting Senior Secured Indebtedness.

“**Senior Secured Indebtedness**” means the Notes and any other Senior Indebtedness that is secured by Liens on the Collateral ranking *pari passu* with the Liens on the Collateral securing the Notes as permitted by the Indenture (and, for the avoidance of doubt, excluding any Indebtedness secured on a junior priority basis by a Lien on the Collateral, including any High Yield Notes).

“**Senior Secured Notes**” has the meaning provided in the Intercreditor Deed.

"**Senior Secured Term Loans Agreement**" means the credit agreement dated as of April 27, 2012, among, among others, INEOS Finance plc and INEOS US Finance LLC, as borrowers, and Barclays Bank PLC, as administrative agent and security agent, as supplemented by the accession document dated as of May 4, 2012, as amended and restated as of May 8, 2013, as further amended and restated as of February 21, 2014, as further amended as of November 24, 2014 and as further amended on March 31, 2015 and June 5, 2015, and as further amended and restated on February 28, 2017 and November 3, 2017, as amended on October 29, 2020, as amended on November 8, 2021, as amended on November 8, 2022, as amended on February 16, 2023 and as further amended on or about the Issue Date, and all documentation relating thereto, in each case, as further amended, renewed, extended, substituted, refinanced, restructured, replaced, supplemented or otherwise modified from time to time under one or more Credit Facilities (including, without limitation, any successive renewals, extensions, substitutions, refinancings, restructurings, replacements, supplementations or other modifications of the foregoing).

"**Service Contracts**" means the service, consulting or similar contracts with any member of Senior Management.

"**SFA Loans**" means the loans and other advances made from time to time under the Senior Secured Term Loans Agreement to the borrowers thereunder.

"**SFA Payment**" means a Restricted Payment or Permitted Payment (to the extent that such Permitted Payment is included in the sum under Section 8.3(b)(iii) of the Senior Secured Term Loans Agreement (*i.e.*, the restricted payments build-up basket)), in each case under and as defined in the Senior Secured Term Loans Agreement made on or after the Closing Date but prior to the Issue Date.

"**SFA Proceeds Loans Agreements**" means (a) each loan agreement by and among IHL, as borrower, and the Issuer, as lender, pursuant to which the Issuer agrees to on-loan part of the Euro proceeds of the SFA Loans, (b) the deed poll and each subsequent supplemental deed entered into by IHL pursuant to which INEOS U.S. Finance LLC is allocated and subscribes for notes in IHL up to the value of the Dollar proceeds of the SFA Loans and (c) each other loan agreement evidencing an SFA Proceeds Loan, in each case as such deed or loan agreement may be amended, supplemented, amended and restated, replaced, substituted or converted from time to time.

"**SFA Proceeds Loans**" means, collectively, any loan from any borrower of the SFA Loans to a Restricted Subsidiary of the gross proceeds from the borrowing of such SFA Loans and, in each case, all loans or bonds directly or indirectly replacing or refinancing such loan or any portion thereof.

"**Significant Restricted Subsidiary**" means, at the date of determination, any Restricted Subsidiary of the Company that, on a Consolidated basis with its Restricted Subsidiaries, (a) for the most recent fiscal year for which audited consolidated financial statements of the Parent shall have been delivered pursuant to paragraph (1) under "*—Certain Covenants—Provision of Financial Statements*", accounted for more than 10% of the Consolidated revenues of the Parent or (b) as of the end of the most recent fiscal quarter for which consolidated financial statements of the Parent shall have been delivered pursuant to paragraph (1) or (2) under "*—Certain Covenants—Provision of Financial Statements*", was the owner of more than 10% of the Consolidated assets of the Parent.

"**Special Flood Hazard Areas**" means an area that FEMA has designated as an area subject to special flood or mud slide hazards.

"**Specified Affiliate Payments**" means:

(a) the purchase of (and any dividend, distribution, loan or other payment to any Parent Holdco, Affiliate or employee trust or similar entity to effect the purchase of) (i) any Capital Stock of the Company, any Restricted Subsidiary or any Parent Holdco or (ii) any employee loan stock of the Company, any Restricted Subsidiary or any Parent Holdco, in each case held by any future, present or former employee, director, officer or consultant of any Parent Holdco, the Company or any of its Restricted Subsidiaries (or their estates or beneficiaries under their estates) pursuant to any management equity subscription agreement, stock option agreement, put agreement, consulting agreement, stockholder agreement or similar agreement or employee loan stock scheme that may be in effect from time to time; provided that the aggregate price paid for all such purchased Capital Stock and employee loan stock shall not exceed €10.0 million in any calendar year (with unused amounts in any calendar year (for the avoidance of doubt, beginning with 2012) being carried over to succeeding calendar years subject to a maximum amount of purchases pursuant to this clause (a) of €20.0 million in any calendar year);

(b) transactions with customers, clients, suppliers and distributors, and other purchases or sales of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture, which when taken together are fair to the Company and its Restricted Subsidiaries in the good faith determination of the Board of Directors or senior management of the Company, or are on terms not less favorable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person that is not an Affiliate, as determined in good faith by the Board of Directors or senior management of the Company;

(c) dividends, distributions, loans or other amounts paid to or on behalf of any Parent Holdco in amounts equal to amounts required for such Person to pay (i) audit fees and expenses, (ii) directors' fees, remuneration and expenses (including customary indemnification obligations and director and officer insurance premia), (iii) corporate overhead and salary or other compensation to existing and future employees allocable to the Company and the Restricted Subsidiaries (including payments made pursuant to the Service Contracts), (iv) other ordinary course expenses required to maintain its corporate existence, (v) amounts required in relation to public reporting and registration and on-going administration of any securities or other Indebtedness and the Intercreditor Deed (and any additional intercreditor agreement) and (vi) payments of fees under management agreements to INEOS Capital pursuant to agreements in effect on the Issue Date and any amendment or modifications thereof; *provided* that any amendments or modifications to the terms thereof are not materially adverse to the interests of the Holders of the Notes in their capacity as such;

(d) dividends, distributions, loans or other amounts paid to or on behalf of any Parent Holdco in amounts equal to amounts required by any Parent Holdco to pay income or corporation taxes or VAT, but only to the extent such income or corporation taxes or VAT are attributable to the business of the Parent Holdcos, the Company or its Restricted Subsidiaries;

(e) the payment of any other amounts; provided that the total aggregate amount of Specified Affiliate Payments made under this clause (e) does not exceed in any fiscal year the greater of (x) €125.0 million and (y) 1.375% of Total Assets at the time such payment is made;

(f) the payment of an annual management fee (in whatever form, including by means of a dividend, distribution or loan) to any Parent Holdco, any Permitted Holder or any of their respective Affiliates; *provided* that the total amount of Specified Affiliate Payments made under this clause (f) does not exceed in any fiscal year the greater of (x) €73.5 million (adjusted, since 2011, in accordance with the RPI) and (y) 0.8% of Total Assets at the time such payment is made;

(g) Rental Payments;

(h) the payment of any amount to pay or reimburse the costs and expenses incurred in connection with the Financing Transactions or any other incurrence or repayment, redemption, defeasance or other satisfaction (in whatever form, including by means of a dividend, distribution or loan) of any Indebtedness; and

(i) the payment of any amount, including any dividend, distribution or loan, in connection with the funding of, and other transactions in connection with, any pension obligations or to or by, or with, any pension trust or other pension vehicle.

"**Subordinated Indebtedness**" means Indebtedness of the Issuer or any Guarantor that is subordinated in right of payment to the Notes or a Guarantee of such Guarantor, as applicable, including the guarantees of any High Yield Notes and the High Yield Proceeds Loans; *provided* that, for the avoidance of doubt, no Notes or other Senior Indebtedness held by any Affiliated Holder shall constitute Subordinated Indebtedness.

"**Subordinated Shareholder Funding**" means Subordinated Indebtedness of the Company issued to any Permitted Holder, any Parent Holdco or any Affiliate thereof (other than any Restricted Subsidiary of the Company):

(a) which, by its terms or pursuant to the terms of any subordination agreement to which it is subject:

(i) does not (including upon the happening of any event) mature or require any amortization and is not (including upon the happening of any event) mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder, in whole or in part, and does not include any provision requiring repurchase thereof by the Company or any Restricted Subsidiary (including upon the happening of any event), in each case, prior to the first anniversary of the stated maturity of the Notes (other than upon acceleration of its maturity permitted by clause (a)(iii) below);

(ii) does not (including upon the happening of any event) require the payment of interest (in cash or otherwise, except any interest in the form of additional Subordinated Shareholder Funding), cash withholding amounts or other cash gross ups or any other cash amounts prior to its final stated maturity (*provided* that interest may accrete while such Subordinated Indebtedness is outstanding and accreted interest, withholding amounts, gross-ups and other such amounts may become due upon acceleration of maturity as permitted by clause (a)(iii) below);

(iii) contains no change of control or similar provisions, has no right to declare a default or event of default, does not provide (including upon the happening of any event) for the acceleration of its maturity (other than any default, event of default or acceleration of its maturity upon the happening of any events described in clause (b)(ii) below, so long as the subordination requirements of such clause are satisfied), the ability to take any enforcement action or the exercise of remedies, in each case, prior to the date on which the Notes mature and are repaid;

(iv) is not required to be, and is not, secured by a Lien on any assets of the Company or any Restricted Subsidiary and is not guaranteed by any Restricted Subsidiary of the Company;

(v) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or compliance by the Issuer with its obligations under the Notes Documents; and

(vi) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the stated maturity of the Notes other than into or for Capital Stock (other than Redeemable Capital Stock) of the Company; and

(b) which is contractually subordinated and junior (by its terms in favor of, or pursuant to an agreement with, the Trustee) in right of payment to the prior payment in full in cash of all obligations (including principal, interest, premium (if any) and Additional Amounts (if any)) of the Company under the relevant Guarantee of the Notes and the Indenture (other than contingent indemnity, expense reimbursement, tax gross-up, breakage costs or other yield protection obligations, in each case, for which a claim has not been made) such that:

(i) the Company shall not make any payment in respect of such Subordinated Indebtedness (whether in cash, securities or otherwise, except as permitted by clause (a)(ii) or (a)(iii) above) and may not acquire such Subordinated Indebtedness, in each case, except as permitted by the Indenture until the prior payment in full in cash of all obligations under the relevant Guarantee of the Notes and the Indenture (other than contingent indemnity, expense reimbursement, tax gross-up, breakage costs or other yield protection obligations, in each case, for which a claim has not been made);

(ii) upon any total or partial liquidation, dissolution or winding up of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property, the holders of the Notes will be entitled to receive payment in full in cash of all obligations under the relevant Guarantee of the Notes and the Indenture (other than contingent indemnity, expense reimbursement, tax gross-up, breakage costs or other yield protection obligations, in each case, for which a claim has not been made) before the holders of such Subordinated Indebtedness will be entitled to receive any payment in respect of such Subordinated Indebtedness;

(iii) such Subordinated Indebtedness may not be amended such that it would cease to qualify as Subordinated Shareholder Funding until a date that is after the prior payment in full in cash of all obligations under the relevant Guarantee of the Notes and the Indenture (other than contingent indemnity, expense reimbursement, tax gross-up, breakage costs or other yield protection obligations, in each case, for which a claim has not been made);

(iv) the holders of such Subordinated Indebtedness shall assign any rights to vote, including by way of proxy, in a bankruptcy, insolvency or similar proceeding to the Trustee to the extent necessary to give effect to the priority and subordination provisions described in this definition; and

(v) the holders of such Subordinated Indebtedness shall agree that, in the event any payment on such Subordinated Indebtedness is received by such holder in contravention of the terms of the Indenture and any applicable subordination agreement, then such payment shall be held in trust for the benefit of, and shall be paid over or delivered to, the Trustee, on behalf of the holders of the Notes;

*provided* that any event or circumstance that results in such Subordinated Indebtedness ceasing to qualify as Subordinated Shareholder Funding shall (A) constitute an incurrence of such Indebtedness by the Company and (B) reduce the amount described in clause (3)(B) of paragraph (b) under "*—Certain Covenants—Limitation on Restricted Payments*" by an amount equal to the amount by which the amount in such clause (3)(B) had been previously increased on account of such Subordinated Shareholder Funding, and any and all Restricted Payments made since the date of the original incurrence of such Subordinated Shareholder Funding shall constitute new Restricted Payments that must satisfy "*—Certain Covenants—Limitation on Restricted Payments*" at a time on or after the date of the original incurrence of such Subordinated Shareholder Funding after giving effect to the reduction referred to above in clause (B) above. It is understood and agreed that the requirements of clause (b) above shall be deemed to be satisfied by the terms and conditions of the Intercreditor Deed applicable to "Subordinated Creditors" or "Subordinated Liabilities" (each such term as defined therein). Notwithstanding clause (i) of the second sentence of the definition of Indebtedness, "Subordinated Indebtedness", as used in this definition, shall not exclude Subordinated Shareholder Funding.

"**Subsequent Guarantors**" means INEOS Canada Company, INEOS Canada Investment Company, INEOS Canada Partnership, WL Plastics LLC and WL Plastics Manufacturing LLC.

"**Subsidiary**" of a Person means (a) any corporation more than 50% of the total voting power of the outstanding Voting Stock of which is owned or controlled, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person, or by such Person and one or more other Subsidiaries thereof, (b) any limited partnership of which such Person or any Subsidiary of such Person is a general partner, or (c) any other Person in which such Person, or one or more other Subsidiaries of such Person, or such Person and one or more other Subsidiaries, directly or indirectly, owns more than 50% of the outstanding partnership or similar interests or has the power, by contract or otherwise, to direct or cause the direction of the policies, management and affairs thereof. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Parent.

"**Subsidiary Guarantor**" means each Restricted Subsidiary of the Company that is a Guarantor of the Notes.

"**Tax Sharing Agreement**" means any tax sharing or tax payment agreement with customary terms and any arrangement in respect of the surrender of group relief or the allocation of disallowances of deductions for financing expenses, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Indenture.

"**Taxes**" means all present and future income and other taxes, levies, assessments, imposts, deductions, charges, duties, compulsory loans and withholdings (including backup withholding) on account of tax (wherever imposed) and any charges in the nature of taxation together with interest thereon, additions to tax and penalties and fines in relation thereto, if any, and any payments made on or in relation thereof and "**Taxation**" shall be construed accordingly. "**Temporary Cash Investments**" means

(a) any evidence of Indebtedness, maturing not more than one year after the date of acquisition, issued by the United States of America, Canada, Norway, Switzerland, the United Kingdom or any state that was a member state of the European Union on December 31, 2003 (or any state, territory, political subdivision or taxing authority of any of the foregoing) or an instrumentality or agency thereof, and guaranteed fully as to principal, premium, if any, and interest by any of the foregoing;

(b) any certificate of deposit, maturing not more than one year after the date of acquisition, issued by, or time deposit of, a commercial banking institution that is a member of the U.S. Federal Reserve System or a bank or trust company organized in the United States of America, Canada, Norway, Switzerland, the United Kingdom or any state that was a member state of the European Union on December 31, 2003 (or any state, territory, political subdivision or taxing authority of any of the foregoing) and that has combined capital and surplus and undivided profits of not less than US$500.0 million and whose debt has a rating, at the time as of which any investment therein is made, of "P-2" (or higher) according to Moody's or any successor rating agency or "A-2" (or higher) according to S&P or any successor rating agency;

(c) commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate or Subsidiary of the Company) organized and existing under the laws of the United States of America, Canada, Norway, Switzerland, the United Kingdom or any state that was a member state of the European Union on December 31, 2003 (or any state, territory, political subdivision or taxing authority of any of the foregoing) with a rating, at the time as of which any investment therein is made, of "P-2" (or higher) according to Moody's or any successor rating agency or "A-2" (or higher) according to S&P or any successor rating agency;

(d) any money market deposit accounts issued or offered by a commercial bank organized in the United States of America, Canada, Norway, Switzerland, the United Kingdom or any state that was a member state of the European Union on December 31, 2003 (or any state, territory, political subdivision or taxing authority of any of the foregoing) having capital and surplus in excess of US$500.0 million; *provided* that the short term debt of such commercial bank has a rating, at the time as of which any investment therein is made, of "P-2" (or higher) according to Moody's or any successor rating agency or "A-2" (or higher) according to S&P or any successor rating agency;

(e) repurchase obligations with a term of not more than 30 days for underlying obligations of the types described in clauses (a) and (b) above entered into with any bank meeting the qualifications specified in clause (b) above;

(f) interests in any investment company or money market fund which invests 95% or more of its assets in instruments of the type specified in clauses (a) through (e) above; and

(g) other short-term investments utilized by Restricted Subsidiaries of the Parent in accordance with normal investment practices for cash management in the jurisdiction of organization or operation of such Restricted Subsidiary (as determined in good faith by the Company).

"**Total Assets**" means the Consolidated total assets of the Parent and its Restricted Subsidiaries, as shown on the most recent balance sheet of the Parent.

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

"**Treasury Rate**" means the greater of (a) the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days (but not more than five Business Days) prior to the redemption date (or, if such statistical release is not so published or available, any publicly available source of similar market date selected by the Issuer in good faith)) most nearly equal to the period from the redemption date to , 2026; *provided*, *however*, that if the period from the redemption date to , 2026 is not equal to the constant maturity of a United States

Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to , 2026 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used and (b) 0%.

"**U.K.**" and "**United Kingdom**" shall mean the United Kingdom of Great Britain and Northern Ireland.

"**United States**" or "**U.S.**" means the United States of America.

"**Unrestricted Subsidiary**" means (a) any of INEOS Real Estate GmbH & Co. KG, Gemini HDPE LLC, INEOS Gemini HDPE Holding Company LLC, INEOS Gemini HDPE LLC, INEOS Investments (Shanghai) Company Limited, INEOS China Holdings Limited, INEOS China Holdings II Limited, INEOS China Holdings III Limited, INEOS Tianjin Holdings Limited, INEOS Investment (Tianjin) Company Limited and INEOS Nitriles (UK) Limited and (b) any Subsidiary of the Company (other than the Issuer) that is designated as such pursuant to and in compliance with "*—Limitation on Unrestricted Subsidiaries*", in each case unless and until such Subsidiary is redesignated as a Restricted Subsidiary pursuant to a Redesignation as provided in paragraph (d) of such covenant.

"**U.S. Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the SEC thereunder.

"**U.S. Government Obligations**" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any State or instrumentality thereof) for the payment of which the full faith and credit is given.

"**U.S. Obligor**" means any Guarantor incorporated or organized under the laws of the United States, any State thereof or the District of Columbia (or, to the extent so incorporated or organized, the Issuer).

"**U.S. Securities Act**" means the U.S. Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the SEC thereunder.

"**U.S. Trust Indenture Act**" means the U.S. Trust Indenture Act of 1939, as amended, or any successor statute.

"**VAT**" means (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere, including, for the avoidance of doubt, any tax imposed in accordance with the UK Value Added Tax Act 1994.

"**Voting Stock**" of a Person means Capital Stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the Board of Directors, managers or trustees of such Person (irrespective of whether or not at the time Capital Stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

"**wholly owned**", when used in reference to a Subsidiary of any Person, means that all the Capital Stock of such Subsidiary (other than directors' qualifying shares and other nominal amounts of Capital Stock that are required to be held by other Persons under applicable law) are owned by such Person, another wholly owned Subsidiary of such Person or any combination thereof.

"**Wholly Owned Restricted Subsidiary**" means a Restricted Subsidiary all the Capital Stock of which (other than directors' qualifying shares and other nominal amounts of Capital Stock that are required to be held by other Persons under applicable law) is owned by the Company, another Wholly Owned Restricted Subsidiary or any combination thereof.

## DESCRIPTION OF THE COLLATERAL AND THE GUARANTEES

The Notes and the guarantees will be secured by security interests in the assets described below (the "**Collateral**"). The security interests in the Collateral will (subject to Permitted Collateral Liens) be first-ranking security interests, except for certain security interests granted to secure the Notes which, as a matter of local law, will be granted as junior-ranking security interests in relation to the security granted in respect of the Senior Secured Term Loans and the Existing Senior Secured Notes. The Intercreditor Deed provides that as a contractual matter among Senior Creditors (as defined in the Intercreditor Deed), the Notes will be secured on a *pari passu* basis with the Existing Senior Secured Notes, the Senior Secured Term Loans, certain hedging obligations and certain cash management obligations and will be treated as such for purposes of the application of proceeds from the enforcement of such Collateral. The existing first-ranking liens securing the Senior Secured Term Loans and the Existing Senior Secured Notes that were created under Luxembourg, New York and Norwegian law will remain in place and will extend to secure the Notes. In some jurisdictions, the security documents creating the existing first-ranking liens securing the Senior Secured Term Loans and the Existing Senior Secured Notes will be amended to extend such liens (or, with respect to Belgian security, to confirm that these liens extend) to the Notes (or, with respect to French and certain of the German security interests, junior ranking security interests will be granted). The existing first-ranking liens securing the Senior Secured Term Loans and the Existing Senior Secured Notes that were created under English law, Scottish law, Jersey law and Singapore law will remain in place, and new liens over the same Collateral will be created in these jurisdictions to secure the Notes. In these jurisdictions where new liens are created, the ranking of these new liens relative to the existing liens will, as a matter of general law, depend on a number of factors, such as the nature of the liens, the order of creation of the liens, compliance with the jurisdiction's perfection requirements with respect to the liens and the order of giving notices with respect to the liens, and accordingly without the Intercreditor Deed, the new liens would be likely to rank after the existing liens. However, the Intercreditor Deed provides that, as a contractual matter, the liens securing the Notes, the Existing Senior Secured Notes and the Senior Secured Term Loans will rank *pari passu* and will be treated as having equal priority with respect to the application of proceeds from the enforcement of any Collateral. See the specific local law security interests described below under "—Summary of the Guarantees and Collateral for the Notes" and "Risk Factors—Risks Relating to the Notes and Our Capital Structure—Prior ranking security interests—Any other creditors with prior ranking liens will have prior access to proceeds of certain Collateral and your rights to enforce your security over the Collateral are limited," "Limitations on Validity and Enforceability of Guarantees and the Security Interests" and "Description of Other Indebtedness—Intercreditor Deed." Upon the completion of the implementation of the security interests in the Collateral, the Notes and the guarantees will, subject to the terms and conditions of the Indenture and to the extent possible, be secured by security interests in all of the assets and property that secure the obligations under the Existing Senior Secured Notes, the Senior Secured Term Loans, certain hedging liabilities and certain cash management liabilities. As of the date of completion of the granting of the guarantees, the Notes will be guaranteed by all of those entities that guarantee the obligations under the Existing Senior Secured Notes and the Senior Secured Term Loans.

The following is a country-by-country summary of the guarantees and the Collateral in respect of the Notes that will be in place following the completion of the grants of the guarantees and the Collateral. This summary is not complete and does not describe any of the limitations of, existing encumbrances on, and defects in respect of the guarantees and Collateral, or any of the specific assets, properties and rights that will be excluded from the guarantees and the Collateral. The granting of the guarantees and the security interests in the Collateral is subject to compliance with the agreed security principles (the "**Security Principles**") to be set forth in an exhibit to the Indenture, which embody the recognition that there may be certain legal and practical difficulties in obtaining guarantees and security interests in every jurisdiction in which the Guarantors are incorporated and hold assets.

In addition, prior to the execution by the parties thereto of the security documents in respect of the Notes, the composition of the Collateral may change (including due to the application of the Security Principles), and any such change or changes could be material.

As described herein, the security in respect of the Notes will be implemented in two or more stages. Not all the Collateral that will secure the Notes will be implemented as of the Issue Date. In addition, there may be delays in the implementation of the guarantees and the Collateral.

**Issue Date**

On the Issue Date, the following companies (the "**Initial Guarantors**") will provide guarantees in respect of the Notes:

- INEOS Holdings (Investments) Limited;
- INEOS Holdings Limited;
- INEOS Investment Holdings (Germany) Limited;
- INEOS Oxide Limited;
- INEOS Sales (UK) Limited;
- INEOS Investments International Limited;
- INEOS Manufacturing Belgium NV;
- INEOS NV;
- INEOS Phenol Belgium NV;
- INEOS Manufacturing Deutschland GmbH;
- INEOS Phenol GmbH;
- INEOS Deutschland GmbH;
- INEOS Köln Beteiligungs GmbH & Co. KG;
- INEOS Köln GmbH;
- INEOS Köln Verwaltungs GmbH;
- INEOS Phenol Verwaltungsgesellschaft GmbH;
- INEOS Deutschland Holding GmbH;
- INEOS Luxembourg I S.A.;
- INEOS Luxembourg II S.A.;
- INEOS Group Holdings S.A.;
- INEOS Europe AG;
- INEOS Group AG;
- INEOS Americas LLC;
- INEOS US Finance LLC;
- INEOS USA LLC;
- INEOS USA Manufacturing LLC;
- INEOS Nitriles USA LLC;
- INEOS Oligomers USA LLC;
- INEOS Chocolate Bayou Pipeline LLC;
- INEOS Technologies Americas LLC;
- INEOS European Holdings Limited;
- INEOS Fluor Holdings Limited;
- INEOS Fluor Limited;
- INEOS Holdings International Limited;
- INEOS Manufacturing (Hull) Limited;
- INEOS Silicas Holdings Limited;
- INEOS Silicas Limited;
- INEOS Belgium Holdco SA;

- INEOS Belgium NV;
- INEOS Feluy SA;
- INEOS Jersey Limited;
- INEOS Holdings Norge AS;
- INEOS Singapore Pte. Ltd.;
- INEOS LLC;
- INEOS Polypropylene LLC;
- INEOS Technologies USA LLC;
- INEOS Finance Company 3 Limited; and
- INEOS US I Inc.

**Subsequent Guarantor Accession Date**

On the Subsequent Guarantor Accession Date, the following companies (the "**Subsequent Guarantors**" and, together with the Initial Guarantors, the "**Guarantors**") will provide guarantees in respect of the Notes:

- INEOS Canada Company;
- INEOS Canada Investment Company;
- INEOS Canada Partnership;
- WL Plastics LLC; and
- WL Plastics Manufacturing LLC.

On the Issue Date, the Notes will be jointly and severally guaranteed by the Initial Guarantors. Within 90 days after the Issue Date, the Notes will be guaranteed by the Subsequent Guarantors. Together the Guarantors represent 95.9% of the Parent's consolidated EBITDA before exceptionals for the 12-month period ended September 30, 2023, and hold 87.1% of the Parent's consolidated total assets as of September 30, 2023 (in each case, calculated in accordance with, and in the manner provided by, the guarantor maintenance covenant in the Senior Secured Term Loans Agreement as in effect on the Issue Date after giving effect to the exclusion of the Consolidated EBITDA (as defined in the Senior Secured Term Loans Agreement) and consolidated total assets of certain subsidiaries of the Parent (including Unrestricted Subsidiaries), which represent approximately 3.1% of the Parent's consolidated EBITDA before exceptionals for the same period and hold approximately 14.8% of the Parent's consolidated total assets as of September 30, 2023). Each Guarantor also guarantees or will guarantee the Senior Secured Term Loans and the Existing Senior Secured Notes on a *pari passu* basis. The obligations of each Guarantor will be subject to various limitations and may be released in certain circumstances set forth under "Description of the Notes—Description of the Notes, the Guarantees and the Security—Release of the Guarantees," including upon the Notes receiving investment grade ratings from at least two rating agencies. See "Limitations on Validity and Enforceability of the Guarantees and the Security Interests," "Risk Factors—Risks Relating to the Notes and Our Capital Structure—Guarantees and Collateral limitations—The guarantees and pledges of Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability" and "Risk Factors—Risks Relating to the Notes and Our Capital Structure—Release of Collateral and Guarantees—There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the guarantees will be released automatically and under which the guarantees will be released automatically, without your consent or the consent of the Trustee."

**Summary of the Guarantees and Collateral for the Notes**

The following is a country-by-country summary of the guarantees and the Collateral in respect of the Notes that will be in place following the completion of the grants of the guarantees and the Collateral.

The Guarantors will grant security interests in the Collateral described below on the Issue Date or within 90 after the Issue Date.

*Belgium*

The Notes will be guaranteed by the following Belgian companies: INEOS Manufacturing Belgium NV, INEOS NV, INEOS Phenol Belgium NV, INEOS Belgium Holdco SA, INEOS Belgium NV and INEOS Feluy SA.

The Notes will be secured by the following security interests, each governed by Belgian law:

- pledges over shares in INEOS Belgium Holdco SA, INEOS Sales Belgium NV, INEOS Belgium NV, INEOS NV, INEOS Services Belgium NV, INEOS Manufacturing Belgium NV, INEOS Feluy SA, INEOS Phenol Belgium NV and INEOS C2T NV;
- mortgages over various properties of INEOS Feluy SA for the amount of €10,500,000.00, INEOS NV for the amount of €11,750,000.00, INEOS Phenol Belgium NV for the amount of €10,500,000.00 and INEOS Manufacturing Belgium NV for the amount of €10,500,000.00;
- mortgage mandates over various properties of INEOS Feluy SA for the amount of €342,600,000.00, INEOS NV for the amount of €600,150,000.00, INEOS Phenol Belgium NV for the amount of €256,500,000.00 and INEOS Manufacturing Belgium NV for the amount of €336,100,000.00;
- pledges over various receivables of INEOS Belgium NV, INEOS Belgium Holdco SA, INEOS NV, INEOS Feluy SA, INEOS Manufacturing Belgium NV and INEOS Phenol Belgium NV;
- pledges over various bank accounts of INEOS Belgium NV, INEOS NV, INEOS Feluy SA, INEOS Manufacturing Belgium NV, INEOS Belgium Holdco SA, INEOS Phenol Belgium NV, INEOS Phenol GmbH, INEOS Oxide Limited and INEOS Europe AG;
- pledges over the business assets of INEOS Belgium NV for the amount of €2,000,000.00, INEOS NV for the amount of €11,000,000.00, INEOS Feluy SA for the amount of €11,000,000.00, INEOS Manufacturing Belgium NV for the amount of €11,000,000.00 and INEOS Phenol Belgium NV for the amount of €11,000,000.00;
- mandates to establish pledges over the business assets of INEOS Belgium NV for the amount of €6,640,000.00, INEOS NV for the amount of €41,200,000.00, INEOS Feluy SA for the amount of €89,000,000.00, INEOS Manufacturing Belgium NV for the amount of €194,000,000.00, INEOS Phenol Belgium NV for the amount of €89,000,000.00 and INEOS Belgium Holdco SA for the amount of €300,000,000.00 and INEOS Europe AG for the amount of €55,000,000; and
- pledges over trademarks and patents of INEOS Manufacturing Belgium NV.

*Canada*

The Notes will be guaranteed by INEOS Canada Company, INEOS Canada Investment Company and INEOS Canada Partnership, in each case from the Subsequent Guarantor Accession Date.

From the Subsequent Guarantor Accession Date, the Notes will be secured by security interests over (i) the shares of INEOS Canada Investment Company and INEOS Canada Company and (ii) the partnership interest of INEOS Canada Partnership.

From the Subsequent Guarantor Accession Date, the Notes will also be secured pursuant to the following Security Documents:

- general security agreement governed by Alberta law granted by each of INEOS Canada Company, INEOS Canada Investment Company and INEOS Canada Partnership in respect of all present and after-acquired personal and real property (including a floating charge on land) (subject to certain exceptions); and
- securities pledge agreement governed by Nova Scotia law granted by INEOS LLC in respect of shares in INEOS Canada Company and shares of INEOS Canada Investment Company owned by INEOS Canada Company.

In addition, the Notes will be guaranteed by the English guarantor INEOS European Holdings Limited and secured by a bank account pledge pursuant to a second amended and restated security agreement (over its Citibank Canada bank accounts) granted by INEOS European Holdings Limited and governed by Ontario law (the "**Canadian Security**").

*England and Wales*

The Notes will be guaranteed by the following companies incorporated in England and Wales: INEOS Holdings Limited, INEOS European Holdings Limited, INEOS Fluor Holdings Limited, INEOS Fluor Limited, INEOS Investments International Limited, INEOS Holdings International Limited (formerly INEOS Investment Holdings (Fluor & Silicas) Limited), INEOS Oxide Limited, INEOS Investment Holdings (Germany) Limited (formerly INEOS Phenol Limited), INEOS Manufacturing (Hull) Limited, INEOS Silicas Holdings Limited, INEOS Silicas Limited, INEOS Holdings (Investments) Limited, INEOS Sales (UK) Limited and INEOS Finance Company 3 Limited.

The Issuer and each of the above companies will be a party to English law debentures creating, subject to the terms thereof, a legal mortgage in respect of all real property of which it is a registered proprietor and fixed (or floating) charges over substantially all its other assets (including shares in any subsidiary, intellectual property rights, monies credited to certain bank accounts, plant, equipment and other personal property).

The Notes will also be secured by certain additional English law security interests as follows:

- share charges granted by INEOS Jersey Limited (in respect of its shares in INEOS European Holdings Limited), INEOS US Finance LLC (in respect of its shares in INEOS Finance Company) and INEOS Europe AG (in respect of all present and future shares in INEOS Europe AG subsidiaries which are incorporated or established in England and Wales);
- charges over intellectual property rights granted by INEOS USA LLC, INEOS Americas LLC, INEOS Manufacturing Belgium NV, INEOS Phenol GmbH, INEOS Technologies USA LLC and INEOS Europe AG;
- a charge and security assignment by INEOS Polypropylene LLC relating to contractual arrangements with BP;
- a charge and security assignment by each of INEOS Technologies USA LLC, INEOS Technologies Americas LLC and INEOS Sales (UK) Limited relating to contractual arrangements between these entities and BP;
- a charge in respect of any Underlying Agreement to be granted by INEOS Europe AG;
- an assignment by each of INEOS Luxembourg I S.A., INEOS Luxembourg II S.A., INEOS Group AG and INEOS Europe AG of all their rights in respect of any intercompany loans, insurance policies and hedging arrangements;
- an assignment by INEOS US Finance LLC in relation to the floating rate unsecured loan note due 2026 issued by INEOS Holdings Limited and registered in the name of INEOS US Finance LLC and other intercompany receivables;
- any loan entered into by it with any other member of the Group from time to time;
- an assignment by the Parent in relation to any loan entered into by it with any other member of the Group from time to time;
- an assignment by INEOS Group AG of all its present and future rights and interests in (and claims) under certain assigned intercompany loan agreements;
- account charges granted by INEOS US Finance LLC and INEOS Europe AG in respect of monies credited to certain bank accounts;
- a floating charge by INEOS Europe AG over all its inventory, inventory monetary claims and all inventory-related rights;
- a security assignment of insurance policies by INEOS Americas LLC, INEOS US Finance LLC, INEOS USA LLC, INEOS LLC, INEOS Polypropylene LLC, INEOS Technologies USA LLC, INEOS US I Inc., INEOS USA Manufacturing LLC, INEOS Nitriles USA LLC, INEOS Oligomers USA LLC, INEOS Chocolate Bayou Pipeline LLC, INEOS Technologies Americas LLC, INEOS Deutschland GmbH, INEOS Deutschland Holding GmbH, INEOS Köln Beteiligungs GmbH & Co KG, INEOS Köln GmbH, INEOS Köln Verwaltungs GmbH, INEOS Phenol Verwaltungsgesellschaft GmbH, INEOS Phenol GmbH, INEOS Manufacturing Deutschland GmbH, INEOS Belgium Holdco SA, INEOS Belgium NV, INEOS Feluy SA, INEOS Manufacturing Belgium NV, INEOS NV, INEOS Phenol Belgium NV, INEOS Group Holdings SA, INEOS Jersey Limited, INEOS Holdings Norge AS and INEOS Singapore Pte. Ltd.

***France***

There will be no guarantor of the Notes incorporated in France. However, the Notes will be guaranteed by INEOS Investments International Limited, a guarantor entity incorporated in England and Wales, and secured by a French law fourteenth ranking financial securities account pledge granted by INEOS Investments International Limited over the shares in INEOS France SAS and a French law thirteenth ranking financial securities account pledge granted by INEOS Investments International Limited over the shares in INEOS Technologies France SAS.

The abovementioned fourteenth and thirteenth ranking security interests will also secure the debt under the Senior Secured Term Loans Agreement, certain hedging liabilities and certain cash management liabilities, and such debt is also secured on a first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth, eleventh and twelfth-priority basis and in the case of the fourteenth ranking financial securities account pledge granted by INEOS Investments International Limited over the shares in INEOS France SAS, also on a thirteenth-priority basis.

***Germany***

The Notes will be guaranteed by the following German companies: INEOS Deutschland GmbH, INEOS Phenol Verwaltungsgesellschaft GmbH, INEOS Phenol GmbH, INEOS Köln GmbH, INEOS Manufacturing Deutschland GmbH, INEOS Köln Verwaltungs GmbH, INEOS Deutschland Holding GmbH and INEOS Köln Beteiligungs GmbH & Co. KG.

The Notes will be secured by the following German law security interests:

- junior ranking pledges over shares in INEOS Deutschland GmbH, INEOS Phenol Verwaltungsgesellschaft GmbH, INEOS Phenol GmbH, INEOS Köln GmbH, INEOS Manufacturing Deutschland GmbH, INEOS Köln Verwaltungs GmbH and INEOS Deutschland Holding GmbH;
- junior ranking pledges over limited partnership interests in INEOS Köln Beteiligungs GmbH & Co. KG;
- land charges on real estate owned by INEOS Phenol GmbH and INEOS Manufacturing Deutschland GmbH, and security purpose agreements with respect to such land charges;
- security transfers in respect of movable assets of INEOS Phenol GmbH, INEOS Köln GmbH, INEOS Manufacturing Deutschland GmbH, INEOS Europe AG and INEOS Oxide Limited;
- junior ranking account pledges over certain bank accounts of INEOS Phenol Verwaltungsgesellschaft GmbH, INEOS Phenol GmbH, INEOS Köln GmbH, INEOS Manufacturing Deutschland GmbH, INEOS Köln Verwaltungs GmbH, INEOS Deutschland GmbH, INEOS Köln Beteiligungs GmbH & Co. KG, INEOS Deutschland Holding GmbH, INEOS Oxide Limited and INEOS Europe AG; and
- global assignments in respect of receivables of INEOS Phenol Verwaltungsgesellschaft GmbH, INEOS Phenol GmbH, INEOS Köln GmbH, INEOS Manufacturing Deutschland GmbH, INEOS Deutschland GmbH, INEOS Köln Beteiligungs GmbH & Co. KG, INEOS Köln Verwaltungs GmbH and INEOS Deutschland Holding GmbH.

***Jersey***

The Notes will be guaranteed by INEOS Jersey Limited. The Notes will be secured by Jersey law security interests over all of the shares of INEOS Jersey Limited held by INEOS Holdings Limited.

***Luxembourg***

The Notes will be guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A. and INEOS Luxembourg II S.A. The Notes will be secured by the following Luxembourg law security interests:

- pledge over shares of INEOS Luxembourg I S.A., granted by INEOS Group Holdings S.A.; and
- pledge over shares of INEOS Luxembourg II S.A., granted by INEOS Luxembourg I S.A.

***Norway***

The Notes will be guaranteed by INEOS Holdings Norge AS. The Notes will be secured by Norwegian law security interests over:

- shares of INEOS Holdings Norge AS, granted by INEOS Holdings Limited;
- shares of INEOS Bamble AS and INEOS Sales Norge AS, in each case granted by INEOS Holdings Norge AS; and
- trade receivables, bank accounts held in Norway and claims under intercompany loans granted by INEOS Holdings Norge AS.

***Scotland***

The Notes which are guaranteed by INEOS Europe AG, incorporated in Switzerland, will also be secured by the following Scots Law security interest:

- a floating charge by INEOS Europe AG over the entire inventory of INEOS Europe AG located in Scotland and rights and claims relating to such inventory.

***Singapore***

The Notes will be guaranteed by INEOS Singapore Pte. Ltd.

The Notes will be secured by a security interest over the shares of INEOS Singapore Pte. Ltd., held by INEOS Holdings Limited. The Notes will also be secured by a security interest over substantially all of the assets of INEOS Singapore Pte. Ltd. pursuant to a Singapore law debenture.

***Switzerland***

The Notes will be guaranteed by INEOS Europe AG and INEOS Group AG. The Notes will be secured by the following Swiss law security interests:

- security assignment in respect of bank account claims granted by INEOS Europe AG;
- assignment agreement of receivables and trade receivables granted by INEOS Europe AG;
- share pledge in respect of shares in INEOS Europe AG granted by INEOS Group AG;
- security assignment in respect of bank account claims granted by INEOS Group AG;
- assignment agreement of receivables and trade receivables granted by INEOS Group AG;
- share pledge in respect of the shares in INEOS Group AG granted by INEOS Luxembourg II S.A.; and
- security assignment agreement in respect of bank account claims granted by INEOS Holdings Limited.

***United States of America***

On the Issue Date, the Notes will be guaranteed by the following companies organized under the laws of states of the United States of America: INEOS US Finance LLC, INEOS Americas LLC, INEOS Technologies USA LLC, INEOS LLC, INEOS Polypropylene LLC, INEOS USA LLC, INEOS US I Inc., INEOS USA Manufacturing LLC, INEOS Nitriles USA LLC, INEOS Oligomers USA LLC, INEOS Chocolate Bayou Pipeline LLC and INEOS Technologies Americas LLC.

The Notes will be guaranteed by the following companies organized under the laws of states of the United States of America: WL Plastics LLC and WL Plastics Manufacturing LLC, in each case from the Subsequent Guarantor Accession Date.

The Notes will be secured by (i) a security interest in substantially all of the tangible and intangible personal property of the aforementioned companies, (ii) pledges of shares of certain subsidiaries of the aforementioned companies and (iii) mortgages on certain owned real property, including a mortgage granted by INEOS Americas LLC on real property located at Theodore, Alabama and Pasadena, Texas, mortgages granted by INEOS USA LLC on real property located at Alvin (Chocolate Bayou), Texas, and La Porte, Texas and mortgages granted by INEOS Nitriles USA LLC for property located at Lima, Ohio and Port Lavaca (Green Lake), Texas.

**Limitations on Guarantees and Collateral**

The Indenture, and certain of the security documents in respect of the Notes will contain, and the Senior Secured Term Loans Agreement and Existing Indentures contain, customary language as to limitations on the amount, validity and enforceability of the guarantees and the Collateral. For a description of certain of these limitations, see "Description of the Notes" and "Limitations on Validity and Enforceability of the Guarantees and the Security Interests."

**Future Guarantees and Security**

The Indenture will include provisions that generally require that INEOS Group companies that guarantee or grant security in respect of the Senior Secured Term Loans, the Existing Indentures or certain other indebtedness simultaneously guarantee the Notes and grant security in respect of the Notes. However, these provisions are subject to a variety of exceptions and limitations. See "Description of the Notes."

## LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND THE SECURITY INTERESTS

Set out below is a summary of certain limitations on the enforceability of the guarantees and the security interests in each of the jurisdictions in which guarantees or Collateral are being provided.

It is a summary only, and proceedings of bankruptcy, insolvency or a similar event could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future Guarantor of the Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply, and could adversely affect your ability to enforce your rights and to collect payment in full under the Notes, the guarantees and the security interests on the Collateral.

The following is a brief description of certain aspects of certain limitations on the validity and enforceability of the guarantees and security interests for the Notes and certain aspects of insolvency law in Belgium, Canada, England and Wales, Germany, Jersey, Luxembourg, Norway, Singapore, Switzerland and the United States, which are the jurisdictions in which the Issuer, the Guarantors and the providers of security to the Notes are organized or incorporated. In the event that any one or more of the Issuer, the Guarantors, the providers of security to the Notes or any other of IGH or IHL's subsidiaries experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions bankruptcy, insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency or corporate arrangement laws may affect the enforceability of the obligations of the Issuer, the Guarantors and/or any security granted thereby. The descriptions below do not purport to contemplate or discuss all of the limitations or considerations that may affect the Notes, the Guarantees or any security interests granted in connection therewith. See "*Risk Factors—Risks Relating to the Notes and Our Capital Structure—Relevant insolvency laws in England, Luxembourg and other jurisdictions may provide you with less protection than U.S. bankruptcy law*".

### European Union

Several of the Guarantors or providers of security for the Notes are organized or incorporated under the laws of Member States of the European Union.

Regulation (EU) no. 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings (the "**Recast EU Insolvency Regulation**") entered into force on June 26, 2017 and is applicable to insolvency proceedings opened on or after that date, replacing Council Regulation (EC) no. 1346/2000 on insolvency proceedings (which continues to apply to insolvency proceedings opened prior to June 26, 2017). Pursuant to the Recast EU Insolvency Regulation, which applies within the European Union (other than Denmark), the court which shall have jurisdiction to open main insolvency proceedings in relation to a company is the court of the Member State where the company has its "centre of main interests" ("**COMI**") (which, according to Article 3(1) of the Recast EU Insolvency Regulation, is "the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties"). The determination of where any such company has its COMI is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

The term "centre of main interests" is not a static concept and may change from time to time. Although there is a rebuttable presumption under Article 3(1) of the Recast EU Insolvency Regulation that a company has its COMI in the Member State in which it has its registered office, this presumption only applies if the registered office has not been moved to another Member State within the 3-month period prior to the request for the opening of insolvency proceedings.

Further, Preamble 30 of the Recast EU Insolvency Regulation states that "it should be possible to rebut this presumption where the company's central administration is located in a Member State other than that of its registered office, and where a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the company's actual centre of management and supervision and of the management of its interests is located in that other Member State." In that respect, factors such as where board meetings are held, the location where the company conducts the majority of its business and the location where the large majority of the company's creditors are established may all be relevant in the determination of the place where the company has its COMI. The point at which a company's COMI is determined is at the time that the relevant insolvency proceedings are opened.

If the COMI of a company is and will remain located in the Member State (other than Denmark) in which it has its registered office, the main insolvency proceedings in respect of the company under the Recast EU Insolvency Regulation may only be commenced in such jurisdiction, and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the Recast EU Insolvency Regulation. Main insolvency proceedings opened in one Member State under the Recast EU Insolvency Regulation are to be recognized in the other Member States (other than Denmark), although secondary proceedings may be opened in another Member State. If the COMI of a company is in one Member State (other than Denmark) under Article 3(2) of the Recast EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open "territorial proceedings" only in the event that such company has an "establishment" in the territory of such other Member State. "Establishment" is defined in Article 2(10) of the Recast EU Insolvency Regulation to mean any place of operations where the company carries out or has carried out in the 3-month period prior to the request to open main insolvency proceedings a non-transitory economic activity with human means and assets. The effects of those territorial proceedings are restricted to the assets of the company situated in the territory of such other Member State where proceedings were opened. If a company does not have an establishment in any other Member State, no court of any other Member State has jurisdiction to open territorial proceedings in respect of such company under the Recast EU Insolvency Regulation.

Where main insolvency proceedings in the Member State in which a company has its COMI have not yet been opened, territorial insolvency proceedings can be opened in another Member State where the company has an establishment, *provided* that either (a) insolvency proceedings cannot be opened in the Member State in which that company's COMI is situated under that Member State's law; or (b) the territorial insolvency proceedings are opened at the request of either (i) a creditor whose claim arises from or is in connection with the operation of the establishment situated within the territory of the Member State where the opening of territorial proceedings is requested or (ii) a public authority which, under the law of the Member State within whose territory the establishment is situated, has the right to request the opening of insolvency proceedings.

The Recast EU Insolvency Regulation provides for a cooperation and communication mechanism in the event that insolvency proceedings concerning two or more members of a group of companies are opened. Insolvency practitioners appointed in proceedings concerning a member of the group shall cooperate with any insolvency practitioner appointed in proceedings concerning another member of the group to the extent that such cooperation is appropriate. Similarly, the court which has opened proceedings shall also cooperate with any other court before which a request is made to open proceedings concerning another member of the group to the extent that cooperation is appropriate to facilitate the effective administration of the proceedings, is not incompatible with the rules applicable to them and does not entail any conflict of interest. In this respect, the courts may, where appropriate, appoint a third party, provided that this is not incompatible with the rules applicable to them.

Irrespective of whether the insolvency proceedings are main or secondary insolvency proceedings, such proceedings will, subject to certain exceptions, be governed by the *lex fori concursus*, *i.e.*, the local insolvency law of the court that has assumed jurisdiction over the insolvency proceedings of the debtor. Furthermore, pursuant to Article 6 of the Recast EU Insolvency Regulation, the courts of the Member State of the European Union within the territory of which insolvency proceedings have been opened in accordance with its Article 3 shall have jurisdiction for any action that derives directly from the insolvency proceedings and is closely linked with them, such as avoidance actions.

The courts of all Member States of the European Union (other than Denmark) must recognize the judgment of the court opening the main proceedings and give the same effect to the judgment so long as no secondary proceedings have been opened there. The insolvency practitioner appointed by a court in a Member State (other than Denmark) which has jurisdiction to open main proceedings (because the company's COMI is there) may exercise the powers conferred on him by the law of that Member State in another Member State (other than Denmark), such as to remove assets of the company from that other Member State, subject to certain limitations, so long as no insolvency proceedings have been opened in that other Member State nor any preservation measure has been taken to the contrary further to a request to open insolvency proceedings in that other Member State where the company has assets.

**Belgium**

***Insolvency Proceedings***

Pursuant to European and Belgian law rules on conflict of laws, if any Guarantor has its center of main interests in Belgium (a "**Belgian Guarantor**"), main insolvency proceedings may be initiated in Belgium. A company is generally presumed to have its center of main interests at the location of its corporate seat, but this presumption is rebuttable. Such proceedings would then be governed by Belgian law, subject to certain exceptions. Under certain circumstances, the Recast EU Insolvency Regulation and Belgian law also allows secondary bankruptcy proceedings to be opened in Belgium over the assets situated in Belgium of companies whose center of main interests are not situated in Belgium. The effects of those secondary bankruptcy proceedings are restricted to the assets situated in Belgium. The following is a brief description of certain aspects of Belgian insolvency law to the extent relevant in the context of the present transaction.

Belgian insolvency law provides for three main insolvency proceedings: judicial reorganization proceedings (*gerechtelijke reorganisatie/réorganisation judiciaire*), transfer under the court's supervision (*overdracht onder gerechtelijk gezag/transfert sous autorité judiciaire*) and bankruptcy proceedings (*faillissement/faillite*). These three proceedings are regulated by Book XX of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*), as amended. Note that Belgian (insolvency) law offers different out of court restructuring options and allows for liquidation in deficit (*deficitaire vereffening/liquidation déficitaire*). These proceedings will not be further discussed.

Recently an Act was adopted in the Belgian Parliament to implement the EU Restructuring Directive 2019/1023 (the "**New Insolvency Act**"). The New Insolvency Act amends certain provisions of Book XX of the Code of Economic Law. These new provisions apply to insolvency proceedings (including judicial restructuring) opened as of September 1, 2023. Note that the New Insolvency Act (i) distinguishes between private and public reorganization proceedings, (ii) no longer considers the transfer under the court's supervision to be a judicial reorganization and (iii) offers the possibility for companies to silently prepare for bankruptcy proceedings (the "**Pre-packaged Bankruptcy Proceeding**"). These key changes are briefly discussed below.

***Judicial Reorganization Proceedings and Transfer under Court's Supervision***

Judicial reorganization proceedings and transfer under court's supervision are available to all legal entities as well as all individuals that qualify as an enterprise (*onderneming/entreprise*) in the sense of Article I.1, 1° of the Belgian Code of Economic Law, subject to certain exceptions for regulated liberal professions, credit institutions and certain other entities active on the financial and insurance markets.

A judicial reorganization and transfer under court's supervision may be initiated at the request of the debtor if the continuity of the enterprise is at risk, whether immediately or in the future. The content of this principle is broad and is defined in practice by the courts. The fact that the conditions for bankruptcy are met (entailing that the debtor has the legal obligation to declare bankruptcy under Book XX of the Belgian Code of Economic Law) does not preclude the debtor from filing for judicial reorganization or transfer under court's supervision.

In addition, in the event of manifest shortcomings (*kennelijk tekortkomingen/manquements caractérisés*) on the part of the debtor jeopardizing the continuity of the debtor or in the event the debtor company becomes unmanageable, the debtor, any creditor, the public prosecutor or any other interested party may request the court to appoint a restructuring expert (*herstructureringsdeskundige/praticien de la réorganisation*) who can be tasked with opening judicial reorganization proceedings. The debtor may also request the court to appoint a restructuring expert to facilitate its recovery.

In certain circumstances, creditors, third parties interested in acquiring the business or the public prosecutor may summon the debtor and seek the transfer of all or part of the debtor's business under court's supervision.

The obligation to declare bankruptcy is suspended as from the filing of a petition for judicial reorganization or transfer under court's supervision. As from the filing of the petition and as long as the court overseeing the judicial reorganization or the transfer under court's supervision has not issued a ruling on the petition, the debtor cannot be declared bankrupt (save in case the debtor files a declaration of bankruptcy itself) or be wound up by court order. In addition, during the period between the filing of the petition and the court's decision, as a rule, none of the creditors may proceed with the enforcement of any security interests that such creditors may hold with respect to the debtor's assets. There are, however, important exceptions to this rule, including, among other things, that beneficiaries of security over bank accountsv and shares are not subject to the stay on enforcement. Note that the filing of the petition does not have an automatic suspensory effect if the debtor requested the opening of a judicial reorganization less than 12 months before.

Within a period of 15 days as from the filing of the petition, the court will examine such petition, and within eight days following such examination the court will decide on the opening of the judicial reorganization procedures or a transfer under court's supervision, allowing a temporary moratorium for a maximum period of four months. Subject to certain conditions, the moratorium period can thereafter be extended up to a total maximum period of 12 months if justified in light of the circumstances. In the context of a transfer under court's supervision, a further extension of four months is possible.

The granting of the temporary moratorium operates as a stay on enforcement. No enforcement measures with respect to pre-existing claims (i.e., for debts incurred before the judgment opening the judicial reorganization proceedings or transfer under court's supervision) in the moratorium can be continued or initiated against any of the debtor's movable and immovable assets from the time that the moratorium is granted until the end of the period, with few exceptions. During the moratorium, the debtor can also not be declared bankrupt (except upon declaration of the debtor itself) and, if the debtor is a legal entity, judicial dissolution will not be possible during this period.

If receivables are pledged by the debtor in favour of a creditor prior to the opening of the judicial reorganization proceedings or transfer under court's supervision, these will not be affected by the moratorium provided that the receivables are pledged specifically to that creditor from the moment when the pledge is created. The holder of such pledged receivables is permitted to take enforcement measures against the estate of the initial counterparty of the debtor (such as the debtor's customers) during the moratorium. Receivables that form part of a pledge over business assets do not benefit from such exemption. A pledge on financial instruments and cash on account within the meaning of the Financial Collateral Act of December 15, 2004, as amended from time to time, (the "**Belgian Financial Collateral Act**"), such as shares in any Belgian Guarantor, can be enforced notwithstanding the enforcement prohibition imposed by the moratorium. In the case of a pledge on cash held on accounts, the enforcement prohibition applies, save in the event of payment default or if certain other conditions are met. Personal guarantees granted by third parties in favour of the debtor's creditors are not covered by the enforcement prohibition imposed by the moratorium, nor are the debts payable by co-debtors, subject to certain exceptions or qualifications in respect of guarantees granted by individuals. The moratorium also does not prevent the voluntary payment by the debtor of claims covered by the moratorium, to the extent such payment is necessary for the continuity of the enterprise.

During judicial reorganization proceedings or proceedings relating to transfer under court's supervision, as a general rule, the board of directors and management of the debtor continue to exercise their management functions, albeit under the limited supervision of the court.

The initiation of judicial reorganization proceedings or proceedings for transfer under court's supervision does not terminate any contracts, and contractual provisions which provide for the early termination or acceleration of the contract upon the initiation or approval of a reorganization procedure, and certain contractual terms such as compensation clauses (including but not limited to default interest), may not be enforceable. Such enforcement prohibition applies, with a few exceptions, to close-out netting provisions as well if the judicial reorganization procedure affects (i) a corporate debtor which is not a public or financial legal entity within the meaning of the Belgian Financial Collateral Act or (ii) a public or financial legal entity where the creditor is not such an entity.

Moreover, Belgian Insolvency Law provides that a creditor may not terminate a contract on the basis of a debtor's default that occurred prior to the commencement of the reorganization procedure unless the debtor would not remedy such default within a 15-day period following the notification of such default.

As an exception to the general rule of continuity of contracts, the debtor may cease performing a contract during the reorganization proceedings, provided that the debtor notifies the creditor and the decision is necessary for the debtor to be able to propose a reorganization plan to its creditors or to transfer all or part of the company or its assets. The exercise of this right does not prevent the co-contractor from suspending the performance of its own obligations. The co-contractor can however not terminate the agreement solely on the ground that the debtor has suspended the performance of its own obligations.

Book XX of the Belgian Code of Economic Law provides for two types of reorganization: (i) an amicable settlement between the debtor and some of its creditors or (ii) a collective agreement. Book XX of the Belgian Code of Economic Law also provides for the possibility to transfer (part of) the activities of the debtor under court's supervision. Where initially such a transfer was a reorganization procedure, this is no longer the case for transfers opened as of September 1, 2023.

***Amicable Settlement***

In the case of an amicable settlement, the debtor can draw up an agreement and joint payment scheme plan with one or more creditors with a view to restructuring par or all of its assets and activities.

Only the parties to such amicable settlement will be bound by the terms they have agreed to. Such in-court agreement requires unanimity among the creditors concerned. The debtor may petition the court to grant a grace period in respect of its payment obligations, including, for example, in relation to interest payments, pending the negotiation of the agreement. Once agreement is reached, the court will in principle homologate it. Such an amicable settlement will remain enforceable in the event of a later bankruptcy, subject to certain exceptions.

***Collective Agreement***

In the case of a judicial reorganization by collective agreement (or reorganization plan), Belgian Insolvency Law provides for two different regimes: a regime applicable to small and medium sized enterprises ("**SMEs**") and a regime for large companies and SMEs that have elected to opt-in to the regime for large companies. The regime applicable to SMEs will not be discussed.

With regards to large companies (i.e., companies which, during two consecutive financial years, meet one or more of the following thresholds: (i) annual average number of employees of 250, (ii) annual turnover excluding VAT of EUR 40,000,000, or (iii) the balance sheet total reaches EUR 20,000,000—this also applies if group companies together exceed one or more of the thresholds), the parties affected by the plan (which could be creditors and equity holders) agree to a reorganization plan through a voting process. Under the large enterprise regime, creditors can and to a certain extend must be placed in different voting classes if their rights in a bankruptcy liquidation or the rights obtained under the proposed restructuring plan are so dissimilar that there is no comparable position. Secured creditors and unsecured creditors must be divided in different classes. A creditor can only be considered secured (both for purposes of voting and treatment under the plan) to the extent of the liquidation value of the collateral. In principle, a restructuring plan is adopted if each class has voted in favor of the restructuring plan, i.e., if a simple majority (in amount of the claim) is obtained in each class. The plan may include measures such as the reduction or rescheduling of liabilities and interest obligations, amendment to contracts and the swap of debt into equity and may be based on a differentiated treatment of various categories of affected parties. Belgian Insolvency Law contains certain limitations, primarily aimed at protecting employees of the debtor. If the plan is approved, the reorganization plan needs to be confirmed by the court prior to it taking effect. At the occasion of the confirmation, the court will perform a number of tests, including whether the plan complies with the formal requirements under the law and, in case of dissenting classes of affected parties, whether the criteria for cross-class cram-down are satisfied.

A reorganization plan is deemed approved if each class of affected parties approves the plan. A class of affected parties is deemed to approve the plan if it is approved by creditors or equity holders representing a fifty percent majority in value of the claims or (in case of equity holders) the participations. Moreover, a reorganization plan can also be approved if one or more classes dissent if the restructuring plan respects certain conditions ("**cross-class cram-down**"), including the application of the absolute priority rule. Once approved, the plan will bind all the classes of affected parties.

***Private Judicial Reorganization***

The New Insolvency Act distinguishes between private and public judicial reorganization. As of 1 September 2023, Book XX of the Code of Economic Law allows debtors to apply for a private judicial reorganization by amicable or collective agreement. In such case, all proceedings will be confidential except for the debtor or the practitioner, the court and the specific creditors involved.

Private judicial restructuring proceeding may be initiated by a debtor or a creditor of the company. The opening of the proceedings would only impact those parties that will be affected by the plan, which may be limited to financial creditors for example. The restructuring expert will determine the creditors to be involved in the plan. The court rules within eight days on the petition for private judicial reorganization. Opting for the private judicial reorganization implies a court-appointed restructuring expert who assists all parties during the negotiations. During a private judicial reorganization, the debtor does not automatically benefit from a stay of enforcement measures, but under certain conditions the restructuring expert may request the court to apply a stay in respect of certain creditors.

***Transfer under Court's Supervision***

The court authorized transfer of all or part of the debtor's enterprise can be requested by the debtor in its petition or at a later stage in the procedure. It may also be requested by the public prosecutor, by a creditor or by any party who has an interest in acquiring, in whole or in part, the debtor's enterprise, and the court can order such transfer in specific circumstances. The price of the transferred assets should at least be equal to the liquidation value. In case of comparable offers, priority will be given to the offer guaranteeing employment by way of a social agreement.

The court-ordered transfer will be organized under the supervision of a liquidation expert. Following the transfer, the recourse of the creditors will in most cases be limited to the transfer price, subject to certain exceptions.

In the case of a court-ordered transfer, co-contractors of on-going agreements can be forced to continue to perform the agreement without their consent after the transfer (except in case of intuitu personae agreements), provided historical debts under such agreement are paid.

Since September 1, 2023, the transfer must be followed by liquidation or bankruptcy proceedings of the debtor.

***Pre-packaged Bankruptcy Proceedings***

These (pre-pack) proceedings allow insolvent companies to discreetly prepare for the transfer of assets and activities under court supervision before formal bankruptcy proceedings are opened. Pre-packaged bankruptcy proceedings can only be initiated by the debtor. In its petition, the debtor must demonstrate that these proceedings will (i) facilitate the liquidation of the company while achieving the highest possible distribution to the creditors as a whole, and (ii) preserve jobs to the extent possible.

If the court grants the debtor's request, a liquidation expert is appointed for maximum 30 days (with possible extension to a total of 60 days). The liquidation expert takes the lead during the preparation phase and assesses whether the transfer of all or part of the undertaking is likely to be successful, considering the interests of all creditors involved.

The preparation phase is done under the supervision of a prospective supervisory judge. During the preparations, the debtor remains in control of its assets and the day-to-day operation of its business and the debtor will not benefit from a moratorium. However, the debtor actively cooperates to achieve the transfer of its assets within the shortest possible time. Following the confidential preparation procedure, formal bankruptcy proceedings are opened.

***Bankruptcy***

Bankruptcy proceedings may be initiated by the debtor, by unpaid creditors, upon the initiative of the public prosecutor's office, by the provisional administrator of the debtor's assets (if there are strong indications that the conditions for bankruptcy are met), by the liquidator of the debtor's assets or by the liquidator of "main insolvency proceedings" opened in another EU Member State (other than Denmark) in accordance with the EU Insolvency Regulation. Once the court ascertains that the requirements for bankruptcy are met, the court fixes the date prior to which the debtor's creditors must submit all claims of unpaid debts, as well as the date of the first report on the verification of claims. The court can be requested to pronounce the judicial dissolution (*gerechtelijke ontbinding/dissolution judiciaire*) of the debtor, provided that (i) the conditions for bankruptcy are met, (ii) there are no significant assets available, and (iii) the public interest requires a judicial dissolution rather than a bankruptcy.

Bankruptcy proceedings may be opened in respect of any "enterprise" as defined by Article I.1, 1° of the Code of Economic Law (which includes notably any legal person, other than certain public law entities). Conditions for a bankruptcy order (*faillietverklaring/déclaration de faillite*) are that the debtor must be in a situation of sustained cessation of payments (*op duurzame wijze opgehouden hebben te betalen/cessation de paiements de manière persistante*) and must be unable to refinance its debts (*wiens krediet geschokt is/ébranlement de crédit*). Cessation of payments is generally accepted to mean that the debtor is not able to pay its debts as they have fallen due. Such a situation must be persistent and not merely temporary. The mere fact that a debtor has more debts than assets does not necessarily mean that the bankruptcy conditions are met. Companies in liquidation can be declared bankrupt up to six months after the judgments of the closing of the liquidation.

In bankruptcy, the debtor loses all authority and decision rights concerning the management of the bankrupt business. The bankruptcy receiver (*curator/curateur*), appointed by the court, becomes responsible for the operation of the business and implements the sale of the debtor's assets, the distribution of the sale proceeds to creditors and the liquidation of the debtor. The rights of creditors in the process are limited to being informed of the course of the bankruptcy proceedings on a regular basis by the bankruptcy receiver. Creditors may oppose the sale of assets by bringing an action before the court or may request the temporary continued operation of the business.

The bankruptcy receiver must decide whether to continue performance of ongoing contracts (i.e., contracts existing before the bankruptcy order). The bankruptcy receiver may elect to continue the business of the debtor, provided the bankruptcy receiver obtains the authorization of the court and such continuation does not cause any prejudice to the creditors. However, two exceptions apply:

(a) the parties to an agreement may contractually agree that the occurrence of a bankruptcy constitutes an automatic early termination or acceleration event; and

(b) *intuitu personae* contracts (*i.e.*, contracts whereby the identity of the counterparty constitutes an essential element upon the signing of the contract) are automatically terminated as of the bankruptcy judgment, since the debtor is no longer responsible for the management of the company. Parties can however agree to continue to perform under such contracts.

The bankruptcy receiver may elect not to perform the obligations of the bankrupt party which are still to be performed after the bankruptcy under any agreement validly entered into by the bankrupt party prior to the bankruptcy if such decision is necessary for the management and the liquidation of the bankrupt estate. The counterparty to an ongoing contract may summon the bankruptcy receiver to take a decision within 15 days. If no extension of the 15 days term is agreed upon or if the bankruptcy receiver does not take any decision, the ongoing contract is presumed to be terminated after the expiration of the 15 days term. The counterparty to that agreement may make a claim for damages in the bankruptcy and such claim will rank pari passu with claims of all other unsecured creditors and/or seek a court order to have the relevant contract dissolved. The counterparty may not seek injunctive relief or require specific performance of the contract.

As a general rule, the enforcement rights of individual creditors are suspended upon the rendering of the court order opening bankruptcy proceedings, and after such order is made, only the bankruptcy receiver may proceed against the debtor and liquidate its assets. However, such suspension does not apply to a pledge on financial instruments or cash held on account falling within the scope of the Belgian Financial Collateral Act. Further exceptions exist with regard to estate credits (*boedelschulden*/*dettes de la masse*).

For creditors with claims secured by movable assets (other than financial collateral), such suspension would normally be limited to the period required for the verification of the claims. At the request of the bankruptcy receiver, the suspension period may be extended for up to one year as from the bankruptcy judgment. Such extension requires a specific order of the court which can only be made if the further suspension will allow for a realization of the assets in the interest of all creditors without prejudicing the secured creditors and provided that those secured creditors have been given the opportunity to be heard by the court. However, a pledge on financial instruments or cash held on accounts can be enforced during the suspension period.

For creditors with claims secured by immovable assets, the intervention of the bankruptcy receiver is necessary to pursue the sale of the assets, subject to certain exceptions. The bankruptcy receiver will do so upon an order of the court, given either at its request or at the request of a mortgagee. A first-ranking mortgagee will generally be entitled to pursue the enforcement of its mortgage as soon as the report of claims has been finalized. The court may suspend such enforcement for a period of not more than one year from the date of the bankruptcy if the suspension will allow for a realization of the assets without prejudicing the mortgagee provided that the mortgagee has been given the opportunity to be heard by the court.

If a security interest, such as a pledge, has been granted over assets that, at the time of opening of an insolvency proceeding, are located in another EU Member State, the rights the creditor has under such security shall, in accordance with the EU Insolvency Regulation, not be affected by the opening of such insolvency proceedings.

As from the date of the bankruptcy judgment, no further interest accrues against the bankrupt debtor on its unsecured debt, or debts secured by a general privilege, such as tax debts or social security debts.

The debts of the bankrupt estate generally will be ranked as to priority on the basis of complex rules. The following is a general overview of only the main principles:

(a) Estate debt: Costs and indebtedness incurred by the bankruptcy receiver during the bankruptcy proceedings, the so-called "estate debts," have a senior priority. In addition, if the bankruptcy receiver has contributed to the realization and enforcement of secured assets, such costs will be paid to the bankruptcy receiver in priority out of the proceeds of the realized assets before distributing the remainder to the secured creditors. Tax and social security claims incurred during the judicial reorganization proceedings will be preferential debts of the estate in a subsequent liquidation or bankruptcy;

(b) Security interests: Creditors that hold a security interest have a priority right over the secured asset (whether by means of appropriation of the asset or on the proceeds upon realization);

(c) Privileges: Creditors may have a particular privilege on certain or all assets (including, for example tax claims, claims for social security premiums, etc.). Privileges on specific assets rank before privileges on all assets of the debtor. Certain privileges prevail over the security interests;

(d) Unsecured creditors (*pari passu*): Once all estate debts and creditors having the benefit of security interests and privileges have been satisfied, the proceeds of the remaining assets will be distributed by the bankruptcy receiver among the unsecured creditors who rank *pari passu* (unless a creditor agreed to be subordinated); and

(e) Subordinated creditors will receive the remainder (if any).

Book XX of the Belgian Code of Economic Law provides that any assets, amounts and sums of distributions (such as income generated by a new activity) received after a bankruptcy are excluded from the bankruptcy estate if their relevant cause dates from after the bankruptcy.

***Subsidiary Guarantee***

The grant of a guarantee or collateral by a Belgian Guarantor for the obligations of another group company must fall within the grantor's corporate object and corporate purpose and be for the own corporate benefit of the granting Belgian Guarantor. Corporate benefit is not a well-defined concept under Belgian law and its interpretation is left to the courts and legal authors. The corporate benefit rules and their application in the context of granting guarantees or collateral for the benefit of a group company are not clearly established under Belgian law and there is only limited case law on this issue.

If the granting of a guarantee or the creation of a security interest does not fall within the grantor's corporate object or purpose, then such guarantee or security interest could, upon certain conditions, be held null and void. The assessment of whether or not the grant of a guarantee or security interest is in the relevant Belgian Guarantor's own corporate benefit is largely dependent on factual considerations and is to be determined on a case-by-case basis by the board of directors of such Belgian Guarantors at the time of the granting of the guarantees or security interests, in anticipation of their enforcement and to be reviewed ultimately on a case-by-case basis at the time of the enforcement by the competent courts. Consideration has to be given to any direct and/or indirect benefit that such Belgian Guarantor would derive from the transaction. This is particularly relevant for upstream or cross-stream guarantees and security interests. It is generally considered by legal scholars that at least the following principles apply to such evaluation: (i) the risk taken by the Belgian Guarantor in issuing the guarantee must be proportional to the direct and/or indirect benefit derived from the transaction; and (ii) the financial support granted by the Belgian Guarantor should not exceed its financial capabilities. The responsibility for such assessment lies with the board of directors of the Belgian Guarantors. The corporate benefit justification by the company's management will be subject to only a "marginal review" by the courts. In insolvency situations, however, the courts can be expected to take a more critical view.

If the corporate benefit requirement is not met, the (board of) directors of the Belgian Guarantor may be held liable (i) by the company for negligence in the management of the company and (ii) by third parties in tort and under criminal law in certain specific circumstances (i.e., where the specific facts can be qualified as "abuse of company goods" (*misbruik van vennootschapsgoederen*/*abus de biens sociaux*)). Moreover, the guarantee or security interest could be declared null and void and, under certain circumstances, the creditor that benefits from the guarantee or security interest may also be held liable on the basis of the principles of tort liability. Alternatively, the guarantee or collateral could be reduced to an amount corresponding to the corporate benefit and, under certain circumstances, the creditor could be held liable on the basis of the principles of tort liability for any guarantee amount in excess of such amount. These rules have however seldom been tested under Belgian law, and there is only limited case law on this issue.

In order to enable Belgian subsidiaries to grant a guarantee and security interest to secure liabilities of a direct or indirect parent or sister company without the risk of violating Belgian rules on corporate benefit, it is standard market practice for indentures, credit agreements, guarantees and security documents to contain so-called "limitation language" in relation to subsidiaries incorporated or established in Belgium. Accordingly, the purchase agreements in respect of the Notes, the Indenture and the security documents will contain such limitation language and the security and the guarantees of the Belgian Guarantors will be so limited.

The Indenture will expressly provide, substantially to the effect that, the obligations of each Belgian Guarantor under the guarantee clause of the Indenture:

(a) shall not include any liability which would constitute unlawful financial assistance (as determined in article 5:152 or 7:227 of the Belgian Code of Companies and Associations Code, as applicable, or any other applicable provision of the Belgian Code of Companies and Associations Code depending on the type of undertaking the Belgian Guarantor is); and

(b) shall be limited to a maximum aggregate amount equal to the greater of (a) 90% of such Belgian Guarantor's net assets (as defined in article 5:142 or 7:212 of the Belgian Code of Companies and Associations Code, as applicable, or any other applicable provision of the Belgian Code of Companies and Associations Code depending on the type of undertaking the Belgian Guarantor is) as shown in its most recent audited annual financial statements as approved at its meeting of shareholders, and (b) the aggregate of the amounts, either directly or through one or more other companies of the INEOS Group, made available to such Belgian Guarantor and its subsidiaries (if any) using all or part of the proceeds of the Notes (increased by all interests, commissions, costs, fees, expenses and other sums accruing or payable in connection with such amount).

***Financial assistance***

Any guarantee granted by a Belgian Guarantor which constitutes a breach of the provisions on financial assistance as defined by Article 5:152 or 7:227 of the Belgian Code of Companies and Associations, as applicable, or any other applicable provision of the Belgian Code of Companies and Associations depending on the type of undertaking the Belgian Guarantor is, might not be enforceable.

***Hardening Periods and Fraudulent Transfer***

In the event of bankruptcy proceedings governed by Belgian law, certain transactions may be declared ineffective against third parties if concluded or performed by the debtor during the so-called "hardening period" (*verdachte periode/période suspecte*).

In principle, the cessation of payments (which constitutes a condition for filing for bankruptcy) is deemed to have occurred as of the date of the bankruptcy order. The court issuing the bankruptcy order may determine, based on serious and objective indications, that the cessation of payments occurred on an earlier date. Such earlier date may not be earlier than six months before the date of the bankruptcy order, except in the case where the bankruptcy order relates to a company that was dissolved more than six months before the date of the bankruptcy order in circumstances suggesting an intent to defraud its creditors, in which case the date of cessation of payments may be determined as being the date of such decision to dissolve the company. The period from the date of cessation of payments up to the declaration of bankruptcy is referred to as the "hardening period".

The transactions entered into or performed during the hardening period which may be declared ineffective against third parties and are unenforceable against the bankruptcy receiver include, among others, (i) gratuitous transactions or transactions entered into at an undervalue or on extremely beneficial terms for the counterparty, (ii) payments for debts which have not yet fallen due (iii) payments other than in cash for debts due and (iv) new security interests provided for pre-existing debts.

Other transactions entered into or performed during the hardening period may be declared ineffective against third parties provided that the counterparty was aware of the debtor's cessation of payment. In particular, a guarantee or security interests entered into during the hardening period may be declared ineffective against third parties if (i) it is regarded as having been granted gratuitously, unbalanced or at an undervalue, (ii) the beneficiaries of the guarantee or security interests were aware of the debtor's cessation of payments or (iii) it is granted to secure pre-existing debts.

If the guarantee or security interests granted by the Belgian Guarantor were successfully voided (based on the above), holders of the Notes would cease to have any claim in respect thereof and could be under an obligation to repay any amounts received pursuant to such guarantee or the enforcement proceeds of the security interests.

Furthermore, even in the absence of bankruptcy proceedings, a third party creditor may obtain a court ruling that an act or transaction (such as a guarantee) is not enforceable against it if it can establish that the challenged act or transaction was effected with the fraudulent intent to adversely affect its position as an existing creditor (*actio pauliana*).

Regardless of fraudulent intent, registration of a security interest after cessation of payments can also be declared ineffective against third parties, when more than 15 days have passed in between the date of the deed and the date of registration.

***Recognition and Enforcement***

The granting of a guarantee and of security interests may be subject to validity and/or enforceability conditions. The breach of any of such conditions may render such guarantee or security interest invalid or unenforceable. The foreclosure of a guarantee or of security interests may be subject to formalities (including, for example, judicial or non-judicial consent) and may be time consuming in the event that the foreclosure takes place under judicial control or in the event of a legal dispute. Courts may condition the enforcement of a guarantee or a security interest upon the evidence that the creditor has a final and undisputed claim triggering the foreclosure of the guarantee or security interest. Enforcement of guarantees or security interests may be hindered by conflict of law and/or conflict of jurisdiction issues and may not breach any public policy provision and/or mandatory legal provisions. Courts may require a sworn translation in French or Dutch of the English documents which they may review.

In particular, and without limiting the generality of what is set out above, validity, effectiveness and enforceability of certain security interests may be limited as follows:

- bank account and receivables pledge: the perfection of the pledge towards respectively the account bank or the debtor of the pledged receivables requires a notice of pledge or acknowledgment of pledge by the relevant account bank or debtor. In the absence of notice (or, in the case of a receivable governed by foreign law, of compliance with the applicable rules set by that foreign law), the pledge is not perfected as against the debtors of the receivables and (i) the debtors may still validly pay the receivables to the pledgor, (ii) the debtors may still raise defenses of set-off, (iii) subsequent assignment or pledge of the receivables to a bona fide third party in respect of which notice is given first would take priority over the pledge effected by the bank account and receivable pledge agreement, (iv) the pledge will not be effective against a third-party creditor of the company (such as, typically, a creditor, a creditor having made an attachment on the receivables) to whom a debtor would, in good faith, have paid a receivable before having received notice of the pledge, and (v) it is uncertain whether, after notice, debtors may still raise defenses of set-off.
- pledge on moveable assets: the perfection of the pledge towards third parties requires a registration of the pledge with the National Pledge Register (*Nationaal Pandregister/Registre National des gages*) established by a royal decree of 14 September 2017 in execution of the articles of title XVII of book III of the Belgian Civil Code relating to the use of the National Pledge Register. The pledgee or its proxy holder is responsible to complete the registration process through an online application by inserting, amongst others, the identity of the parties, the secured amount, the pledged asset and a declaration of the pledgee confirming he assumes liability for any incorrect information. The pledge will become effective as of the date of payment of the retribution and such registration remains valid for a renewable period of 10 years. As long as it is not recorded with the National Pledge Register, there is a risk that the holders of Notes secured by such pledge on moveable assets will not receive any proceeds from an enforcement of the security interest in that collateral; and
- pledge on registered shares representing the issued share capital of a Belgian company: a notice of pledge must be recorded and dated in the share register of the Belgian company to be enforceable against third parties. As long as the recordation is not effectuated in the share register of the Belgian company, there is a risk that the holders of Notes secured by such pledge on registered shares will not receive any proceeds from an enforcement of the security interest in that collateral.

***Mandates and third-party rights***

The registration duties and other fees payable in connection with the vesting of mortgages in respect of real property located in Belgium—which are calculated on the basis of the maximum secured amount under the relevant mortgage—are material. In order to avoid such costs, the maximum secured amount under a mortgage is often limited. Additional amounts will be secured by way of mortgage mandates. Pursuant to such mandates, an irrevocable power of attorney is granted to a third party for the purposes of creating one or more mortgages over the relevant property to the benefit of the Security Trustee.

The creation of mortgages pursuant to these mandates will not have any retroactive effect, i.e., the security interest will be created as of the date of conversion of the mortgage mandate into a mortgage and will take rank at that date. In addition, if a mortgage mandate is converted into a mortgage during the "hardening period" (*verdachte periode/période suspecte*) as security interest for a pre-existing debt, such security interest will not be enforceable against the bankrupt estate (*niet tegenwerpelijk aan de boedel/ inopposable à la masse*).

In addition, various rights may have been granted or may exist in favor of third parties on some parcels of immovable goods on which mortgages will be granted. These rights could either limit the rights of the Security Trustee under the mortgage or impose an obligation that the prior consent of the relevant third party is obtained before the mortgage is granted.

***Parallel Debt***

It is generally assumed that under Belgian law certain security rights, such as a mortgage, cannot be validly created in favor of a person who is not the creditor of the claim that the security interest intends to secure. The beneficial holders of the Notes from time to time will not be party to the Security Documents. In order to permit the holders of the Notes from time to time to have a secured claim, the Intercreditor Agreement will provide for the creation of a "parallel debt." Pursuant to the parallel debt, the Security Trustee becomes the holder of a claim equal to each amount payable by an obligor under the Notes. Certain security interests created under the Security Documents will directly secure the parallel debt. The parallel debt concept has not been tested under Belgian law, and there is no certainty that it will eliminate or mitigate the risk of unenforceability posed by Belgian law.

**Canada**

INEOS Canada Investment Company and INEOS Canada Company are unlimited companies organized under the laws of the Province of Nova Scotia, Canada and INEOS Canada Partnership is a general partnership organized under the laws of the Province of Alberta, Canada (collectively, the "**Canadian Guarantors**" and individually, a "**Canadian Guarantor**"). Bankruptcy and insolvency matters are within the jurisdiction of the Federal government of Canada, but provincial laws can affect bankruptcy and insolvency proceedings including with respect to establishing priority of payments. In the event of the insolvency of any Canadian Guarantor, insolvency proceedings with respect to that Canadian Guarantor may be initiated in Canada. Canadian insolvency laws and applicable provincial legislation would govern those proceedings (subject to laws or protocols that may be applicable to international insolvencies if proceedings also occur in other jurisdictions in respect of those Guarantors, and those foreign proceedings are recognized by a Canadian Court). The insolvency laws of Canada and related provincial legislation may restrict, delay or limit certain of your rights and remedies, including in respect of priority of claims, the ability to obtain post-filing interest and other amounts and the duration of the insolvency proceedings, and hence may limit your ability to recover payments due on the Notes or to require the performance by the Canadian Guarantors of their obligations, their guarantees or the Security Documents to which they are party.

In the event of the insolvency of INEOS European Holdings Limited, such insolvency proceedings could impact the ability to recover under the Canadian Security. Canadian insolvency laws and applicable provincial legislation would govern those proceedings (subject to laws or protocols that may be applicable to international insolvencies if proceedings also occur in other jurisdictions, and those foreign proceedings are recognized by a Canadian court). The insolvency laws of Canada and related provincial legislation may restrict, delay or limit certain of your rights and remedies, including in respect of priority of claims, the ability to obtain post-filing interest and other amounts and the duration of the insolvency proceedings, and hence may limit your ability to recover payments due on the Notes or the Security Documents to which INEOS European Holding Limited is a party.

In Canada, there are two primary Federal statutes that govern insolvency and restructuring proceedings of corporate debtors. The Bankruptcy and Insolvency Act (the "**BIA**") contains provisions for the liquidation of insolvent companies (in a manner loosely akin, in substance, to U.S. Chapter 7 proceedings, although there are important distinctions) and for the restructuring of corporations (in a manner loosely akin, in substance, to U.S. Chapter 11 proceedings, although there are important distinctions). Similar to bankruptcy proceedings in the United States, a corporate debtor may be petitioned into bankruptcy (*i.e.*, involuntary proceedings) or file for bankruptcy or reorganization (*i.e.*, voluntary proceedings). In addition to the BIA, Canada also has the Companies' Creditors Arrangement Act ("**CCAA**"), which is a restructuring statute that operates, in practice, in a manner loosely akin to U.S. Chapter 11 proceedings (with important distinctions). CCAA proceedings are only available to insolvent debtor companies having debts in excess of CDN$5 million (or such other amount prescribed by regulation under the CCAA). Insolvency proceedings in Canada, whether under the BIA or the CCAA, are court-supervised.

Upon the bankruptcy of a debtor corporation, whether voluntarily or upon the application of a creditor, the BIA imposes an automatic stay of any action, execution or other proceeding by unsecured creditors in respect of the debtor, unless the creditors obtain leave of the applicable court to continue or commence the proceeding. In a liquidation (as opposed to restructuring) context, the stay of proceedings does not generally apply to secured creditors, who are free to exercise their rights of self-help or to otherwise realize on their security outside of the BIA. However, if requested by formal motion, the court may, in exceptional cases, stay the rights of a secured creditor for up to six months. Upon becoming bankrupt, whether voluntarily or involuntarily, all of a debtor's assets (subject to very limited exceptions) vest in the trustee in bankruptcy (subject to the rights of secured creditors with validly perfected security interests), at which point the debtor no longer has any ability to deal with those assets. The trustee typically proceeds to liquidate the assets and distribute the proceeds of the assets in accordance with the provisions of the BIA.

The BIA sets out the priority scheme for the payment of claims against a bankrupt debtor, which priority scheme takes precedence over any operative priority scheme outside of bankruptcy. Subject to certain statutory priority claims enumerated in the BIA (including, without limitation, "super priority" charge under the BIA against a debtor's current assets for certain employee wages as well as charges to secure certain unremitted source deductions and certain arrears in pension plan contributions) and true trust claims, secured creditors have the right to look first to the assets charged by their validly perfected security for payment. Thereafter, the BIA provides a list of preferred creditors who recover their debts in priority to the general body of unsecured creditors. Preferred claims are paid to the extent of their statutory priority, in order of their ranking, before any payments to lower-ranking preferred creditors or general unsecured creditors. All other claims will be considered general unsecured claims and rank *pari passu*.

If there is any surplus after payment to the unsecured creditors, the balance will be used to pay interest from the date of the bankruptcy at 5% per annum on all unsecured claims proved in the bankruptcy according to their priority. Any remaining amount would then be available for shareholders. It is exceedingly rare for there to be surplus proceeds in bankruptcy proceedings.

The proceeds resulting from the realization of the estate of an insolvent Canadian Guarantor may not be sufficient to satisfy secured claims or your deficiency claims as unsecured creditors under the guarantees granted by each Canadian Guarantor after the applicable Canadian Guarantor's prior ranking secured creditors and other claims that rank in priority to claims of holders of Notes have been satisfied. Further, the proceeds resulting from the realization of the Canadian Security may not be sufficient to satisfy secured claims.

Corporate restructurings in Canada may be implemented under either the BIA or the CCAA, with the latter being more commonly used by larger corporations. Partnerships are not eligible to apply for relief under the CCAA, however it is customary for one or more of the partners to file under the CCAA, and then obtain an order that extends all of the relevant rights and protections afforded by the CCAA to the partnership itself. Such an order is at the discretion of the Court, but routinely made where the operations of the partnership are closely connected to the operations of the partner(s). Because INEOS Canada Partnership is a partnership, it would therefore not be eligible for CCAA proceedings unless (a) one or more of the INEOS Canada Partnership partners obtained CCAA relief, and (b) the Court extended the CCAA relief to the partnership by way of an order. In the case of either a BIA or CCAA restructuring, a broad stay of creditors' rights and enforcement proceedings is generally implemented (in the case of the BIA by a statutory stay, and in the case of the CCAA by a court-ordered stay). A CCAA stay generally applies to secured creditors, subject to certain limited exceptions. Under this court-ordered protection, the debtor may formulate a restructuring proposal or plan or conduct an orderly wind-down or a sale as a going concern. In the event of a restructuring proposal or plan, a double majority of the creditors (*i.e.*, a simple majority in number, having two-thirds in value of the claims in question) present and voting either in person or by proxy at a meeting of creditors for each designated class or claims must approve the proposal or plan, and the proposal or plan must then be sanctioned by the court. Secured creditors may be included in such a proposal or plan and thereby have their secured claims compromised, reduced or deducted (in which case they may have a right to vote in a separate class) or may be dealt with outside of the proposal or plan. As an alternative to a plan, or in addition, a debtor may effect the sale of all or a portion of its assets in CCAA proceedings. Such sales may be structured as a conventional assets sale, in which assets are transferred to the purchaser free and clear of liabilities and liens, or as a share sale, where the purchaser acquires the shares of the debtor company and all or a portion of the debtor's liabilities are vested out of the debtor by court order. In the event of a sale, proceeds are generally distributed to creditors in accordance with the priority established by statute and the court (which may differ in some respects from those in a bankruptcy under the BIA). The court may also authorize the creation of priority charges ranking ahead of other creditors in both CCAA and BIA restructurings (for example, for interim or debtor-in-possession financings, directors' and officers' indemnification and administration costs). A sale under BIA restructuring or CCAA out of the ordinary course requires approval by the court with notice to the secured creditors likely to be affected by the proposed sale. The court may approve such sales absent a vote by the creditors in certain circumstances.

The manner in which secured and unsecured creditors would be treated in a restructuring proposal or plan would generally be proposed by a debtor in terms of such plan, subject to (i) the rights of creditors affected by the proposal or plan to vote on such proposal or plan and (ii) approval by the court.

Where a debtor deals with its property in a manner that prejudices its creditors (particularly where such debtor is or becomes thereafter insolvent), such transactions by the debtor may be subject to challenge by creditors, bankruptcy trustees or other interested parties, and the scrutiny of the court as fraudulent preference, transfer-at-undervalue or other reviewable transaction. Under Canadian federal and provincial law, there are a number of statutory means to challenge or void such transactions. Where a transaction subject to review is held to be contrary to Canadian law (including because it preferred one creditor over others or resulted in a loss of value to the debtor estate), the transaction is subject to being voided and a wide variety of possible remedies may be imposed. Should the Canadian Guarantors become insolvent within applicable time periods, the granting of the guarantees, and the grant of security in connection therewith, could be subject to challenge and the guarantees and security potentially avoided, and any amounts obtained under the guarantee or security in support thereof that is avoided would have to be repaid. Should the holders of the Notes be repaid or otherwise recover from the Canadian Guarantors at a time when such Guarantors are insolvent, or if the Canadian Guarantors thereafter become insolvent within applicable time periods, the repayment or recovery may be subject to challenge.

Secured creditors may also enforce their security by, among other things, applying to the court for the appointment of a receiver or a receiver/manager. The conduct of the receivership will be governed by provincial law and the relevant provisions of the BIA and will be under the supervision of the court.

In the event of a foreign insolvency proceeding, both the CCAA and the BIA allow a representative, authorized in respect of a debtor, to seek recognition of the foreign insolvency proceeding in Canada. The CCAA and the BIA each provide for a slightly modified version of the UNCITRAL Model Law on Cross-Border Insolvency (collectively, the "**Recognition Provisions**"). The Recognition Provisions allow an authorized representative to apply for recognition of the foreign insolvency proceeding as either a "foreign main proceeding" or a "foreign non-main proceeding." The determination of the type of proceeding is based upon the "center of main interest" (the "**COMI**") of the debtor. The COMI test is essentially the same as set forth in the UNCITRAL Model Law on Cross-Border Insolvency and chapter 15 of the U.S. Bankruptcy Code, with some variations. If the court determines that the foreign proceeding is a "foreign main proceeding," the court must grant a stay of proceedings in Canada and may grant additional relief permitted under the CCAA or the BIA. If the court determines that the foreign proceeding is a "foreign non-main proceeding," the court may, but is not required to, grant a stay of proceedings in Canada and any other relief permitted under the CCAA or the BIA. In the event of a recognition order being granted in respect of a foreign main proceeding or, subject to the discretion of the court of a foreign non-main proceeding, certain restrictions are imposed on the debtor company, including a restriction on selling assets in Canada unless the court approves such asset sale transaction. In the event that the foreign proceeding results in the approval of a restructuring plan, the Canadian court may grant such plan full force and recognition in Canada.

**England and Wales**

The Issuer, the Parent and the Company (both Guarantors) are companies incorporated under the laws of England and Wales (together with a number of other Guarantors incorporated under the laws of

England and Wales, the "**English Obligors**"). Therefore, any main insolvency proceedings in respect of the English Obligors would likely be commenced in England.

***The United Kingdom's Withdrawal from the European Union***

Unless insolvency proceedings or certain related proceedings were opened prior to the expiry of the transition period, which commenced on January 31, 2020 and expired on December 31, 2020 (the "**Transition Period**"), in which case the unmodified Recast EU Insolvency Regulation and related EU insolvency legislation govern the proceedings, insolvency proceedings with respect to English Obligors would likely proceed under, and be governed by, English insolvency laws in force at the time of commencement of the relevant proceedings. However, to the extent that an English Obligor has its COMI in an EU Member State, insolvency proceedings could, pursuant to the Recast EU Insolvency Regulation and subject to certain exceptions, be opened in the relevant Member State and be subject to the laws of that Member State (see "—European Union"). In addition, pursuant to the Cross-Border Insolvency Regulations 2006 (SI 2006/1030) (the "**Cross-Border Insolvency Regulations**"), certain foreign courts may have jurisdiction to oversee insolvency proceedings of any English Obligor which has its COMI or an "establishment" (being a place of operations where it carries out a non-transitory economic activity with human means and assets or services) in such foreign jurisdiction.

Although the scope of the English courts' jurisdiction varies for the different insolvency proceedings available in England and Wales, English courts generally have jurisdiction to open insolvency proceedings in respect of any company which has its COMI in the United Kingdom or which has its COMI in an EU Member State (other than Denmark) and an "establishment" in the United Kingdom. An "establishment" is defined in the same way as under the Recast EU Insolvency Regulation (see "—European Union"). While this allows English courts to assume jurisdiction over certain foreign companies in respect of certain insolvency proceedings, the efficacy of such proceedings will significantly depend on the likelihood and extent of subsequent recognition of such proceedings in relevant other jurisdictions.

The Cross-Border Insolvency Regulations, which implemented the UNCITRAL Model Law on Cross-Border Insolvency in the United Kingdom, allow a foreign representative to apply to the English courts for recognition of certain foreign law insolvency proceedings. If recognition is granted, those foreign law proceedings may benefit from certain protections, some of which may arise automatically (depending on the circumstances) and some of which are at the discretion of the English courts. The recognition of English courts' jurisdiction and orders in respect of schemes of arrangement, which are restructuring rather than insolvency proceedings, will be subject to treaties regarding matters relating to the jurisdiction of courts in civil proceedings and the enforcement of civil judgments such as the Hague Convention on Choice of Court Agreements 2005 (the "**Hague Convention**") and the Lugano Convention 2007 (the "**Lugano Convention**") (subject to the United Kingdom's pending application to accede to the latter, which was blocked by the European Commission in 2021) where these apply. In addition, recognition may still be available under principles of private international law and Regulation (EC) No 593/2008 of the European Parliament and of the Council of June 17, 2008 on the law applicable to contractual obligations ("**Rome I**").

The recognition of English courts' jurisdiction and orders in respect of restructuring plans is a developing area of law. It remains to be seen whether restructuring plans will fall within the scope of treaties regarding matters relating to the jurisdiction of courts in civil proceedings and the enforcement of civil judgments such as the Hague Convention, or whether they will be treated more akin to insolvency and restructuring proceedings and fall within related exceptions to such treaties, although an initial judgment from 2021 suggests that the latter approach may be followed.

English insolvency law may not be as favorable to the interests of investors as the laws of the United States or other jurisdictions with which investors are familiar. In the event that any English Obligor experiences financial difficulty, it is not possible to predict with certainty the outcome of insolvency or similar proceedings.

The Issuer's obligations under the Notes will be guaranteed by the English Obligors and secured by security interests over the Collateral. English insolvency laws and other limitations could limit the enforceability of a guarantee against an English Obligor and the enforceability of security interests over the Collateral.

The following is a brief description of certain aspects of English insolvency law relating to certain limitations on the guarantees or the security interests over the Collateral.

The application of these laws could adversely affect investors, their ability to enforce their rights under the guarantees and/or the Collateral securing the Notes and therefore may limit any amounts that investors may receive in an insolvency of an English Obligor.

***Fixed and Floating Charges***

There are a number of ways in which fixed charge security has an advantage over floating charge security, including: (a) an administrator appointed to a charging company can convert floating charge assets to cash and use such cash, or use cash subject to a floating charge, to meet administration expenses (which can include the costs of continuing to operate the charging company's business) while in administration in priority to the claims of the floating charge holder; (b) a fixed charge, even if created after the date of a floating charge, may have priority as against the floating charge over the charged assets (provided that the floating charge has not crystallised at the time the fixed charge was granted); (c) general costs and expenses (including the remuneration of the insolvency officeholder) properly incurred in a winding-up are payable out of the company's assets (including the assets that are the subject of the floating charge) in priority to floating charge claims; (d) until the floating charge security crystallizes, a company is entitled to deal with assets that are subject to floating charge security in the ordinary course of business, meaning that such assets can be effectively disposed of by the charging company so as to give a third party good title to the assets free of the floating charge and meaning that there is a risk of security being granted over such assets in priority to the floating charge security; (e) floating charge security is subject to certain challenges under English insolvency law (please see "—Challenges to Guarantees and Security—Grant of Floating Charge"); (f) where the floating charge is not a security financial collateral arrangement (please see "—Administration and Floating Charges"), floating charge security is subject to the claims of preferential creditors (such as occupational pension scheme contributions and salaries owed to employees) and to ring-fencing for unsecured creditors (please see "—Priority on insolvency"); and (g) an administrator may dispose of or take action relating to property subject to a floating charge without the prior consent of the charge holder or court, although the floating charge holder retains the same priority in respect of the proceeds from the disposal of the assets subject to the floating charge. With prior approval of the court, an administrator may deal with property subject to a fixed charge provided that disposing of the property is likely to promote the administration's purpose and that the administrator apply the net proceeds from the disposal of the property in question towards discharging the obligations of the company to the charge holder.

Under English law, there is a possibility that a court could re-characterize fixed security interests purported to be created by a security document as floating charges and the description given to security interests by the parties is not determinative. Whether security interests labeled as fixed will be upheld as fixed security interests rather than floating security interests will depend, among other things, on whether the chargee has the requisite degree of control over the relevant chargor's ability to deal in the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the chargee in practice. Where the chargor is free to deal with the secured assets without the consent of the chargee prior to crystallization, the court is likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge in the security documents.

***Administration and Floating Charges***

The relevant English insolvency statutes empower English courts to make an administration order in respect of an English company in certain circumstances. An administration order can be made if the court is satisfied that the relevant company is or is likely to become "unable to pay its debts" and that the administration order is reasonably likely to achieve the purpose of administration. A company is unable to pay its debts if it is insolvent on a "cash flow" basis (unable to pay its debts as they fall due) or if it is insolvent on a "balance sheet" basis (the value of the company's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities). Such insolvency is presumed if, among other matters, the company fails either to satisfy a creditor's statutory demand for a debt exceeding £750 or to satisfy in full or in part a judgment debt (or similar court order). An administrator can also be appointed out of court by the company, its directors or the holder of a qualifying floating charge and different procedures apply according to the identity of the appointor.

The purpose of an administration is comprised of three objectives that must be looked at successively: rescuing a company as a going concern or, if that is not reasonably practicable, achieving a better result for a company's creditors as a whole than would be likely upon immediate liquidation or, if neither of those objectives is reasonably practicable, and the interests of the creditors as a whole are not unnecessarily harmed thereby, realizing property to make a distribution to one or more secured or preferential creditors. The order of priority which applies to any distribution to creditors is set out below (see "—Priority on insolvency").

In general, during the administration, no proceedings or other legal process may be commenced or continued against the debtor, or security enforced over the company's property, except with leave of the court or the consent of the administrator. Accordingly, if any of the English Obligors were to enter into administration, the relevant guarantees and the Collateral could not be enforced while the relevant company was in administration without the permission of the court or consent of the administrator. There can be no assurance that the Security Trustee would obtain such permission of the court or consent of the administrator.

Certain creditors of a company in administration may be able to realize their security over that company's property notwithstanding the statutory moratorium. This is by virtue of the disapplication of the moratorium in relation to a "security financial collateral arrangement" (generally, a charge over cash or financial instruments such as shares, bonds or tradable capital market debt instruments) under the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "**Financial Collateral Regulations**"). If an English Obligor were to enter administration, it is possible that, to the extent that it is not a financial collateral arrangement, the security granted by it or the guarantee granted by it may not be enforced while it is in administration, without the leave of the court or consent of the administrator. In addition, other than in limited circumstances, no administrative receiver can be appointed by a secured creditor in preference to an administrator, and any already appointed must resign if requested to do so by the administrator. Where the company is already in administration no other receiver may be appointed and an administrative receiver may only be appointed with the leave of a court or consent of the administrator.

In addition, an administrator is given wide powers to conduct the business and, subject to certain requirements under the Insolvency Act 1986 (as amended) (the "**Insolvency Act 1986**"), dispose of the property of a company in administration (including property subject to a floating charge).

In order to empower the Security Trustee to appoint an administrative receiver or an administrator out of court to the company, the floating charge granted by the relevant English Obligor must constitute a "qualifying floating charge" for purposes of English insolvency law and, in the case of the ability to appoint an administrative receiver, the qualifying floating charge must, unless the security document pre-dates September 15, 2003, fall within one of the exceptions in the Insolvency Act 1986 to the prohibition on the appointment of administrative receivers. In order to constitute a qualifying floating charge, the floating charge must be created by an instrument which (a) states that the relevant statutory provision applies to it, (b) purports to empower the holder to appoint an administrator of the company or (c) purports to empower the holder to appoint an administrative receiver within the meaning given by Section 29(2) of the Insolvency Act 1986. The Security Trustee will be the holder of a qualifying floating charge if such floating charge security, together (if necessary) with the fixed charge security interests, relate to the whole or substantially the whole of the relevant English Obligor's property and at least one such security interest is a qualifying floating charge. Whether the assets that are subject to the floating charges and other security will constitute substantially the whole of the relevant English Obligor's assets at the time that the floating charges are enforced will be a question of fact at that time and there is no statutory guidance as to what percentage of a company's assets should be charged to satisfy this test. The most relevant exception to the prohibition on the appointment of an administrative receiver is the exception relating to "capital market arrangements" (as defined in the Insolvency Act 1986), which will apply if the Issuer of the Notes creates a debt of at least £50,000,000 for the relevant company during the life of the arrangement and the arrangement involves the issue of a "capital markets investment" (which is defined in the Insolvency Act 1986, but is generally a rated, listed or traded debt instrument).

If an administrative receiver has been appointed, an administrator can only be appointed by the court (and not by the company, its directors or the holder of a qualifying floating charge using the out of court procedure) and then only if the person who appointed the administrative receiver consents or the court considers that the security pursuant to which the administrative receiver was appointed is capable of challenge on certain grounds. If an administrator is appointed, any administrative receiver will vacate office. Further, upon the appointment of an administrator, any receiver of part of the company's property must resign if required to do so by the administrator unless that receiver was appointed under a charge created or otherwise arising under a "financial collateral arrangement" (as defined in the Financial Collateral Regulations).

***Liquidation***

Liquidation is a termination procedure applicable to companies incorporated under the laws of England and Wales. There are three ways an English company may be placed into liquidation or "wound up," being (1) Members' Voluntary Liquidation (which is a procedure available to solvent companies only), (2) Creditors' Voluntary Liquidation and (3) Compulsory Winding-Up.

On the voluntary liquidation of an English company, there is no automatic statutory moratorium in place preventing the holders of security interests from taking steps to enforce those security interests (although the liquidator or any creditor or shareholder of the company in liquidation may apply to court for a stay). Where a company incorporated under the laws of England and Wales is placed into liquidation, a creditor holding a valid mortgage, charge or other security interest has four options: (1) to realize the security, apply the proceeds towards discharge of the secured debt, and prove in the liquidation for any balance; (2) to retain the security and not prove in the liquidation; (3) to value the security and prove for any shortfall between that value and the value of the debt; and (4) to surrender the security and prove for the full amount of the debt.

The effect of a compulsory winding-up differs in a number of respects from that of a voluntary liquidation. In a compulsory winding-up, under Section 127 of the Insolvency Act 1986, any disposition of the relevant company's property made after the commencement of the winding-up is, unless sanctioned by the court, void. Subject to certain exceptions, when an order is made for the winding-up of a company by the court, it is deemed to have commenced from the time of the presentation of the winding-up petition. Once a winding-up order is made by the court, a stay of all proceedings against the company will be imposed. No legal action may be continued or commenced against the company without permission of the court.

***Foreign Currency***

Under English insolvency law, where creditors are asked to submit formal proofs of claim for their debts, the office-holder will convert all foreign currency denominated proofs of debt into sterling at a single rate for each currency determined by the office-holder by reference to the exchange rates prevailing on the relevant date. If a creditor considers the rate to be unreasonable, they may apply to the court. Accordingly, in the event that an English Obligor goes into liquidation or administration, holders of the Notes may be subject to exchange rate risk between the date that such English Obligor went into liquidation or administration and receipt of any amounts to which such holders of the Notes may become entitled.

***Priority on Insolvency***

With the exception of the Prescribed Part (as defined below), distributions generally cannot be made to a class of creditors until the claims of the creditors in a prior ranking class have been paid in full. Unless creditors have agreed otherwise, distributions are made on a *pari passu* basis, that is, the assets are distributed in proportion to the debts due to each creditor within a class.

The general priority on insolvency is as follows (in descending order of priority):

- First ranking: holders of fixed charge security and creditors with a proprietary interest in specific assets in the possession (but not full legal and beneficial ownership) of the debtor but only to the extent of the realizations from those secured assets or with respect to the asset in which they have a proprietary interest;
- Second ranking: expenses of the insolvent estate (there are statutory provisions setting out the order of priority in which expenses are paid);
- Third ranking: these are divided into ordinary preferential creditors and secondary preferential creditors with ordinary preferential creditors being paid in priority to secondary preferential creditors. Ordinary preferential debts include (but are not limited to) debts owed by the insolvent company in relation to: (a) contributions to occupational and state pension schemes; (b) wages and salaries of employees for work done in the four months before the insolvency date, up to a maximum of £800 per person; (c) holiday pay due to any employee whose contract has been terminated, whether the termination takes place before or after the date of insolvency; and (d) bank and building deposits eligible for compensation under the Financial Services Compensation Scheme up to the statutory limit. As between one another, ordinary preferential debts rank equally. Secondary preferential debts include (x) the balance of insured bank and building deposits above the statutory limit of amounts insured under the Financial Services Compensation Scheme and (y) with respect to all insolvencies commencing on or after December 1, 2020, claims by HM Revenue and Customs in respect of certain taxes including VAT, PAYE income tax, student loan deductions, employee National Insurance contributions and Construction

Industry Scheme deductions which are held by the company on behalf of other taxpayers such as employees and customers. As between another, secondary preferential debts rank equally;

- Fourth ranking: holders of floating charge security, according to the priority of their security, to the extent of the realizations from those secured assets.

This would include any floating charge that was stated to be a fixed charge in the document that created it but which, on a proper interpretation, was re-characterised or rendered as a floating charge.

However, before distributing asset realizations to the holders of floating charges, the Prescribed Part (as defined below) must, subject to certain exceptions, be set aside for distribution to unsecured creditors;

- Fifth ranking:
  - firstly, provable debts of unsecured creditors and any secured creditor to the extent of any unsecured shortfall, in each case including accrued and unpaid interest on those debts up to the date of commencement of the relevant insolvency proceedings. To pay the secured creditors any unsecured shortfall, the insolvency officeholder can only use realizations from unsecured assets, as secured creditors are not entitled to any distribution from the Prescribed Part unless the Prescribed Part is sufficient to pay out all unsecured creditors;
  - secondly, interest on the company's debts (at the higher of the applicable contractual rate and the official rate) in respect of any period after the commencement of liquidation, or after the commencement of any administration which had been converted into a distributing administration. However, in the case of interest accruing on amounts due under the Notes or the guarantees, such interest due to the holders of the Notes may, if there are sufficient realizations from the secured assets, be discharged out of such security recoveries; and
  - thirdly, non-provable liabilities, being liabilities that do not fall within any of the categories above and therefore are only recovered in the (unusual) event that all categories above are fully paid. This however does not include "currency conversion" claims following the English Supreme Court Lehman Brothers ruling dated May 17, 2017; and
- Sixth ranking: shareholders. If after the repayment of all unsecured creditors in full, any remaining funds exist, these will be distributed to the shareholders of the insolvent company.

Subject to the above order of priority, subordinated creditors are ranked according to the terms of the subordination language in the relevant documentation.

An insolvency practitioner of the company (*e.g.*, administrator, administrative receiver or liquidator) will generally be required to ring-fence a certain percentage of the proceeds of enforcement of floating charge security for the benefit of unsecured creditors (after making full provision for preferential creditors and expenses out of floating charge realizations) (the "**Prescribed Part**"). Under current law, this ring-fence applies to 50% of the first £10,000 of floating charge realizations and 20% of the remainder over £10,000, with a maximum aggregate cap of £600,000, or £800,000 in relation to floating charges which come into existence on or after 6 April, 2020. The Prescribed Part must be made available to unsecured creditors unless the cost of doing so would be disproportionate to the resulting benefit to creditors.

***Challenges to Guarantees and Security***

There are circumstances under English insolvency law in which the granting by an English company of security and guarantees can be challenged. In most cases, this will only arise if the company is placed into administration or liquidation within a specified period (as set out in more detail below) of the granting of the guarantee or security. Therefore, if during the specified period an administrator or liquidator is appointed to an English company, he may challenge the validity of the guarantee or security given by such company.

The following potential grounds for challenge may apply to guarantees and charges:

***Transaction at an Undervalue***

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside the creation of a security interest or a guarantee if such liquidator or administrator believes that the creation of such security interest or guarantee constituted a transaction at an undervalue. There will only be a transaction at an undervalue, if at the time of the transaction or as a result of the transaction, the English company was or becomes unable to pay its debts (as defined in the Insolvency Act 1986). The transaction can be challenged if the English company enters into liquidation or administration proceedings within a period of two years (in the case of a transaction entered into between the relevant company and a person who is "connected" with that company, within the meaning of Section 249 of the Insolvency Act 1986 (a "**Connected Person**")) or six months (in the case of a transaction entered into between the relevant company and any person who is not a Connected Person, including where such beneficiary is a Connected Person by reason only of being the company's employee) from the date the English company grants the security interest or the guarantee. A transaction might be subject to being set aside as a transaction at an undervalue if the company makes a gift to a person, if the company receives no consideration or if the company receives consideration of significantly less value, in money or money's worth, than the consideration given by such company. However, a court generally will not intervene if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing the transaction would benefit it. If the court determines that the transaction was a transaction at an undervalue, the court can make such order as it thinks fit to restore the position to what it would have been in if the transaction had not been entered into. In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was insolvent unless a beneficiary of the transaction was a Connected Person, in which case there is a presumption of insolvency and the Connected Person must demonstrate the solvency of the English company in such proceedings. The Issuer cannot assure holders of the Notes that in the event of insolvency, the granting of the security or the giving of the guarantees by companies incorporated under the laws of England and Wales would not be challenged by a liquidator or administrator or that a court would support the Group's analysis that (in any event) the security and guarantees were entered into in good faith for the purposes described above.

In general terms, in such circumstances the Courts of England and Wales have the power to make void such transactions, or restore the position to what it would have been if the company had not entered into the transaction. If a court voided any grant of security or giving of any guarantee as a result of a transaction at an undervalue or preference, or held it unenforceable for any other reason, investors would cease to have any security over the grantor or a claim against the Guarantor giving such guarantee.

***Preference***

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside the creation of a security interest or a guarantee if such liquidator or administrator believes that the creation of such security interest or such guarantee constituted a preference. There will only be a preference if, at the time of the transaction or as a result of the transaction, the English company was or becomes unable to pay its debts (as defined in the Insolvency Act 1986). The transaction can be challenged if the English company enters into liquidation or administration proceedings within a period of six months (if the beneficiary of the security or the guarantee is not a Connected Person) or two years (if the beneficiary is a Connected Person, except where such beneficiary is a connected person by reason only of being the company's employee) from the date the English company grants the security interest or the guarantee. A transaction will constitute a factual preference if it has the effect of putting a creditor of the English company (or a surety or guarantor for any of the company's debts or liabilities) in a better position (in the event of the company going into insolvent liquidation) than such creditor, guarantor or surety would otherwise have been in had that transaction not been entered into. If the court determines that the transaction constituted such a preference, the court has very wide powers for restoring the position to what it would have been if that preference had not been given, which could include reducing payments under the Notes and the guarantees (although there is protection for a third party who enters into one of the transactions in good faith and without notice). However, for the court to do so, it must be shown that in deciding to give the factual preference the English company was influenced by a desire to produce the preferential effect. In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was insolvent at the relevant time and that the company was influenced by a desire to produce the preferential effect, unless the beneficiary of the transaction was a Connected Person, in which case there is a presumption that the company was influenced by a desire to produce the preferential effect and the Connected Person must demonstrate in such proceedings that there was no such influence.

***Transaction Defrauding Creditors***

Under English insolvency law, where it can be shown that a transaction was at an undervalue and was made for the purposes of putting assets beyond the reach of a person who is making, or may make, a claim against a company, or of otherwise prejudicing the interests of a person in relation to the claim, which that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. This provision may be used by any person who claims to be a "victim" of the transaction and, subject to certain conditions, the U.K. Financial Conduct Authority and the U.K. Pensions Regulator, and is not therefore limited to liquidators or administrators. There is no time limit in the English insolvency legislation within which the challenge must be made (subject to the normal statutory limitations period) and the relevant company does not need to be insolvent at the time of the transaction. If the court determines that the transaction was a transaction defrauding creditors, the court can make such orders as it thinks fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of the victims of the transaction.

***Extortionate Credit Transaction***

An administrator or a liquidator can apply to court to set aside an extortionate credit transaction. The court can review extortionate credit transactions entered into by an English Obligor up to three years before the day on which the English Obligor entered into administration or went into liquidation. A transaction is "extortionate" if, having regard to the risk accepted by the person providing the credit, the terms of it are (or were) such as to require grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of the credit or it otherwise grossly contravened ordinary principles of fair dealing.

***Grant of Floating Charge***

Under English insolvency law, if an English Obligor is unable to pay its debts at the time of (or as a result of) granting the floating charge, and the floating charge was granted within the specified period referred to below, then such floating charge is invalid except to the extent of the value of the money paid to, or goods or services supplied to, or any discharge or reduction of any debt of, the relevant English Obligor at the same time as or after the creation of the floating charge. The requirement for the English Obligor to be insolvent at the time of (or as a result of) granting the floating charge does not apply where the floating charge is granted to a Connected Person and within the specified period referred to below. If the floating charge is granted to a Connected Person, and the floating charge was granted within the specified period referred to below, then the floating charge is invalid except to the extent of the value of the money paid to, or goods or services supplied to, or any discharge or reduction of any debt of, the relevant English Obligor at the same time as or after the creation of the floating charge, whether the relevant English Obligor is solvent or insolvent. The granting of the charge can be challenged only if the relevant English Obligor enters into liquidation or administration proceedings within a period of one year (if the beneficiary is not a Connected Person) or two years (if the beneficiary is a Connected Person) from the date the relevant English Obligor grants the floating charge. However, if the Floating Charge qualifies as a "financial collateral arrangement" under the Financial Collateral Arrangements (No. 2) Regulations 2003, the floating charge will not be subject to challenge as described in this paragraph. An administrator, or a liquidator (as applicable), does not need to apply to court for an order declaring that a floating charge is invalid. Any floating charge created during the relevant time period is automatically invalid except to the extent of the value of the money paid to, or goods or services supplied to, or any discharge or reduction of any debt of, the relevant English company at the same time as or after the creation of the floating charge (plus certain interest), whether the relevant English company is solvent or insolvent at the time of grant.

***The Corporate Insolvency and Governance Act 2020***

On June 25, 2020, the Corporate Insolvency and Governance Bill 2020 received Royal Assent and took effect as the Corporate Insolvency and Governance Act 2020 on June 26, 2020 (the "**Insolvency Act 2020**") (save for certain temporary business protection measures which have retrospective effect from March 1, 2020). The Insolvency Act 2020 introduced a number of substantial and permanent changes to the insolvency regime of the United Kingdom including the following:

***Moratorium***

The Insolvency Act 2020 introduces a new standalone moratorium to facilitate company restructurings. The entry into a moratorium for companies incorporated in England and Wales would be similar to the current out of court administrator appointment procedure, *i.e.*, filing papers at court. A "moratorium monitor" (the "**Monitor**") (an insolvency practitioner and officer of the court) will file their consent to act and confirm that they have assessed the company's eligibility and that all moratorium qualifying conditions are satisfied. Costs incurred during a moratorium will be treated in the same way as expenses in an administration. Where a company exits a moratorium and subsequently enters administration or liquidation, any unpaid moratorium costs will have super priority over any costs or claims in the administration or liquidation, including the expense of those later procedures.

The moratorium is intended to enable the company to reach an agreement with creditors and the Monitor will be obliged to monitor whether it remains likely that the moratorium will result in the rescue of the company as a going concern (which is one of the eligibility criteria for a company to avail itself of the moratorium).

The eligibility criteria require the directors to state that the company is, or is likely to become, unable to pay its debts. A company which has entered into a moratorium, administration or company voluntary arrangement in the last 12 months is not eligible to enter into a moratorium. Certain categories of companies are excluded from being eligible (including those "excluded" as parties to capital markets arrangements as more particularly described in the Insolvency Act 2020).

The moratorium shall last for an initial period of up to 20 business days beginning with the business day after the day on which the moratorium comes into force, which may be extended (i) by the directors, for a period of a further 20 business days, (ii) with creditor consent for a total period of a year (including the initial 20 business day period), and (iii) by the court for an unlimited period.

The moratorium imposes a general restriction on the enforcement or payment of debts, insolvency proceedings and legal proceedings and the crystallization of floating charges. The moratorium also impacts the company's ability to engage in a range of corporate acts including those which relate to obtaining credit, the grant of security, entering into market contracts, payment of certain pre-moratorium debts, disposal of property, disposal of hire-purchase property and disposal of charged property free from charge.

The Monitor can terminate the moratorium on various grounds, including if the Monitor thinks that the moratorium is no longer likely to result in the rescue of the company as a going concern, or is unable to pay moratorium debts, or pre-moratorium debts for which the company does not have a payment holiday, as and when those debts fall due.

Creditors and other persons affected by the moratorium are entitled to apply to the court to challenge the Monitor's actions. A creditor or member of the company may challenge the conduct of or continuation of the moratorium on the ground that the interests of the company's creditors or members generally are being unfairly harmed.

***Certain Ipso Facto Clauses To Be Rendered Ineffective***

The Insolvency Act 2020 renders ineffective termination clauses in contracts for the supply of goods and services where the termination clause is activated by the purchaser of the goods or services becoming subject to a formal insolvency procedure (so-called 'ipso facto' clauses). This provision does not apply in relation to certain types of financial contracts, or where the company or the supplier are engaged in certain types of financial services.

***Restructuring Plan***

The Insolvency Act 2020 introduces a new restructuring process under Part 26A of the U.K. Companies Act 2006, which is broadly similar to, and intended to follow the same process as, a scheme of arrangement but with an ability for cross class cramdown.

This standalone restructuring plan will be available to certain companies that have encountered, or are likely to encounter, financial difficulties that are affecting, or will or may affect, their ability to carry on business as a going concern. The compromise or arrangement proposed in the plan must have as its purpose the elimination, reduction or prevention of, or mitigation of the effect of, any such financial difficulties.

The process closely resembles that for a scheme of arrangement. However, unlike a scheme of arrangement, to commence this process, a restructuring plan proposal can be made not only by the company, but also any creditor or member of the company, or if the company is being wound up, the liquidator, or if the company is in administration, the administrator. Every creditor or member whose rights are affected should be able to participate in a meeting. Creditors will be divided into classes based on the similarity or otherwise of their rights prior to the restructuring plan and following implementation of the plan and the court must approve the formation of any such classes.

At a first hearing, the court may order the holding of a meeting of creditors, classes of creditors, members or class of members. Before that meeting, a statement must be provided to the creditors, class of creditors or class of members (as applicable) which statement must explain the effect of the compromise or arrangement. At the meeting, the requisite voting threshold of 75% in value of the creditors, class of creditors or members (as applicable) present and voting must be met before, at a second hearing, the court will consider whether to sanction the compromise or arrangement.

Where a compromise or arrangement is approved by 75% in value of a class of creditors or members (as applicable) present and voting who would receive a payment or have a genuine economic interest in the company in the event of the "relevant alternative" (i.e., whatever the court considers would be most likely to occur in relation to the company if the restructuring plan were not sanctioned) then the court may still sanction the scheme even if one or more classes of creditors or members did not vote in favor of it, thereby "cramming-down" dissenting classes, if: (i) the court is satisfied that none of the members of the dissenting class would be any worse off under the restructuring plan than they would be in the event of the "relevant alternative"; and (ii) the restructuring plan has been approved by a number representing 75% in value of a class of creditors or members (as applicable), present and voting, who would receive a payment, or have a genuine economic interest in the company, in the event of the relevant alternative referred to in (i) above.

The restructuring plan must then be sanctioned by the court at a sanction hearing where the court will review the fairness of the restructuring plan and consider what is reasonable. The court retains discretion to sanction a restructuring plan as approved, make an order conditional upon modifications being made or reject the restructuring plan.

***Statutory Demands and Winding-Up Petitions***

Under Section 127 of the Insolvency Act 1986 certain transactions, including any disposition of the company's property and any transfer of shares made after the commencement of a winding-up, unless sanctioned by the court, are void. Where a creditor makes a winding-up petition during the period set out above and the court makes an order for a winding-up of the company, the Insolvency Act 2020 shifts the point in time at which a winding-up will be deemed to commence for the purposes of Section 127 of the Insolvency Act 1986 from the time of the presentation of the winding-up petition to the making of the winding-up order. Therefore, transactions that are entered into after the presentation of a winding-up petition during the 'relevant period' but prior to the making of the winding-up order will not be void.

***Ranking of Security Interests***

Under English law, there are certain common law rules and equitable principles which will determine the ranking of two or more competing security interests over the same assets. A number of different factors are taken into account, such as the nature of the security interest, the order of creation, compliance with perfection requirements and the order of giving notice. English law security interests are to be granted to secure obligations under the Notes (which will also extend to obligations under the Existing Senior Secured Term Loans, the New Senior Secured Term Loans, the Existing Senior Secured Notes, certain hedging liabilities and certain cash management liabilities); these security interests will be granted over the same assets in respect of which security interests have already been granted in favor of the lenders under the Existing Senior Secured Term Loans and the holders of the Existing Senior Secured Notes. Accordingly, without the Intercreditor Deed, these new security interests would be likely to rank after the existing security interests. However, the Intercreditor Deed provides that as a contractual matter as among Senior Creditors (as defined in the Intercreditor Deed) the Notes will be secured on a *pari passu* basis with the Existing Senior Secured Term Loans, the New Senior Secured Term Loans, the Existing Senior Secured Notes, certain hedging liabilities and certain cash management liabilities and will be treated as such for the purposes of the application of proceeds from the enforcement of such assets.

***Disclaimer***

An English liquidator has the power to disclaim onerous property, which is any unprofitable contract or other property of the company that cannot be sold, readily sold or may give rise to a liability to pay money or perform any other onerous act. A contract may be unprofitable if it gives rise to prospective liabilities and imposes continuing financial obligations on a company that may be detrimental to creditors. However, this power does not apply to an executed contract, nor can it disturb accrued rights and liabilities.

***Limitation on Enforcement***

The grant of a guarantee or Collateral by any of the English Obligors in respect of the obligations of another group company must satisfy certain legal requirements. More specifically, such a transaction must be allowed by the respective company's memorandum and articles of association. To the extent that these documents do not allow such an action, there is the risk that the grant of the guarantee and the subsequent security can be found to be void and the respective creditor's rights unenforceable. Some comfort may be obtained for third parties if they are dealing with an English Obligor in good faith; however, the relevant legislation is not without difficulties in its interpretation. Further, corporate benefit must be established for each English Obligor in question by virtue of entering into the proposed transaction. Section 172 of the Companies Act 2006 provides that a director must act in the way that he considers, in good faith, would be most likely to promote the success of the English Obligor for the benefit of its members as a whole. If the directors enter into a transaction where there is no or insufficient commercial benefit, they may be found as abusing their powers as directors and such a transaction may be vulnerable to being set aside by a court.

***Security Over Shares***

Security over shares granted by an English Obligor or over shares of an English Obligor are, under English law, equitable charges, not legal charges. An equitable charge arises where a chargor creates an encumbrance over the property in favor of the chargee but the chargor retains legal title to the shares. Remedies in relation to equitable charges may be subject to equitable considerations or are otherwise at the discretion of the court.

***Security Over Bank Accounts***

With respect to any security over bank accounts (each, an "**Account Charge**") granted by an English Obligor, the banks with which some of those accounts are held (each, an "**Account Bank**") may hold a right at any time (at least prior to them being notified of a crystallization event under the Account Charge) to exercise the rights of netting or set-off to which they are entitled under their cash pooling or other arrangements with that guarantor. As a result, and if the security granted over those accounts is merely a floating (rather than fixed) charge, the collateral constituted by those bank accounts will be subject to the relevant Account Bank's rights to exercise netting and set-off with respect to the bank accounts charged under the relevant Account Charge. Once the floating charge has crystallised and converted into a fixed charge (as it would on enforcement or the occurrence of certain insolvency events with respect to the relevant English Obligor) and the Account Bank has been formally notified of that fact, the collateral will no longer be subject to the relevant Account Bank's netting and set-off rights.

***Company Voluntary Arrangements***

Pursuant to Part I of the Insolvency Act 1986, a company (by its directors or its administrator or liquidator as applicable) may propose a company voluntary arrangement to the company's shareholders and creditors which entails a compromise, or other arrangement, between the company and its creditors, typically a rescheduling or reducing of the company's debts. Provided that the proposal is approved by the requisite majority of creditors by way of a decision procedure, it will bind all unsecured creditors who were entitled to vote on the proposal. A company voluntary arrangement cannot affect the right of a secured creditor to enforce its security, or of a preferential creditor to be paid in priority to non-preferential creditors (see "—Priority on insolvency"), except with the consent of the secured creditor or the preferential creditor (as applicable).

In order for the company voluntary arrangement proposal to be passed, it must be approved by at least 75% (by value) of the company's creditors who respond in the decision procedure, and no more than 50% (by value) of unconnected creditors may vote against it. Secured debt cannot be voted in a company voluntary arrangement. However, a secured creditor may vote to the extent that it is undersecured. A secured creditor who proves in the company voluntary arrangement for the whole of its debt may be deemed to have given up its security.

***Scheme of Arrangement***

Although it is not an insolvency proceeding, pursuant to Part 26 of the U.K. Companies Act 2006, the English courts have jurisdiction to sanction a scheme of arrangement that effects a compromise of a company's liabilities between a company and its creditors (or any class of its creditors). An English Obligor may be able to pursue a scheme in respect of its financial liabilities. In addition, a foreign Guarantor which is liable to be wound up under the Insolvency Act 1986 and has a "sufficient connection" to England and Wales could also pursue a scheme. In practice, a foreign company is likely to satisfy the first limb of this test and the second limb has been found to be satisfied where, amongst other things, the company's COMI is in England or Wales, the company's finance documents are English law-governed, or the company's finance documents have been amended in accordance with their terms to be governed by English law. Ultimately, each case will be considered on its particular facts and circumstances so previous cases will not necessarily determine whether or not any of the grounds of the second limb are satisfied in the present case.

Before the court considers the sanction of a scheme of arrangement at a hearing where the fairness and reasonableness of the scheme will be considered, affected creditors will vote on the proposed compromise or arrangement in respect of their claims in a single class or in a number of classes, depending on the rights of such creditors that will be affected by the proposed scheme and any new rights that such creditors are given under the scheme. Such compromise can be proposed by the company or its creditors. If a majority in number representing 75% or more by value of those creditors present and voting at the meeting(s) of each class of creditors vote in favor of the proposed scheme, irrespective of the terms and approved thresholds contained in the finance documents, then that scheme will (subject to the sanction of the court) be binding on all affected creditors, including those affected creditors who did not participate in the vote and those who voted against the scheme. The scheme then needs to be sanctioned by the court at a sanction hearing where the court will review the fairness of the scheme and consider whether it is reasonable. The court has the discretion as to whether to sanction the scheme as approved, make an order conditional upon modifications being made or reject the scheme.

**France**

Security over shares held by INEOS Investments International Limited in certain of its French subsidiaries shall be pledged under French law. Therefore, an insolvency event (including any insolvency proceedings resulting therefrom) affecting such French subsidiaries may significantly reduce the value of such security interests for their beneficiaries. In the event of an insolvency event affecting such French subsidiaries, insolvency proceedings may be initiated in France and would then be governed by French law (subject to the Recast EU Insolvency Regulation (see "Limitations on Validity and Enforceability of the Guarantees and the Security Interests—European Union")).

***Trust***

The security interests governed by French law are stated to be granted in favor of Barclays Bank PLC as trustee and security agent on behalf of the specified secured parties. There is no established concept of "trust" or "trustee" under the present French legal system. A concept of "trust" has been recognized for tax purposes by article 792-0 bis of the *Code Général des Impôts* and the French Supreme Court (*Cour de cassation*) has held, in a decision dated September 13, 2011 rendered in the context of safeguard proceedings in France, that a trustee validly appointed under a trust governed by the laws of the State of New York could validly be regarded as a creditor in safeguard proceedings opening in France. However, France has not ratified the 1985 The Hague Convention on the law applicable to trusts and on their recognition, so that the concept of "trust" has not been generally recognized under French law and the precise nature, effect and enforceability of the duties, rights and powers of a security agent as agent or trustee for noteholders in respect of security interests such as pledges are unclear under French law.

***Parallel Debt***

Under French law, certain "accessory" security interests such as pledges require that the pledgee and the creditor be the same person. Such security interests cannot be held on behalf of the creditors by third parties who do not hold the secured claim, unless they act as trustees (*fiduciaires*) under Article 2011 of the French Civil Code or as security agents (*agent des sûretés*) under Article 2488-6 of the French Civil Code, which is not the case here for the security documents governed by French law. The holders of interests in the Notes from time to time will not be parties to the security documents. In order to permit the holders of the Notes to benefit indirectly from a secured claim, the Indenture will provide for the creation of a "parallel debt" governed by New York law in favor of the security trustee. Pursuant to such parallel debt, the security trustee becomes the holder of a claim equal to each amount payable by a relevant obligor under the Indenture. The pledges governed by French law will directly secure the parallel debt, and will not directly secure the obligations under the Notes and the other indebtedness secured by the Collateral.

Although the concept of parallel debt was held to be not incompatible with the French law concept of international public policy in a French Supreme Court (*Cour de cassation*) decision dated

September 13, 2011 in the context of safeguard proceedings opened in France, this decision cannot be considered as a general recognition of the enforceability in France of the rights of a security trustee benefiting from a parallel debt obligation and no assurance can be given that such a structure will in all circumstances be upheld by the French courts. Indeed, it should be noted that the legal issue addressed by this decision is limited to the proof of claims. The French court was not asked to generally uphold French security interests securing a parallel debt. Case law on this matter is scarce and based on a case-by-case analysis.

There is no certainty that the parallel debt construct will eliminate or mitigate the risk of unenforceability under French law. To the extent that the security interests in the Collateral created under the parallel debt construct are successfully challenged by other parties, holders of the Notes will not receive any proceeds from an enforcement of the security interests in the Collateral, which in turn could materially adversely affect the recovery under the Collateral. In addition, the holders of the Notes will bear the risks associated with the possible insolvency or bankruptcy of the security trustee.

***Assumptions as to the enforceability of thirteenth ranking financial securities account pledges over the shares of INEOS Technologies France SAS and fourteenth ranking financial securities account pledges over the shares of INEOS France SAS***

Each of the pledges over the shares of INEOS Technologies France SAS and INEOS France SAS, governed by French law, is a pledge over the relevant securities account (*nantissement de compte de titres financiers*) in which the shares of INEOS Technologies France SAS and INEOS France SAS are respectively registered. In France, no lien searches are available for security interests which are not registered, such as pledges over securities accounts (*nantissements de comptes de titres financiers*). As a result, no assurance can be given on the priority of the pledges over the relevant securities account in which the shares of INEOS Technologies France SAS and INEOS France SAS are respectively registered.

Prior to January 1, 2022, French law did not expressly mention the possibility of granting lower ranking or subsequent pledges over a securities account already subject to a first ranking security interest. As the granting of a pledge of a securities account pursuant to French law is deemed to remove the securities registered on such account from the possession of the pledgor and grant possession to the pledgee, some scholars and practitioners regarded the granting of such lower or subsequent pledges as requiring the appointment, by the beneficiaries of such lower ranking or subsequent pledges, of the beneficiaries of the first ranking secured interest as a "*tiers convenu*" (*entiercement*), whose role was to hold such possession for the benefit of all secured creditors (regardless of the ranking). Since January 1, 2022, article L.211-20 I.bis of the French Monetary and Financial Code expressly mentions the possibility of several successive pledges of the same securities account and provides that the ranking among creditors will be determined pursuant to the date of the statements of pledges of lower ranking or subsequent rankings to the financial securities account holder.

Although French law now recognizes the possibility of granting subsequent pledges without any appointment of a *tiers convenu* and because the agreements granting the first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth, eleventh and twelfth ranking pledges and (with respect to the shares of INEOS France SAS) the thirteenth ranking pledge provide for the appointment of *tiers convenu* in order to comply with the previous practice (described above) which was prevailing among scholars and practitioners at the time of execution of such agreements, the thirteenth ranking financial securities account pledge agreement of the shares of INEOS Technologies France SAS and the fourteenth ranking financial securities account pledge agreement of the shares of INEOS France SAS also provide that (i) the possession of the securities accounts is transferred to the custody of an agreed third party as *tiers convenu* and (ii) the first ranking secured parties have accepted their appointment as *tiers convenu* and hold the pledged securities as custodian for the benefit of the first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth, eleventh and twelfth ranking secured parties and (with respect to the fourteenth ranking financial securities account pledge agreement over the shares of INEOS France SAS) the thirteenth ranking secured parties. No assurance can be given that such *tiers convenu* would be upheld if tested in front of a French court.

**Germany**

***Insolvency***

Certain Guarantors of the Notes or providers of security for the Notes are organized or incorporated under the laws of Germany (the "**German Guarantors**"). Consequently, in the event of an insolvency of any such Guarantor, subject to the information presented in "—European Union," insolvency proceedings may be initiated in Germany. Such proceedings would then be governed by German law. However, pursuant to the Recast EU Insolvency Regulation, where a German company conducts business in more than one member state of the European Union, the jurisdiction of the German courts may be limited if the company's COMI is found to be in a member state other than Germany (see "—European Union"). There are a number of factors that are taken into account to ascertain the COMI, which should correspond to the place where the company conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. The point at which this issue falls to be determined is at the time that the relevant insolvency proceedings are opened. The insolvency laws of Germany and, in particular, the provisions of the German Insolvency Code (*Insolvenzordnung*) may be less favorable to your interests as creditors than the insolvency law of other jurisdictions including in respect of the priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceedings.

Under German law, insolvency proceedings can be initiated either by the debtor or by a creditor in the event of over-indebtedness (*Überschuldung*) or illiquidity (*Zahlungsunfähigkeit*) of the debtor. If for example a stock corporation (*Aktiengesellschaft—AG*) or a limited liability company (*Gesellschaft mit beschränkter Haftung—GmbH*) is in a situation of illiquidity and/or over-indebtedness, the management of such company is obligated to file for the opening of insolvency proceedings without undue delay, however, in the case of illiquidity at the latest within three weeks after illiquidity occurred and in case of over-indebtedness at the latest six weeks after-over-indebtedness occurred. The debtor is over-indebted if its liabilities exceed the value of its assets (based on their liquidation value) unless a continuation of the debtor's business is predominantly likely (*überwiegend wahrscheinlich*) for a prognosis period covering the next 12 months (*positive Fortbestehensprognose*). The debtor is illiquid if it is unable to pay its debts as and when they fall due. In addition, the debtor may, but is not obliged to, file for insolvency proceedings if it is imminently at risk to be unable to pay its debts as and when they fall due (*drohende Zahlungsunfähigkeit*).

Once illiquidity or over-indebtedness occurs, any payments, including any payments under the Guarantees by the German Guarantors, are voidable (but see also below "*—Hardening Periods and Fraudulent Transfer"*).

The insolvency proceedings are court-controlled, and upon receipt of the insolvency petition, the insolvency court may take preliminary protective measures to secure the property of the debtor during the preliminary proceedings. The insolvency court may prohibit or suspend any measures taken to enforce individual claims against the debtor's assets during these preliminary proceedings and may appoint a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*) who, depending on the court decision, may have the right to manage and dispose of the business and assets of the debtor. During preliminary insolvency proceedings, depending on the size of the debtor's business operations, the insolvency court must or may appoint a "preliminary creditors' committee" (*vorläufiger Gläubigerausschuss*). The requirements apply to the respective entity without taking into account the assets of other group companies. If these requirements are not met, a preliminary creditors' committee can be established at the request of the preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*) or a creditor. The preliminary creditors' committee will be able to participate in certain important insolvency court decisions. It will have, for example, the power to influence the following: the selection of a preliminary insolvency administrator or an insolvency administrator (*vorläufiger Insolvenzverwalter* and *Insolvenzverwalter*), orders for "debtor-in-possession" proceedings (*Anordnung der Eigenverwaltung*), and appointments of preliminary trustees (*Sachwalter*). The court opens the insolvency proceedings (*Insolvenzeröffnung*) if certain formal requirements are met and if there are sufficient assets to cover at least the costs of the proceedings. If the assets of the debtor are not expected to be sufficient, the insolvency court will only open formal insolvency proceedings if third parties, for instance creditors, advance the costs themselves. In the absence of such advancement, the petition for opening of insolvency proceedings will usually be refused for insufficiency of assets (*Abweisung mangels Masse*). If formal insolvency proceedings are opened, the court appoints an insolvency administrator (*Insolvenzverwalter*) unless debtor-in-possession (*Eigenverwaltung*) is ordered. In the absence of debtor-in-possession proceedings, the right to administer the debtor's business affairs and to dispose of the assets of the debtor passes to the insolvency administrator. The insolvency administrator has full power to manage the business and dispose of the debtor's assets, whereas the debtor is no longer entitled to manage the business or dispose of its assets. The insolvency administrator may raise new financial indebtedness and incur other liabilities to continue the debtor's operations or may deem it necessary to wind down the company, and satisfaction of these liabilities as preferential debts of the estate (*Masseschulden*) will be preferred to any insolvency liabilities created by the debtor (including secured debt).

From the perspective of the holders of the Notes, among others, some relevant consequences of such opening of formal insolvency proceedings that are subject to the German insolvency regime (against a German Guarantor or against any other Guarantor having its COMI in Germany and where the German insolvency courts have jurisdiction in accordance with the Recast EU Insolvency Regulation or the German Insolvency Code) would be the following:

- if the court does not order a debtor-in-possession proceeding, the right to administer and dispose of the assets of the relevant German Guarantor and any of its subsidiaries would generally pass to the insolvency administrator (*Insolvenzverwalter*) as sole representative of the insolvency estate;
- if the court does not order a debtor-in-possession proceeding with respect to the relevant German Guarantor and any of its subsidiaries, disposals effected by the management of such German Guarantor and any of its subsidiaries after the opening of formal insolvency proceedings are null and void by operation of law;
- if, during the final month preceding the date of filing for insolvency proceedings or thereafter, a creditor in the insolvency proceedings has acquired through execution (*e.g.*, attachment) a security interest in part of the relevant German Guarantor's or any of its subsidiaries' property that would normally form part of the insolvency estate, such security becomes null and void by operation of law upon the opening of formal insolvency proceedings; and
- claims against the relevant German Guarantor and any of its subsidiaries may only be pursued in accordance with the rules set forth in the German Insolvency Code.

Under German insolvency law, termination rights, automatic termination events or "escape clauses" entitling one party to terminate an agreement, or resulting in an automatic termination of an agreement, upon the opening of insolvency proceedings in respect of the other party, the filing for insolvency or the occurrence of reasons justifying the opening of insolvency proceedings (*insolvenzbezogene Kündigungsrechte or Lösungsklauseln*) may be invalid if they frustrate the election right of the insolvency administrator whether or not to perform the contract unless they reflect termination rights applicable under statutory law. This may also relate to agreements that are not governed by German law in the event insolvency proceedings are opened in Germany against the counterparty. Also, powers of attorney granted by the relevant debtor and certain other legal relationships cease to be effective upon the opening of insolvency proceedings. Certain executory contracts become unenforceable at such time unless and until the insolvency administrator opts for performance.

All creditors, whether secured or unsecured, unless they have a right to segregate an asset from the insolvency estate (*Aussonderungsrecht*)—as opposed to a right of preferential satisfaction from realisation proceeds (*Absonderungsrecht*, see below)—who wish to assert claims against the debtor need to participate in the insolvency proceedings. Any individual enforcement action (*Zwangsvollstreckung*) brought against the debtor by any of its creditors other than creditors with preferred claims (*Absonderung der Masseverbindlichkeiten*) is subject to an automatic stay once insolvency proceedings have been opened. Secured creditors are generally not entitled to enforce their security interests outside the insolvency proceedings. In the insolvency proceedings however, secured creditors have certain preferential rights (*Absonderungsrechte*). Depending on the legal nature of the security interest, entitlement to enforce such security is either vested with the secured creditor or the insolvency administrator. The insolvency administrator generally has the sole right to realize any movable assets in his, her or the debtor's possession that are subject to preferential rights (*e.g.*, liens over movable assets (*Mobiliarsicherungsrechte*), or security transfer of title (*Sicherungsübereignung*)) as well as to collect any claims that are subject to security assignment agreements (*Sicherungsabtretungen*). This will also apply to security over certain types of stock. If the enforcement right is vested with the insolvency administrator, the enforcement proceeds are disbursed to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims, however less certain contributory charges for (i) assessing the value of the secured assets (*Feststellungskosten*) and (ii) realizing the secured assets (*Verwertungskosten*) which, in the aggregate, usually add up to 9% of the gross enforcement proceeds plus VAT (if any). With the remaining unencumbered assets of the debtor the insolvency administrator has first to satisfy the preferential creditors of the insolvency estate (*Massegläubiger*) (including the costs of the insolvency proceedings as well as any preferred liabilities incurred by the insolvency estate after, or with permission of the insolvency court prior to, the opening of formal insolvency proceedings). Thereafter, all other unsubordinated claims (insolvency claims) (*Insolvenzforderungen*), will be satisfied on a *pro rata* basis if and to the extent there is cash remaining in the insolvent estate (*Insolvenzmasse*) after the security interest and the preferential claims against the estate have been settled and paid in full. Therefore, the proceeds resulting from the realisation of the insolvency estate of the debtor may not be sufficient to satisfy unsecured creditors of the relevant German Guarantor or under a guarantee granted by such German Guarantor in full after the preferred and secured creditors have been satisfied. Claims of subordinated creditors in the insolvency proceedings (*nachrangige Insolvenzgläubiger*) are satisfied only after the claims of other non-subordinated creditors (including the unsecured insolvency claims) have been fully satisfied (see also below "*—Satisfaction of Subordinated Claims*").

A different distribution of enforcement proceeds can be proposed in an insolvency plan (*Insolvenzplan*). Such plan can be submitted by the debtor or the insolvency administrator and requires, among other things and subject to certain exceptions, the consent of the debtor and the consent of each class of creditors in accordance with specific majority rules and the approval of the insolvency court. The insolvency court may order the deemed approval of one or more opposing creditor groups under certain conditions (cram down). The insolvency plan may derogate from the provisions of the German Insolvency Code. In particular, it may contain provisions regarding the discharge of secured and unsecured creditors, the disposal of the insolvency estate as well as procedure. It may also create, modify, transfer or terminate rights *in rem* such as property rights or security interests. If the debtor is a corporate entity, the shares or, as the case may be, the membership rights in the debtor can also be included in the insolvency plan, e.g., these can be transferred to third parties, including a transfer to creditors based on a debt-to-equity swap. Thus, an insolvency plan could under certain circumstances provide for provisions regarding the Guarantees or the Collateral which are less favorable to the holders of the Notes than the provisions of the German Insolvency Code, such as the release of the Collateral, the release of obligations under the Guarantees of the German Guarantors or the contribution of the Guarantees of the German Guarantors in exchange for equity. Under certain conditions, such provisions could be adopted against the votes of the affected holders of the Notes.

Moreover, if the debtor has filed a petition for the opening of insolvency proceedings based on a reason for the insolvency other than illiquidity (i.e., imminent illiquidity or over-indebtedness), combined with a petition to initiate such process based on a debtor-in-possession proceeding and can demonstrate that a restructuring of its business is not obviously futile, the court may grant a period of up to three months to draw up an insolvency plan for the debtor business (*Schutzschirmverfahren*). During this period, the creditors' rights to enforce security may—upon application of the filing debtor—be suspended. Under these circumstances, the insolvency court must appoint a preliminary custodian to supervise the process. The debtor is entitled to suggest an individual to be appointed as custodian with such suggestion being binding on the insolvency court unless the suggested person is obviously not eligible to become a custodian (i.e., he or she is obviously not competent or impartial).

Under German insolvency law, there is no consolidation of the assets and liabilities of a group of companies in the event of insolvency. In case of a group of companies, each entity, from an insolvency law point of view, has to be dealt with separately (*i.e.*, there is generally no group insolvency concept under German insolvency law). As a consequence, there is, in particular, no pooling of claims among the respective entities of a group, but rather claims of and vis-à-vis each entity have to be dealt with separately. On April 21, 2018, the Bill to Facilitate the Handling of Group Insolvencies (*Gesetz zur Erleichterung der Bewältigung von Konzerninsolvenzen*) entered into force. While the bill does not abolish the principle of separate insolvency proceedings in relation to each group entity, it provides for the following four key amendments of the German Insolvency Code in order to facilitate an efficient administration of group insolvencies: (i) a single court may be competent for each group entity's insolvency proceeding; (ii) the appointment of a single person as insolvency administrator for all group companies is facilitated; (iii) certain coordination obligations are imposed on insolvency courts, insolvency administrators and creditors' committees; and (iv) certain parties may apply for "coordination proceedings" (*Koordinationsverfahren*) and the appointment of a "coordination insolvency administrator" (*Koordinationsverwalter*) with the ability to propose a "coordination plan" (*Koordinationsplan*).

German insolvency law provides for certain creditors to be subordinated by law (in particular, but not limited to, claims made by shareholders (unless privileged) of the relevant debtor for the return of funds or payment of a consideration), while claims of a person who becomes a creditor of the insolvency estate only after the opening of insolvency proceedings generally rank senior to the claims of regular, unsecured creditors. See also below under "—Satisfaction of Subordinated Claims".

***Limitation on Enforcement***

The Guarantors of the Notes that are organized under German law are incorporated or established in the form of a GmbH (*Gesellschaft mit beschränkter Haftung*, Limited Liability Company). Consequently, the grant of Collateral by these Guarantors is subject to certain provisions of the German Limited Liability Company Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*, the "**GmbHG**"). These provisions would also apply to any future Guarantor in the form of a GmbH, or in case of a private limited partnership with a limited liability company as general partner (*Kommanditgesellschaft*) ("**GmbH & Co. KG**") to its general partner.

Sections 30 and 31 of the GmbHG ("**Sections 30 and 31**") prohibit a GmbH from disbursing its assets to its shareholders to the extent that the amount of the GmbH's net assets determined in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch, the HGB*) (*i.e.*, assets minus liabilities and liability reserves) is or would fall below the amount of its stated share capital (*Begründung einer Unterbilanz*) or would increase any already existing capital impairment (*Vertiefung einer Unterbilanz*). Guarantees, share pledges and any other collateral granted by a GmbH in order to guarantee or secure liabilities of a direct or indirect parent or sister company are considered disbursements under Sections 30 and 31. Therefore, in order to enable German subsidiaries to grant guarantees and collateral to secure liabilities of a direct or indirect parent or sister company without the risk of violating Sections 30 and 31, it is standard market practice for credit agreements, indentures, guarantees and security documents to contain so-called "limitation language" in relation to subsidiaries in the legal form of a GmbH or a GmbH & Co. KG. Pursuant to such limitation language, the beneficiaries of the guarantees and security interests agree, subject to certain exemptions, to enforce the guarantees and security interests against the GmbH or the GmbH & Co. KG (or retain the proceeds of an enforcement of the security interests) only to the extent that such enforcement does not result in the GmbH's, or the KG's general partner that is a GmbH, net assets falling below its stated share capital or, as the case may be, if the net assets are already below the amount of its stated share capital, to cause such amount to be further reduced. Accordingly, the Guarantees and security interests provided by a German Guarantor to secure the Notes will contain such limitation language and therefore the enforcement of the Guarantees and the security interests securing the Notes is limited in the manner described. This could lead to a situation in which the respective Guarantee or security interest granted by a German Guarantor cannot be enforced at all. Details of the application of Sections 30 and 31 (or capital maintenance rules) are subject to evolving case law. Furthermore, it cannot be ruled out that the case law of the German Federal Supreme Court (*Bundesgerichtshof*) regarding so-called destructive interference (*existenzvernichtender Eingriff*) (*i.e.*, a situation where a shareholder deprives a German limited liability company of the liquidity necessary for it to meet its own payment obligations) may be applied by courts with respect to the enforcement of a guarantee or security interest granted by a German (direct or indirect) subsidiary or sister company of the Issuer. In such case, the amount of proceeds to be realized in an enforcement process may be reduced, even to zero.

German capital maintenance rules are subject to ongoing court decisions. We cannot assure you that future court rulings may not further limit the access of shareholders to assets of its subsidiaries constituted in the form of a GmbH or of a limited partnership, the general partner or general partners of which is or are a GmbH incorporated or established in Germany, which can negatively affect the ability of the German Guarantors to make payments on the relevant Guarantees, of the secured parties to enforce the Collateral (or retain the proceeds of an enforcement of the Collateral) or of the beneficiaries of the relevant Guarantees to enforce the relevant Guarantees.

In addition to the limitations resulting from the capital maintenance rules, the Guarantees and the security documents entered into by the German Guarantors will contain additional provisions which may limit the enforcement in the event the enforcement would result in an illiquidity of the relevant German Guarantors.

***Parallel Debt***

Under German law, certain "accessory" security interests such as pledges (*Pfandrechte*) require that the pledgee and the creditor of the secured claim be the same person. Such accessory security interests (*akzessorische Sicherungsrechte*) cannot be held on behalf of third parties who do not (yet) hold the secured claim, will automatically lapse to the extent a secured claim is settled, discharged or novated, and may not be assigned independently, but will automatically follow the claims they secure in case the relevant secured claim is assigned. The holders of the Notes from time to time will not be party to the security documents. In order to permit the holders of the Notes from time to time to benefit from pledges granted to the Security Trustee under German law, the Intercreditor Deed provides for the creation of "parallel debt." Pursuant to the creation of the parallel debt, the Security Trustee has its own separate and independent claim equal to each amount payable by each obligor under, in particular, the Notes and the Guarantees. The pledges governed by German law will directly and exclusively (to the extent the Notes are concerned) secure the parallel debt rather than the obligations under the Notes or the holders of the Notes directly. The validity of the parallel debt concept and of the pledges granted under German law to secure such parallel debt has not been tested before higher German courts, and there is no certainty that it will eliminate or mitigate the risk of unenforceability posed by German law. Therefore, the ability of the Security Trustee to enforce the Collateral may be restricted. In addition, holders of the Notes bear some risk associated with a possible insolvency or bankruptcy of the Security Trustee.

German law does not generally permit the appropriation of pledged assets by the pledgee upon enforcement of the pledge. The enforcement of a share pledge under German law usually requires the sale of the asset constituting the collateral through a formal process involving a public auction to which certain waiting periods and notice requirements apply. Under German law, it is unclear whether the security interest in the collateral gives the Security Trustee the right to prevent other creditors of the entities having granted such security from foreclosing on and realizing the asset constituting the collateral. Some courts have held that certain types of security interests only give their holders priority (according to their ranking) in the distribution of any proceeds from the realisation of the asset constituting the collateral and no right to intervene (*i.e.*, the right to request the court to impose a stay on proceedings initiated by other creditors).

***Satisfaction of Subordinated Claims***

The insolvency estate shall serve to satisfy the liquidated claims held by the personal creditors against the debtor on the date when the insolvency proceedings were opened. The following claims shall be satisfied ranking below the other claims of insolvency creditors in the order given below, and according to the proportion of their amounts if ranking with equal status: (i) interest and penalty payments accrued on the claims of the insolvency creditors from the day of the opening of the insolvency proceedings; (ii) costs incurred by individual insolvency creditors due to their participation in the proceedings; (iii) fines, regulatory fines, coercive fines and administrative fines, as well as such incidental legal consequences of a criminal or administrative offence binding the debtor to pay money; (iv) claims to the debtor’s gratuitous performance of a consideration; and (v) claims for restitution of a shareholder loan (*Gesellschafterdarlehen*) or claims resulting from legal transactions corresponding in economic terms to such a loan unless a state aid bank or any of its subsidiaries which is a shareholder of the relevant company have granted the respective loan or legal transaction corresponding in economic terms to such a loan.

***Ranking of Security Interests***

Under German law, the ranking of several security interests over the same assets is determined, as a matter of law, by the timing of the perfection of the several security interests, and security interests perfected at an earlier point in time will have a higher rank than security interests granted at a later point in time over the same assets (*Prioritätsgrundsatz*). The German law security interests granted to secure the Notes are expressed to cover the same assets as the security interests already granted to secure the obligations under the Existing Senior Secured Notes, the Senior Secured Term Loans, certain hedging liabilities and certain cash management liabilities. Whereas the German law “non-accessory” security interests granted to secure the obligations under the Notes will be granted by way of confirmations and/or amendments to the security purpose under the existing security interests granted originally to secure the obligations under the Existing Senior Secured Notes, the Senior Secured Term Loans, certain hedging liabilities and certain cash management liabilities, with the effect that the obligations under the Notes will be included in the security purpose and accordingly also be secured, the German law “accessory” security interests to secure the obligations under the Notes will have to be granted as junior ranking security interests, which, as a matter of law will rank below the corresponding accessory security interests granted to secure the obligations under the Existing Senior Secured Notes, the Senior Secured Term Loans, certain hedging liabilities and certain cash management liabilities. Although the Intercreditor Deed provides that, as amongst the parties, security interests to secure obligations under the Notes, Existing Senior Secured Notes, the Senior Secured Term Loans, certain hedging liabilities and certain cash management liabilities shall rank *pari passu*, these provisions under the Intercreditor Deed are only of an obligatory nature and cannot enhance the junior rank of the accessory security interests (*e.g.*, the pledges over bank accounts, shares and partnership interests) granted to secure the obligations under the Notes. In the event of insolvency proceedings opened under German law against a security grantor of such junior ranking accessory security interests, the preferential rights of the secured parties under such junior ranking security interests would be satisfied after the preferential rights of the secured parties under the senior ranking accessory security interests over the same assets, regardless of the provisions of the Intercreditor Deed.

Under German law, it is unclear whether all of the security interests in the Collateral give the Security Trustee a right to prevent other creditors of the German Guarantors from foreclosing into and realizing the Collateral. Some courts have held that certain types of security interests only give their holders priority (according to their rank) in the distribution of any proceeds of such realisation. Accordingly, the Security Trustee and the holders of the Notes may not be able to avoid foreclosure by unsecured creditors into the Collateral, even if they consider such foreclosure untimely.

***Hardening Periods and Fraudulent Transfer***

In the event that insolvency proceedings with respect to a German Guarantor, which would most likely be based on and governed by the insolvency laws of Germany, the security interests granted as well as the guarantee provided by that entity could be subject to potential challenges by an insolvency administrator (*Insolvenzverwalter*) under the rules of avoidance as set out in the German Insolvency Code (*Insolvenzordnung*).

Based on these rules, an insolvency administrator may challenge transactions that are deemed detrimental to insolvency creditors and were effected prior to the commencement of insolvency proceedings. Such transactions can include the payment of any amounts to the holders of the Notes as well as granting them any security interest. The administrator's right to challenge transactions can, depending on the circumstances, extend to transactions during the 10-year period prior to the filing of the petition for commencement of insolvency proceedings. In the event such a transaction is successfully avoided, the holders of the Notes would be under an obligation to repay the amounts received or to waive the guarantee or security interest. In such case, holders of the Notes may not be able to recover any amounts under the Guarantees or the Collateral. If payments have already been made under the Guarantees or in respect of Collateral, the insolvency administrator or custodian may require that the recipients return the payment to the insolvency estate and holders of the Notes would instead then only have a general unsecured claim under the Guarantees without preference in insolvency proceedings (unless and to the extent the Collateral would not be subject to voidness in which case such claim would be secured to that extent).

In particular, an act (*Rechtshandlung*) or a transaction (*Rechtsgeschäft*) (which term includes the provision of security or the repayment of debt) may be avoided in the following cases:

- any act granting an insolvency creditor, or enabling an insolvency creditor to obtain, security or satisfaction (i) if such act was performed during the last three months prior to the filing of the petition for the commencement of the insolvency proceedings and the debtor was illiquid (*zahlungsunfähig*) at the time when such act was taken and the creditor had knowledge of such illiquidity (or of the circumstances that unmistakably suggest that the debtor was illiquid) at such time, or (ii) if such act was performed after the filing of the petition for the commencement of the insolvency proceedings and the creditor had knowledge of the illiquidity of the debtor or the filing of such petition (or of circumstances unmistakably suggesting such illiquidity or filing);
- any act granting an insolvency creditor, or enabling an insolvency creditor to obtain, security or satisfaction to which such creditor was not entitled or which was granted or obtained in a form or at a time to which or at which such creditor was not entitled to such security or satisfaction if (i) such act was performed during the last month prior to the filing of the petition for the commencement of the insolvency proceedings or after such filing, (ii) such act was performed during the second or third month prior to the filing of the petition and the debtor was illiquid at such time, or (iii) such act was performed during the second or third month prior to the filing of the petition for the commencement of the insolvency proceedings and the creditor knew at the time such act was taken that such act was detrimental to the other insolvency creditors (or had knowledge of circumstances that unmistakably suggest such detrimental effects);
- any transaction by the debtor that is directly detrimental to the insolvency creditors or by which the debtor loses a right or the ability to enforce a right or by which a proprietary claim against a debtor is obtained or becomes enforceable, if (i) it was entered into during the three months prior to the filing of the petition of the commencement of the insolvency proceedings, the debtor was illiquid at the time of such transaction and the counterparty to such transaction had knowledge of the illiquidity at such time or (ii) it was entered into after such filing and the counterparty to such transaction had knowledge of either the debtor's illiquidity or such filing at the time of the transaction;
- any act by the debtor without (adequate) consideration (for example, whereby a debtor grants security for a third-party debt), which might be regarded as having been granted gratuitously (*unentgeltlich*), if it was effected in the four years prior to the filing of a petition for the commencement of insolvency proceedings against the debtor;
- any act performed by the debtor in the 10 years prior to the filing of the petition for the commencement of insolvency proceedings with the intent (known to the beneficiary of the act at the time of such act) to prejudice its creditors; if the relevant act consisted of a settlement of an obligation or the grant of the security to the counterparty, the relevant period is four years instead of 10 years; "knowledge by the beneficiary of the act" in terms of such provision is presumed if the beneficiary knew that the debtor was imminently illiquid (*drohende Zahlungsunfähigkeit*) and that the relevant act disadvantaged the other creditors; if the relevant act granted a creditor, or enabled a creditor to obtain, security or satisfaction in a form or at a time

to which or at which such creditor was entitled, the "knowledge by the beneficiary of the act" is presumed if the beneficiary knew that the debtor was actually illiquid (*eingetretene Zahlungsunfähigkeit*) and that the relevant act disadvantaged the other creditors; the fact that the creditor agreed on a payment plan with the debtor or agreed to deferred payments establishes a presumption that he had no knowledge of the debtor being illiquid at that time;

- any contract entered into by the debtor in the last two years prior to the filing of the petition for the opening of insolvency proceedings with a closely related party (which term includes in particular the management, supervisory board members and shareholders of the debtor owning more than 25% of the debtor's share capital, certain persons with comparable access to information about the debtor, and certain of their or its affiliates, management and relatives) and which is directly detrimental to the insolvency creditors, unless the closely related party was unaware of the debtor's intent to prejudice its creditors;
- any act that provides security or satisfaction for a shareholder loan made to the debtor or a similar claim if (i) in the case of the provision of security, the act occurred during the 10 years prior to the filing of the petition for the commencement of the insolvency proceedings or after the filing of such petition, or (ii) in the case of satisfaction, the act occurred during the last year prior to the filing of the petition for the commencement of the insolvency proceedings or after the filing of such petition; and
- any act whereby the debtor grants satisfaction for a loan claim or an economically equivalent claim to a third party if (i) the transaction was effected in the last year prior to the filing of a petition for commencement of insolvency proceedings or thereafter and (ii) a shareholder of the debtor had granted security or was liable as a guarantor (*Bürge*) (in which case the shareholder has to compensate the debtor for the amounts paid (subject to further conditions)).

In this context, "knowledge" is generally deemed to exist if the other party is aware of the facts from which the conclusion must be drawn that the debtor was unable to pay its debts generally as they fell due, that a petition for the opening of insolvency proceedings had been filed, or that the act was detrimental to, or intended to prejudice, the insolvency creditors, as the case may be. A person is deemed to have knowledge of the debtor's intention to prejudice the insolvency creditors if it was aware of the debtor's actual illiquidity (*Zahlungsunfähigkeit*) or impending illiquidity (*drohende Zahlungsunfähigkeit*) and that the transaction prejudiced the debtor's creditors, *provided* that, if the relevant act by the debtor consisted of a settlement of an obligation or the grant of a security which was due to be paid or granted, as the case may be, then the knowledge of the debtor's intention to prejudice the insolvency creditors is only presumed if the other party was aware of the actual illiquidity (*Zahlungsunfähigkeit*) of the debtor and of the fact that the transaction prejudiced the debtor's creditors. With respect to a "related party," there is a general statutory presumption that such party had "knowledge."

Furthermore, even in the absence of an insolvency proceeding, a third-party creditor who has obtained an enforcement order (*Vollstreckungstitel*) but has failed to obtain satisfaction on its enforceable claims by a levy of execution, under certain circumstances, has the right to avoid certain transactions, such as the payment of debt and the granting of security pursuant to the German Code on Avoidance (*Anfechtungsgesetz*). The conditions for avoidance under the German Code on Avoidance differ to a certain extent from the above-described rules under the German Insolvency Code and the avoidance periods are calculated from the date when a creditor exercises its rights of avoidance in the courts.

In addition, under German law, a creditor who provided additional, or extended existing, funding to a debtor or obtained security from a debtor may be liable in tort if such creditor was aware of the debtor's (impending) insolvency or of circumstances indicating such debtor's (impending) insolvency at the time such funding was provided or extended or such security was granted. The German Federal Supreme Court (*Bundesgerichtshof*) held that this could be the case if, for example, the creditor was to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of bonos mores (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that the debtor as the grantor of the guarantee or security was close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto. Furthermore, according to a decision of the German Federal Supreme Court (*Bundesgerichtshof*), a security or guarantee agreement may be void due to tortious inducement of breach of contract if a creditor knows about the distressed financial situation of the debtor and anticipates that the debtor will only be able to grant collateral by disregarding the vital interests of its other business partners. It cannot be ruled out that German courts may apply this case law with respect to the granting of guarantees and/or security interests to be granted by the German Guarantors.

***Preventive Restructuring Framework***

On June 20, 2019, the European Parliament and the Council adopted a new directive (Directive of the European Parliament and the Council EU 2019/1023 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending directive (EU) 2017/1132 (the "**Preventive Restructuring Directive**")). The Preventive Restructuring Directive sets out minimum standards to be applied by the member states (*i.e.*, minimum harmonization). Although certain features of the EU Restructuring Directive need to be transposed into national legislation, the EU Restructuring Directive leaves a large degree of discretion regarding the implementation of certain other features.

In Germany, the Preventive Restructuring Directive was implemented by the law on the Further Development of the German Restructuring and Insolvency Laws, which became effective on January 1, 2021. The core element of this law is a new Act on a Stabilisation and Restructuring Framework for Enterprises ("**Company Stabilisation and Restructuring Act**")as well as changes to other laws, including to the German Insolvency Code. The Company Stabilisation and Restructuring Act provides for a framework allowing the stabilisation and restructuring of companies outside and before an insolvency procedure, on the basis of a restructuring plan prepared by the company in financial crisis.

Proceedings under the Company Stabilisation and Restructuring Act ("**Restructuring Proceedings**") are initiated through a notification by the respective debtor to affected creditors and/or the competent restructuring court (*Anzeige des Restrukturierungsvorhabens*). Restructuring Proceedings are applicable in cases in which a debtor faces imminent illiquidity (*drohende Zahlungsunfähigkeit*, i.e. that there is the imminent risk for the debtor of being unable to pay any of its debt as and when it falls due during the course of (regularly) the next 24 months. The debtor's management is not obliged to file for such Restructuring Proceedings. Therefore, the debtor may alternatively file for regular insolvency proceedings if the respective requirements are met (see above under "—Insolvency").

Unlike insolvency proceedings, Restructuring Proceedings do not necessarily cover all of a debtor's liabilities, as the debtor has a certain amount of flexibility under the Company Stabilisation and Restructuring Act to adapt the scope of the proceedings to cover either all of his liabilities, only certain types (*e.g.*, financial liabilities, including under the Notes), or only selected liabilities. In addition and depending on the extent to which a debtor requires to make use of certain legal tools available under the Company Stabilisation and Restructuring Act, the involvement of the competent restructuring court can be kept to a minimum and proceedings can—under certain circumstances—even be conducted without the need for any public notices despite being binding on affected creditors. Restructuring Proceedings may in the case of a group of companies only be conducted for each entity separately. However, the Company Stabilisation and Restructuring Act provides for a respective application of the provisions of the German Insolvency Code which implemented the law to facilitate the mastering of group insolvencies (see above under "—Insolvency").

The core component of the Company Stabilisation and Restructuring Act is an out-of-court restructuring of a debtor's liabilities via a restructuring plan, including, *e.g.*, by way of changes to the principal amounts, interest rates and/or maturities of liabilities. Such restructuring plan may also negatively impact (including, *e.g.*, a release of) collateral granted for the benefit of the Notes by subsidiaries, parent and sister companies of the debtor. A restructuring plan can generally be adopted and become binding for creditors upon being approved by the required majority or majorities of a debtors' creditors. Generally, the relevant majority requirement is 75% of the respective principal amounts. However, if the restructuring plan provides for multiple creditor groups (which the Company Stabilisation and Restructuring Act provides for and allows under certain circumstances), such plan can even be adopted and become binding on a creditors even if creditor class(es) have not approved the plan, provided certain requirements are met and a restructuring provides its approval (*cross-class cramdown*).

In order for the debtor to be able to draw up and negotiate the restructuring plan, the Company Stabilisation and Restructuring Act offers the possibility of having a moratorium ordered by the competent court upon application by the debtor, which can restrict enforcement measures by certain or all creditors. The moratorium can initially be ordered for a maximum period of up to three months, with subsequent orders to extend the moratorium up to a maximum of eight months permissible under certain conditions.

For the holders of the Notes, among the relevant consequences of an initiation of Restructuring Proceedings by a German Guarantor or any other Guarantor having its COMI in Germany would be the following:

- potentially no or limited court review and/or supervision of a Restructuring Proceedings;
- restrictions on individual enforcement actions for all or certain creditors of up to eight months due to a moratorium;
- any measures (such as reduction in principal and/or interest or deferrals) regulated by the restructuring plan may be approved within a class of creditors with a majority of 75% of the claims or by way of a so-called cross-class cram down;
- any collateral granted by the debtor as well as intra-group collateral may be subject to Restructuring Proceedings potentially leading to a negative impact on the respective collateral.

Restructuring plans which are public and confirmed by a German restructuring court will be recognized in any EU member state pursuant to the EU Insolvency Proceedings Regulation (Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings). However, this does not apply to plans in non-public restructuring matters under the Company Stabilisation and Restructuring Act as they are not mentioned in Exhibit A of the EU Insolvency Proceedings Regulation. Except for public restructuring matters, the recognition of the restructuring plan is subject to certain rules and regulations under applicable international private law.

**Jersey**

***Insolvency***

There are two principal regimes for corporate insolvency in Jersey: *désastre* and winding-up (including just and equitable winding up and creditors' winding up). Under Jersey law, creditors and debtors can apply for an Act of the Royal Court of Jersey under the Bankruptcy (*Désastre*) (Jersey) Law 1990, as amended (the "**Jersey Bankruptcy Law**") declaring the property of a debtor to be "*en désastre*" (a "declaration"). On a declaration of *désastre*, title and possession of the property of the debtor vest automatically in the Viscount, an official of the Royal Court (the "**Viscount**"). With effect from the date of declaration, a creditor has no other remedy against the property or person of the debtor, and may not commence or, except with the consent of the Viscount or Royal Court, continue any legal proceedings to recover the debt. With effect from the date of declaration, a secured party may, however, without the consent of the Viscount and without an order of the court, exercise any power of enforcement it may have under Part 7 (Enforcement of Security Interests) of the Security Interests (Jersey) Law 2012 (the "**2012 Security Law**"). If the proceeds of such enforcement are insufficient to discharge liabilities owed, that secured party has no other remedy against the property or person of the debtor, and may not commence any legal proceedings or, except with the consent of the Viscount or the Royal Court, continue any legal proceedings to recover the balance of the debt.

Additionally, the creditors or shareholders of a Jersey company can commence a winding-up of an insolvent company, which is known as a "creditors' winding up" pursuant to Chapter 4 of Part 21 of the Companies (Jersey) Law 1991, as amended (the "**Jersey Companies Law**"). On a creditors' winding up commenced by shareholders, a liquidator is nominated by the shareholders. The creditors may nominate a different liquidator. If a different liquidator is nominated by creditors, a director, member or creditor can apply to the court for an order that either the liquidator nominated by the company be liquidator instead of or jointly with the liquidator nominated by the creditors or appointing a different liquidator. On a creditors' winding up commenced by application to court by a creditor, the court may appoint a provisional liquidator any time after such application. At the hearing of the application, if a winding up order is made, the court may appoint a person nominated by the creditor or selected by the court to be liquidator. If a liquidator is appointed by the court, any creditor of the company may within seven days of the creditors' meeting apply to court for someone else to be appointed liquidator instead of the liquidator appointed by the court. The liquidator stands in the shoes of the directors and administers the winding up, gathers assets, makes appropriate disposals of assets, settles claims and distributes assets as appropriate. After the appointment of a provisional liquidator or the commencement of the winding up (whether commenced by shareholders or court order), no action can be taken or proceeded with against the company except with the leave of court. In a creditors' winding up to be commenced by shareholders, the company must give creditors not less than 14 days' notice of the shareholders meeting to commence the creditors' winding up and give notice of a creditors meeting to be held immediately after the shareholders meeting. Notice of the creditors' meeting must also be given in the Jersey Gazette no less than 10 days before the day for which the meeting has been called. Except in exceptional circumstances, a creditor who applies to wind up the company must give the company at least 48 hours' notice that the application is being made. If the court orders a creditors' winding up or appoints a provisional liquidator, the liquidator must, within seven days of the liquidator's appointment, give the company's creditors notice calling a creditors meeting to be held in Jersey 21 days after the date of such court order (or if that day is not a business day, the next business day thereafter). After the commencement of the creditors' winding up, a secured party may, however, without the sanction of a liquidator and without an order of the court, exercise any power of enforcement it may have under Part 7 (Enforcement of Security Interests) of the 2012 Security Law. If the proceeds of such enforcement are insufficient to fully discharge the liabilities owed, that secured party cannot bring any action against the company without the leave of the court. The corporate state and capacity of the company continues until the end of the winding up procedure, when the company is dissolved. Under the Jersey Companies Law, a creditor of a company (subject to appeal) is bound by an arrangement entered into by the company and its creditors immediately before or in the course of its winding up if, among other things, three quarters in number and value of the creditors acceded to such arrangement.

***Transactions at an Undervalue***

Under Article 17 of the Jersey Bankruptcy Law and Article 176 of the Jersey Companies Law, the court may, on the application of the Jersey Viscount (in the case of a company whose property has been declared "*en désastre*") or liquidator (in the case of a creditors' winding up), set aside a transaction (including any guarantee or security interest) entered into by a company with any person (the "other party") at an undervalue. There is a five-year look-back period from the date of commencement of the winding up or declaration of *désastre* during which transactions are susceptible to examination pursuant to this rule (the "relevant time"). The Jersey Bankruptcy Law and Jersey Companies Law contain detailed provisions, including (without limitation) those that define what constitutes a transaction at an undervalue, the operation of the relevant time and the effect of entering into such a transaction with a person connected with the company or with an associate of the company.

***Preference***

Under Article 17A of the Jersey Bankruptcy Law and Article 176A of the Jersey Companies Law, the court may, on the application of the Viscount (in the case of a company whose property has been declared "*en désastre*") or liquidator (in the case of a creditors' winding up), set aside a preference (including any guarantee or security interest) given by the company to any person (the "other party"). There is a 12-month look-back period from the date of commencement of the winding up or declaration of "*désastre*" during which transactions are susceptible to examination pursuant to this rule (the "relevant time"). The Jersey Bankruptcy Law and Jersey Companies Law contain detailed provisions, including (without limitation) those that define what constitutes a preference, the operation of the relevant time and the effect of entering into a preference with a person connected with the company or with an associate of the company.

***Extortionate Credit Transactions***

Under Article 17C of the Jersey Bankruptcy Law and Article 179 of the Jersey Companies Law, the court may, on the application of the Viscount (in the case of a company whose property has been declared "*en désastre*") or liquidator (in the case of a creditors' winding up), set aside a transaction providing credit to the debtor company which is or was extortionate. There is a three-year look-back period from the date of commencement of the winding up or declaration of "*désastre*" during which transactions are susceptible to examination pursuant to this rule (the "relevant time"). The Jersey Bankruptcy Law and Jersey Companies Law contain detailed provisions, including (without limitation) those that define what constitutes a transaction which is extortionate.

***Disclaimer of Onerous Property***

Under Article 15 of the Jersey Bankruptcy Law, the Viscount may within six months following the date of the declaration of *désastre* and under Article 171 of the Jersey Companies Law, a liquidator may within six months following the commencement of a creditors' winding up, disclaim any onerous property of the company. "Onerous property" is defined to include any moveable property, a contract lease or other immoveable property if it is situated outside of Jersey that is unsaleable or not readily saleable or is such that it might give rise to a liability to pay money or perform any other onerous act, and includes an unprofitable contract.

A disclaimer operates to determine, as of the date it is made, the "rights, interests and liabilities of the company in or in respect of the property disclaimed" but "does not, except so far as is necessary for the purpose of releasing the company from liability, affect the rights or liabilities of any other person." A person sustaining loss or damage as a result of a disclaimer is deemed to be a creditor of the company to the extent of the loss or damage and shall have standing as a creditor in the désastre or creditors' winding up. The Jersey Bankruptcy Law and Jersey Companies Law contain detailed provisions, including (without limitation) in relation to the power to disclaim onerous property.

***Fraudulent Dispositions***

In addition to the Jersey statutory provisions referred to above, there are certain principles of Jersey customary law (for example, a Pauline action) under which dispositions of assets with the intention of defeating creditors' claims may be set aside.

***Fixed and Floating Charges***

Under the laws of Jersey, a company incorporated in Jersey is deemed to have capacity to grant security governed by foreign law over property situated outside the Island of Jersey, however:

- to the extent that any fixed charge, floating charge or other security interest governed by non-Jersey law (a "**Foreign Law Security**") is expressed to apply as regards any Jersey situated intangible moveable property, such Foreign Law Security should not be relied upon to create valid and enforceable security in such Jersey situated intangible moveable property; and
- to the extent that any Foreign Law Security is expressed to apply as regards Jersey situated immovable property or Jersey situated tangible property, such Foreign Law Security would not be valid and enforceable as regards such Jersey situated immovable property or Jersey situated tangible property.

***Administrators, Receivers and Statutory and Non-statutory Requests for Assistance***

The Insolvency Act 1986 (either as originally enacted or as amended, including by the provisions of the Enterprise Act 2002) does not apply in Jersey and receivers, administrative receivers and administrators are not part of the laws of Jersey. Accordingly, the Courts of Jersey may not recognize the powers of an administrator, administrative receiver or other receiver appointed in respect of Jersey situs assets.

However, under Article 49(1) of the Jersey Bankruptcy Law, the Jersey court may assist the courts of prescribed countries and territories in all matters relating to the insolvency of any person to the extent that the Jersey court thinks fit. These prescribed jurisdictions include the United Kingdom. Further, in doing so, the Royal Court may have regard to the UNCITRAL model law, even though the model law has not been (and is unlikely to be) implemented as a separate law in Jersey.

If the request comes from a non-prescribed country, then common law and principles of comity will be considered by the Royal Court by virtue of its inherent jurisdiction. If insolvency proceedings are afoot in another jurisdiction in relation to the company, the nature and extent of the cooperation from Jersey is likely to depend on the nature of the requesting country's insolvency regime. If the requesting country adheres to principles of territoriality, as opposed to universality, and, for instance, ring-fences assets for local creditors, full cooperation is highly unlikely. If, however, the jurisdiction applies similar fundamental principles to those applied in Jersey, the Royal Court's approach is more likely to be similar to the position where prescribed countries are involved.

In the case of both statutory and non-statutory requests for assistance, it should not be assumed that the UNCITRAL provisions will automatically be followed. That is a matter for the discretion of the Royal Court. It would also be wrong to assume for European countries that the position will be in accordance with Recast EU Insolvency Regulation. Jersey does not form part of the European Community for the purposes of implementation of its directions. Accordingly, the Recast EU Insolvency Regulation does not apply as a matter of Jersey domestic law and the automatic test of COMI does not apply as a result.

***Enforcement of Jersey Security Interests under the 2012 Security Law***

Security over assets situated in Jersey is created in accordance with the provisions of Jersey law. The Notes will be secured by Jersey law security interests over all of the shares of INEOS Jersey Limited held by IHL.

The 2012 Security Law provides that a secured party may enforce security over intangible movable assets by way of sale or appropriation of the collateral or proceeds. In addition, a secured party may take certain ancillary actions including any bespoke enforcement powers included in a security agreement to the extent not in conflict with the 2012 Security Law. More than one enforcement option can be taken, and taking one or more of the enforcement options specified above does not preclude the exercise of a secured party's other rights.

The power of enforcement under the 2012 Security Law is exercisable once an event of default has occurred and written notice specifying the event of default has been served on the grantor by the secured party. If enforcement is by way of sale or appropriation, the secured party must give the grantor 14 days' prior written notice unless the grantor has agreed in writing to waive its right to notice. Said waivers are common in the security agreement. The secured party is also obliged to give at least 14 days' prior written notice to (i) any person who has registered security interest in the collateral 21 days before the sale or appropriation, and (ii) any person other than the grantor who has an interest in the collateral unless, in either case, the secured party and such person have otherwise agreed in writing. There are other exceptions from the obligation to give notice of sale.

On exercising the power of enforcement by appropriation or sale, the secured party must (i) take all commercially reasonable steps to determine or, in the case of a sale, obtain the fair market value of the collateral, as at the time of the relevant appropriation or sale; (ii) act in a commercially reasonable manner in relation to the appropriation or sale; and (iii) also, in the case of a sale only, enter into any agreement for or in relation to the sale only on commercially reasonable terms. The duty of the secured party is owed to the grantor and also to any other person to whom the secured party was required to give notice of the appropriation or sale.

If, in exercising its powers of enforcement under the 2012 Security Law, a secured party appropriates or sells collateral, it must, within 14 days after the day on which the collateral is appropriated or sold, give to the grantor, to any person with a registered subordinate security interest and to certain persons claiming an interest in the collateral a written statement of account setting out certain information in relation to that appropriation or sale.

If a secured party has sold or appropriated the collateral and the net value or proceeds of the collateral exceeds the amount of the secured debt, the secured party must (subject to any senior security interests) pay the amount of any resulting surplus in the following order: (i) in due order of priority, to any person who has a registered subordinate security interest in the collateral (where the registration remained effective immediately before the appropriation or sale); (ii) to any other person (other than the grantor) who has given the secured party notice that that person claims an interest in the collateral and in respect of which the secured party is satisfied that that person has a legally enforceable interest in the collateral; and (iii) as to the balance (if any) to the grantor. Alternatively, the secured party may discharge its aforementioned obligation with respect to any surplus by paying that amount into the Jersey courts, which may then only be paid out based on an order of the court following an application by a person entitled to such surplus.

**Luxembourg**

***Insolvency***

The Luxembourg law of 7 August 2023 on business preservation and modernisation of insolvency law and transposing Directive 2019/1023 on restructuring and insolvency proceedings (the "**Insolvency Modernisation Law**"), modernised the Luxembourg legal framework for insolvency and restructuring procedures. Under Luxembourg law, the following types of proceedings (altogether referred to as insolvency proceedings) may be opened against an entity having its COMI in Luxembourg or an establishment within the meaning of Recast EU Insolvency Regulation:

- bankruptcy proceedings (*faillite*), the opening of which may be requested by the company or by any of its creditors. Following such a request, the courts having jurisdiction may open bankruptcy proceedings if the Luxembourg company: (i) is in a state of cessation of payments (*cessation des paiements*) and (ii) has lost its commercial creditworthiness (*ébranlement de crédit*). If a court finds that these conditions are satisfied, it may also open bankruptcy proceedings, *ex officio* (absent a request made by the company or a creditor). The main effect of such proceedings is the suspension of all measures of enforcement against the company, except, subject to certain limited exceptions, for enforcement by secured creditors and the payment of the secured creditors in accordance with their rank upon realisation of the assets;
- the out-of-court arrangement (*accord amiable*) which is a procedure where a debtor may propose to its creditors (at least two of them) an arrangement with the purpose of reorganising all or part of its assets or activities. This arrangement executed outside of legal proceedings then needs

to be approved by a court. Once approved by the District Court *(tribunal d'arrondissement)*, the out-of-court arrangement (*accord amiable*) is enforceable and payments pursuant to it are enforceable against the insolvency estate even if they fall within the suspect period; and

- the judicial reorganisation (*réorganisation judiciaire*) which may be pursued for three different objectives pursuant to three types of proceedings:

    i. stay of proceedings (*sursis*) during a period of four months (which can be extended to a maximum of up to 12 months) to enable an out-of-court arrangement (*accord amiable*) to be reached with creditors. During the stay of proceedings (*sursis*), (i) no individual enforcement action of outstanding creditors (*créanciers sursitaires*) is permitted, and (ii) the debtor may not be declared bankrupt (except at its own initiative) or be subject to judicial dissolution or be subject to administrative dissolution without liquidation;

    ii. restructuring plan by collective agreement/consent (*réorganisation judiciaire par accord collectif*), for a maximum period of 5 years and which may include a suspension of payment for a maximum period of 24 months, which is deemed to have been approved by the creditors entitled to vote if it receives, in each category of creditors, a favorable vote from a majority of the creditors within a category, representing at least half of all sums due in that category. Such plan, if approved by the court, is binding on all creditors. The provisions relating to the stay of proceedings (*sursis*) will apply as from the filing for the judicial restructuring procedure; or

    iii. transfer by judicial decision (*réorganisation judiciaire par transfert par décision de justice*), whereby all or part of the company's assets or business will be transferred to one or more third parties, which can be initiated either by the company or by the state prosecutor. The provisions relating to the stay of proceedings (*sursis*) will apply as from the filing for the judicial restructuring procedure.

From the submission of the judicial reorganization's petition, no bankruptcy, judicial liquidation, administrative dissolution without liquidation or enforcement measures, with exceptions, can be declared or taken until the judgment of the district court ruling on the debtor's request.

Financial collateral arrangements, set off and netting arrangements falling within the scope of the law of 5 August 2005 on financial collateral arrangements remain enforceable and unaffected by a judicial reorganization procedure or by the stay of proceedings (*sursis*).

Controlled management (*gestion contrôlée*) within the meaning of the Grand Ducal regulation of 24 May 1935 and composition with creditors (*concordat préventif de faillite*) within the meaning of the law of 14 April 1886, were abolished by the Insolvency Modernisation Law and no longer apply.

In addition, your ability to receive payment on the relevant Notes may be affected by a decision of a court to act a stay on payments (*sursis de paiement*) or to put the relevant Luxembourg company into judicial liquidation (*liquidation judiciaire*). Judicial liquidation proceedings may be opened at the request of the public prosecutor against companies pursuing an activity violating criminal laws or that are in serious breach or violation of the commercial code or of the laws governing commercial companies. The management of such liquidation proceedings will generally follow the rules of bankruptcy proceedings.

***Preferential debts***

Liability of a Luxembourg Guarantor in respect of the Notes will, in the event of a liquidation of the entity following bankruptcy or judicial liquidation proceedings, only rank after the cost of liquidation (including any debt incurred for the purpose of such liquidation) and those debts of the relevant entity that are entitled to priority under Luxembourg law. Preferential debts under Luxembourg law include, among others:

- certain amounts owed to the Luxembourg Revenue;
- value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise;
- social security contributions; and
- remuneration owed to employees.

For the avoidance of doubt, the above list is not exhaustive. Assets in the form of shares, accounts or receivables over which a security interest has been granted and perfected will in principle not be available for distribution to unsecured creditors (except after enforcement and to the extent a surplus is realized), and subject to application of the relevant priority rule and liens and privileges arising mandatorily by law. In particular, pursuant to article 20 of the Luxembourg Act dated August 5, 2005 concerning financial collateral arrangements (the "**Luxembourg Collateral Law**"), all collateral arrangements, in respect of assets over which the Luxembourg security interests have been granted, as well as all enforcement events and valuation and enforcement measures agreed upon by the parties in accordance with this law, are valid and enforceable against unsecured creditors, third parties, commissioners, receivers, liquidators and other similar persons notwithstanding any insolvency proceedings.

***General limitations on enforcement resulting from insolvency proceedings***

During such insolvency proceedings, all enforcement measures by unsecured creditors are suspended. The ability of certain secured creditors to enforce their security interest may also be limited.

Luxembourg insolvency laws may also affect transactions entered into or payments made by the relevant Luxembourg company during the period before bankruptcy, the so-called "suspect period" (*periode suspecte*), which is a maximum of six months, as from the date on which the Commercial Court formally adjudicates a person bankrupt, and, as for specific payments and transactions, during an additional period of 10 days before the commencement of such period preceding the judgment declaring bankruptcy, except that in certain specific situations the court may set the start of the suspect period at an earlier date, if the bankruptcy judgment was preceded by another insolvency proceedings under Luxembourg law. In particular:

- pursuant to article 445 of the Luxembourg Code of Commerce (*code de commerce*), specified transactions (such as, in particular, the granting of a security interest for antecedent debts; the payment of debts which have not fallen due, whether payment is made in cash or by way of assignment, sale, set-off or by any other means; the payment of debts which have fallen due by any means other than in cash or by bill of exchange; the sale of assets without consideration or with substantially inadequate consideration) entered into during the suspect period (or the 10 days preceding it) must be set aside or declared null and void, if so requested by the insolvency receiver;
- pursuant to article 21 (2) of the Luxembourg Collateral Law, notwithstanding the suspect period as referred to in articles 445 and 446 of the Luxembourg Code of Commerce, where a financial collateral arrangement has been entered into on the day of the commencement of domestic or foreign winding-up proceedings or reorganization measures or similar proceedings, but after the Court decision ruling regarding the opening of such proceedings or after such measure becomes effective, such arrangement is valid and binding against third parties, administrators, insolvency receivers, liquidators and other similar organs if the collateral taker proves that it was unaware of the fact that such proceedings had been opened or that such measures had been taken or that it could not reasonably be aware of it;
- pursuant to article 446 of the Luxembourg Code of Commerce, payments made for matured debts as well as other transactions concluded for consideration during the suspect period are subject to cancellation by the court upon proceedings instituted by the insolvency receiver if they were concluded with the knowledge of the bankrupt party's cessation of payments; and
- in the case of bankruptcy, article 448 of the Luxembourg Code of Commerce and article 1167 of the Civil Code (*action paulienne*) gives the insolvency receiver (acting on behalf of the creditors) the right to challenge any fraudulent payments and transactions, including the granting of security with an intent to defraud, made prior to the bankruptcy, without any time limit.

In principle, a bankruptcy order rendered by a Luxembourg court does not result in automatic termination of contracts except for *intuitu personae* contracts, that is, contracts for which the identity of the company or its solvency were crucial. The contracts, therefore, subsist after the bankruptcy order. However, the insolvency receiver may choose to terminate certain contracts. As of the date of adjudication of bankruptcy, no interest on any unsecured claim will accrue vis-à-vis the bankruptcy estate.

Insolvency proceedings may hence have a material adverse effect on the relevant Luxembourg company's business and assets and the Luxembourg company's respective obligations under the Notes (as Luxembourg Guarantor).

Finally, international aspects of Luxembourg bankruptcy may be subject to Recast EU Insolvency Regulation.

***Enforceability of financial collateral arrangements***

According to the Luxembourg Collateral Law, with the exception of the provisions of the law of 8 January 2013 on the over-extension of debt, the provisions of Book III, Title XVII of the Luxembourg Civil Code, of Book I, Title VIII and of Book III of the Luxembourg Commercial Code and national or foreign provisions governing reorganization measures, winding-up proceedings or other similar proceedings and attachments are not applicable to financial collateral arrangements and netting agreements and shall not constitute an obstacle to the enforcement and to the performance by the parties of their obligations.

Pursuant to article 20 of the Luxembourg Collateral Law, Luxembourg law governed financial collateral arrangements, as well as the enforcement events, netting agreements and the valuation and enforcement measures agreed upon by the parties in accordance with this law, remain valid and enforceable even if entered into during the hardening period against third parties, commissioners, receivers, liquidators and other similar persons notwithstanding reorganization measures, winding up proceedings or any other similar national or foreign proceedings (save in the case of fraud).

In accordance with article 24 of the Luxembourg Collateral Law, the rules of Luxembourg insolvency proceedings are inapplicable where the collateral provider of financial collateral arrangement or similar security interest governed by a foreign law other than Luxembourg law, is established or resides in Luxembourg.

***Limitations on Enforcement of guarantees***

There is no published Luxembourg case law and only limited Luxembourg legal literature in connection with enforcement of guarantees granted by a Luxembourg guarantor for a company of the group (whether downstream, cross-stream or upstream guarantees).

It is generally admitted that the grant of a guarantee by a Luxembourg company for the obligations of another group company shall be subject to the following conditions: (i) it must be within the corporate purpose of the guarantor as set out in its articles of association; (ii) it shall correspond to a demonstrable and commensurate corporate benefit received by the guarantor company; and (iii) the financial obligations assumed by the guarantor must not be disproportionate to the financial capacity of the guarantor.

The question of corporate benefit is determined on a case-by-case basis.

For the purpose of condition (iii) above, it is standard market practice that cross-stream and upstream guarantees granted by Luxembourg guarantors must be limited in their amount (as is the case pursuant to the Indenture), as opposed to downstream guarantees.

According to the limited Luxembourg doctrine on this matter, in the event the above conditions are not met, the directors of the company may be held liable and it is only in exceptional cases in which it is demonstrated that (i) the beneficiary was aware of the ultra vires nature of the guarantee or (ii) that the guarantee was given with the intent to defraud creditors of the guarantor or (iii) the guarantee qualifies as a misuse of corporate asset (*abus de bien social*) that a court may void the guarantee itself.

In accordance with the principle *fraus omnia corrumpit*, a first demand guarantee would not be enforceable under Luxembourg law if it is called upon in a manifestly abusive way by the beneficiary of the guarantee.

***Security Interests Considerations***

The Notes are secured, among other things, by several security interests governed by Luxembourg law. According to Luxembourg conflict of law rules, the courts in Luxembourg will generally apply the *lex rei sitae* or *lex situs* (the law of the place where the assets or subject matter of the pledge or security interest is situated) in relation to the creation, perfection and enforcement of security interests over such assets. As a consequence, Luxembourg law will apply in relation to the creation, perfection and enforcement of security interests over assets located or deemed to be located in Luxembourg, such as registered shares in Luxembourg companies, bank accounts held with a Luxembourg bank, receivables or claims governed by Luxembourg law or having debtors located in Luxembourg, tangible assets located in Luxembourg, securities which are held through an account located in Luxembourg, bearer securities physically located in Luxembourg, etc.

If there are assets located or deemed to be located in Luxembourg, the security interests over such assets will be governed by Luxembourg law and must be created, perfected and enforced in accordance with Luxembourg law. The Luxembourg Collateral Law governs the creation, validity, perfection and enforcement of pledges over shares, bank account and receivables located in Luxembourg. Under the Luxembourg Collateral Law, the perfection of security interests depends on certain registration, notification and acceptance requirements.

Article 11 of the Luxembourg Collateral Law sets forth the following enforcement remedies available upon the occurrence of an enforcement event:

- the direct appropriation, or appropriation by third parties, of the pledged assets at (i) a value determined in accordance with a valuation method agreed upon by the parties or (ii) the market price, where the pledged financial instruments are admitted to trading on a trading venue;
- a sale of the pledged assets (i) in a private transaction on commercially reasonable terms (*conditions commerciales normales*), (ii) on a trading venue on which they are admitted to trading or (iii) by way of a public auction;
- a court allocation of the pledged assets to the pledgee in discharge of the secured obligations following a valuation made by a court-appointed expert; or
- set-off between the secured obligations and the pledged assets.

As the Luxembourg Collateral Law does not provide any specific time periods and depending on (i) the method chosen, (ii) the valuation of the pledged assets, (iii) any possible recourse and (iv) the possible need to involve third parties, such as, *e.g.*, courts, stock exchanges and appraisers, the enforcement of the security interests might be substantially delayed.

Foreign law governed security interests and the powers of any receivers or administrators may not be enforceable in respect of assets located or deemed to be located in Luxembourg. Security interests or arrangements, which are not expressly recognized under Luxembourg law and the powers of any receivers or administrators might not be recognized or enforced by the Luxembourg courts, in particular where the Luxembourg security grantor becomes subject to Luxembourg insolvency proceedings or where the Luxembourg courts otherwise have jurisdiction because of the actual or deemed location of the relevant rights or assets, except if "main insolvency proceedings" (as defined in the Recast EU Insolvency Regulation) are opened under Luxembourg law and such security interest or arrangements constitute rights *in rem* over assets located in another Member State in which the Recast EU Insolvency Regulation applies.

The perfection of the security interests created pursuant to the pledge agreements does not prevent any third party creditor from seeking attachment or execution against the assets, which are subject to the security interests created under the pledge agreements, to satisfy their unpaid claims against the pledgor. Such creditor may seek the forced sale of the assets of the pledgors through court proceedings, although the beneficiaries of the pledges will in principle remain entitled to priority over the proceeds of such sale (subject to preferred rights by operation of law).

Under the Luxembourg Collateral Law, the enforcement of a pledge is permitted in case of an event of default as agreed between the parties, including an event of default which would not be a default of payment when due (*e.g.*, breach of covenants or representations and warranties).

### *Certain Preferences*

Under Luxembourg law, certain creditors of an insolvent party have rights to preferred payments arising by operation of law, some of which may, under certain circumstances, supersede the rights to payment of secured or unsecured creditors, and most of which are undisclosed preferences (*privilèges occultes*). This includes in particular the rights relating to fees and costs of the insolvency official as well as any legal costs, the rights of employees to certain amounts of salary, and the rights of the Treasury and certain assimilated parties (namely social security bodies), which preferences may extend to all or part of the assets of the insolvent party. This general privilege takes in principle precedence over the privilege of a pledgee in respect of pledged assets.

### *Translation of Documents*

The Luxembourg courts, or the official Luxembourg authority, may require that the Notes, the Security Documents, the Indenture (and any other document in connection therewith), and any judgment obtained in a foreign court, be translated into French or German.

## Norway

***Limitations on the validity and enforceability of guarantees and securities provided by Guarantors incorporated in Norway***

The legal capacity or ability for a Guarantor incorporated in Norway (a "Norwegian Guarantor") to provide financial assistance, including granting loans and providing security or guarantees, may be limited by applicable law, including, but not limited to the mandatory provisions of Section 8-7 and 8-10 of the Norwegian Private Limited Companies Act of June 13, 1997 No. 44 (the "Norwegian Companies Act").

Section 8-7 of the Norwegian Companies Act restricts a Norwegian private limited liability company from granting credit to, guaranteeing or providing security for the obligations of, its shareholders (or any related party) beyond its distributable reserves (free equity) and then, further provided that satisfactory security for repayment/recovery has been established in favor of the relevant company.

The above restriction does not, however, apply to credit or security/guarantee for the obligations of a Norwegian incorporated parent company or another Norwegian incorporated group company. This exemption must be read in conjunction with the group definition in Section 1-3 of the Norwegian Companies Act. A Norwegian limited liability company may also grant credit or provide security and guarantees for the obligations of a foreign company who has decisive influence over the Norwegian company or subsidiaries of such company, *provided* that such credit, security or guarantee serves the economic interest of the group of companies (*i.e.*, for instance, that the purpose of the transaction is not to benefit the beneficial owners of the group, for example by financing distributions to the owners).

In addition to the restrictions with regard to, among others, upstream and cross-stream guarantees and security as outlined above, Section 8-10 of the Norwegian Companies Act restricts the ability of a Norwegian private limited liability company to provide financial assistance (including to put funds at disposal, grant loans or provide security or guarantees) in connection with the acquisition of its shares or shares in the parent company (and any intermediate parent company). The restrictions concerning financial assistance apply irrespective of whether the company whose shares are acquired is a Norwegian or a foreign company. In order for a guarantee, loan or security provided by a Norwegian Guarantor in favour of a purchaser of shares in such Norwegian Guarantor or its parent company to be valid and binding, the financial exposure of such Norwegian Guarantor must not exceed the amounts that the Norwegian Guarantor has available for distribution of dividends to its shareholders, and furthermore the financial assistance must be granted on ordinary, commercial terms. The limitation of financial assistance to amounts that a Norwegian Guarantor has available for distribution of dividends does not apply if the acquirer of the shares is based in the European Economic Area and the acquirer is, or will following the acquisition, form part of the same group of companies as the Norwegian Guarantor providing financial assistance. Moreover, Section 8-10 of the Norwegian Companies Act requires the board of directors of the company providing financial assistance to (i) ensure that the credit worthiness of the purchaser is evaluated and (ii) grant a declaration to the effect that it will be in the interest of the company to grant the financial assistance and that the company will have sufficient equity and liquidity for doing so and also give an account for the background and terms of such financial assistance. The financial assistance must thereafter be approved by at least two-thirds of both the votes cast and the share capital represented at the general meeting of the Norwegian Guarantor, and furthermore, the financial assistance cannot be provided before completion of a special procedure where the information is filed with the Norwegian Register of Business Enterprises (No.: *Foretaksregisteret*). The restrictions apply not only to the granting of loans, guarantees and securities, but also to asset distributions and other transfers which are not deemed lawful distributions under the Norwegian Companies Act. The financial assistance is restricted if made "in connection with" an acquisition of shares, which may also cover financial assistance after completion of such acquisition, for instance, by way of a refinancing of acquisition debt.

A loan, guarantee or security interest infringing the limitations set out in Section 8-7 and Section 8-10 of the Norwegian Companies Act is void and any funds paid out pursuant to such guarantee or security interest will have to be repaid. In addition, loans, securities and guarantees of Guarantors incorporated in Norway may be deemed void for failing to comply with the provisions in Chapter 3 of the Norwegian Companies Act regulating transactions between the company and its shareholders and transactions within the "group."

The principle of corporate benefit also exists in Norway and may in some situations impose a restriction on a Norwegian company's ability to offer credits or a guarantee and provide security to shareholders (or close associates of the shareholders) in addition to the restrictions on financial assistance and upstream/cross-stream guarantees, loans and security described above.

The liability of each Guarantor incorporated in Norway for the Issuer's and the other Guarantors' obligations under the Notes will be limited to €7,850,000,000 with the addition of interest, default interest, fees, costs, enforcement costs and expenses under the Notes (or its equivalent in other currencies).

The above limitations shall apply *mutatis mutandis* to any security created by a Guarantor incorporated in Norway under the Collateral and to any guarantee, indemnity and similar obligations resulting in a payment obligation and payment pursuant to the Collateral made by a Guarantor incorporated in Norway.

***Foreclosure of Security Interest***

Enforcement of security granted pursuant to the Norwegian Financial Collateral Act of March 26, 2004 No. 17, implementing the EU Financial Collateral Directive (Directive 2002/47/EC, as amended), must be implemented on commercially reasonable terms pursuant to the mandatory provisions of the Norwegian Financial Collateral Act. Enforcement of other Norwegian law security in Norway will be subject to the mandatory provisions of the Norwegian Enforcement Act of June 26, 1992 No. 86.

Under the Norwegian Companies Act, Section 5-2, a shareholder may at any time revoke a power of attorney to exercise voting rights. Accordingly, provisions in a Norwegian law governed share pledge giving the holder of the security power of attorney to vote for the relevant shares may therefore be rendered ineffective against the relevant company whose shares are pledged in the event the pledgor of the relevant shares were to revoke the power of attorney while he remains the registered owner of the shares.

A pledge in future shares is only to be read as an obligation to pledge future shares, and is not a legal and valid pledge in itself. Consequently, a share declaration by the pledgor must be issued and notified to the issuer of the shares, upon issuance of the shares, in order to obtain a perfected security interest in such future shares.

Only creditors of a claim may have active judicial standing in a Norwegian court; therefore, a security agent may seek enforcement of a claim but such claim may have to be supported by the actual creditors of such claim. A security agent has standing to be sued in Norway and it is believed that a security agent may enforce any security being subject to the Norwegian Financial Collateral Act of March 26, 2004 No. 17.

***Insolvency***

Norwegian insolvency legislation is regulated by the Norwegian Bankruptcy Act of June 8, 1984 No. 58 (the "Bankruptcy Act"), which sets out the various procedures to be followed both in case of court administered debt negotiations and bankruptcy proceedings, and the Norwegian Creditors Recovery Act of June 8, 1984 No. 59 (the "Recovery Act") containing provisions on, among other things, the priority of claims.

As a response to the Covid-19 pandemic, the Norwegian Parliament passed the temporary Norwegian Reconstruction Act of May 7, 2020 No. 38 (the "**Temporary Reconstruction Act**") on April 28, 2020. The Temporary Reconstruction Act introduced a new debt reorganization regime to temporarily replace the abovementioned rules on court administered debt negotiations proceedings in the Bankruptcy Act. Originally set to expire on January 1, 2022, the Temporary Reconstruction Act has been extended on numerous occasions, and is currently, following an extension approved by the Norwegian Parliament on May 11, 2023, scheduled to be repealed on July 1, 2025.

On January 13, 2023, a proposal for a permanent act on reorganization, based on principles largely similar to those set out in the Temporary Reorganization Act, was sent on public hearing.

The key features of the Norwegian bankruptcy proceedings are (i) the seizure and subsequent disposal of the debtor's assets, (ii) the assessment and ranking of claims, (iii) the testing and revocation of transactions (including security over existing claims) made prior to the bankruptcy proceedings being initiated, (iv) the handling of the debtor's contractual relationships and (v) the distribution of funds (if any) in accordance with the priority rules. If the business operations of the bankrupt company are continued, they are in practice continued at the risk of, and only to the extent guaranteed by, the creditors.

***Bankruptcy Proceedings***

Bankruptcy proceedings may be opened if the debtor is insolvent. Both the debtor and the creditors who have a right to a bankruptcy dividend can petition for bankruptcy.

There are two requirements for a debtor to be deemed to be insolvent. The debtor must (i) be unable to service its debt as it becomes due (the "cash flow test"), and (ii) be in asset "deficit" (i.e., the company's liabilities must exceed the sum of its assets and revenues) (the "balance sheet test").

During bankruptcy proceedings the debtor's assets are controlled by the court appointed liquidator (generally a lawyer), on behalf of the bankruptcy estate. The main task of the liquidator is to turn all the debtor's assets into cash in the manner assumed to be most profitable for the bankruptcy estate (the creditors), and then to distribute the available cash to the rightful creditors.

All the debtor's assets will in practice be seized by the bankruptcy estate, and the debtor may not dispose of the seized assets in any way while the bankruptcy proceedings are ongoing. The bankruptcy estate may also seize assets held by third parties if (A) these assets are acquired from the debtor in an unlawful manner,(B) the acquisition lacks legal protection, (C) the transaction can be reversed according to the provisions of the Recovery Act, or (D) these assets are transfered from the debtor to a third party through a pro forma arrangement. The bankruptcy estate is a separate legal entity, which is authorized to exercise all ownership interests/rights with respect to the seized assets, including but not limited to the realisation of assets.

Secured creditors are, in principle, not deemed to be part of the bankruptcy proceedings to the extent the value of the security is sufficient to cover the underlying obligations of the debtor. The secured creditors may, in principle, realize the security and cover their claims, however, keeping in mind that the realisation of a number of categories of security the first six months after the opening of a bankruptcy will be subject to the approval of the bankruptcy estate (the same principles apply to official debt negotiations). The bankruptcy estate may, subject to certain conditions being fulfilled, also decide to realize the security and divide the proceeds between the secured creditors and others holding legal rights in the assets.

Any undersecured amount (any amount exceeding the value of the secured assets) will be deemed as an ordinary (unsecured) trade claim.

In a Norwegian bankruptcy, claims against the estate are covered in the following order of priority:

- Secured claims (valid and perfected security covered up to the value of the secured asset—either after the realisation by the secured creditor itself or after realisation undertaken by the bankruptcy estate).
    - Super priority claims (claims which arise during the bankruptcy proceedings, liquidator's costs, obligations of the bankruptcy estate).
    - Salary claims (within certain limitations).
    - Tax claims (such as withholding tax and value-added tax within certain limitations).
    - Ordinary unsecured claims (all other claims unless subordinated, including unsecured debt, trade creditors and indemnity claims).
    - Subordinated claims (including interest incurred after the opening of bankruptcy proceedings, claims subordinated by agreement, liquidated damages and penalty claims).
    - Creditors will obtain recovery from the surplus remaining after claims with better priority have received full recovery (the "waterfall principle").

Pursuant to the Recovery Act, the bankruptcy estate may be entitled to set aside or reverse certain transactions carried out in the three- up to 12-month period (and in respect of transactions in favor of related parties up to two years) before the opening of the bankruptcy, such as extraordinary payments of certain creditors, security established for existing debt and transaction at under-value. The bankruptcy estate may also, under certain circumstances, be entitled to set aside or reverse transactions made in bad faith or negligently which in an improper manner increase the debtor's debt, favor one creditor at the expense of others or deprive the debtor of assets which may otherwise have served to cover the creditors' claims, in which case the time limit for challenges by the estate is increased to 10 years.

It should also be noted that the bankruptcy estate has a statutory first lien of up to 5% of the respective asset's estimated value or sales value over assets which have been mortgaged/pledged by the debtor or mortgaged/pledged by a third party for the debtor's indebtedness. The purpose of such statutory lien is to secure necessary costs related to the bankruptcy proceedings. However, the statutory lien is limited to the Norwegian Court Fee (presently being in the amount of 1,277 Norwegian kroner) multiplied by 700 for assets registered in an asset register ("*realregister*")). Such statutory lien is not applicable to security granted pursuant to the Norwegian Financial Collateral Act of March 26, 2004 No.17, implementing the EU Financial Collateral Directive, cf. the Norwegian Liens Act of February 8, 1980 No. 2 Section 6-4 (9).

***Debt Reorganization Proceedings***

Pursuant to the Temporary Reconstruction Act, debtors that are facing, or in the near future will face, serious economic problems (without necessarily being insolvent) may petition to the court for the commencement of debt reorganization proceedings. Moreover, any of the company's creditor may request debt reorganization proceedings if the debtor is unable to meet its obligations as they fall due.

The goal of such proceedings is to enable the debtor to restructure its debts, following either unanimous creditor consent (**"Unanimous Reorganization"**) or consent from a requisite majority of the creditors affected (a **"Non-Unanimous Reorganization"**). The commencement of debt reorganization proceedings results in the appointment of a reorganization officer and a creditor committee that together form a reorganization committee. The reorganization committee is charged with supervising the debtor during the proceedings and assisting it with putting forward reorganization proposal to its creditors.

Subject to certain exceptions, the enforcement rights of creditors are suspended during debt reorganization proceedings.

During the course of debt reorganization proceedings, the debtor may, subject to the consent of the reorganization committee, incur new debt to finance its operations during reconstruction and in relation thereto grant security over its assets that rank ahead of existing security interests (so called "superpriority"). Such superpriority security interests may be created over the debtor's machinery and plant, inventory and trade receivables in favor of lenders who agree to finance the continuation of the debtor's business activities and associated expenses during the debt reorganization proceedings. There is no limit to the amounts of debt that may be secured on a superpriority basis, but existing secured creditors may petition for the reversal of the reorganization committee's consent if the superpriority security interest has a material adverse effect on their position. In addition to having superpriority security over certain assets, any person providing financing of debt reorganization proceedings under the Temporary Reconstruction Act has a statutory first priority lien of up to 5% of the estimated value (or realized value, if different) of any of the debtor's assets which have been pledged as security for the debtor's liabilities, limited to 700 times the applicable Norwegian court fee for each registered asset.

Assets (including receivables) acquired by a debtor while under debt reorganization proceedings will as a starting point fall outside the scope of existing security interests.

A Unanimous Reorganization may in principle consist of any amendments to the debtor's debts. The adoption of a reorganization proposal as Unanimous Reorganization generally requires the consent of all creditors concerned. However, in the event that no creditors have rejected the proposal following the expiry of a voting period set by the reorganization officer, the proposal will be deemed approved if it has been approved by creditors representing three-fourths of the claims affected.

A Non-Unanimous Reorganization may consist of any of the following measures:

- a rescheduling of the debtor's payment obligations;
- a reduction of the debtor's debts;
- the conversion of debt to equity capital;
- the transfer of all or parts of the debtor's business and assets to a purchaser;
- the transfer and winding up of all the debtor's business and assets with the debtor being released from debts exceeding the proceeds of the winding up; and/or
- a combination of the above measures.

A Non-Unanimous Reorganization cannot encroach upon the rights of non-consenting secured creditors, creditors that enjoy preferential priority in bankruptcy (except for certain tax claims) and creditors with set-off rights. However, secured claims may be encroached upon if and to the extent the reorganization committee deems that the claim exceeds the value of the secured assets.

The adoption of a Non-Unanimous Reorganization requires the approval of creditors representing a majority of the claims with voting rights, calculated by amount. The claims with voting rights will generally be the claims that are affected by the proposal.

Following the approval of a requisite majority, a Non-Unanimous Reorganization must be sanctioned by the court. The court may, in addition to reviewing whether procedural requirements have been observed, review the fairness of the proposal. Such review will take into account whether individual creditors have been compensated to consent to the reorganization, the burden-sharing among the creditors and whether creditors are worse off than if the debtor was instead subject to bankruptcy proceedings.

**Scotland**

***The United Kingdom's withdrawal from the European Union***

While the United Kingdom was a member state of the EU, jurisdiction to open insolvency proceedings and insolvency processes opened in the United Kingdom were subject to both EU and applicable UK domestic legislation. Following the United Kingdom's departure from the EU on January 31, 2020, and the expiry of the subsequent Transition Period on December 31, 2020, in accordance with the EUWA, EU law as directly applicable in the United Kingdom at the end of the Transition Period (subject to certain exceptions) was transposed into UK domestic law subject to significant amendments. The Insolvency (Amendment) (EU Exit) Regulations 2019 (SI 2019/146) (as amended) effected key amendments to both EU insolvency laws previously directly applicable in the United Kingdom, including the Recast EU Insolvency Regulation, and domestic insolvency laws. Additional regulations were implemented in Scotland (The Insolvency (EU Exit) (Scotland) (Amendment) Regulations (SI 2019/94)) to effect necessary amendments to Scottish specific legislation.

***Insolvency***

Some of the security interests are being granted under the laws of Scotland by non-Scottish entities (each, a "**Scottish Security Grantor**"). Any insolvency proceedings by or against a Scottish Security Grantor may be based on Scottish insolvency laws if the relevant jurisdiction can be established, however the country of incorporation of the relevant non-Scottish entity or its COMI may affect which country's insolvency laws apply.

Although the scope of the Scottish courts' jurisdiction varies for the different insolvency proceedings available in Scotland, Scottish courts generally have jurisdiction to open insolvency proceedings in respect of any company which is incorporated in Scotland, any company which has its COMI in the United Kingdom or any company which has its COMI in an EU Member State (other than Denmark). In certain cases it may also be necessary for foreign incorporated entities to meet a number of other threshold requirements such as demonstrating a sufficient connection with the Scottish jurisdiction. While this allows Scottish courts to assume jurisdiction over certain foreign companies in respect of certain insolvency proceedings, the efficacy of such proceedings may significantly depend on the likelihood and extent of subsequent recognition of such proceedings in relevant other jurisdictions.

To the extent that a Scottish Security Grantor has its COMI in an EU Member State, insolvency proceedings could, pursuant to the Recast EU Insolvency Regulation and subject to certain exceptions, be opened in the relevant EU Member State and be subject to the laws of that EU Member State.

***Receivership***

Pursuant to Section 51(1) of the Insolvency Act 1986, it is competent, subject to the comments below regarding administrative receivership, for a holder of a floating charge to appoint a receiver over the property which is subject to the floating charge, *provided* that either the Court of Session has jurisdiction to wind up the grantor of the floating charge, or, where the Court of Session does not have jurisdiction to wind up the grantor of the floating charge, a court of an EU Member State has jurisdiction to open insolvency proceedings under the Recast EU Insolvency Regulation as that Regulation has effect in the European Union.

In terms of the Insolvency Act 1986, the Court of Session has jurisdiction to wind up any company registered in Scotland. The Insolvency Act 1986 also confers a broad discretion to order the winding up of an unregistered company (which includes any association or company, with the exception of a company registered under the Companies Act 2006 in any part of the United Kingdom). Such discretion may be exercised in relation to a Scottish Security Grantor if the following three core requirements are met: (i) the Scottish Security Grantor has a sufficient connection with Scotland; (ii) there is a reasonable possibility of benefit to the party or parties applying for the winding up of the Scottish Security Grantor; and (iii) one or more persons interested in the distribution of the Scottish Security Grantor's assets is a person over whom the court can exercise jurisdiction.

Whether a court of an EU Member State has jurisdiction to open insolvency proceedings will depend on the location of the company's COMI and whether this is found to be in the relevant EU Member State or in another EU Member State provided that the company has an establishment in the relevant EU Member State. There are a number of factors that are taken into account to ascertain the COMI. The COMI should correspond to the place where the company conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. The place of the registered office of the company is presumed to be the COMI in the absence of proof to the contrary, *provided* that the registered office has not been moved to another EU Member State within the 3-month period prior to the request for the opening of insolvency proceedings. The point at which this issue falls to be determined is the time when the application to open insolvency proceedings is filed.

***Fixed and Floating Charges***

There are a number of ways in which fixed charge security has an advantage over floating charge security: (a) *provided* that the floating charge is not created or does not otherwise arise under a security financial collateral arrangement, an administrator appointed to a charging company can convert floating charge assets to cash and use such cash, or use cash subject to a floating charge, to meet administration expenses (which can include the administrator's remuneration and the costs of continuing to operate the charging company's business) while in administration in priority to the claims of the floating charge holder; (b) a fixed charge, even if created after the date of a floating charge, may have priority as against the floating charge over the same charged assets (provided the fixed charge holder has no notice of any restrictions); (c) *provided* that the floating charge is not created or does not otherwise arise under a security financial collateral arrangement, costs and expenses (including the liquidator's remuneration) properly incurred in a winding up are payable out of the company's assets (including the assets that are the subject of the floating charge) in priority to the claims of the floating charge holder either where agreed or where the costs and expenses are related to the realisation of the floating charge assets; (d) until the floating charge security crystallizes (which does not occur automatically on the appointment of an administrator in Scotland), a company is entitled to deal with assets that are subject to floating charge security in the ordinary course of business, meaning that such assets can be effectively disposed of by the charging company so as to give a third party good title to the assets free of the floating charge; (e) there are particular challenge risks in relation to floating charge security (see "—Grant of Floating Charge"); (f) where the floating charge is not created or does not otherwise arise under a security financial collateral arrangement, floating charge security is subject to the claims of certain preferential creditors (such as certain unpaid pension contributions, salaries owed to employees (subject to a cap per employee), holiday pay owed to employees and VAT and certain other tax debts due to HMRC) and to ring-fencing for unsecured creditors (see "—Administration and Floating Charges"); and (g) an administrator may dispose of or take action relating to property subject to a floating charge without the prior consent of the charge holder or court approval, although the floating charge holder retains the same priority in respect of the proceeds from the disposal of the assets subject to the floating charge. With prior approval of the court, an administrator may deal with property subject to a fixed charge provided that disposing of the property is likely to promote the administration's purpose and that the administrator applies the net proceeds from the disposal of the property in question, together with any additional money required to be added to the net proceeds so as to produce the amount determined by the court as the net amount which would be realised on a sale of the property at market value, towards discharging the obligations of the company to the charge holder. These provisions do not apply to any security interest created or otherwise arising under a financial collateral arrangement.

In Scotland, forms of security are closely tied to specific types of property. Since Scottish law does not recognize the English law concept of "equity", there is more focus on the legal formalities rather than the intention of the parties with respect to the creation of security interests. Further, Scottish law does not differentiate between legal and equitable ownership of property which further impacts the requirements to create security. If the strict legal requirements under Scots law are not met, there will be no security over the subject notwithstanding the intention of the parties.

In respect of moveable property, it is essential that the security holder has some form of possession (which may take different forms) over the subject in order to create a valid fixed security interest. Scots law does not differentiate between legal and equitable ownership of property so, for instance, in order to create a security interest over shares in companies incorporated in Scotland, the security holder (or its nominee) must be registered as the shareholder. Furthermore, as there is no Scottish equivalent of an English law equitable assignment, a Scottish interest in incorporeal property will only be created when the assignation is intimated to the relevant parties.

Fixed charges over land and buildings situated in Scotland may only be created using a standard security (which is similar to the English law legal mortgage over an interest of land) and is governed by statute. The process of enforcing a fixed charge over land is very different to that in England and there is no ability to appoint a fixed charge receiver over property.

***Administration and Floating Charges***

Under Scottish insolvency law, an administrator may be appointed in respect of (i) a company incorporated in England and Wales or Scotland (however, in respect of a company incorporated under the laws of England and Wales, the administrator would likely be appointed in England and Wales); (ii) a company incorporated in an EEA state; (iii) a company not incorporated in an EEA state but with its COMI in the United Kingdom or an EU Member State (other than Denmark); (iv) a company (wherever incorporated) having its COMI in the United Kingdom; or (v) a company (wherever incorporated) with its COMI in an EU Member State and an "establishment" in the United Kingdom. In addition to the court appointment of an administrator, an administrator can be appointed out of court by the company, its directors or the holder of a qualifying floating charge, which was granted by the company and which has become enforceable, and different procedures apply according to the identity of the appointor. During the administration, or after a notice of intention to appoint an administrator has been lodged, amongst other restrictions, in general no proceedings or other legal process may be commenced or continued against the debtor, or security enforced over the company's property, except with leave of the court or the consent of the administrator. Certain creditors of a company in administration may be able to realize their security over that company's property notwithstanding the statutory moratorium. This is by virtue of the disapplication of the moratorium in relation to a "security financial collateral agreement" (generally, cash or financial instruments such as shares, bonds or tradable capital market debt instruments) under the Financial Collateral Arrangements (No. 2) Regulations 2003. If a Scottish Security Grantor were to enter administration, it is possible that the security granted by it or the guarantee granted by it may not be enforced while it is in administration. In addition, other than in limited circumstances, no administrative receiver can be appointed by a secured creditor in preference to an administrator, and any already appointed must resign if requested to do so by the administrator. Where the company is already in administration no other receiver may be appointed.

In order to empower the Security Trustee to appoint an administrative receiver or an administrator out of court to the company, the floating charge granted by the relevant Scottish Security Grantor must constitute a "qualifying floating charge" for purposes of Scottish insolvency law and, in the case of the ability to appoint an administrator, the Security Trustee must be the holder of a qualifying floating charge for purposes of Scottish insolvency law and, in the case of the ability to appoint an administrative receiver, the qualifying floating charge must, unless the security document predates September 15, 2003, fall within one of the exceptions to the prohibition on the appointment of administrative receivers. In order to constitute a qualifying floating charge, the floating charge must be created by an instrument which (a) states that the relevant statutory provision applies to it; (b) purports to empower the holder to appoint an administrator of the company; (c) purports to empower the holder to appoint an administrative receiver; or (d) purports to empower the holder of a floating charge in Scotland to appoint a receiver who on appointment would be an administrative receiver (although this is only permitted under limited circumstances). The Security Trustee will be the holder of a qualifying floating charge if such floating charge security, together (if necessary) with the fixed charge security interests granted to it, relates to the whole or substantially the whole of the Scottish Security Grantor's property and at least one such security interest is a qualifying floating charge. The most relevant exception to the prohibition on the appointment of an administrative receiver is the exception relating to "capital market arrangements" (as defined in the Insolvency Act 1986, as amended), which will apply if the issue of the notes creates a debt of at least £50,000,000 for the relevant company during the life of the arrangement and the arrangement involves the issue of a "capital markets investment" (which is defined in the Insolvency Act 1986, but is generally a rated, listed or traded debt instrument). An administrator, receiver or liquidator of the company will be required to ring-fence a certain percentage of the proceeds of enforcement of floating charge security for the benefit of unsecured creditors. Under current law, this applies to 50% of the first £10,000 of net floating charge realisations and 20% of the remainder over £10,000, with a maximum aggregate cap of £600,000, or £800,000 in relation to floating charges which come into existence on or after April 6, 2020. Whether the assets that are subject to the floating charges and other security will constitute substantially the whole of the Scottish Security Grantor's assets at the time that the floating charges are enforced will be a question of fact at that time.

If an administrative receiver has been appointed, an administrator can only be appointed by the court (and not by the company, its directors or the holder of a qualifying floating charge using the out of court procedure) and then only if the person who appointed the administrative receiver consents or the court considers that the security pursuant to which the administrative receiver was appointed is capable of challenge on certain grounds. If an administrator is appointed, any administrative receiver will vacate office. Further, upon the appointment of an administrator, any receiver of part of the company's property must resign if required to do so by the administrator unless that receiver was appointed under a charge created or otherwise arising under a "financial collateral arrangement" (as defined in the Financial Collateral Regulations).

In addition, under Scottish insolvency law, any debt payable in a currency other than pounds sterling (such as euro or U.S. dollars in the case of the notes) may, in certain circumstances, be claimed in a currency other than pounds sterling. However, where creditors are asked to submit statements of claim, that claim will then be converted into pounds sterling at the rate of exchange determined by the liquidator or administrator by reference to the exchange rates prevailing in the London market at close of business on the date when the company went into liqudation or administration. Accordingly, in the event that the Scottish Security Grantor goes into liquidation or administration, holders of the notes may be subject to exchange rate risk between the date that the Scottish Security Grantor went into liquidation or administration and the date of receipt of any amounts to which such holders of the notes may become entitled. Any such holder of the Notes would not be entitled to make a claim for any losses suffered by them as a result of a decrease in value of pounds sterling between the "relevant date" and the date of any distribution.

There are circumstances under Scottish insolvency law in which the granting by a company of security and guarantees can be challenged. In most cases, this will only arise if the company is placed into administration or liquidation within a specified period of the granting of the guarantee or security,although common law challenges can be brought beyond the specified period. Therefore, if during the specified period an administrator is appointed to a Scottish Security Grantor, he may challenge the validity of the guarantee or security given by such company. Further, the insolvency practitioner may elect to assign such a right of action (including the proceeds therefrom) to another party who would then be entitled to pursue it.

The following potential grounds for challenge may apply to guarantees and security interests in Scotland.

***Gratuitous Alienations***

Under Scottish insolvency law, a security interest or a guarantee granted by the company can be challenged on the grounds that the creation of such security interest or guarantee constituted a gratuitous alienation. Such a challenge can be brought by the administrator if the company enters administration, or if the winding-up of the company has commenced, either by the liquidator or by any creditor who is a creditor of the company by virtue of a debt incurred on or before the date of commencement of the winding-up. The transaction can be challenged if the company enters into liquidation or administration proceedings within a period of two years from the date the company grants the security interest or the guarantee (or the date on which such security interest or guarantee becomes completely effectual) to a party which is not an "associate" (as defined by reference to the Bankruptcy (Scotland) Act 2016) of the company, or within a period of five years in the case of an "associate" of the company. A transaction might be subject to being set aside as a gratuitous alienation if the company makes a gift to a person (except in certain specified circumstances), if the company receives no consideration or if the company receives inadequate consideration in respect of the transaction. However, a court generally will not intervene if the person seeking to uphold the alienation establishes (i) that immediately or at any other time after the alienation the company's assets were greater than its liabilities, (ii) the alienation was made for adequate consideration, or (iii) the alienation was a birthday, Christmas or other conventional gift, or (iv) the gift was made for a charitable purpose to a person not an associate of the company, which having regard to all circumstances it was reasonable for the company to make. If the court determines that the transaction was a gratuitous alienation the court can grant a reduction or restoration of the property or assets or such other redress as may be appropriate (although there is protection for a third party who acquires in good faith and for value any right or interest from or through the transferee in the alienation).

A transaction made at a time when a company is insolvent may also constitute a gratuitous alienation at common law. In these circumstances, no time limits apply in relation to challenging it. A gratuitous alienation may constitute wrongful (or indeed fraudulent) trading, or a breach of duty, and lead to action being raised against directors personally.

***Unfair Preferences***

Under Scottish insolvency law, a security interest or a guarantee can be challenged on the grounds that the security interest or such guarantee constituted an unfair preference in so far as it has the effect of creating a preference in favor of a creditor to the prejudice of the general body of creditors. The transaction can be challenged by the administrator if the company enters administration, or if the winding-up of the company has commenced, either by the liquidator or any creditor of the company who is a creditor by virtue of a debt incurred on or before the date of commencement of the winding-up. The transaction can be challenged if the company enters into liquidation or administration proceedings within a period of six months from the date the company grants the security interest or the guarantee (or the date on which such security interest of guarantee becomes completely effectual). A transaction may constitute an unfair preference if it has the effect of putting a creditor of the company (or a surety or Guarantor for any of the company's debts or liabilities) in a better position than such creditor, guarantor or surety would otherwise have been in had that transaction not been entered into to the prejudice of the general body of creditors. If the court determines that the transaction was an unfair preference, the court shall grant a reduction or restoration of the property to the company's assets or such other redress as may be appropriate (although there is protection for a third party who acquires in good faith and for value any right or interest from or through the creditor in whose favor the preference was created). The following will not constitute unfair preferences:

- transactions in the ordinary course of trade or business;
- payment in cash for a debt that, when paid, has become payable, unless the transaction was collusive with the purpose of prejudicing the general body of creditors;
- transactions where the parties take on reciprocal obligations, unless the transaction was collusive; and
- the granting of a mandate by a company authorising a person to pay over funds in compliance with a court decree in certain prescribed circumstances.

A transaction may also constitute a fraudulent preference at common law (a fraudulent preference is the common law equivalent of the statutory unfair preference). No time limits apply to a common law challenge. An unfair preference may also constitute wrongful (or indeed fraudulent) trading or a breach of duty and lead to actions being raised against directors personally.

***Grant of Floating Charges***

Under Scottish insolvency law, a floating charge granted by a company is invalid except to the extent of the aggregate value of (i) the consideration for the creation of the floating charge consisting of money paid or goods or services supplied to the company at the same time as or after the creation of the floating charge, (ii) the value of the consideration consisting of the discharge or reduction of any debt of the company at the same time as or after the creation of the floating charge and (iii) the amount of any interest payable on these sums, if the company enters into liquidation or administration proceedings within the relevant time period. The relevant time period is a period of one year (if the beneficiary is not a connected person) or two years (if the beneficiary is a connected person) from the date the company grants the floating charge. However, if the beneficiary is not a connected person, no amount of the floating charge will be invalid unless the company is unable to pay its debts as they fall due (as defined by Section 123 of the Insolvency Act 1986) or becomes unable to pay its debts as a consequence of granting the floating charge. An administrator or liquidator (as applicable) does not need to apply to court for an order declaring that a floating charge is invalid by operation of law. Any floating charge created during the relevant time period is automatically invalid, except to the extent of the value of the foregoing amounts. However, this provision does not apply to any charge created or otherwise arising under a "security financial collateral arrangement" under the Financial Collateral Regulations.

**Ranking of Security Interests**

Under Scots law, there are certain statutory and common law rules which will determine the ranking of two or more competing security interests over the same assets. A number of different factors are taken into account, such as the nature of the security interest, the order of creation, compliance with perfection requirements and the order of giving notice. Scots law security interests are to be granted to secure obligations under the Notes (which will also extend to obligations under the Existing Senior Secured

Term Loans, the New Senior Secured Term Loans, the Existing Senior Secured Notes, certain hedging liabilities and certain cash management liabilities); these security interests will be granted over the same assets in respect of which security interests have already been granted in favor of the lenders under the Existing Senior Secured Term Loans and the holders of the Existing Senior Secured Notes. Accordingly, without the Intercreditor Deed, these new security interests would be likely to rank after the existing security interests. However, the Intercreditor Deed provides that as a contractual matter as among Senior Creditors (as defined in the Intercreditor Deed) the Notes will be secured on a *pari passu* basis with the Existing Senior Secured Term Loans, the New Senior Secured Term Loans, the Existing Senior Secured Notes, certain hedging liabilities and certain cash management liabilities and will be treated as such for the purposes of the application of proceeds from the enforcement of such assets.

**Singapore**

The main legislation applicable to corporate insolvencies and reorganizations in Singapore, at the date of this offering memorandum, is the Insolvency, Restructuring and Dissolution Act 2018 of Singapore (the "**IRDA**") which came into force on 30 July 2020. With the coming into force of the IRDA, the provisions in the Companies Act 1967 of Singapore pertaining to corporate insolvency and restructuring were repealed.

***Difference in Insolvency Law***

One of the Guarantors is incorporated under the laws of Singapore (the "**Singapore Guarantor**"). Any insolvency proceedings applicable to the Singapore Guarantor will be likely to be governed by Singapore insolvency laws. Singapore insolvency laws differ from the insolvency laws of the United States and may make it more difficult for holders of the Notes to recover the amount in respect of the Singapore Guarantor's guarantee of the Notes and/or the Collateral securing the same than they would have recovered in a liquidation or bankruptcy proceeding in the United States.

***Priority of Secured Creditors***

Singapore insolvency laws generally recognize the priority of secured creditors over unsecured creditors. The lenders under the Senior Secured Term Loans have security interests on certain of the assets of the Singapore Guarantor.

***Security over Book Debts***

Where security is taken over the book debt of a Singapore company by way of an assignment, the Civil Law Act 1909 of Singapore prescribes that a statutory assignment must be by way of an absolute assignment in writing under hand of the assignor, not purporting to be by way of charge only, and express notice in writing thereof must be given to the debtor, trustee or other person from whom the assignor would have been entitled to receive or claim such book debt. Where such notice is not given, the assignment is only effective as an equitable assignment and a subsequent assignee of the book debt who gives notice might have priority.

***Fixed and Floating Charges***

Fixed charges are superior to floating charges in a number of aspects. Until a floating charge crystallizes, a company is entitled to deal with assets that are subject to a floating charge in the ordinary course of business, meaning that such assets can be effectively disposed of by the chargor company so as to give a third party good title to the assets free of the floating charge and so as to give rise to the risk of security being granted over such assets in priority to the floating charge. In addition, a floating charge created within one year (or, in the case of a floating charge created in favor of a person who is connected (as defined in the IRDA) with the chargor company, two years) of the commencement of judicial management or winding up of the chargor company is invalid except to the extent set out in the IRDA. Where the assets of the chargor company are insufficient to pay certain preferential debts (these include winding up costs, wages and salaries and retrenchment benefits), those preferential debts would have priority over debts secured by a floating charge.

Amounts received in a winding-up or receivership from the realisation of assets subject to a floating charge must first be used to pay the holders of any fixed charge over such assets and then certain preferential creditors if applicable (explained above) before any distribution is made to the holders of a floating charge.

It is open to a court to find that assignments and charges described as fixed charges constitute floating charges rather than fixed charges, the description given to them as fixed charges not being determinative. One of the three characteristics of a floating charge is the ability of the chargor company to carry on business in the ordinary course so far as concerns the particular class of assets in question until some further step is taken by or on behalf of the chargee. Where the chargor company, without the consent of the chargee, is free to deal with the assets or the proceeds of such assets that form the subject matter of the charge, the court would be likely to hold that the charge in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge. In addition, to the extent that any of the assets secured by the Collateral are not specifically identified, an insolvency official may hold that such assets, which are expressed to be subject to a fixed charge, may in fact be subject to a floating charge.

***Preferential Creditors***

Under the IRDA, in a winding-up of a Singapore company preferential debts are required to be paid in priority to all other debts other than those secured by a fixed charge. Certain preferential debts therefore have priority over debts secured by a floating charge (*i.e.*, those listed in paragraphs (a) to (c) and (e) to (f) below) if the assets of the chargor company are insufficient to satisfy such preferential debts. The preferential debts covered by the relevant sections of the IRDA are described briefly below:-

(a) costs and expenses of the winding up;

(b) employees' wages and salaries, including gratuity or other sum of money due and owing to an employee on his retirement or on termination of his services pursuant to a collective agreement or an award;

(c) retrenchment benefits or *ex gratia* payments under employment contracts;

(d) work injury compensation under the Work Injury Compensation Act 2019 of Singapore;

(e) certain amounts due under employee's superannuation or provident funds or under any scheme of superannuation which is an approved scheme under the Income Tax Act 1947 of Singapore;

(f) other remuneration payable to employees such as vacation leave and death benefits; and

(g) taxes assessed and goods and services tax.

Under the IRDA, in a winding-up of a Singapore company, certain claims (if they exist) also rank ahead of a fixed charge, including (without limitation) claims of workmen or employees with salaries of up to the amounts set out in the Employment Act 1968 of Singapore.

***Limitation on Enforcement***

The grant of a guarantee or collateral by a Singapore company for the obligations of another group company must be for the corporate benefit of the granting company. The question of corporate benefit is determined on a case-by-case basis and at the time when such guarantee or collateral is provided considering the totality of the circumstances at that point in time.

Under Singapore law, if there is no corporate benefit justifiable for a Singapore company to provide guarantee or security interest securing another group company's obligations, such provision of guarantee or security interest can raise a breach of fiduciary duty issue for the directors of such Singapore company. In such situation, the directors could be sued by the Singapore company for damages suffered.

***Transactions at Undervalue or Unfair Preference***

Under the IRDA, if a Singapore company goes into liquidation or judicial management, and has entered into certain transactions at an undervalue within a period of three years before commencement of winding up or judicial management, or has entered into a transaction by way of unfair preference within a period of one year (a two-year period applies in the case of a transaction with a person who is connected with the company (as defined in the IRDA)) before the commencement of winding up or judicial management, those transactions may be liable to be made void or voidable.

***Disclaimer of Onerous Contracts***

The IRDA provides that a liquidator or judicial manager may, by giving notice to the creditors and the Official Receiver, disclaim, save in certain circumstances, any unprofitable contract, or any other property of the company which is unsaleable, is not readily saleable, or may give rise to a liability of the company to pay money or perform any other onerous act ("**Onerous Property**"). The Singapore court may make certain orders where a liquidator or judicial manager has disclaimed Onerous Property, such as setting aside the disclaimer or make such order as the court thinks just where the injury caused by the disclaimer outweighs any advantage likely to be gained by the liquidator or judicial manager.

***Certain Contractual Rights Limited***

The IRDA limits the exercise of certain contractual rights, such as terminating an agreement, claiming an accelerated payment or forfeiture of term under any agreement (including a security agreement) with a Singapore company, by reason only that certain restructuring proceedings in respect of the company have commenced or that the company is insolvent.

***Enforcement Process***

*Receivership*

Receivership arises principally by way of enforcement of the right of the holders of security under mortgage or charges, as set out in the security document. The receiver is, in effect, an agent of the chargor company. Its rights and obligations are usually set out in the security document itself.

The IRDA expressly provides that a receiver is personally liable on any contract he or she entered into in the performance of his or her functions (except insofar as the contract otherwise provides) and, to the extent of any qualifying liability, on any contract of employment adopted by him or her in the performance of those functions. A receiver is however entitled to an indemnity out of the property of the company or corporation.

*Appointment*

Receivers can be appointed on the basis of the powers set out in the security document. A person appointed on the basis of a fixed charge over specific assets will act as receiver in respect of those assets. However, mortgages containing a floating charge over all of the assets and undertaking typically provide for enforcement by means of the appointment of a receiver having full powers as a receiver and manager over all of the secured assets (*i.e.*, all of the assets and undertaking of a chargor company), including the power of sale of the assets.

**Switzerland**

***Limitations on guarantees and securities provided by the Swiss Guarantors***

Certain of the Guarantors are incorporated in Switzerland (the "**Swiss Guarantors**").

The validity or enforceability of a security interest granted or a guarantee issued by a Swiss Guarantor may be limited by applicable debt collection and bankruptcy laws, insolvency, re-organization, corporate, tax, contract or similar laws, regulations or defenses affecting creditors and secured parties in general (including provisions relating to fraudulent transfer, voidable preference, corporate purpose, financial assistance, capital maintenance and solvency) or laws or principles of general application (including the abuse of rights (Rechtsmissbrauch) and the principle of good faith (Grundsatz von Treu und Glauben) and public policy.

In particular, Swiss rules regarding capital maintenance, including but not limited to Articles 671, 672, 675(2), 675(3) and 680(2) of the Swiss Code of Obligations, prohibit the direct or indirect repayment of a Swiss corporation's share capital and legal reserves to its shareholders and restrict the distribution of a Swiss corporation's accrued earnings to its shareholders. Guarantees, share pledges, assignments for security purposes and any other collateral granted by a Swiss corporation in order to guarantee or secure liabilities of a direct or indirect parent or sister company as well as any other undertaking contained in any agreement having the same or a similar effect, such as, but not limited to, the waiver of set off or subrogation rights, the subordination of intra-group claims or any other financial obligation (including, but not limited to, indemnity obligations) may be considered as an indirect distribution of assets which are subject to the limitation provided by Swiss law to protect the share capital and legal reserves of Swiss corporation. Similar rules apply in case the guarantee or collateral is granted, or other financial obligation is assumed, by a Swiss limited liability company (GmbH). Therefore, it is standard market practice for indenture agreements, credit agreements, guarantees and security documents to contain so-called "limitation language" in relation to Swiss subsidiaries or sister companies essentially providing for that if and to the extent a Swiss Guarantor becomes liable under the relevant agreement for obligations of any direct or indirect shareholder (upstream security) or subsidiary of such shareholder (cross-stream security) other than direct or indirect wholly-owned subsidiaries of such Swiss Guarantor (the "Restricted Obligations") and if complying with such obligations would constitute a repayment of capital (Einlagerückgewähr), a violation of the legally protected reserves (gesetzlich geschützte Reserven) or the payment of a (constructive) dividend (Gewinnausschüttung) by such Swiss Guarantor or would otherwise be restricted under Swiss law and practice then applicable, such Swiss Guarantor's aggregate liability for Restricted Obligations shall not exceed the amount of the Swiss Guarantor's freely disposable equity (frei verfügbares Eigenkapital) at the time of the enforcement of the guarantee (or other financial obligation) or, as the case may be, any collateral (the "Maximum Amount"), and providing for that if the secured/ guaranteed obligations are Restricted Obligations, then any payment triggered by the enforcement of the security interest/guarantee (including, in particular, Swiss withholding tax of currently 35% on a deemed dividend distribution or of a lower tax rate resulting from a refund procedure applicable under a double-taxation treaty) would equally be limited by the Maximum Amount. The Restricted Obligations are only valid if approved by the general meeting at the time of enforcement in accordance Swiss law and applicable Swiss accounting principles. There are restrictions for companies that have obtained a COVID-19 credit, including the prohibition, amongst other things, of distribution of dividend as long as such credit has not been repaid or terminated. As a result, the creditors to be secured by any Restricted Obligations should take into account that the actual value of such Restricted Obligations may be very limited. This shall in particular be relevant for the purpose of the Guarantee (or any other security) to be granted by a Swiss Guarantor for the benefits of the holders of the Notes.

***Insolvency***

In the event of insolvency, insolvency proceedings relating to a Swiss Guarantor's Guarantee and any security interests provided by such Swiss Guarantor would likely be subject to Swiss insolvency law. Swiss insolvency law may not be as favorable to your interests as creditors as the laws of the United States or other jurisdictions with which you may be familiar. The following is a brief description of certain aspects of insolvency law in Switzerland. In the event that the Issuer or the Parent or any of its Swiss subsidiaries experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Pursuant to Swiss insolvency laws, your ability to receive payment under the Notes may be more limited that would be the case under U.S. or other non-Swiss insolvency laws. Under Swiss law, there are two primary insolvency regimes, the bankruptcy procedure (Konkurs) and the composition procedure (Nachlassvertrag) (altogether referred to as insolvency proceedings) that may be opened against an entity having it registered offices or assets in Switzerland.

In the event of a Swiss entity's insolvency, the respective insolvency proceedings would be governed by Swiss law as a result of such Swiss entity's offices being registered in the competent commercial register in Switzerland. In addition, Swiss debt enforcement and insolvency laws may be applicable in case of an enforcement of security interests over assets of a foreign entity located in Switzerland. The enforcement of claims and questions relating to insolvency and bankruptcy in general are dealt with by the Swiss Federal Act on Debt Enforcement and Bankruptcy, as amended from time to time. Under these rules, claims that are pursued against a Swiss entity can lead to the opening of bankruptcy (Konkurs) and, hence, a general liquidation of all assets, even if located outside Switzerland, and liabilities of the debtor. However, with regard to assets located outside Switzerland, a Swiss bankruptcy decree is enforceable only if it is recognized at the place where such assets are located. Creditors secured by a pledge must generally initiate enforcement proceedings pursuant to the Swiss Federal Act on Debt Enforcement and Bankruptcy except in the event that (i) the parties have agreed on a private enforcement; or (ii) the security provider has been adjudicated bankrupt. A private enforcement is subject to certain requirements (including notification and pricing requirement) and is generally to be made in accordance with the principles of good faith, adequately taking into account the interests of the security provider. If the security provider has been adjudicated bankrupt, secured creditors participate in the bankruptcy proceedings with the other creditors and a private enforcement is no longer permitted. Certain particular rules apply to security interests created over intermediated securities pursuant to the Swiss Federal Intermediated Securities Act.

As a rule, the opening of bankruptcy by the competent court needs to be preceded by a prior debt enforcement procedure which involves, inter alia, the issuance of a payment summons by local debt enforcement authorities (Betreibungsamt). However, the competent court may also declare a debtor bankrupt without such prior proceedings if the following requirements are met: (i) at the request of the debtor, if the debtor's board of directors or the auditors of the company (in case of failure of the board of directors) declare that the debtor is overindebted (überschuldet) within the meaning of art. 725 b of the Swiss Code of Obligations or if it declares to be insolvent (zahlungsunfähig), and (ii) at the request of a creditor, if the debtor commits certain acts to the detriment of its creditors or ceases to make payments (Zahlungseinstellung) or if certain events happen during composition proceedings. The bankruptcy proceedings are carried out and the bankrupt estate is managed by the receiver in bankruptcy (Konkursverwaltung). which will draw up an inventory of the assets and, further to a creditor's call for the filling of claims, establish a schedule of claims (Kollakationsplan).

All assets at the time of the declaration of bankruptcy and all assets acquired or received subsequently form the bankrupt estate which, after deduction of costs and certain other expenses, is used to satisfy the creditors. However, in respect of assets located abroad, the Swiss authorities do not have jurisdiction to collect such assets for the purpose of including them in the Swiss bankruptcy estate of the debtor. It is therefore the foreign law applicable at the place where the assets are located abroad, or treaties between Switzerland and the state in which such assets are located, that will determine whether and to what extent the foreign authorities can assist in the collection of these assets. Assets of the bankrupt estate over which a pledge was created in favor of a creditor before the declaration of bankruptcy are included in the bankrupt estate. The pledgee is under an obligation to remit the pledged assets to the bankrupt estate. The assets are liquidated by the receiver in bankruptcy in the same manner as the other assets of the bankrupt estate, but the creditor secured by the pledge retains its privilege to be satisfied from the proceeds of the liquidation of the assets pledged to it with priority over the unsecured creditors. Final distribution of non-secured claims is based on a ranking of creditors in three classes. The first and the second class, which are privileged, comprise claims under employment contracts, accident insurance, pension plans and family law. Certain privileges can also be claimed by the government and its subdivisions based on specific provisions of Swiss Federal law. All other creditors are treated equally in the third class. A secured party participates in the third class to the extent its claim is not covered by its collateral.

The notification to the debtors of the claims assignment is not a legal requirement for the validity thereof. However, until such time as any debtor of the receivables has been notified of the claims assignment, such debtor may validly discharge its debt in the hands of the assignor, thereby voiding the security interest. The foregoing is of particular relevance in the context of assignment of trade receivables where such assignment is generally not notified to the debtors until the occurrence of an event of default.

Claims assigned for security purposes by a Swiss entity that come into existence prior to the opening of bankruptcy can be enforced by the assignee outside Swiss bankruptcy proceedings. Assigned claims that come into existence after the opening of bankruptcy over a Swiss entity may fall within the bankrupt estate, and the assignee may not be entitled to such claim proceeds.

Any creditor wishing to contest the schedule of claims because his claim has been entirely or partially rejected by the receiver in bankruptcy or not allocated in the rank requested must bring an action against the estate before the competent court. If any creditor wishes to contest the admission of another creditor to the schedule of claims or the allocated rank, he must bring an action against such creditor. Such court proceedings could cause the holders of the Notes to recover less than the principal amount of their notes or less than they could recover in a United States liquidation. Such proceedings could also cause payment to the holders of the Notes to be delayed, as compared with holders of undisputed claims.

With the opening of bankruptcy proceedings, interest ceases to accrue against the debtor. However, interest on claims secured by pledges continues to accrue until the realisation of the pledge, provided the proceeds exceed the amount of the claim and the interest which had accrued by the date of the opening of bankruptcy proceedings.

Swiss insolvency laws also provide for reorganization procedures by composition with the debtor's creditors. Reorganization is initiated by a request with the competent court for a stay (Nachlassstundung) pending negotiation of the composition agreement with the creditors and confirmation of such agreement by the competent court. A distinction is made between a composition agreement providing for the assignment of assets (Nachlassvertrag mit Vermögensabtretung) which leads to a private enforcement and in many instances has analogous effects as a bankruptcy, and a dividend composition (Dividenden-Vergleich) providing for the payment of a certain percentage on the creditors' claims and the continuation of the debtor. Further, there is the possibility of a composition in the form of a mere payment term extension (Stundungsvergleich). During a moratorium, debt collection proceedings cannot be initiated and pending proceedings are stayed. Furthermore, the debtor's power to dispose of its assets and to manage its affairs is restricted. In case of a pledge, the secured party is not entitled to proceed with a private enforcement until the confirmation of the settlement by the competent court. A secured creditor participates in the settlement only for the amount of its claim not covered by the collateral. The moratorium does not affect the agreed due dates of debts (contrary to bankruptcy, in which case all debts become immediately due upon adjudication). The moratorium aims at facilitating the conclusion of one of the above composition agreements. Any composition agreement needs to be approved by the creditors and confirmed by the competent court. With the judicial confirmation, the composition agreement becomes binding on all creditors, whereby secured claims are only subject to the composition agreement to the extent that the collateral proves to be insufficient to cover the secured claims.

Foreign bankruptcy decrees issued in the country of a debtor's domicile may be recognized in Switzerland only, *provided* that (i) the bankruptcy decree is enforceable in the country where it was issued, (ii) its recognition is, *inter alia*, not against Swiss public policy, and (iii) the bankruptcy decree was issued (a) in the state of the debtor' domicile or (b) in the state where the center of the debtor's main interests are located, *provided* that the debtor was not domiciled in Switzerland when the foreign bankruptcy proceedings were initiated.

***Security in the form of pledge***

Under Swiss law, a valid pledge only arises if the pledgor loses the exclusive possession over the pledged assets (which includes the delivery of the share certificates representing all shares in the Swiss Guarantor whose share are pledged duly endorsed in blank). Until a pledgor loses exclusive control over the assets purported to be pledged under a Swiss pledge agreement, a third party may acquire preferential property rights over such assets, including a right of pledge.

Any undertaking to pledge assets which is granted by a Swiss Guarantor is a way that is being used in practice in Switzerland whereby an undertaking to pledge is entered into initially and the pledge is perfected at a later stage if certain events occur. One should also be aware that the pledge to be created under the undertaking to pledge upon the occurrence of certain events may be challenged under Swiss avoidance rules.

Under Swiss conflict of law rules, although Swiss law permits a choice of law with respect to a pledge of shares or an assignment of bank accounts, such choice of law may not be opposable to third parties.

A sale or transfer of shares in a Swiss Guarantor in the context of the realisation of the share pledge agreement concerning such shares may be subject to Swiss transfer stamp duty if a Swiss securities dealer, as defined in the Swiss stamp tax act, is involved in the transaction as party or intermediary.

Under Swiss law, pledges are accessory to the obligations they secure and, therefore, pledges may only be constituted for the benefit of the creditors of the secured obligations. Any pledge governed by Swiss law to secure claims of the holders of the Notes under the Indenture should therefore be constituted for the benefit of the holders of the Notes acting as pledgees (being represented for the purposes thereof by the Security Trustee acting in its capacity as security agent for itself and as direct representative (direkter Stellvertreter) in the name and for the account of each other pledgees). Because any such pledge is likely to be constituted for the benefit of the Security Trustee acting as a fiduciary (Treuhänder) in its own name but for the benefit of the holders of the Notes (but not as a direct representative (direkter Stellvertreter) acting in its own name and in the name and for the account of each other Secured Party), there is a risk regarding the enforceability of such pledge granted in favor of the holders of the Notes. In order to mitigate these risks and in order to give the Security Trustee as much flexibility as possible, the Intercreditor Deed provides for the creation of a parallel debt structure, whereby the pledge would not directly secure the claims of the holders of the Notes but an independent claim of the Security Trustee stated to be at all times equal to the outstanding claims of the holders of the Notes, under in particular, the Notes and the Indenture. Under this structure the holders of the Notes will bear some risks associated with a possible insolvency or bankruptcy of the Security Trustee. There are no published court decisions confirming the validity of the parallel debt structure and hence it is uncertain whether such structure would be valid and enforceable under Swiss law as it could be viewed as a circumvention of the accessory nature of the pledge.

***Avoidance***

Certain arrangements or dispositions that are made during a certain period (the "suspect period") preceding the declaration of bankruptcy or the confirmation of a composition agreement with assignment of assets (Nachlassvertrag mit Vermögensabtretung) may be challenged by the receiver in bankruptcy (Konkursverwaltung) and certain creditors under the applicable rules of avoidance. The avoidance may relate to (i) gifts, gratuitous transactions and transactions pursuant to which the debtor received consideration which was disproportionate to its own performance made in the suspect period of 12 months prior to being declared bankrupt or the confirmation of a composition agreement with assignment of assets (Nachlassvertrag mit Vermögensabtretung), (ii) certain acts of a debtor (e.g. repayment of a debt which has not yet fallen due, settlement of a debt by unusual means of payment, granting of a collateral for previously unsecured liabilities without previously being obliged to do so) in the suspect period of 12 months prior to being declared bankrupt or the confirmation of a composition agreement with assignment of assets (Nachlassvertrag mit Vermögensabtretung) if the debtor at that time was overindebted, and (iii) dispositions made by the debtor within a suspect period of five years prior to being declared bankrupt or the confirmation of a composition agreement with assignment of assets (Nachlassvertrag mit Vermögensabtretung) with the intent, identifiable by the other party, to disadvantage its creditors or to prefer certain of its creditors to the detriment of other creditors. In case of avoidance action regarding a disposition in favor of an affiliated person, including a group company, the favored person bears the burden of proof that the intent of disadvantaging the creditors was not identifiable. The transactions potentially subject to avoidance also include those contemplated by a Swiss entity's guarantee of the Notes or the granting of security interests under the Security Documents by a Swiss entity. If they are challenged successfully, the rights granted by a Swiss entity under the guarantee of the Notes or in connection with security interests under the Security Documents may become unenforceable and any amounts received must be refunded to the bankrupt estate. The creditors (such as the holders of the Notes) who have restituted the avoided amount paid to them regain their original claims against the relevant Swiss Guarantor and are entitled to list their claims in the schedule of claims in their respective rank and priority. The Swiss principles on avoidance may therefore limit the holders of the Notes' ability to recover payments due under the Guarantees or security interest.

**United States**

***Fraudulent Transfer***

Under the U.S. Bankruptcy Code or comparable provisions of state fraudulent transfer or fraudulent conveyance laws, the incurrence of the obligations under the Notes, the issuance of the guarantees and the grant of security, whether now or in the future, by the Issuer and the Guarantors (together, the "**Obligors**") could be avoided, if, among other things, at the time the Obligors incurred the obligations, issued the related guarantee or gave the security, the Obligors intended to hinder, delay or defraud any present or future creditor; or received less than reasonably equivalent value or fair consideration for the incurrence of such indebtedness or the grant of such security and either:

- were insolvent or rendered insolvent by reason of such incurrence or grant of security;
- were engaged in a business or transaction for which the Obligors' remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that they would incur, debts beyond their ability to pay such debts as they mature.

A U.S. court would likely find that an Obligor did not receive reasonably equivalent value or fair consideration for the Notes offered hereby or such guarantee if such Obligor did not benefit directly or indirectly from the issuance of the Notes or the applicable guarantee.

We cannot be certain as to the standards a court would use to determine whether or not an Obligor was solvent at the relevant time or, regardless of the standard that a court uses, that payments to holders of the Notes offered hereby constituted fraudulent transfers on other grounds. Generally, however, an entity would be considered insolvent by a U.S. court if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

If the Notes offered hereby or guarantees were avoided or limited under fraudulent transfer or other laws, any claim you may make against any Obligor for amounts payable on the Notes offered hereby would be unenforceable to the extent of such avoidance or limitation. Moreover, the court could order you to return any payments previously made by any Obligor.

Although any guarantee entered into in connection with the issuance of the Notes offered hereby will contain a provision intended to limit that guarantor's liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer, this provision may not be effective to protect such guarantee from being voided under fraudulent transfer law, or may reduce that guarantor's obligation to an amount that effectively makes its guarantee worthless.

***Federal Insolvency Proceedings***

Certain Obligors may have operations that would be subject either to proceedings under title 11 of the U.S. Bankruptcy Code or any applicable state law insolvency proceedings. Proceedings under the U.S. Bankruptcy Code vary and provide a debtor with discretion in its pursuit of a liquidation or reorganization strategy, subject to the rights of creditors and other parties in interest to object and seek relief from the bankruptcy court. The U.S. Bankruptcy Code provides a detailed statutory framework that, among other things, contains terms or provisions relating to:

- the administration of a bankruptcy case, including (i) the imposition of the automatic stay, which immediately stays all litigation, as well as most enforcement and other actions against the debtors or property of the bankruptcy estate; (ii) provision of "adequate protection" to secured creditors to protect against diminution of value of their collateral; (iii) terms for the use, sale or lease of property; (iv) standards for obtaining post-petition credit; and (v) rules regarding the treatment of executory contracts and unexpired leases;
- creditors and claims, including deadlines and requirements for filing proofs of claim, the priority and allowance of claims, and subordination of claims; and
- creation of the bankruptcy estate, including the scope of property of the estate and ability to bring turnover and avoidance actions, provisions relating to liquidation under chapter 7 of the U.S. Bankruptcy Code, reorganization under chapter 11 of the U.S. Bankruptcy Code and the filing of ancillary and other cross-border insolvency cases under chapter 15 of the U.S. Bankruptcy Code.

As a general matter, chapter 7 of the U.S. Bankruptcy Code provides for the orderly liquidation of the debtor's assets by a trustee appointed by the bankruptcy court and typically results in the immediate shutdown of the debtor's business. Chapter 11 of the U.S. Bankruptcy Code is available to debtors who seek to continue to operate their business as a going concern while they reorganise their businesses and resolve their obligations to creditors (although a liquidation or sale under chapter 11 is also possible), in each case pursuant to a plan of reorganization or liquidation, as applicable. Unlike in a chapter 7 bankruptcy case, in a chapter 11 bankruptcy case the debtor typically remains in possession of its assets and continues to operate its business during the course of the bankruptcy case (subject to the supervision of the bankruptcy court), with substantially the rights that a trustee would otherwise have. In addition, "liquidating" chapter 11 cases may be used as an alternative to a liquidation under chapter 7, particularly in an instance when the debtor seeks to maintain the "going-concern value" of its business and/or expects to sell all or substantially all of its assets free and clear of liens during the course of the bankruptcy case.

Because bankruptcy proceedings are often fact specific and vary case-by-case, and because bankruptcy courts are courts of equity with broad discretionary powers, a detailed summary of all the provisions of the U.S. Bankruptcy Code that could affect the Notes and/or the guarantees and security is not contained herein. Furthermore, the common law applicable in bankruptcy proceedings may vary from jurisdiction to jurisdiction, and this summary is not intended to cover the common law that may apply in any particular jurisdiction.

***Preference***

Any future grant of security interest with regard to the Collateral in favor of the Notes, including pursuant to security documents delivered after the date of the Indenture, might be avoidable in a U.S. bankruptcy case by the grantor (as debtor-in-possession) or by its bankruptcy trustee as a preference if certain events or circumstances exist or occur, including, among others, if the grantor is insolvent at the time of the grant, the security interest permits the holders of the Notes to receive a greater recovery than if the bankruptcy case were a case under Chapter 7 of the Bankruptcy Code and the security had not been given and a bankruptcy case in respect of the grantor is commenced within 90 days following the grant, or in certain circumstances, a longer period.

***The Automatic Stay***

The right of a holder of the Notes to enforce its security interests against the Obligors upon the occurrence of an event of default under the Indenture is likely to be significantly impaired by applicable U.S. bankruptcy law if one or more of the Obligors became a debtor in a case under the U.S. Bankruptcy Code before such security interest was enforced. Upon the commencement of a case under the U.S. Bankruptcy Code, a secured creditor such as a holder of Notes is prohibited by the automatic stay imposed by the U.S. Bankruptcy Code from taking any act to obtain possession of or exercise control over, property of the bankruptcy estate. The automatic stay in a bankruptcy case of one or more of the Obligors could therefore prevent the holders of the Notes from obtaining possession or exercising control over the Collateral or commencing any action in an attempt to obtain possession or exercise control over the Collateral. The automatic stay could be lifted or modified with bankruptcy court approval in certain circumstances, but parties may object to any creditor request to lift or modify the automatic stay, and the bankruptcy court deny such a request.

***Right of Debtor-In-Possession to Remain In Control of Collateral and the Bankruptcy Process***

An entity that becomes a debtor under chapter 11 of the U.S. Bankruptcy Code remains in possession of its property and is authorized to operate and manage its business as a "debtor-in-possession," subject to certain limitations. This remains the case unless a chapter 11 trustee is appointed or the chapter 11 case is converted to a chapter 7 liquidation under the U.S. Bankruptcy Code.

Moreover, the U.S. Bankruptcy Code permits the debtor to continue to retain and use collateral even though the debtor is in default under the applicable debt instruments, *provided* that the secured creditor is given "adequate protection" of its interest in the debtor's property. The term "adequate protection" is not defined in the U.S. Bankruptcy Code, but it may include making periodic cash payments, providing an additional or replacement lien or granting other relief, in each case to the extent that the collateral decreases in value during the pendency of the bankruptcy case as a result of, among other things, the use, sale or lease of such collateral or the imposition of the automatic stay.

The type of adequate protection provided to a secured creditor may vary according to circumstances. A U.S. bankruptcy court may determine that a secured creditor is not entitled to additional adequate protection for a diminution in the value of its collateral if the value of the collateral exceeds the amount of the debt that it secures.

Only the debtor in a chapter 11 bankruptcy case may propose a chapter 11 plan unless the debtor fails to file a plan within the first 120 days of the case or fails to solicit sufficient acceptances of its plan within the first 180 days of the case. The bankruptcy court may reduce or enlarge these periods. The 120-day period could be extended for up to 18 months after a chapter 11 filing, while the 180-day period could be extended for up to 20 months after a chapter 11 filing. During these "exclusive periods," other parties such as secured creditors would be precluded from proposing or soliciting acceptances of their own chapter 11 plans.

In view of the automatic stay, the lack of a precise definition of the term "adequate protection," the exclusive periods, and the broad discretionary power of a U.S. bankruptcy court, it is impossible to predict:

- whether or when a holder of the Notes could enforce its security interests;
- the value of the collateral at the time of the bankruptcy petition or at the time a chapter 11 plan is proposed or confirmed; or
- whether or to what extent holders of the Notes would be compensated for any delay in payment or loss of value of the collateral through the requirement of "adequate protection."

***A Debtor-In-Possession May Obtain New Credit Secured By a Lien That is Senior or Equal to Existing Liens***

The U.S. Bankruptcy Code permits a debtor-in-possession or trustee in a chapter 11 case to obtain an extension of new credit from an existing lender or from a new lender. The bankruptcy court may, depending on the facts and circumstances, authorize the debtor-in-possession or trustee to obtain new credit or incur new debt that is secured by a lien that is senior or equal to existing liens. In other words, it is possible that in connection with a chapter 11 case of one or more of the Obligors, such Obligor or Obligors would be permitted to incur new debt that is secured by a lien that is senior or equal to the liens that exist at the time of the chapter 11 filing.

***Ability to Confirm a Chapter 11 Plan Notwithstanding the Dissenting Votes of Creditors***

Under the U.S. Bankruptcy Code, a chapter 11 plan can be imposed on a creditor or equityholder (or class of creditors or equityholders) that does not accept the plan. A chapter 11 plan provides for the comprehensive treatment of all claims asserted against the debtor and its property, and may provide for the readjustment or extinguishment of equity interests. Claims and interests may be classified by type. Only those classes of claims and interests impaired by the plan may vote to accept or reject such plan. Classes of claims and interests that are unimpaired are not entitled to vote on the plan, and are deemed to accept it. Classes of claims and interest that receive no distributions under the plan are not entitled to vote on the plan, and are deemed to reject it.

A class of claims is deemed to accept the plan if more than one-half in number of claims holders and two-thirds in claims amount in that class vote in favor of the plan. A plan can be confirmed by the bankruptcy court over the dissenting votes of members of a class that accepts the plan overall. Furthermore, even if one or more impaired classes reject the plan, it may still be confirmed, subject to specific statutory requirements, in accordance with the "cram-down" provisions of the U.S. Bankruptcy Code, so long as the plan does not discriminate unfairly, and is fair and equitable, with respect to each class of claims or interests that is impaired under, and has not accepted, the plan. This could allow the debtor or other plan proponent to confirm its plan over the objection of one or more dissenting classes.

## BOOK-ENTRY; DELIVERY AND FORM

### General

The Dollar Notes sold to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Rule 144A Dollar Global Notes**"). The Dollar Notes sold outside the United States to non-U.S. persons in reliance on Regulation S will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Regulation S Dollar Global Notes**").

The Euro Notes sold to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Rule 144A Euro Global Notes**"). The Euro Notes sold outside the United States to non-U.S. persons in reliance on Regulation S will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Regulation S Euro Global Notes**"). The Rule 144A Dollar Global Notes and the Regulation S Dollar Global Notes are collectively referred to herein as the "**Dollar Global Notes**". The Rule 144A Euro Global Notes and the Regulation S Euro Global Notes are collectively referred to herein as the "**Euro Global Notes**". The Rule 144A Dollar Global Notes and the Rule 144A Euro Global Notes are collectively referred to as the "**Rule 144A Global Notes**". The Regulation S Dollar Global Notes and the Regulation S Euro Global Notes are collectively referred to as the "**Regulation S Global Notes**". The Rule 144A Global Notes and the Regulation S Global Notes are collectively referred to as the "**Global Notes**".

The Dollar Global Notes will be deposited upon issuance with the custodian for The Depository Trust Company ("**DTC**") and registered in the name of Cede & Co., as nominee of DTC. The Euro Global Notes will be deposited with, or on behalf of, a common depositary (the "**Common Depositary**") for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the Common Depositary.

Ownership of interests in the Rule 144A Global Notes (the "**Rule 144A Book-Entry Interests**") and in the Regulation S Global Notes (the "**Regulation S Book-Entry Interests**" and, collectively with the Rule 144A Book-Entry Interests, the "**Book-Entry Interests**") will be limited to persons that have accounts with DTC, Euroclear and/or Clearstream, as applicable, or persons that hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by DTC, Euroclear and/or Clearstream and their participants. The Book-Entry Interests in the Dollar Global Notes will be issued only in denominations of $200,000 and integral multiples of $1,000 in excess thereof and the Book-Entry Interests in the Euro Global Notes will be issued only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

The Book-Entry Interests will not be held in definitive form. Instead, DTC, Euroclear or Clearstream, as applicable, will credit on their respective book-entry registration and transfer systems a participant's account with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not have the Notes registered in their name, will not have received physical delivery of the Notes in certificated form and will not be considered the registered owners or "holders" of Notes under the Indenture for any purpose.

So long as the Notes are held in global form, the custodian for DTC (or its nominee) or the Common Depositary for Euroclear and/or Clearstream (or their respective nominees), as applicable, will be considered the sole holder of the Global Notes for all purposes under the Indenture. As such, participants must rely on the procedures of DTC, Euroclear or Clearstream, as applicable, and indirect participants must rely on the procedures of DTC, Euroclear or Clearstream, as applicable, and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indenture.

Neither the Issuer, the Guarantors, the Registrar, the Common Depositary, the nominee of the Common Depositary for Euroclear and Clearstream, DTC, the nominee of the custodian for DTC, the Trustee under the Indenture nor any of the Issuer's respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

**Issuance of Definitive Registered Notes**

Under the terms of the Indenture, owners of Book-Entry Interests will receive Notes in definitive registered form (the "**Definitive Registered Notes**"):

(1) if DTC (with respect to the Dollar Global Notes) or Euroclear or Clearstream (with respect to the Euro Global Notes) notifies the Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days;

(2) if DTC (with respect to the Dollar Global Notes) or Euroclear or Clearstream (with respect to the Euro Global Notes) so requests following an Event of Default (as defined under "Description of the Notes") under the Indenture; or

(3) if the owner of a Book-Entry Interest requests such exchange in writing delivered through DTC, Euroclear or Clearstream, as applicable, following an event of default under the Indenture.

DTC, Euroclear and Clearstream have advised the Issuer that upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (3), their current procedure is to request that the Issuer issues or causes to be issued Definitive Registered Notes to all owners of Book-Entry Interests and not only to the owner who made the initial request.

In such an event, the Registrar will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of DTC, Euroclear or Clearstream, as applicable, or the Issuer, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the Indenture, unless that legend is not required by the Indenture or applicable law.

**Redemption of the Global Notes**

In the event any Global Note, or any portion thereof, is redeemed, DTC, Euroclear or Clearstream, as applicable, will distribute the amount received by it in respect of the Global Note so redeemed to the holders of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by DTC, Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Issuer understands that under existing practices of DTC, Euroclear and Clearstream, if fewer than all of the relevant Notes are to be redeemed at any time, DTC, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; *provided*, *however*, that no Book-Entry Interest of less than $200,000, in the case of the Dollar Global Notes or €100,000, in the case of the Euro Global Notes, principal amount at maturity, or less, may be redeemed in part.

**Payments on Global Notes**

Payments of amounts owing in respect of the Global Notes (including principal, premium, interest, additional interest and additional amounts, if any) will be made by the Issuer to the Paying Agent. The Paying Agent will, in turn, make such payments to DTC (in the case of the Dollar Global Notes) or to Euroclear and/or Clearstream (in the case of the Euro Global Notes), which will distribute such payments to participants in accordance with their respective procedures.

Under the terms of the Indenture governing the Notes, the Issuer, the Trustee, the Transfer Agent, the Registrar and the Paying Agent will treat the registered holder of the Global Notes (for example, DTC, Euroclear or Clearstream (or their respective nominees)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, neither the Issuer, the Guarantors, the Trustee, the Registrar, the Transfer Agent nor any Paying Agent or any of their respective agents has or will have any responsibility or liability for:

- any aspects of the records of DTC, Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest, for any such payments made by DTC, Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of DTC, Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest; or

- payments made by DTC, Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of DTC, Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest; or
- DTC, Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of subscribers registered in "street name."

**Currency of Payment for the Global Notes**

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Dollar Global Notes will be paid to holders of interest in such notes (the "**DTC Holders**") through DTC in dollars. The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Euro Global Notes will be paid to holders of interest in such notes (the "**Euroclear/Clearstream Holders**") through Euroclear or Clearstream, as applicable, in euro.

**Action by Owners of Book-Entry Interests**

DTC, Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. DTC, Euroclear and Clearstream will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the Notes, each of DTC, Euroclear and Clearstream reserves the right to exchange the Global Notes for Definitive Registered Notes, and to distribute such Definitive Registered Notes to their respective participants.

**Transfers**

Transfers between participants in DTC will be done in accordance with DTC's rules and will be settled in immediately available funds. Transfers between participants in Euroclear and/or Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds. If a holder of Notes requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interests in the Global Notes in accordance with the normal procedures of DTC or Euroclear and Clearstream, as applicable, and in accordance with the procedures set forth in the Indenture.

The Global Notes will bear a legend to the effect set forth in "Notice to Investors." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfer discussed in "Notice to Investors."

Through and including the 40th day after the later of the commencement of the Offering of the Notes and the closing of the Offering (the "**40-day Period**"), beneficial interests in a Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note denominated in the same currency only if such transfer is made pursuant to Rule 144A and the transferor first delivers to the Trustee a certificate (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "Notice to Investors" and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

After the expiration of the 40-day Period, beneficial interests in a Regulation S Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in the Rule 144A Global Note denominated in the same currency without compliance with these certification requirements.

Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in the Regulation S Global Note denominated in the same currency only upon receipt by the Trustee of a written certification (in the form provided in the Indenture) from the transferor to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the Securities Act (if available).

Subject to the foregoing, and as set forth in "Notice to Investors," Book-Entry Interests may be transferred and exchanged as described under "Description of the Notes—Transfer and Exchange". Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note of the same denomination will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it retains such a Book-Entry Interest.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under "Description of the Notes—Transfer and Exchange" and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "Notice to Investors."

**Information Concerning DTC, Euroclear and Clearstream**

All Book-Entry Interests will be subject to the operations and procedures of DTC, Euroclear and Clearstream, as applicable. The Issuer provides the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar nor the Initial Purchasers or their respective affiliates are responsible for those operations or procedures.

DTC has advised the Issuer that it is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the U.S. Exchange Act. DTC holds and provides asset servicing for issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (that DTC's direct participants deposit with DTC). DTC also facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between direct participants' accounts. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly.

Like DTC, Euroclear and Clearstream hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets.

Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and/or Clearstream participant, either directly or indirectly.

Because DTC, Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the DTC, Euroclear and Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the DTC, Euroclear and Clearstream systems will receive distributions attributable to the Rule 144A Global Notes only through DTC, Euroclear and Clearstream participants.

**Global Clearance and Settlement Under the Book-Entry System**

The Notes represented by the Global Notes are expected to be admitted to trading on the Euro MTF and listed on the official list of the Luxembourg Stock Exchange. Transfers of interests in the Global Notes between participants in DTC, Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although DTC, Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear or Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, any Guarantor, the Trustee, the Registrar, the Transfer Agent or any Paying Agent will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

**Initial Settlement**

Initial settlement for the Dollar Global Notes will be made in dollars and initial settlement for the Euro Global Notes will be made in euro. Book-Entry Interests owned through DTC, Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of DTC, Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

**Secondary Market Trading**

The Book-Entry Interests will trade through participants of DTC and Euroclear or Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

**Special Timing Considerations**

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Notes through DTC, Euroclear or Clearstream on days when those systems are open for business.

In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the Notes, or to receive or make a payment or delivery of Notes, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream is used, or Brussels if Euroclear is used.

**Trustee's Powers**

In considering the interests of the holders of the Notes, while title to the Notes is registered in the name of a nominee of a clearing system, the Trustee may have regard to, and rely on, any information provided to it by that clearing system as to the identity (either individually or by category) of its account holders with entitlements to Notes and may consider such interests as if such account holders were the holders of the Notes.

**Enforcement**

For the purposes of enforcement of the provisions of the Indenture by the Trustee, the persons named in a certificate of the holder of the Notes in respect of which a Global Note is issued shall be recognized as the beneficiaries of the trusts set out in the Indenture to the extent of the principal amounts of their interests in the Notes set out in the certificate of the holder, as if they were themselves the holders of the Notes in such principal amounts.

## CERTAIN TAX CONSIDERATIONS

*The following is a description of certain tax considerations relating to a holding of the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of the Notes should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of any other jurisdiction of acquiring, holding, redeeming and disposing of the Notes and receiving payments and/or other amounts thereunder. This summary is based upon the law as in effect on the date hereof and is subject to any change in law that may take effect after such date, and may be retroactively applicable.*

### United Kingdom Tax Considerations

The following is a general description of certain U.K. tax consequences of acquiring, holding and disposing of the Notes and is based on the Issuer's understanding of current U.K. law and HM Revenue & Customs ("HMRC") published practice as at the date hereof (which may not be binding on HMRC), both of which are subject to change, possibly with retrospective effect. This description is not exhaustive and relates only to the position of persons who are the absolute beneficial owners of the Notes and may not apply to certain classes of persons, such as brokers, dealers in securities, individuals holding the Notes through an ISA, persons connected with the Issuer or certain professional investors, to whom special rules may apply. Further, these comments do not deal with holders of the Notes who are individuals treated as non-domiciled in the United Kingdom for U.K. tax purposes. This description does not purport to constitute legal or tax advice and any holders who are in any doubt as to their tax position should consult their independent professional advisors. Any holders (or prospective holders) of the Notes who are subject to tax in a jurisdiction other than the United Kingdom should consult their independent professional advisors.

#### *Interest on the Notes*

The Notes will constitute "quoted Eurobonds" within the meaning of Section 987 of the Income Tax Act 2007 ("ITA") while they carry a right to interest and are and remain listed on a "recognised stock exchange" within the meaning of Section 1005 of the ITA for the purposes of Section 987 of the ITA, or are admitted to trading on a "multilateral trading facility" operated by a "regulated recognised stock exchange" within the meaning of Section 987 of the ITA. While the Notes are, and continue to be, quoted Eurobonds, payments of interest on the Notes may be made without deduction or withholding for or on account of U.K. income tax. Securities that have been admitted to the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF Market will meet the requirement to be listed on a recognised stock exchange. So long as this remains the case with respect to the Notes and the Notes carry a right to interest, they will therefore constitute quoted Eurobonds.

If the Notes are not, or cease to constitute, "quoted Eurobonds," an amount may, subject to any relief available under any applicable double taxation treaty and to the availability of any other relief or exemption, have to be withheld on account of U.K. income tax from payments of interest on the Notes at the "basic rate" of U.K. income tax (currently 20%).

If interest were to be paid under deduction of U.K. income tax, holders of the Notes who are not resident in the United Kingdom for tax purposes may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

Where Notes are issued on terms that a premium is or may be payable on redemption then any such element of premium may constitute a payment of interest for tax purposes and, if so, the provisions described above relevant to interest will apply.

#### *Payments by a Guarantor*

If a Guarantor which is resident for tax purposes in the United Kingdom or which otherwise makes a payment which is considered to arise in the United Kingdom for the purposes of Part 15 of the ITA makes any payments in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes), it is possible that such payments may be subject to U.K. withholding tax, subject to any claim which could be made under an applicable double taxation treaty or any other relief or exemption which may apply. Such payments by a Guarantor may not be eligible for the quoted Eurobond exemption described above.

The references to "interest" and "premium" in the "Interest on the Notes" and "Payments by a Guarantor" sections above are to "interest" and "premium" as understood for the purposes of U.K. tax law. They do not take into account any different definitions of "interest" and "premium" that may prevail under any other tax law or that may apply under the terms and conditions of the Notes or any related document.

***Deeply Discounted Securities***

The Notes may constitute "deeply discounted securities" for the purposes of Chapter 8 of Part 4 of the UK Income Tax (Trading and Other Income) Act 2005. Any gain realized on redemption or transfer of Notes which are "deeply discounted securities" by a holder who is within the charge to UK income tax in respect of such Notes will generally be taxable as income rather than capital, and such holder will not be able to claim relief from income tax in respect of any costs incurred on the acquisition, transfer or redemption of such Notes or on any loss incurred on the transfer or redemption of such Notes.

***Tax by Direct Assessment***

Interest on the Notes may constitute U.K. source income for U.K. tax purposes and accordingly may be chargeable to U.K. income or corporation tax by direct assessment even where paid without deduction or withholding. However, the interest will not generally be assessed to U.K. tax in the hands of holders of the Notes who are not resident for tax purposes in the United Kingdom, except where the holder carries on a trade, profession or vocation through a branch or agency (or, in the case of a corporate holder, a permanent establishment) in the United Kingdom in connection with which the interest is received or to which the Notes are attributable, in which case (subject to exemptions for interest received by certain categories of agent) U.K. corporation or income tax may be levied on the U.K. branch, agency or permanent establishment.

Holders of the Notes may wish to note that the provision referred to in "Description of the Notes—Payments of Additional Amounts" would not apply if HMRC sought to assess directly the person entitled to the relevant interest to U.K. tax. However, exemption from, or reduction of, such U.K. tax liability might be available under an applicable double taxation treaty.

***United Kingdom Holders Subject to Corporation Tax***

In general, holders of the Notes who are within the charge to U.K. corporation tax will be charged to tax on income in respect of all profits, gains and losses on, and fluctuations in value of, the Notes (whether attributable to currency fluctuations or otherwise) measured and recognized in each accounting period broadly in accordance with their statutory accounting treatment, calculated in accordance with generally accepted accounting practice, under the "loan relationships" rules in Part 5 of the Corporation Tax Act 2009.

***United Kingdom Holders not Subject to Corporation Tax***

If the Notes do not constitute "deeply discounted securities" for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 as described above, the disposal of the Notes by an individual holder who is resident for tax purposes in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable may give rise to a chargeable gain or allowable loss for the purposes of U.K. tax on chargeable gains, depending on individual circumstances. In calculating any gain or allowable loss on the disposal of the Notes, sterling values are compared at acquisition and disposal. Accordingly, a taxable gain can arise even where the euro or dollar amount received on a disposal is less than or the same as the euro or dollar amount paid for the Notes.

Special rules may apply to individuals who have ceased to be resident for tax purposes in the United Kingdom and who dispose of their Notes before becoming once again resident in the U.K. Noteholders are advised to consult their own professional advisors if they require any advice or further information relating to residency.

On the disposal of Notes by a holder (assuming the Notes do not constitute deeply discounted securities as described above), any interest which has accrued since the last interest payment date may be chargeable to tax on income under the rule relating to accrued income profits as set out in Chapter 2 of Part 12 of the ITA if that holder is resident for tax purposes in the United Kingdom or if that holder carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable.

***Stamp Duty and Stamp Duty Reserve Tax***

No U.K. stamp duty or stamp duty reserve tax should be payable on the issue of the Notes. No U.K. stamp duty or stamp duty reserve tax should be payable on a transfer of, or an agreement to transfer, the Notes provided that the Notes do not carry and will not at any time carry (i) a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the capital nor (ii) a right to interest the amount of which falls to be determined to any extent by reference to the results of, or any part of, a business or to the value of any property, nor (iii) a right on repayment to an amount which exceeds the nominal amount of the capital and is not reasonably comparable with what is generally repayable (in respect of a similar nominal amount of capital) under the terms of issue of loan capital (as that term is understood for the purposes of Section 79 of the Finance Act 1986) listed in the Official List of the London Stock Exchange.

**Material U.S. Federal Income Tax Considerations**

The following discussion is a summary based on present law of the material U.S. federal income tax considerations relevant to the purchase, ownership and disposition of the Notes. This discussion addresses only U.S. Holders (as defined below) who purchase the Notes in the original issuance at the "issue price" (generally, the first price at which a substantial amount of the applicable series of Notes is sold to the public for cash), hold the Notes as capital assets and use the U.S. dollar as their functional currency. This summary does not address the tax consequences to subsequent purchasers of the Notes.

This discussion is not a complete description of all U.S. federal income tax considerations relating to the Notes. It does not address the tax treatment of prospective purchasers subject to special rules, such as banks, dealers, traders that elect to mark to market, insurance companies, real estate investment trusts, regulated investment companies, grantor trusts, investors liable for the alternative minimum tax, U.S. expatriates, accrual method taxpayers who are required to recognize income for U.S. federal income tax purposes no later than when such income is taken into account for financial accounting purposes, tax-exempt entities or persons holding the Notes as part of a hedge, straddle, conversion or other integrated financial transaction. This summary does not discuss any tax consequences arising under U.S. federal estate and gift tax laws or the laws of any state, local, non-U.S. or other taxing jurisdiction.

**YOU ARE URGED TO CONSULT YOUR OWN TAX ADVISOR ABOUT THE U.S. FEDERAL, STATE AND LOCAL INCOME TAX CONSEQUENCES TO YOU OF PURCHASING, HOLDING AND DISPOSING OF THE NOTES, AS WELL AS THE CONSEQUENCES TO YOU ARISING UNDER THE LAWS OF ANY OTHER TAXING JURISDICTION OR DUE TO CHANGES IN TAX LAW.**

For purposes of this discussion, a "U.S. Holder" is a beneficial owner that is, for purposes of U.S. federal income taxation, (i) a citizen or resident alien of the United States, (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or its political subdivisions, (iii) a trust that (a) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person or (iv) an estate, the income of which is subject to U.S. federal income taxation regardless of its source.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes acquires or holds the Notes, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. A partner or partnership that acquires or holds the Notes should consult its own tax advisors. Additionally, a U.S. Holder who purchases Notes pursuant to this Offering and participates in the Tender Offers should consult its tax advisor as to whether the treatment of the purchase, ownership and disposition of the Notes would be different from that described below.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), U.S. Treasury Regulations promulgated thereunder, rulings and judicial decisions all as of the date hereof, which are subject to change (possibly with retroactive effect), so as to result in U.S. federal income tax consequences different from those summarized below. No rulings from the U.S. Internal Revenue Service ("IRS") have been or will be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes and that any such position would not be sustained.

### *Characterization of the Notes*

In certain circumstances, we may be required to pay amounts on the Notes in addition to stated principal and interest (*e.g.*, in the circumstances described under "Description of the Notes—Payment of Additional Amounts," "Description of the Notes—Optional Redemption" and "Description of the Notes—Purchase of Notes upon a Change of Control"). These potential payments may implicate the provisions of the U.S. Treasury Regulations relating to "contingent payment debt instruments." One or more contingencies will not cause the Notes to be treated as contingent payment debt instruments if, as of the Issue Date, such contingencies, in the aggregate, are considered remote or incidental. Although the issue is not free from doubt, we intend to take the position that the possibility of such additional payments does not result in the Notes being treated as contingent payment debt instruments under applicable U.S. Treasury Regulations. This position will be based on our determination that, as of the Issue Date, the possibility that additional payments will be made is, in the aggregate, a remote or incidental contingency within the meaning of applicable U.S. Treasury Regulations. Assuming such position is respected, a U.S. Holder would be required to include in income the amount of any such additional payments at the time such payments are received or accrued in accordance with such U.S. Holder's method of accounting for U.S. federal income tax purposes.

Our determination that these contingencies are remote or incidental is binding on a holder, unless such holder explicitly discloses to the IRS on its tax return for the year during which it acquires the Notes that it is taking a different position. However, our position is not binding on the IRS. If the IRS takes a contrary position to that described above, then the Notes may be treated as contingent payment debt instruments. In that case, regardless of a holder's regular method of accounting for U.S. federal income tax purposes, a holder subject to U.S. federal income taxation may be required to accrue ordinary interest income on the Notes at a rate in excess of their stated interest, and to treat any gain realized on the sale, redemption or other taxable disposition of the Notes as ordinary income rather than capital gain. You are urged to consult your own tax advisors regarding the tax consequences of the Notes being treated as contingent payment debt instruments. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments for U.S. federal income tax purposes.

### *Stated Interest*

Stated interest paid on the Notes generally will be taxable to you as ordinary income at the time the interest accrues or is received, in accordance with your regular method of accounting for U.S. federal income tax purposes. Interest generally will be income from sources outside the United States and, for purposes of the U.S. foreign tax credit, generally will be considered "passive category income".

If you use the cash basis method of accounting and you receive stated interest payments in euro, as you would as a holder of any Euro Notes, you will be required to include in income the U.S. dollar value of the amount received, determined by translating the euros received at the "spot rate" in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. You will not recognize exchange gain or loss with respect to the receipt of such payment of stated interest, but may recognize exchange gain or loss attributable to the actual disposition of the euro so received.

If you use the accrual method of accounting and you receive stated interest payments in euro, you may determine the amount of income recognized with respect to such interest in accordance with either of two methods. Under the first method, you will be required to include in income for each taxable year the U.S. dollar value of the stated interest that has accrued during such year, determined by translating such interest at the average rate of exchange for the period during which such interest accrued, or, in the case of an accrual period that spans two taxable years, at the average rate for the partial period within your taxable year. Under the second method, you may elect to translate stated interest income at the spot rate on (i) the last day of the accrual period, (ii) the last day of the taxable year if the accrual period straddles your taxable year or (iii) the date the stated interest payment is received if such date is within five days of the end of the accrual period. Such election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS. In addition, upon receipt of a stated interest payment in euros (including amounts received upon the sale, redemption or other taxable disposition of a Note attributable to accrued interest previously included in income), you will recognize exchange gain or loss, generally treated as U.S. source ordinary income or loss (and not as an adjustment to interest income or expense), in an amount equal to the difference, if any, between the U.S. dollar value of such payment (determined by translating the euros received at the spot rate in effect on the date of receipt) and the U.S. dollar value of the stated interest income that you previously included in income with respect to such payment, regardless of whether the payment is actually converted into U.S. dollars.

***Disposition***

You generally will recognize gain or loss on a sale, redemption or other taxable disposition of a Note in an amount equal to the difference between the amount realized (less any accrued but unpaid stated interest, which if not previously included in income is taxed as interest income) and your adjusted tax basis in the Note. Your adjusted tax basis in a Note generally will be the U.S. dollar cost for the Note, decreased by any payments on the Note other than stated interest previously received. If you purchased a Note with euros, your cost generally will be the U.S. dollar value of the euros paid for such Note determined at the spot rate on the date of such purchase (or on the settlement date of the purchase, in the case of an electing accrual basis taxpayer if the Note is traded on an established securities market or a cash basis taxpayer). If your Note is sold, redeemed or otherwise disposed of in a taxable transaction for euros, then your amount realized generally will be the U.S. dollar value of any euros received based on the spot rate in effect on the date of such sale, redemption or other taxable disposition (or on the settlement date of the sale or other disposition, in the case of an electing accrual basis taxpayer if the Note is traded on an established securities market or a cash basis taxpayer). If you use the accrual method of accounting and have not elected to translate euro amounts at the spot rate of exchange on the settlement date, upon receipt of a payment in euros, you may recognize exchange gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the spot rate in effect on the date of sale, redemption or other taxable disposition and spot rate in effect on the settlement date.

Subject to the foreign currency rules discussed below, your gain or loss on disposition of a Note generally will be U.S. source capital gain or loss and will be long-term capital gain or loss if you have held the Note for more than one year at the time of disposition. A non-corporate U.S. Holder generally will be eligible for reduced rates of taxation on any long-term capital gain recognized. Deductions for capital losses are subject to limitations.

If you hold a Euro Note, a portion of your gain or loss may be treated as exchange gain or loss. Such exchange gain or loss will be treated as ordinary income or loss and generally will be U.S. source gain or loss. For these purposes, the principal amount of the Notes is your purchase price for the Note in euros on the date of purchase, and the amount of exchange gain or loss recognized is equal to the difference between the (i) U.S. dollar value of the principal amount determined on the date of the sale, redemption or other taxable disposition of the Note (or on the settlement date, if you are an electing accrual basis taxpayer and the Note is traded on an established securities market or if you are a cash basis taxpayer) and (ii) U.S. dollar value of the principal amount determined on the date you purchased the Note. The amount of exchange gain or loss with respect to the principal and with respect to accrued and unpaid stated interest, will be limited to the amount of overall gain or loss realized on the disposition of the Note. In certain circumstances, U.S. Treasury Regulations require foreign exchange losses in excess of a threshold amount to be reported to the IRS. If you hold a Euro Note, you should consult your tax advisors to determine the tax return obligations, if any, with respect to an investment in the Note, including any requirement to file IRS Form 8886.

***Exchange of Foreign Currency***

On a sale, redemption or other taxable disposition of foreign currency, you generally will recognize gain or loss in an amount equal to the difference between (i) the amount of U.S. dollars, or the fair market value in U.S. dollars of other property, received by you in the disposition and (ii) your tax basis in the foreign currency. Any such gain or loss will be U.S. source ordinary income or loss and will not be treated as interest income or expense, except to the extent provided by administrative pronouncements of the IRS. Foreign currency received as interest on a Note or on the sale, redemption or other taxable disposition of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received (including foreign currency received from the sale, redemption or other taxable disposition of a Note that is traded on an established securities market in the case of an accrual basis taxpayer that does not make the election described above, once exchange gain or loss, if any, has been realized for the period between the trade date and the settlement date, as described above). Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase.

***Information Reporting and Backup Withholding***

Payments of interest and proceeds from the sale, redemption or other taxable disposition of a Note may be subject to U.S. information reporting to the IRS unless you establish a basis for exemption. Backup withholding may apply to amounts subject to reporting if you fail to provide an accurate taxpayer identification number and otherwise comply with applicable backup withholding rules. Backup withholding is not an additional tax. You generally can claim a credit against your U.S. federal income tax liability for the amount of any backup withholding and a refund of any excess, provided that the required information is timely furnished to the IRS.

***Information with Respect to Foreign Financial Assets***

Individuals that own "specified foreign financial assets" with an aggregate value in excess of $50,000 on the last day of the tax year or $75,000 at any time during the tax year are generally required to file information reports with respect to such assets with their U.S. federal income tax returns. Depending on the individual's circumstances, higher threshold amounts may apply. "Specified foreign financial assets" include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties and (iii) interests in non-U.S. entities. The Notes may be treated as specified foreign financial assets. You may be subject to this information reporting regime and required to file IRS Form 8938 listing these assets with your U.S. federal income tax return. Failure to file information reports may subject you to penalties. You are urged to consult your own tax advisor regarding your obligations to file information reports with respect to the Notes.

***Additional Tax on Net Investment Income***

The "net investment income" (or undistributed "net investment income," in the case of a trust or estate) of certain U.S. Holders that are individuals, trusts or estates and that have modified adjusted gross income (or adjusted gross income, in the case of a trust or estate) above a certain threshold (which in the case of an individual is between $125,000 and $250,000, depending on the individual's circumstances) is subject to a 3.8% tax, in addition to otherwise applicable U.S. federal income tax. A U.S. Holder's "net investment income" generally includes, among other things, interest income on and capital gain from the disposition of securities like the Notes, subject to certain exceptions. If you are a U.S. Holder that is an individual, estate or trust, you are urged to consult your own tax advisor regarding the applicability of this tax to your investment in the Notes.

***Foreign Account Tax Compliance Act***

Pursuant to Sections 1471 through 1474 of the Code (provisions commonly known as "FATCA") and subject to the proposed regulations discussed below, a "foreign financial institution" may be required to withhold U.S. tax on certain "foreign passthru payments" made after December 31, 2018 to the extent such payments are treated as attributable to certain U.S. source payments. Obligations issued on or prior to the date that is six months after applicable final regulations defining foreign passthru payments are published in the Federal Register generally would be "grandfathered" unless materially modified after such date. Accordingly, if the Issuer is treated as a foreign financial institution, FATCA could apply to payments on the Notes only if there is a significant modification of the Notes for U.S. federal income tax purposes after the expiration of this grandfathering period. Under proposed regulations, any withholding on foreign passthru payments on the Notes that are not otherwise grandfathered would apply to passthru payments made on or after the date that is two years after the date of publication in the Federal Register of applicable final regulations defining foreign passthru payments. Taxpayers generally may rely on these proposed regulations until final regulations are issued. Non-U.S. governments have entered into agreements with the United States (and additional non-U.S. governments are expected to enter into such agreements) to implement FATCA in a manner that alters the rules described herein. Holders should consult their own tax advisors on how these rules may apply to their investment in the Notes. In the event any withholding under FATCA is imposed with respect to any payments on the Notes, there will be no additional amounts payable to compensate for the withheld amount.

**The above description is not intended to constitute a complete analysis of all tax consequences relating to the ownership of the Notes. Prospective purchasers of the Notes should consult their own tax advisors concerning the tax consequences of their particular situations.**

## NOTICE TO INVESTORS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

The Notes and the guarantees have not been and will not be registered under the Securities Act, or the securities laws of any other jurisdiction, and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws in any other jurisdiction. Accordingly, the Notes offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act and to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act (and only to investors who: (a) if resident in a Member State of the EEA, are not retail investors, defined as a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II); or not a "qualified investor" as defined in the EU Prospectus Regulation; or (b) if resident in the United Kingdom, are not retail investors, defined as a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.

We have not registered and will not register the Notes or the guarantees under the Securities Act and, therefore, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Issuer is offering and selling the Notes to the Initial Purchasers for re-offer and resale only:

- in the United States to "qualified institutional buyers," commonly referred to as "**QIBs**," as defined in Rule 144A in compliance with Rule 144A; and
- outside the United States to non-U.S. persons in accordance with Regulation S.

We use the terms "**offshore transaction**," "**U.S. person**" and "**United States**" with the meanings given to them in Regulation S.

Each purchaser of the Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer and the Initial Purchasers as follows:

(1) You understand and acknowledge that the Notes and the guarantees have not been registered under the Securities Act or any other applicable securities laws and that the Notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A under the Securities Act, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities laws, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (5) and (6) below.

(2) You are not our "affiliate" (as defined in Rule 144 under the Securities Act) or acting on our behalf and you are either:

(a) a QIB, within the meaning of Rule 144A under the Securities Act and are aware that any sale of these Notes to you will be made in reliance on Rule 144A under the Securities Act, and such acquisition will be for your own account or for the account of another QIB; or

(b) a non-U.S. person and you are purchasing the Notes in an offshore transaction in accordance with Regulation S under the Securities Act and, if you are an investor resident in a Member State of the EEA or the United Kingdom, you are a qualified investor (within the meaning of Article 2(e) of the EU Prospectus Regulation and any relevant implementing measure in each Member State of the EEA or the UK Prospectus Regulation, respectively.

(3) You acknowledge that none of the Issuer, the Guarantors, or the Initial Purchasers, nor any person representing any of them, has made any representation to you with respect to us or the offer or sale of any of the Notes, other than the information contained in this offering memorandum, which offering memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that neither the Initial Purchasers nor any person representing the Initial Purchasers make any representation or warranty as to the accuracy, adequacy or completeness of this offering memorandum. You have had access to such financial and other information concerning us and the Notes as you have deemed necessary in connection with your decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, us and the Initial Purchasers.

(4) You are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, any state securities laws or the securities laws of any other jurisdiction, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within its or their control and subject to your or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.

(5) You agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes (but, in the case of Regulation S Notes, only prior to the date (the "**Resale Restriction Termination Date**") that is 40 days after the later of the date of the original issue and the last date on which the Issuer or any of its affiliates was the owner of such Notes (or any predecessor thereto)) only (i) to the Issuer, (ii) pursuant to a registration statement that has been declared effective under the Securities Act, (iii) for so long as the Notes are eligible pursuant to Rule 144A under the Securities Act, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the Securities Act, (iv) to non-U.S. persons pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer (I) pursuant to clauses (iv) and (v) to require the delivery of an opinion of counsel, certification or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the security is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.

Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

> THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.
>
> THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR

FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, [IN THE CASE OF REGULATION S NOTES: PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY)] [IN THE CASE OF 144A NOTES: PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY)] ONLY (A) TO THE ISSUER, THE GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) TO NON-U.S. PERSONS PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(6) You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on the transfer of such Notes.

(7) You acknowledge that until 40 days after the commencement of the Offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

(8) You acknowledge that the Trustee will not be required to accept for registration or transfer any Notes acquired by you except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set forth therein have been complied with.

(9) You acknowledge that we, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations, warranties and agreements and agree that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by your purchase of the Notes are no longer accurate, it shall promptly notify the Initial Purchasers. If you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

(10) (a) If resident in a Member State of the EEA, you represent that you are not a "retail investor". For the purposes of this paragraph, the expression "retail investor" means a person who is one (or more) of the following:

(i) a "retail client" as defined in point (11) of Article 4(1) of MiFID II;

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a "qualified investor" as defined in the EU Prospectus Regulation.

(b) If resident in the United Kingdom, you represent that you are not a retail investor. For purposes of this paragraph, a "retail investor" means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA, or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA) or (iii) not a "qualified investor" as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

(11) You understand and acknowledge that:

(a) the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any "retail investor" (as defined in paragraph 10 above) in the EEA or in the United Kingdom; and

(b) no key information document required by the EU PRIIPs Regulation or the UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the EU PRIIPs Regulation or the UK PRIIPs Regulation.

(12) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to the Issuer or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "Plan of Distribution."

(13) If a resident in Canada, you hereby acknowledge and confirm that:

(a) you shall be deemed to warrant that you are an accredited investor, a permitted client, were not created or used solely to purchase or hold securities as an accredited investor (if not a natural person) and are purchasing as principal (or deemed principal) for investment only and not with a view to resale or redistribution;

(b) any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable Canadian securities law and that you will consult with a legal advisor prior to completing any purchase or resale of the Notes;

(c) we may be required to (i) provide personal information pertaining to the purchasers of Notes as required to be disclosed in Schedule I of Form 45 106F1 under National Instrument 45-106- Prospectus Exemptions ("**NI 45-106**") (including its name, address, telephone number, email and the number and aggregate purchase price of any Notes purchased) ("**personal information**"), which Form 45-106F1 may be required to be filed by us under NI 45-106, (ii) such personal information may be delivered to the securities regulatory authority or regulator in the Canadian purchaser's jurisdiction (the "**Applicable Canadian Securities Regulator**") in accordance with NI 45-106, (iii) such personal information is collected indirectly by the Applicable Canadian Securities Regulator under the authority granted to it under securities legislation, (iv) such personal information is collected for the purposes of the administration and enforcement of the securities legislation, and (v) the contact information for the public official who can answer questions about the Applicable Canadian Securities Regulator's indirect collection of such personal information may be found in Form 45-106F1. By purchasing Notes in this offering, you will be deemed to have authorized the indirect collection of the personal information by the Applicable Canadian Securities Regulator, and to have acknowledged and consented to your name, address, telephone number, email and other specified information, including the aggregate purchase price paid for the Notes, being disclosed to other Canadian securities regulatory authorities, and to have acknowledged that such information may become available to the public in accordance with requirements of applicable Canadian laws; and

(d) you have expressly requested that all documents evidencing or relating in any way to the sale of the Notes (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

## ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase and holding of the Notes by any purchaser, including, without limitation, any fiduciary purchasing on behalf of (i) an employee benefit plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) subject to the provisions of Part 4 of Subtitle B of Title I of ERISA or a plan, individual retirement account or other arrangement to which Section 4975 of the Code applies (each, an "**ERISA Plan**"), (ii) an entity whose underlying assets include "plan assets" with respect to an ERISA Plan by reason of an ERISA Plan's investment in such entity or otherwise (each, a "**Benefit Plan Investor**") or (iii) a "governmental plan" (as defined in Section 3(32) of ERISA), a "church plan" (as defined in Section 3(33) of ERISA or Section 4975(g)(3) of the Code) or a non-U.S. plan (as described in Section 4(b)(4) of ERISA) or other arrangement that is subject to any Federal, state, local, non-U.S. or other laws or regulations that are substantially similar to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code ("**Similar Laws**") (together with ERISA Plan, "**Plans**").

### General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of an ERISA Plan and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of an ERISA Plan or the management or disposition of the assets of an ERISA Plan, or who renders investment advice for a fee or other compensation with respect to the assets of an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the Notes, a Plan fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Each ERISA Plan should consider the fact that none of the Issuer, the guarantors, the Initial Purchasers, the Trustee or any of their respective affiliates (the "**Transaction Parties**") is acting as a fiduciary to any ERISA Plan with respect to the decision to purchase or hold the Notes. The Transaction Parties are not undertaking to provide impartial investment advice or advice based on any particular investment need, or to give advice in a fiduciary capacity, with respect to the decision to purchase or hold the Notes. All communications, correspondence and materials from the Transaction Parties with respect to the Notes are intended to be general in nature and are not directed at any specific purchaser of the Notes, and do not constitute advice regarding the advisability of investment in the Notes for any specific purchaser. The decision to purchase and hold the Notes must be made solely by each prospective ERISA Plan purchaser on an arm's length basis.

### Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of Section 3(14) of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless a statutory or administrative exemption is available.

A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition, holding and/or disposition of Notes by an ERISA Plan with respect to which a Transaction Party is considered a party in interest or disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, certain exemptions from the prohibited transaction rules could be applicable to the purchase and holding of notes by a Plan, depending on the type and circumstances of the fiduciary making the decision to acquire such notes and the relationship of the party in interest or disqualified person to the Plan. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code for certain transactions between a Plan and non-fiduciary service providers to the Plan. In addition, the United States Department of Labor has issued prohibited transaction class exemptions ("**PTCEs**") that may apply to the acquisition and holding of the notes. These class exemptions (as may be amended from time to time) include, without limitation, PTCE 84-14 (respecting transactions effected by independent "qualified professional asset managers"), PTCE 90-1 (respecting insurance company pooled separate accounts), PTCE 91-38 (respecting bank collective investment funds), PTCE 95-60 (respecting insurance company general accounts) and PTCE 96-23 (respecting transactions directed by in-house asset managers).

Each of these PTCEs contains conditions and limitations on its application. Thus, the fiduciaries of a Plan that is considering acquiring and/or holding the Notes in reliance of any of these, or any other, PTCEs should carefully review the conditions and limitations of the PTCE and consult with their counsel to confirm that it is applicable. There can be no, and we do not provide any, assurance that any PTCE or any other exemption will be available with respect to any particular transaction involving the Notes.

Because of the foregoing, the Notes should not be purchased or held by any person investing "plan assets" of any Plan, unless such acquisition, holding and subsequent disposition will not constitute a non-exempt prohibited transaction under ERISA and the Code or similar violation of any applicable Similar Laws.

**Representation**

The transferee or holder of the Notes will be deemed to have represented, agreed and acknowledged (as applicable) in its corporate and fiduciary capacity, that:

(a) With respect to the acquisition, holding and disposition of the Notes, or any interest therein, (1) either (A) it is not, and it is not acting directly or indirectly on behalf of (and for so long as it holds such Notes or any interest therein will not be, and will not be acting directly or indirectly on behalf of), a Plan, a Benefit Plan Investor, or a governmental, church or non-U.S. plan or other arrangement that is subject to Similar Laws, and no part of the assets used or to be used by it to acquire or hold such Notes or any interest therein constitutes the assets of any such Plan, Benefit Plan Investor or governmental, church or non-U.S. plan or other arrangement that is subject to Similar Laws, or (B) (i) its acquisition, holding and disposition of such Notes or any interest therein does not and will not constitute or otherwise result in a non-exempt prohibited transaction under Part 4 of Subtitle B of Title I of ERISA or Section 4975 of the Code, as applicable (or, in the case of a governmental, church or non-U.S. plan or other arrangement, a violation of any applicable Similar Laws); and (ii) none of the Transaction Parties is a sponsor of, or a fiduciary (within the meaning of Section 3(21) of ERISA or, with respect to a governmental, church or non-U.S. plan or other arrangement, any definition of "fiduciary," or any substantially similar concept, under any applicable Similar Laws) with respect to the purchaser, transferee or holder in connection with any acquisition, holding or disposition of such Notes, or as a result of any exercise by the Issuer or any of its affiliates of any rights in connection with such Notes, and no advice provided by the Issuer or any of their affiliates has formed a primary basis for any investment or other decision by or on behalf of the purchaser, transferee or holder in connection with such Notes and the transactions contemplated with respect to such Notes; and (2) it will not sell or otherwise transfer such Notes or any interest therein other than to a purchaser or transferee that is deemed (or if required by the applicable indenture, certified) to make these same representations, warranties and agreements with respect to its acquisition, holding and disposition of such Notes or any interest therein.

(b) The acquirer and any fiduciary causing it to acquire an interest in any Notes agrees to indemnify and hold harmless the Issuer, the guarantors, the Initial Purchasers, the Trustee and their respective affiliates, from and against any cost, damage or loss incurred by any of them as a result of any of the foregoing representations and agreements being or becoming false.

(c) Any purported acquisition or transfer of any Note or beneficial interest therein to a purchaser or transferee that does not comply with the requirements of the above provisions shall be void ab initio.

The foregoing discussion is necessarily general in nature, is not intended to be all-inclusive, and should not be construed as legal advice or a legal opinion. Further, no assurance can be given that future legislation, administrative rulings, court decisions or regulatory action will not modify the conclusions set forth in this discussion. Any such changes may be retroactive and thereby apply to transactions entered into prior to the date of their enactment or release. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the Notes (and holding the Notes) on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such transactions and whether an exemption would be applicable to the purchase and holding of the Notes. The sale of a Note to a Plan is in no respect a representation by any Transaction Party or any of their respective representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plan or that such investment is appropriate for any such Plan.

## PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the purchase agreement dated , 2024 among us, and the Euro Initial Purchasers (the "**Euro Purchase Agreement**") and in the purchase agreement dated , 2024 among us, and the Dollar Initial Purchasers (the "**Dollar Purchase Agreement**" and, together with the Euro Purchase Agreement, the "**Purchase Agreements**"), we have agreed to sell to the Initial Purchasers, and each of the Initial Purchasers has agreed, severally and not jointly, to purchase from us the respective principal amount of the Notes set forth opposite its name in the tables below.

| Euro Initial Purchasers(1) | Principal Amount of Euro Notes |
|---|---|
| Barclays Bank PLC. | € |
| Crédit Agricole Corporate and Investment Bank | € |
| Deutsche Bank AG, London Branch | € |
| Goldman Sachs Bank Europe SE | € |
| J.P. Morgan Securities plc | € |
| Banco Santander, S.A. | € |
| ABN AMRO Bank N.V. | € |
| Commerzbank Aktiengesellschaft | € |
| Landesbank Hessen-Thüringen Girozentrale | € |
| ING Bank N.V., London Branch | € |
| Intesa Sanpaolo S.p.A., London Branch | € |
| KBC Bank NV | € |
| Lloyds Bank Corporate Markets plc | € |
| NatWest Markets Plc | € |

| Dollar Initial Purchasers(1) | Principal Amount of Dollar Notes |
|---|---|
| Barclays Capital Inc. | $ |
| Crédit Agricole Corporate and Investment Bank | $ |
| Deutsche Bank AG, London Branch | $ |
| Goldman Sachs Bank Europe SE | $ |
| J.P. Morgan Securities LLC | $ |
| Santander US Capital Markets LLC | $ |
| ABN AMRO Capital Markets (USA) LLC | $ |
| Commerz Markets LLC | $ |
| Landesbank Hessen-Thüringen Girozentrale | $ |
| ING Bank N.V., London Branch | $ |
| Intesa Sanpaolo IMI Securities Corp. | $ |
| KBC Bank NV | $ |
| Lloyds Bank Corporate Markets plc | $ |
| NatWest Markets Plc | $ |

(1) Sales may be made through affiliates of the Initial Purchasers listed above.

Subject to the terms and conditions set forth in the Purchase Agreements, the applicable Initial Purchasers have agreed, severally and not jointly, to purchase all of the Notes sold under the applicable Purchase Agreement if any of the Notes are purchased. If an Initial Purchaser defaults, each Purchase Agreement provides that the purchase commitments of the non-defaulting Initial Purchasers may be increased or such Purchase Agreement may be terminated. The Initial Purchasers may make offers and sales into the United States through U.S. broker-dealers.

We have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Initial Purchasers may be required to make in respect of those liabilities.

The Initial Purchasers are offering the Notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Notes and other conditions contained in the Purchase Agreements, such as the receipt by the Initial Purchasers of officer's certificates and legal opinions. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part. Landesbank Hessen-Thüringen Girozentrale is a non-U.S. bank or dealer that is not registered as a broker-dealer under Section 15 of the Securities Act, and therefore agrees that, while acting as an Initial Purchaser in respect of the Securities and in any event during the term of the Purchase Agreement, it will not, directly or indirectly, make use of any U.S. mails or any means or instrumentality of interstate commerce to effect transactions in, or induce or attempt to induce the purchase or sale of any Securities except for transactions in compliance with Rule 15a-6 under the Securities Act or as otherwise permitted by Section 15 of the Securities Act and the rules and regulations thereunder.

**Offer Price**

The Initial Purchasers propose initially to offer the Notes at the respective offering prices set forth on the cover page of this offering memorandum. After the initial offering of the Notes, the offering prices and other selling terms of the Notes may from time to time be varied by the Initial Purchasers without notice. The Initial Purchasers may offer and sell the Notes through certain of their affiliates. Certain Initial Purchasers are not broker-dealers registered with the SEC and, therefore, may not make sales of any Notes in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. To the extent that any Initial Purchasers that are not U.S. registered broker dealers intend to effect any sales of the Notes in the United States, they will only do so through one or more U.S. registered broker dealers affiliates as permitted by Financial Industry Regulatory Authority guidelines.

**Notes Are Not Being Registered**

The Notes and the guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to persons who are not U.S. persons (as defined in Regulation S under the Securities Act) in offshore transactions in reliance on Regulation S under the Securities Act. In addition, until 40 days following the later of (i) the commencement of the Offering and (ii) the issue date of the Notes, an offer or sale of the Notes initially sold in reliance on Regulation S within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Each purchaser of the Notes will be deemed to have made acknowledgments, representations and agreements as described under "Notice to Investors."

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by us or the Initial Purchasers or their affiliates that would permit a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this offering memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This offering memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this offering memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this offering memorandum and resale of the Notes. See "Notice to Investors."

The Issuer and the Guarantors have agreed that they will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances in which such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(a)(2) of the Securities Act or the safe harbor of Rule 144A and Regulation S under the Securities Act to cease to be applicable to the offer and sale of the Notes.

**EEA**

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision:

- the expression "retail investor" means a person who is one (or more) of the following: (i) a "retail client" as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a "qualified investor" as defined in the EU Prospectus Regulation; and

- the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

**United Kingdom**

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Each Initial Purchaser has represented, warranted and agreed that it:

- has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- has complied and will comply with all applicable provisions of the FSMA in respect of anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

**Singapore**

Each Initial Purchaser has represented and agreed that this offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Notes may not be offered or sold or be made the subject of an invitation for subscription or purchase, and this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, may not be circulated or distributed, whether directly or indirectly, to any persons in Singapore, other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

This offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Notes may not be offered or sold or be made the subject of an invitation for subscription or purchase, and this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, may not be circulated or distributed, whether directly or indirectly, to any person in Singapore, other than (i) to an institutional investor (as defined in Section 4A of the SFA pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

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

**New Issue of Securities**

The Euro Notes and the Dollar Notes are new issues of securities with no established trading market. We do not intend to apply for listing of the Euro Notes and Dollar Notes on any U.S. securities exchange or for inclusion of such Notes on any automated dealer quotation system. We have been advised by certain of the Initial Purchasers that they presently intend to make a market in the Notes after completion of the Offering. However, they are under no obligation to do so and may discontinue any market making activities at any time without any notice. We cannot assure the liquidity of the trading market for the Notes. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors. There may not be an active trading market for the Notes, in which case your ability to sell your Notes may be limited. See "Risk Factors—Risks Relating to the Notes and Our Capital Structure—Lack of public market—There may not be an active trading market for the Notes, in which case your ability to sell your Notes may be limited."

We will apply to list the Notes on the Official List of the Luxembourg Stock Exchange and trade the Notes on the Euro MTF Market, however, we cannot assure you that the Notes will be approved for listing or that such listing will be maintained.

**Settlement**

We expect that delivery of the Notes will be made to investors on or about the date specified in the last paragraph of the cover page of this offering memorandum, which will be U.S. business days (as such term is used for purposes of Rule 15(c)6-1 under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) following the date of this offering memorandum (such settlement being referred to as "T+ "). Under Rule 15(c)6-1 under the Exchange Act, trades in the secondary market are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of pricing or the next succeeding U.S. business days will be required, by virtue of the fact that the Notes initially settle in T+ , to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

**No Sales of Similar Securities**

We have agreed that we will not, for a period of 60 days after the date of this offering memorandum, without the prior written consent of the Representatives, directly or indirectly, pledge, issue, sell, offer to sell, grant any option for the sale of, or otherwise dispose of any of our other debt securities having a maturity of more than one year from the date of issue, except for debt securities (A) issued or guaranteed in accordance with, or as permitted under, the Senior Secured Term Loans Agreement, (B) issued or guaranteed in connection with the sales of receivables pursuant to securitization or factoring arrangements or issuances of debt securities pursuant to sales of such receivables, or the implementation of any receivables securitization or factoring facility or (C) issued or guaranteed in immaterial amounts in the ordinary course of business.

**Price Stabilization and Short Positions**

In connection with the Offering, the Initial Purchasers (or persons acting on their behalf) may engage in transactions that stabilize the market price of the Notes. Such transactions consist of bids or purchases to peg, fix or maintain the price of the Notes. Purchases of a security to stabilize the price or to reduce a short position may cause the price of the security to be higher than it might be in the absence of such purchases.

In connection with the Offering, the Initial Purchasers may purchase and sell the Notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the Initial Purchasers of a greater principal amount of the Notes than they are required to purchase in the Offering. The Initial Purchasers must close out any short position by purchasing the Notes in the open market. A short position is more likely to be created if the Initial Purchasers are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the Offering.

Similar to other purchase transactions, the Initial Purchasers' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market.

Neither we nor any of the Initial Purchasers or their affiliates make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither we nor any of the Initial Purchasers or their affiliates make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Any stabilizing action, if commenced, must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Notes. See "Risk Factors—Risks Relating to the Notes and Our Capital Structure—Lack of public market—There may not be an active trading market for the Notes, in which case your ability to sell your Notes may be limited."

**Other Relationships**

The Initial Purchasers and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial investment banking, financial advising, investment management, principal investment, hedging, financing and brokerage activities. The Initial Purchasers or their respective affiliates have engaged in, and may in the future engage in, investment banking, financial advisory, consulting, commercial banking and other commercial dealings (including, e.g., the provision of financing in various forms, securitization programs, cash management, trade finance, hedging and other banking services) in the ordinary course of business with us, our principal shareholders or our affiliates, including assistance with open-market repurchasing. Some of the Initial Purchasers have also assisted with ESG ratings advisory and/or facilitated the Group in seeking ESG ratings. They have received, and expect to receive, customary fees, commissions and expense reimbursements for these transactions. Certain of the Initial Purchasers or their respective affiliates may from time to time also enter into swap and other derivative transactions with us, our principal shareholders or our affiliates. In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and trading activities may involve securities and/or instruments of the Group or the Group's affiliates, including the Existing Notes.

If the Initial Purchasers or their affiliates have a lending relationship with the Issuer or its affiliates, certain of those Initial Purchasers or their affiliates routinely hedge, and certain of those initial purchasers or their affiliates may hedge, their credit exposure to the Issuer and/or its affiliates consistent with their customary risk management policies. Certain of the Initial Purchasers or their affiliates have a lending relationship with the Group, including under the Senior Secured Term Loans and notes issued by the Group or certain affiliates of the Group, and routinely hedge their credit exposure to the Group consistent with their customary risk management policies. Typically, such Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of Notes. The Initial Purchasers and their affiliates may also publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Initial Purchasers or their respective affiliates may receive allocations of the Notes and may be lenders under the New Senior Secured Term Loans. Certain of the Initial Purchasers or their affiliates, have in the past acted as joint global coordinator, joint lead arranger and/or joint bookrunner in relation to the Senior Secured Term Loans, a portion of which will be repaid with the net proceeds of the Offering. Certain Initial Purchasers or their respective affiliates also provide loans to certain affiliates of the Group and act as arrangers, bookrunners, technical bank and/or agents under loan facilities of certain affiliates of the Group. Certain Initial Purchasers or their respective affiliates are lenders under the Securitization Program and may also provide cash management, foreign currency exchange instruments and hedging services to the Group or affiliates of the Group.

Affiliates of INEOS Limited may purchase Notes issued on the Issue Date.

## LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon for us by Cravath, Swaine & Moore LLP, as to matters of U.S. Federal and New York state law and by Slaughter and May, as to matters of English law. Certain legal matters in connection with the Offering will be passed upon for the Initial Purchasers by Latham & Watkins (London) LLP, as to matters of U.S. Federal, New York state and English law.

## INDEPENDENT AUDITORS

The consolidated financial statements of INEOS Group Holdings S.A. as of and for each of the years ended December 31, 2022, 2021 and 2020, included elsewhere in this offering memorandum, have been audited by Deloitte Audit, *Société à responsabilité limitée*, independent auditors (*réviseur d'entreprises agréé*). Deloitte Audit are members of the Luxembourg *Institut des Réviseurs d'Entreprises.*

## WHERE YOU CAN FIND MORE INFORMATION

We are not currently subject to the periodic reporting and other information requirements of the Exchange Act.

Each purchaser of the Notes from the Initial Purchasers will be furnished with a copy of this offering memorandum and, to the extent provided to the Initial Purchasers by us for such purpose, any related amendment or supplement to this offering memorandum. Each person receiving this offering memorandum acknowledges that: (1) such person has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein; (2) such person has not relied on any of the Initial Purchasers or any person affiliated with any Initial Purchaser in connection with its investigation of the accuracy of such information or its investment decision; and (3) except as provided pursuant to (1) above, no person has been authorized to give any information or to make any representation concerning the Notes or the guarantees offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or any Initial Purchaser. A copy of the form of the Indenture will be made available to prospective purchasers of the Notes upon request to the Issuer. We have agreed in the Indenture governing these Notes that, for so long as the Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, we will, during any period in which we are neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) of the Exchange Act, upon written request of a holder or beneficial owner of the Notes, furnish to such holder or beneficial owner or to the Trustee or any relevant paying agent for delivery to such holder or beneficial owner or prospective purchaser of the Notes, as the case may be, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act, to permit compliance with Rule 144A thereunder in connection with resales of the Notes. Any such request should be directed to the Issuer at INEOS Finance plc, Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom, Attention: Finance Director (telephone number +44 (0)2380 287000).

## SERVICE OF PROCESS AND ENFORCEMENT OF JUDGMENTS

The Issuer and certain of the Guarantors are companies incorporated in England and Wales. Other Guarantors are organized under the laws of Belgium, Germany, Jersey, Luxembourg, Norway, Singapore, Switzerland and the United States, and future Guarantors may also be organized under the laws of non-U.S. jurisdictions. All of our directors and executive officers and many of the directors and officers of the Guarantors are non-residents of the United States. Although the Issuer and each of the Guarantors have submitted to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process within the United States on our directors and executive officers and the directors and executive officers of the Guarantors or security providers. In addition, as many of our and the Guarantors' assets and the assets of our and their directors and executive officers are located outside of the United States, you may be unable to enforce against them or us judgments obtained in U.S. courts predicated on civil liability provisions of the Federal securities laws of the United States.

If a judgment is obtained in a U.S. court against us or a Guarantor, investors will need to enforce such judgment in jurisdictions where the relevant company has assets. Even though the enforceability of U.S. court judgments outside the United States is described below for the countries in which any of our Guarantors or our Collateral is located, you should consult with your own advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

### Belgium

The U.S. and Belgium do not have a treaty providing for the reciprocal recognition and enforcement of court judgments in civil and commercial matters. Therefore, the enforcement in Belgium of a judgment obtained in any U.S. Federal or State court will be subject to Belgian rules of civil procedure and will only be granted following formal 'exequatur' proceedings before a Belgian court in accordance with Articles 23 and 24 of the Belgian Code of Private International Law (*Wetboek van Internationaal Privaatrecht/Code de droit international privé*).

Pursuant to Article 24 of the Belgian Code of Private International Law, the following documents must be produced in court by the claimant seeking enforcement:

- an official copy of the judgment (*uitgifte van de beslissing/expédition de la décision*) fulfilling all conditions required for its authentication under the applicable foreign law;
- if obtained by default, an original or legalized copy of the document demonstrating that the originating process has been served on the defendant in accordance with the applicable foreign law; and
- any document demonstrating that, under the applicable foreign law, the judgment is enforceable and has been notified to the defendant.

However, the court will refuse enforcement in the circumstances described in Article 25 of the Belgian Code of Private International Law and notably, if, among other things:

- the consequences of the enforcement of the judgment would be manifestly contrary to Belgian public policy;
- the rights of defense were not respected;
- the jurisdiction of the foreign judge was based solely on the presence of the defendant or assets in such state without any further connection with the litigation in such state;
- without prejudice to Article 23.4 of the Belgian Code of Private International Law, the judgment is not final or does not meet the requirements of authenticity pursuant to the laws of the State where the judgment was rendered or the applicable federal rules;
- if in relation to matters for which parties cannot freely dispose of their rights, the decision has been sought with the sole purpose of escaping from the application of the laws applicable in accordance with Belgian conflict of law rules;
- the decision is in conflict with either a decision rendered in Belgium or a decision previously rendered in another state that can be recognized in Belgium;
- the claim was introduced before the courts of such state after a claim, which is still pending and relating to the same matter and between the same parties, was introduced in a Belgian court;

- the Belgian courts have exclusive jurisdiction in relation to the claim; or
- the decision is in conflict with the rules on the recognition and enforcement of court decisions in relation to insolvency proceedings.

With regard to the enforcement by legal proceedings of any claim (including the exequatur of foreign court decisions in Belgium), a registration tax of 3% (to be calculated on the total amount, which a debtor is ordered to pay) is due, if the sum of money which the debtor is ordered to pay by a Belgian court judgment, or by a foreign court judgment that is either (i) automatically enforceable and registered in Belgium or (ii) rendered enforceable by a Belgian court, exceeds EUR 12,500. The debtors are liable for the payment of the registration tax, in the proportion determined by the decision ordering payment or liquidation or determining priority for creditors made or established against them. The debtors are jointly and severally liable in the event that they are ordered to pay jointly and severally.

**Canada**

The following discussion with respect to the enforceability of certain United States court judgments in the Canadian provinces of Alberta, Nova Scotia and Ontario (individually a "**Canadian Province**" and collectively the "**Canadian Provinces**") is based upon advice provided to us by U.S. and Canadian counsel.

- None of the Canadian Provinces currently have a treaty with the United States of America or any state thereof providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters. Consequently, a final judgment rendered by any federal or state court in the United States, whether predicated solely upon U.S. federal securities laws, would not automatically be recognized or enforceable in the Canadian Provinces. However, under the laws of the Canadian Provinces and the federal laws of Canada applicable therein, a court of competent jurisdiction in the Canadian Provinces (a "**Canadian Court**") would permit an action to be brought in such Canadian Court on a final, conclusive and subsisting in personam judgment of a court exercising competent jurisdiction in the U.S. (a "**U.S. Court**") for a sum certain, obtained against the Issuer or the Guarantors (a "**U.S. Judgment**"), without reconsideration of the merits, provided that: the U.S. Court rendering such judgment had jurisdiction over the Issuer or the relevant Canadian Guarantor, as recognized by the Canadian Court (and submission by the Issuer or the relevant Canadian Guarantor to the non-exclusive jurisdiction of the U.S. Court would be sufficient for that purpose);
- an action to enforce the U.S. judgment must be commenced in the Canadian Court within any applicable limitation period;
- the Canadian Court has discretion to stay or decline to hear an action on the U.S. Judgment if the U.S. Judgment is under appeal or there is another subsisting judgment in any jurisdiction relating to the same cause of action as the U.S. Judgment;
- under the Currency Act (Canada), the Canadian Court may only render judgment for a sum of money in Canadian currency, and in enforcing a foreign judgment for a sum of money in a foreign currency, the CanadianCourt will render its decision in the Canadian currency equivalent of such foreign currency;
- an action in the Canadian Court on the U.S. Judgment may be affected by bankruptcy, insolvency or laws affecting the enforcement of creditors' rights generally; and

such enforcement would be subject to the following defenses:

- the U.S. Judgment was obtained by fraud or in a manner contrary to the principles of natural justice, provided that the U.S. Judgment would not be contrary to natural justice by reason only that service of process was effected on the agent for service of process appointed by the Issuer or the relevant Canadian Guarantor;
- the U.S. Judgment is for a claim which under applicable Canadian law would be characterized as based on a foreign revenue, expropriatory, penal or other public law;
- the U.S. Judgment is contrary to public policy of the relevant Canadian Province, as applicable, or to an order made by the Attorney General of Canada under the *Foreign Extraterritorial Measures Act* (Canada), or by the Competition Tribunal under the *Competition Act* (Canada) in respect of certain judgments referred to in these statutes; and
- the U.S. Judgment has been satisfied or is void or voidable under applicable foreign laws.

**England and Wales**

The following summary with respect to the enforceability of certain U.S. court judgments in England and Wales is based upon advice provided to us by U.S. and English legal advisors. The United States and England currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not automatically be recognized or enforceable in England and Wales. In order to enforce any such U.S. judgment in England and Wales, proceedings must first be initiated before a court of competent jurisdiction in England and Wales. In such an action, an English court would not generally reinvestigate the merits of the original matter decided by the U.S. court (subject to the following) and it would usually be possible to obtain summary judgment on such a claim (assuming that there is no good defense to it). Recognition and enforcement of a U.S. judgment by an English court in such an action is conditional upon (among other things) the following:

- the U.S. court having had jurisdiction over the original proceedings according to English conflicts of laws principles and rules of English private international law;
- the U.S. judgment having not been given contrary to an applicable jurisdiction or arbitration clause or other agreement for the settlement of disputes under which the dispute in question was to be settled otherwise than by proceedings in a U.S. court (to whose jurisdiction the judgment debtor did not submit);
- the U.S. judgment being final and conclusive on the merits in the sense of being final and unalterable in the court which pronounced it and being for a definite sum of money;
- the U.S. judgment not contravening English public policy or statute (including the Human Rights Act 1998);
- the U.S. judgment not being for a sum payable in respect of taxes, or other charges of a like nature, or in respect of a penalty or fine;
- the U.S. judgment not having been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damages sustained and not being otherwise in breach of Section 5 of the Protection of Trading Interests Act 1980;
- the U.S. judgment not having been obtained by fraud or in breach of English principles of natural or substantial justice;
- there not having been a prior inconsistent decision of an English court, or another court whose judgment is entitled to recognition in England and Wales, in respect of the same matter; and
- the English enforcement proceedings being commenced within six years from the date of the U.S. judgment.

Subject to the foregoing, investors may be able to enforce in England and Wales judgments in civil and commercial matters that have been obtained from U.S. federal or state courts. However, we cannot assure you that those judgments will be recognized or enforceable in England and Wales. In addition, it is questionable whether an English court would accept jurisdiction and impose civil liability if the original action was commenced in England and Wales, instead of the United States, and predicated solely upon U.S. federal securities laws.

**France**

The United States and France are not parties to a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters. Accordingly, a judgment rendered by any U.S. Federal or state court based on civil liability, whether or not predicated solely upon U.S. Federal or state securities laws, enforceable in the United States, would not directly be recognized or enforceable in France. A party in whose favor such judgment was rendered could initiate enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal Judiciaire*). Enforcement in France of such U.S. judgment could be obtained following proper (*i.e.*, *non-ex parte*) proceedings if the civil court is satisfied that the following conditions have been met (which conditions, under prevailing French case law, do not include a review by the French court of the merits of the foreign judgment):

- such U.S. judgment was rendered by a court having jurisdiction over the matter in accordance with French rules of international conflicts of jurisdiction (*i.e.*, the dispute is clearly connected to the United States and the French courts did not have exclusive jurisdiction over the matter);
- such U.S. judgment does not contravene French international public policy rules, both pertaining to the merits and to the procedure of the case;
- such U.S. judgment is not tainted with fraud; and
- such U.S. judgment does not conflict with a French judgment or a foreign judgment which has become effective in France and there are no proceedings pending before French courts at the time enforcement of the judgment is sought and having the same or similar subject matter as such U.S. judgment.

If the French court is satisfied that such conditions are met, the U.S. judgment would have res judicata and be enforceable in France, even during the period to lodge an appeal against the civil first instance Court decision and during potential appeal proceedings, unless its enforceability is suspended by Court decision until the end of such appeal proceedings.

In addition, the discovery process under actions filed in the United States could be adversely affected under certain circumstances by French criminal law No. 68-678 of July 26, 1968, as modified by French law No. 80-538 of July 16, 1980 and French Ordinance No. 2000-916 of September 19, 2000 (relating to communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons), Order No. 2022-207 of February 18, 2022 and Order of the Ministry of Economy of March 7, 2022 (relating to communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons) as well as French law No. 2018-670 related to the protection of trade secrets, which could prohibit or restrict obtaining evidence in France or from French persons in connection with a judicial or administrative U.S. action. Pursuant to the regulations above, the U.S. authorities would have to comply with international (1970 Hague Convention on the Taking of Evidence Abroad) or French procedural rules to obtain evidence in France or from French persons. Similarly, European and French data protection rules (including Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and French law No. 78-17 of January 6, 1978 on data processing, data files and individual liberties, as amended from time to time) can limit under certain circumstances the possibility of obtaining information in France or from French persons in connection with a judicial or administrative U.S. action in a discovery context.

If an original action is brought in France, French courts may refuse to apply the designated law (or part of it) if its application contravenes French public policy. In an action brought in France on the basis of U.S. Federal or state securities laws, French courts may not have the requisite power to grant all the remedies sought.

Pursuant to articles 14 and 15 of the French Civil Code, a French national (either a company or an individual) can sue a foreign defendant before French courts (article 14) and can be sued by a foreign claimant before French courts (article 15). For a long time, case law has interpreted these provisions as meaning that a French national, either claimant or defendant, could not be forced against its will to appear before a jurisdiction other than French courts and that the foreign decision issued in such circumstances would not be recognized and enforced in France. However, according to currently established case law, the French courts' jurisdiction towards French nationals is no longer mandatory to the extent an action has been commenced before a court in a jurisdiction which has sufficient contacts with the dispute and the choice of jurisdiction is not fraudulent, and does not prevent the recognition and enforcement of the decision of such foreign court. In addition, the French and foreign nationals may respectively waive their rights to benefit from the provisions of articles 14 and 15 of the French Civil Code, including implicitly, by way of conduct by voluntarily appearing before the foreign court.

It must be noted that under Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of December 12, 2012, as regards legal actions falling within the scope of said Regulation, the privileges granted to French nationals pursuant to Articles 14 and 15 of the French Civil Code may not be invoked against a person domiciled in an EU Member State. Conversely, pursuant to Article 6.2 of Regulation (EU) No. 1215/2012, the privilege granted by Article 14 of the French Civil Code may be invoked by a claimant domiciled in France, regardless of the claimant's nationality, to sue before French courts a defendant domiciled outside the EU.

The French Supreme Court (*Cour de cassation*) has recently held that a contractual provision submitting one party to the exclusive jurisdiction of a court and giving another party the discretionary option to choose any competent jurisdiction was invalid. Accordingly, any provisions to the same effect in any relevant documents would not be binding on the party submitted to the exclusive jurisdiction of the court or prevent a French party from bringing an action before the French courts.

**Germany**

The United States and Germany currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Consequently, a final judgment for a payment rendered by any court in the United States would not automatically be enforceable in Germany.

Notwithstanding the preceding, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would generally be recognized and enforced in Germany in an action before a German court, and such German court generally will not investigate the merits of the original matter decided by a U.S. court. The recognition and enforcement of the U.S. judgment by a German court would be conditional upon a number of factors, including all of the following:

- the ability of the U.S. court to take jurisdiction of the case in accordance with the principles of jurisdictional competence under German law;
- the document introducing the proceedings having been duly made known to the defendant in a timely manner that allowed for adequate defense;
- the judgment not being contrary to (i) any prior judgment which became res judicata rendered by a German court or (ii) any prior judgment which became res judicata rendered by a foreign court which is recognized in Germany, and the procedure leading to the U.S. judgment is not in contradiction to any such prior judgment;
- the effects of its recognition not being in conflict with material principles of German law, including, without limitation, fundamental rights under the constitution of Germany (*Grundrechte*). In this context, it should be noted that any component of a U.S. federal or state court civil judgment awarding punitive damages or any other damages which do not serve a compensatory purpose, such as treble damages, will not be enforced in Germany, as they are regarded to be in conflict with material principles of German law;
- the reciprocity of enforcement of judgments being guaranteed; and
- the judgment having become res judicata in accordance with the law of the place where it was pronounced.

Enforcement and foreclosure based on U.S. judgments may be sought against German defendants after having received an enforcement decision from a competent German court in accordance with the above principles. Subject to the foregoing, investors may be able to enforce judgments in Germany in civil and commercial matters obtained from U.S. federal or state courts. However, we cannot assure you that those judgments will be enforceable. In addition, it is doubtful whether a German court would accept jurisdiction and impose civil liability in an original action predicated solely upon U.S. federal securities laws.

Furthermore, in the past the recognition and enforcement of punitive damages has been denied by German courts as incompatible with the substantial foundations of German law. Moreover, a German court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages.

German civil procedure differs substantially from U.S. civil procedure in a number of respects. With respect to the production of evidence, for example, U.S. federal and state law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may, prior to trial, compel the production of documents by adverse or third parties and the deposition of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. No such pretrial discovery process exists under German law. If the party in whose favor such final judgment is rendered brings a new lawsuit in a competent court in Germany, such party may submit to the German court the final judgement rendered in the United States. Under such circumstances, a judgment by a federal or state court of the United States against the Issuer or such persons will be regarded by a German court only as evidence of the outcome of the dispute to which such judgment relates. A German court may choose to re-hear the dispute and may render a judgment not in line with the judgment rendered by a federal or state court of the United States.

In addition, it may under certain circumstances also not be possible for investors to effect service of process within Germany upon the Issuer or the Guarantors or those persons under the Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 and the German law implementing such convention if such service were deemed to infringe German sovereignty or security, which may be the case if such service violated the fundamental principles of German law, in particular the civil rights (*Grundrechte*) guaranteed by virtue of the German Constitution (*Grundgesetz*). However, the German Constitutional Court (*Bundesverfassungsgericht*) held in 2013 that service may not be denied solely because the action before the U.S. court contains claims for punitive damages.

**Jersey**

The following summary with respect to the enforceability of certain U.S. court judgments in Jersey is based upon advice provided to us by Jersey legal advisors. The United States and Jersey currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment rendered by any Federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. Federal securities laws, would not automatically be recognized or enforceable in Jersey. In order to enforce any such U.S. judgment in Jersey, proceedings must first be initiated before a court of competent jurisdiction in Jersey. In such an action, a Jersey court would not generally reinvestigate the merits of the original matter decided by the U.S. court (subject to what is said below) and it would usually be possible to obtain summary judgment on such a claim (assuming that there is no good defense to it). Recognition and enforcement of a U.S. judgment by a Jersey court in such an action is conditional upon (among other things) the following:

- the U.S. court having had jurisdiction over the original proceedings according to Jersey conflict of laws principles;
- the U.S. judgment being final and conclusive on the merits in the sense of being final and unalterable in the court which pronounced it and being for a definite sum of money (although there are circumstances where non-money judgments can also be enforced);
- the U.S. judgment not contravening Jersey public policy;
- the U.S. judgment not being for a sum payable in respect of taxes, or other charges of a like nature, or in respect of a penalty or fine;
- the U.S. judgment not having been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damages sustained and not being otherwise in breach of Section 5 of the United Kingdom Protection of Trading Interests Act 1980 (as extended to Jersey by the Protection of Trading Interests Act 1980 (Jersey) Order 1983);
- the U.S. judgment not having been obtained by fraud or in breach of Jersey principles of natural justice; and
- there not having been a prior inconsistent decision of a Jersey court in respect of the same matter.

Subject to the foregoing, investors may be able to enforce in Jersey judgments in civil and commercial matters that have been obtained from U.S. Federal or state courts. However, we cannot assure you that those judgments will be recognized or enforceable in Jersey. In addition, it is questionable whether a Jersey court would accept jurisdiction and impose civil liability if the original action was commenced in Jersey, instead of the United States, and predicated solely upon U.S. Federal securities laws.

**Luxembourg**

The Issuer has been advised by Luxembourg counsel that the United States and Luxembourg are not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, except for arbitral awards rendered in civil and commercial matters. According to such counsel, an enforceable judgment for the payment of monies rendered by any U.S. Federal or state court based on civil liability, whether or not predicated solely upon the U.S. securities laws, would not directly be enforceable in

Luxembourg. However, a party who received such favorable judgment in a U.S. court may initiate enforcement proceedings via an action for exequatur (*exequatur*) in Luxembourg pursuant to the provisions of articles 678 *et seq*. of the Luxembourg new code of civil procedure (*nouveau code de procédure civile*), by requesting enforcement of the U.S. judgment by the District Court (*Tribunal d'Arrondissement*) . The District Court will authorize the enforcement in Luxembourg of the U.S. judgment if it is satisfied that all of the following conditions are met:

- the U.S. judgment is enforceable (*exécutoire*) in the United States;
- the U.S. court awarding the judgment has jurisdiction, both according to its own national jurisdiction rules and to the Luxembourg principles of conflicts of jurisdiction and in particular, Luxembourg courts had no exclusive jurisdiction over the case at hand, to adjudicate the respective matter under applicable U.S. Federal or state jurisdictions rules;
- the U.S. court has applied to the dispute the substantive law which would have been applied by Luxembourg courts in accordance with Luxembourg conflict of laws rules;
- the U.S. judgment does not contravene Luxembourg international public policy or overriding mandatory provisions of Luxembourg law;
- the U.S. court has acted in accordance with its own procedural laws;
- the principles of natural justice have been complied with and the U.S. judgment was granted following proceedings where the defendant had the opportunity to appear and, if it appeared, to present a defense; and
- the U.S. judgment was not granted pursuant to an evasion of Luxembourg law (*fraude à la loi luxembourgeoise*).

Luxembourg courts do currently not review the merits of New York judgments even though there is no statutory prohibition of such review.

Under Luxembourg law, contractual provisions allowing the service of process against a party to a service agent could be overridden by Luxembourg statutory provisions allowing the valid serving of process against a party in accordance with applicable laws at the domicile of the party.

Subject to the foregoing, investors may be able to enforce in Luxembourg judgments in civil and commercial matters that have been obtained from U.S. Federal or state courts. However, we cannot assure you that those judgments will be recognized or enforceable in Luxembourg. In addition, it is questionable whether a Luxembourg court would accept jurisdiction and impose civil liability if the original action was commenced in Luxembourg instead of the United States, and predicated solely upon U.S. Federal securities laws.

**Norway**

Norwegian courts will, as a general rule, not recognize or enforce judgments rendered by a foreign court unless Norway has entered into a bilateral or multilateral treaty with the relevant country or countries regarding the recognition and enforcement of judgments and subject to the provisions of Section 19-16 of the Norwegian Dispute Act of June 17, 2005. No. 90 (the "**Dispute Act**"). Due to Norway's accession to the Lugano Convention on the Recognition of Judgments in Civil and Commercial Matters (the "**Lugano Convention**"), Norwegian courts will recognize and enforce any final civil judgment obtained in a foreign court of any state which is a party to the Lugano Convention, without a further reexamination of the merits of the case. The exceptions stated in the Lugano Convention itself will apply.

Therefore, a judgment against the Issuer or any Guarantor in the courts of a state which is not, under the terms of the Lugano Convention, a Contracting State (as defined in the Lugano Convention) or a state with which Norway has entered into a convention on the mutual recognition and enforcement of judgments, would not, as a general rule, be recognized or enforceable in Norway as a matter of right.

There is currently no treaty or bilateral agreement in place between the United States and Norway that provides for reciprocal recognition and enforcement of judgment by a U.S federal or state court in civil and commercial matters. Thus, a judgment from a U.S federal or state court would as a main rule not be enforceable in Norway without an independent review of the merits of the case.

However, a judgment rendered by a foreign court (e.g., the courts of the United States) may nevertheless be recognized and enforced in Norway without reexamination of the merits of the case if the foreign proceedings and the judgment itself fulfill the conditions stated in the Norwegian Enforcement Act of June 26, 1992 No. 86 and he Dispute Act. Such conditions can include, without limitation:

- the disputing parties having submitted the matter in dispute in writing to a court or tribunal in the agreed jurisdiction,
- there being no other mandatory venue for such dispute,
- the judgment obtained being final and enforceable in and pursuant to the laws of the country where it was rendered, and
- the recognition and enforcement of the judgment not conflicting with Norwegian mandatory laws or public policy.

However, a non-enforceable judgment by a foreign court may be admissible as evidence in the courts of law, executive or other public authorities of Norway and may in such capacity carry persuasive authority depending on the merits of the judgment without a retrial on its merits.

**Scotland**

The following summary with respect to the enforceability of certain U.S. court judgments in Scotland is based upon advice provided to us by U.S. and Scottish legal advisors. The United States and Scotland currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment rendered by any Federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. Federal securities laws, would not automatically be recognized or enforceable in Scotland. In order to enforce any such U.S. judgment in Scotland, proceedings must first be initiated before a court of competent jurisdiction in Scotland. In such an action, a Scottish court would not generally reinvestigate the merits of the original matter decided by the U.S. court and it would usually be possible to obtain summary judgment on such a claim (subject to what is said below). Recognition and enforcement of a U.S. judgment by a Scottish court in such an action is conditional upon (among other things) the following:

- the U.S. court having had jurisdiction over the original proceedings according to Scottish conflicts of laws principles;
- the U.S. judgment being final and conclusive on the merits in the sense of being final and unalterable in the court which pronounced it and being for a definite sum of money;
- the U.S. judgment not contravening Scottish public policy;
- the U.S. judgment not being for a sum payable in respect of taxes, or other charges of a like nature, or in respect of a penalty or fine;
- the U.S. judgment not having been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damages sustained and not being otherwise in breach of Section 5 of the Protection of Trading Interests Act 1980, or the judgment not being on a claim for contribution in respect of damages awarded by a judgment based on a rule of law specified under Section 5 of the Protection of Trading Interests Act 1980;
- the U.S. judgment not having been obtained by fraud;
- the U.S. judgment resulted from proceedings which displayed a substantial degree of unfairness or irregularity against the parties to the action, or otherwise contrary to the principles of natural justice;
- there not having been a prior inconsistent decision of a Scottish court between the same parties, or a prior final judgment of another court having jurisdiction whose judgment is enforceable in Scotland;
- the U.S. judgment is affected by Section 32 of the Civil Jurisdiction and Judgments Act 1982 where (1) the bringing of the proceedings was contrary to an agreement under which the dispute in question was to be settled otherwise than by proceedings in the courts of that country, (2) those proceedings were not brought in that court by or with the agreement of the person against whom the judgment was given and (3) that person did not counterclaim in the proceedings or otherwise submit to the jurisdiction of the court;
- there not having been an order made and remaining effective under Section 9 of the Foreign Judgments (Reciprocal Enforcement) Act 1933 applying that section to judgments of the original court;

- the U.S. judgment having not been based on foreign measures which the Secretary of State specifies under Section 1 of the Protection of Trading Interests Act 1980 as regulating and controlling international trade and which, in so far as they apply to persons carrying on business in the United Kingdom, are damaging or threaten to damage the trading interests of the United Kingdom; and
- the claim not having become barred under the Prescription and Limitation (Scotland) Act 1973, as amended by the Prescription (Scotland) Act 2018, or may be or become subject to defenses of retention, compensation, set-off or counterclaim.

Subject to the foregoing, investors may be able to enforce in Scotland judgments in civil and commercial matters that have been obtained from U.S. Federal or state courts. However, we cannot assure you that those judgments will be recognized or enforceable in Scotland. In addition, it is questionable whether a Scottish court would accept jurisdiction and impose civil liability if the original action was commenced in Scotland, instead of the United States, and predicated solely upon U.S. Federal securities laws.

**Singapore**

Judgments by courts in the United States of America are not directly enforceable in Singapore as if they were judgments of the Singapore courts. However, a final and conclusive judgment on the merits properly obtained against (as the case may be) us or a Guarantor in any competent court of the United States of America for a fixed sum of money payable by (as the case may be) us or such Guarantor in respect of any legal suit or proceeding and which could be enforced by execution against (as the case may be) us or such Guarantor in the jurisdiction of the relevant court and has not been stayed or satisfied in whole may be sued on in Singapore as a debt due from (as the case may be) us or such Guarantor if:

- the relevant court had jurisdiction over (as the case may be) us or such Guarantor in that (as the case may be) we were or such Guarantor was, at the time such proceeding was instituted, resident in the jurisdiction in which such proceeding had been commenced or had submitted to the jurisdiction of the relevant court;
- that judgment was not obtained by fraud;
- that judgment does not amount to judgment on a matter previously determined by a Singapore court and does not conflict with a judgment on the same matter given by any other court that is enforceable in Singapore;
- the enforcement of that judgment will not be contrary to public policy of Singapore;
- that judgment had not been obtained in contravention of the principles of natural justice; and
- that judgment of the relevant court did not include the payment of taxes, or a fine or penalty.

**Switzerland**

Judgments in civil or commercial matters of a non-Swiss court or authority will be recognized and enforced against an individual or a legal entity with legal domicile or seat in Switzerland pursuant to a bilateral or multilateral treaty or convention between the foreign country and Switzerland, e.g., the Lugano Convention on Jurisdiction and Enforcement of Judgments of October 30, 2007. In case no applicable treaty or convention exists, the rules of the Swiss Federal Act on Private International Law ("**PILA**"; *Bundesgesetz vom 18. Dezember 1987 über das Internationale Privatrecht* (*IPRG*)) apply.

Except for arbitral awards, there is currently no treaty or convention in effect pertaining to the recognition and enforcement of judgments in civil and commercial matters between the United States of America and Switzerland. Thus, Art. 25-32 PILA applies for the recognition and enforcement of a U.S. federal or state court judgment in Switzerland. In cases where a U.S. money judgment shall be enforced, the Swiss Federal Act on Debt Enforcement and Bankruptcy and the Swiss Code of Civil Procedure (*Schweizerische Zivilprozessordnung vom 19. Dezember 2008* (*ZPO*)) applies in addition to the PILA. Please see *"Limitations on the Validity and Enforceability of the Guarantees and the Security Interests—Switzerland"*.

A United States judgment may be recognized and enforced upon request by the courts of Switzerland if certain requirements of the Swiss Federal Act on Private International Law are met, in particular, that (i) the Swiss court determines that the foreign court had jurisdiction, (ii) the judgment of such court has become final and non-appealable, (iii) the recognition of the foreign judgment is not manifestly contrary to Swiss public policy, (iv) the counterparty has been properly served with process according to the law of the state of his/her/its domicile or ordinary residence (if in Switzerland, through judicial aid granted by the Swiss authorities) or the counterparty has unconditionally joined the proceedings, (v) the proceedings leading to the judgment have respected the fundamental principles of Swiss procedural law and, in particular, that the counterparty has been granted the right to be heard and (vi) no action between the same parties and on the same subject matter has been commenced or decided first in Switzerland and no decision between the same parties and on the same subject matter has been first decided in a third state, which decision may be recognized in Switzerland.

Further, valid submission to the jurisdiction of a foreign court, in particular of a U.S. court or authority, is established (i) if a provision of the PILA so provides or, in the absence of such provision, the defendant had his legal domicile in the country in which the decision was rendered; or (ii) if parties who, in a pecuniary dispute, entered into an agreement valid under PILA, submitted their dispute to the jurisdiction of the court or authority which rendered the judgment; or (iii) if the defendant, in a pecuniary dispute, proceeded on the merits without objecting to jurisdiction; or (iv) if, in the event of a counterclaim, the court or authority which rendered the decision had jurisdiction over the principal claim and there is a factual connection between the principal claim and the counterclaim. It is uncertain whether this practice extends to default judgments as well.

Moreover, a Swiss court may reduce the amount of damages granted by a U.S. court and recognize damages only to the extent that they are necessary to compensate actual losses or damages. Enforcement and recognition of judgments of U.S. courts in Switzerland are governed by the provisions of the Swiss Civil Procedure Code. The judgment of a Swiss court or authority of first instance concerning recognition and enforcement of a foreign judgment, including a U.S. judgment, is generally subject to appeal (on the cantonal level as well as on the federal level).

Subject to the foregoing, holders of the Notes may be able to enforce in Switzerland judgments in civil and commercial matters obtained from U.S. federal or state courts; however, we cannot assure you that those judgments will be enforceable. Awards of punitive damages or other types of penalty in original actions outside Switzerland may also not be enforceable in Switzerland. It is uncertain whether a Swiss court would recognize U.S. jurisdiction if the defendant did not enter an appearance before a U.S. court during the substantive proceedings in the sense of article 6 PILA. It is doubtful whether a Swiss court would accept jurisdiction and impose civil liability if proceedings were commenced in Switzerland predicated solely upon U.S. federal or state securities law. In addition, in an action brought in a Swiss court on the basis of U.S. federal or state securities laws, the Swiss courts may not have the requisite power to grant the remedies sought. Swiss civil procedure differs substantially from U.S. civil procedure in a number of respects. Insofar as the production of evidence is concerned, U.S. law and the laws of several other jurisdictions based on common law provide for pre-trial discovery, a process by which parties to the proceedings may prior to trial compel the production of documents by adverse or third-parties and the deposition of witnesses. Evidence obtained in this manner may be decisive in the outcome of any proceeding. No such pre-trial discovery process exists under Swiss law and a Swiss court would generally decide on the basis of evidence provided by the parties during the trial and in accordance with the applicable rules on the burden of proof. No statement can be made as to the time and efficiency of the recognition and enforcement in Switzerland of a foreign judgment considering that recognition and enforcement proceedings tend to be time consuming in Switzerland.

Under Swiss law, any amount denominated in a foreign currency which has to be enforced through Swiss debt collection authorities (*schweizerische Zwangsvollstreckungsbehörden*) has to be converted into Swiss francs.

Swiss law documents may be executed in English. However, in case of enforcement the Swiss courts or any other official Swiss authority may require that the transaction documents and any judgment obtained in a foreign court be translated into one of the official languages of Switzerland.

The instruction and appointment of an agent and any power of attorney may be revoked at any time under Swiss law notwithstanding the appointment, instruction or power of attorney being said to be irrevocable and any mandate may, as a matter of statutory Swiss law, be terminated at any time by each party to the mandate.

Judicial documents may not be served directly from abroad, including from the United States of America, to a person in Switzerland (see Switzerland's reservations to the Hague Convention on Service Abroad of Judicial or Extra-Judicial Documents in Civil and Commercial Matter concluded on November 15, 1965). Instead, service needs to be effected by way of judicial assistance.

## LISTING AND GENERAL INFORMATION

1. The Issuer was incorporated in England and Wales on November 23, 2009. It is registered at Companies House with Company Number 07084307. The address of the Issuer's registered office is Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom.

2. Application will be made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF Market thereof.

3. So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Euro MTF Market, copies of the Issuer's Articles of Association and those of the Guarantors and the Indenture (including the guarantees granted thereunder) will be available free of charge at the specified office of the Paying Agent in Luxembourg referred to in paragraph 9 below. So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Euro MTF Market, copies of IGH's audited annual financial statements and the consolidated audited annual financial statements, consolidated quarterly financial information and all subsequent fiscal years will be available free of charge during normal business hours on any weekday at the offices of such Paying Agent in Luxembourg referred to in paragraph 9 below. So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Euro MTF Market, copies of the security documents will be available free of charge during normal business hours on any weekday at the offices of the Paying Agent in Luxembourg referred to in paragraph 9 below.

4. We accept responsibility for the information contained in this offering memorandum. To the best of our knowledge, except as otherwise noted, the information contained in this offering memorandum is in accordance with the facts and does not omit anything likely to affect the import of this offering memorandum.

5. The proceeds of the Notes will be used outside Switzerland at all times while any Notes are outstanding unless (i) use in Switzerland is permitted under the Swiss taxation laws in force from time to time or (ii) it is confirmed in a tax ruling by the Swiss Federal Tax Administration that such use of proceeds is permitted without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.

6. Except as disclosed herein, there has been no material adverse change in IGH's consolidated financial position since September 30, 2023.

7. Neither we nor any of our subsidiaries is a party to any litigation, governmental or arbitration proceedings that is material in the context of the issue of the Notes, except as disclosed herein and, so far as the Issuer is aware, no such governmental, legal or arbitration proceeding is pending or threatened.

8. The Trustee for the Notes is BNY Mellon Corporate Trustee Services Limited and its address is 160 Queen Victoria Street, London EC4V 4LA. The Trustee will be acting in its capacity as trustee for the holders of the Notes and will provide such services to the holders of the Notes as described in the Indenture.

9. We will appoint The Bank of New York Mellon, London Branch and The Bank of New York Mellon SA/NV, Dublin Branch as our Paying Agent and Transfer Agent, respectively. We reserve the right to vary such appointment and shall publish notice of such change of appointment in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the Luxembourg Stock Exchange's website, *www.bourse.lu*. The Paying Agent in Luxembourg will act as intermediary between the holders of the Notes and us and so long as the Notes are listed on the Euro MTF Market we will maintain a paying agent and a transfer agent in Luxembourg.

10. There are no conflicts of interest between the duties of the directors of the Parent and their private interests.

11. The issue of the Notes was authorized by resolutions of the Issuer's board of directors passed at meetings held on January 19, 2024.

12. The Dollar Global Notes sold pursuant to Regulation S and Rule 144A under the Securities Act have been, or will be, accepted for clearance under DTC under ISIN numbers and ,

respectively, and CUSIP numbers and , respectively. The Euro Global Notes sold pursuant to Regulation S and Rule 144A under the Securities Act have been, or will be, accepted for clearance through the facilities of Clearstream Banking and Euroclear, as applicable under common codes and , respectively, and ISIN numbers and , respectively.

13. Set forth below is certain information with respect to the Guarantors. For more information, see "Description of the Collateral and the Guarantees."

INEOS Belgium Holdco SA is a limited liability company organized under the laws of Belgium. It is registered with the Crossroads Bank for Enterprises (*Kruispuntbank voor Ondernemingen/Banque Carrefour des Entreprises*) under number 0871.523.521 (RPR of Brussels—French speaking division) and the address of its statutory office is Ransbeekstraat 310, 1120 Brussels (Belgium).

INEOS Belgium NV is a limited liability company organized under the laws of Belgium. It is registered with the Crossroads Bank for Enterprises (*Kruispuntbank voor Ondernemingen/Banque Carrefour des Entreprises*) under number 0463.251.511 (RPR Antwerpen—division Antwerpen) and the address of its statutory office is Haven 1053—Nieuwe Weg 1, 2070 Zwijndrecht (Belgium).

INEOS Feluy SA is a limited company organized under the laws of Belgium. It is registered with the Crossroads Bank for Enterprises (*Kruispuntbank voor Ondernemingen/Banque Carrefour des Entreprises*) under number 0862.492.029 (RPR Hainaut—division Charleroi) and the address of its statutory office is Parc Industriel de Feluy Nord-Zone C, 7181 FELUY (Belgium).

INEOS Manufacturing Belgium NV is a limited liability company organized under the laws of Belgium. It is registered with the Crossroads Bank for Enterprises (*Kruispuntbank voor Ondernemingen/Banque Carrefour des Entreprises*) under number 0869.926.088 (RPR Antwerpen—division Antwerpen) and the address of its statutory office is Scheldelaan 482, 2040 Antwerpen (Belgium).

INEOS NV is a limited liability company organized under the laws of Belgium. It is registered with the Crossroads Bank for Enterprises (*Kruispuntbank voor Ondernemingen/Banque Carrefour des Entreprises*) under number 0454.443.614 (RPR Antwerpen—division Antwerpen) and the address of its statutory office is Haven 1053—Nieuwe Weg 1, 2070 Zwijndrecht (Belgium).

INEOS Phenol Belgium NV is a limited liability company organized under the laws of Belgium. It is registered with the Crossroads Bank for Enterprises (*Kruispuntbank voor Ondernemingen/Banque Carrefour des Entreprises*) under number 0888.947.788 (RPR Gent—division Dendermonde) and the address of its registered office is Haven 1930—Geslecht 1, 9130 Beveren (Belgium).

INEOS Group Holdings S.A. is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg having its registered office at 62, avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number 157810.

INEOS Luxembourg I S.A. is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg having its registered office at 62, avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number B158195.

INEOS Luxembourg II S.A. is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg having its registered office at 62, avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number B158194.

INEOS Holdings Limited is a limited company incorporated under the laws of England and Wales on May 14, 2001. It is registered at Companies House with Company Number 04215887 and the address of its registered office is Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom.

INEOS Holdings (Investments) Limited is a limited company incorporated under the laws of England and Wales on January 18, 2011. It is registered at Companies House with Company Number 07497205 and the address of its registered office is Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom.

INEOS Investments International Limited is a limited company incorporated under the laws of England and Wales on March 2, 2000. It is registered at Companies House with Company Number 03938607 and the address of its registered office is Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom.

INEOS European Holdings Limited is a limited company incorporated under the laws of England and Wales on December 10, 2004. It is registered at Companies House with Company Number 05310700 and the address of its registered office is Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom.

INEOS Fluor Holdings Limited is a limited company incorporated under the laws of England and Wales on August 9, 2000. It is registered at Companies House with Company Number 04049690 and the address of its registered office is Anchor House, 15-19 Britten Street, Chelsea, London SW3 3TY, United Kingdom.

INEOS Fluor Limited is a limited company incorporated under the laws of England and Wales on July 26, 2000. It is registered at Companies House with Company Number 04041123 and the address of its registered office is Anchor House, 15-19 Britten Street, Chelsea, London SW3 3TY, United Kingdom.

INEOS Holdings International Limited (formerly INEOS Investment Holdings (Fluor & Silicas) Limited) is a limited company incorporated under the laws of England and Wales on April 27, 2000. It is registered at Companies House with Company Number 03982231 and the address of its registered office is Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom.

INEOS Investment Holdings (Germany) Limited (formerly INEOS Phenol Limited) is a limited company incorporated under the laws of England and Wales on December 11, 2000. It is registered at Companies House with Company Number 04122347 and the address of its registered office is Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom.

INEOS Manufacturing (Hull) Limited is a limited company incorporated under the laws of England and Wales on January 22, 2008. It is registered at Companies House with Company Number 06480046 and the address of its registered office is Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom.

INEOS Oxide Limited is a limited company incorporated under the laws of England and Wales on April 6, 1998. It is registered at Companies House with Company Number 03545207 and the address of its registered office is Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom.

INEOS Sales (UK) Limited is a limited company incorporated under the laws of England and Wales on November 19, 2010. It is registered at Companies House with Company Number 07445505 and the address of its registered office is Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom.

INEOS Silicas Holdings Limited is a limited company incorporated under the laws of England and Wales on June 12, 2000. It is registered at Companies House with Company Number 04012355 and the address of its registered office is Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom.

INEOS Silicas Limited is a limited company incorporated under the laws of England and Wales on July 11, 1896. It is registered at Companies House with Company Number 00048745 and the address of its registered office is Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom.

INEOS Finance Company 3 Limited is a limited company incorporated under the laws of England and Wales on December 2, 2014. It is registered at Companies House with Company Number 09337435 and the address of its registered office is Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, United Kingdom.

INEOS Deutschland GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany registered for the first time on May 9, 2005. It is presently registered with the Commercial Register of local court of Köln Number HRB 61258 and the address of its registered office is Alte Straße 201, 50769 Köln.

INEOS Deutschland Holding GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany registered for the first time on June 6, 2008. It is presently registered with the Commercial Register of local court of Köln Number HRB 64857 and the address of its registered office is Alte Straße 201, 50769 Köln.

INEOS Köln Beteiligungs GmbH & Co. KG is a limited partnership (*Kommanditgesellschaft*) organized under the laws of Germany registered for the first time on February 1, 2007. It is registered with the Commercial Register of local court of Köln Number HRA 24630 and the address of its office is Alte Straße 201, 50769 Köln.

INEOS Köln GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany registered for the first time on December 1, 1998, originally under the name of "CAROLINE" *Siebzehnte Vermögensverwaltungsgesellschaft GmbH*. It is presently registered with the Commercial Register of local court of Köln Number HRB 37428 and the address of its registered office is Alte Straße 201, 50769 Köln.

INEOS Köln Verwaltungs GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany registered for the first time on November 16, 2006. It is presently registered with the Commercial Register of local court of Köln Number HRB 59517 and the address of its registered office is Alte Straße 201, 50769 Köln.

INEOS Manufacturing Deutschland GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany registered for the first time on July 5, 2002. It is presently registered with the Commercial Register of local court of Köln Number HRB 57260 and the address of its registered office is Alte Straße 201, 50769 Köln.

INEOS Phenol Verwaltungsgesellschaft GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany registered for the first time on December 13, 1996, originally under the name of Phenolchemie Verwaltungsgesellschaft mit beschränkter Haftung. It is presently registered with the Commercial Register of local court of Gelsenkirchen Number HRB 4099 and the address of its registered office is Dechenstraße 3, 45966 Gladbeck.

INEOS Phenol GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Germany registered for the first time on April 23, 1997, originally in the legal form of a limited partnership under the name of *Phenolchemie GmbH & Co. Kommanditgesellschaft*. It is presently registered with the Commercial Register of local court of Gelsenkirchen Number HRB 9687 and the address of its registered office is Dechenstraße 3, 45966 Gladbeck.

INEOS Americas LLC is a limited liability company formed under the laws of Alabama. Its registered office is at CT Corporation System, 2 North Jackson Street, Suite 605, Montgomery, AL 36104, United States.

INEOS US Finance LLC is a limited liability company formed under the laws of Delaware. Its registered office is at Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States.

INEOS USA LLC is a limited liability company formed under the laws of Delaware. Its registered office is at Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States.

INEOS LLC is a limited liability company formed under the laws of Delaware. Its registered office is at Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States.

INEOS Polypropylene LLC is a limited liability company formed under the laws of Delaware. Its registered office is at Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States.

INEOS Technologies USA LLC is a limited liability company formed under the laws of Delaware. Its registered office is at Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States.

INEOS US I Inc. is a corporation incorporated under the laws of Delaware. Its registered office is at Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States.

INEOS USA Manufacturing LLC is a limited liability company formed under the laws of Delaware. Its registered office is at Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States.

INEOS Nitriles USA LLC is a limited liability company formed under the laws of Delaware. Its registered office is at Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States.

INEOS Oligomers USA LLC is a limited liability company formed under the laws of Delaware. Its registered office is at Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States.

INEOS Chocolate Bayou Pipeline LLC is a limited liability company formed under the laws of Delaware. Its registered office is at Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States.

INEOS Technologies Americas LLC is a limited liability company formed under the laws of Delaware. Its registered office is at Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States.

WL Plastics Manufacturing LLC is a limited liability company formed under the laws of Delaware. Its registered office is at Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States.

WL Plastics LLC is a limited liability company formed under the laws of Delaware. Its registered office is at Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States.

INEOS Europe AG is a corporation (*Aktiengesellschaft*) incorporated and existing under the laws of Switzerland, with its registered office at 3 avenue des Uttins, 1180 Rolle, Switzerland, registered under number CHE- 490.118.020.

INEOS Group AG is a corporation (*Aktiengesellschaft*) incorporated and existing under the laws of Switzerland, with its registered office at 3 avenue des Uttins, 1180 Rolle, Switzerland, registered under number CHE- 406.440.724.

INEOS Canada Company is an unlimited company incorporated under the laws of Nova Scotia, Canada registered on June 1, 2005. It is registered under the Companies Act (Nova Scotia) under Corporation Number 3101804 and the address of its registered office is 1500 – 1625 Grafton Street, Halifax, Nova Scotia B3J 0E8.

INEOS Canada Investment Company is an unlimited company incorporated under the laws of Nova Scotia, Canada registered on November 29, 2005. It is registered under the Companies Act (Nova Scotia) under Corporation Number 3119614 and the address of its registered office is 1500 – 1625 Grafton Street, Halifax, Nova Scotia B3J 0E8.

INEOS Canada Partnership is a partnership incorporated under the laws of the Province of Alberta, Canada registered on January 29, 2004. It is registered under the Partnership Act (Alberta) under registration number PT10888030 and the address of the registered office of its partners is 1100-1959 Upper Water Street, Halifax, Nova Scotia B3J 3N2.

INEOS Jersey Limited is a private limited liability company incorporated under the laws of Jersey on November 8, 2005. It is registered at the JFSC Companies Registry with Company Number 91677 and the address of its registered office is 44 Esplanade, St. Helier, JE4 9WG, Jersey.

INEOS Holdings Norge AS is a private limited liability company incorporated under the laws of Norway on April 16, 2007 and registered on April 28, 2007. It is registered with the Norwegian Register of Business Enterprises (Foretaksregisteret) with Company Number 991192328 and the address of its registered office is Asdalstrand 291, NO-3962 Stathelle, Norway.

INEOS Singapore Pte. Ltd. is a private limited liability company incorporated under the laws of Singapore on January 20, 2005. It is incorporated in Singapore with Registration Number 200501012G and the address of its registered office is 111 Somerset Road, #14-16/21 111 Somerset, Singapore 238164.

14. As of the date of this offering memorandum, the Guarantors represent approximately 95.9% of the Parent's consolidated EBITDA for the 12-month period ended September 30, 2023, and hold approximately 87.1% of the Parent's consolidated total assets as of September 30, 2023 (in each case, calculated in accordance with, and in the manner provided by, the guarantor maintenance covenant in the Senior Secured Term Loans Agreement as in effect on the Issue Date after giving effect to the exclusion of the Consolidated EBITDA (as defined in the Senior Secured Term Loans Agreement) and consolidated total assets of certain subsidiaries of the Parent (including Unrestricted Subsidiaries), which represent approximately 3.1% of the Parent's consolidated EBITDA before exceptionals for the same period and hold approximately 14.8% of the Parent's consolidated total assets as of September 30, 2023).

15. So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Luxembourg Stock Exchange's Euro MTF Market, all notices concerning the Issuer and intended for the bondholders will be published in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the Luxembourg Stock Exchange's website, *www.bourse.lu*.

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

# INEOS GROUP HOLDINGS S.A.

**Unaudited condensed consolidated interim financial statements**
**as of September 30, 2023**

**Table of Contents**

Deloitte Audit
Société à responsabilité limitée
20 Boulevard de Kockelscheuer
L-1821 Luxembourg

Tel: +352 451 451
www.deloitte.lu

To the Board of Directors of
INEOS Group Holdings S.A.
58, rue Charles Martel
L-2134 Luxembourg

**Report on Review of Interim Financial Information**

***Introduction***

We have reviewed the accompanying unaudited condensed consolidated interim financial statements of INEOS Group Holdings S.A. comprising the unaudited condensed consolidated balance sheet as at September 30, 2023, the unaudited condensed consolidated income statement, the unaudited condensed consolidated statement of other comprehensive income for the three and nine month period then ended, the unaudited condensed consolidated statement of change in equity and the unaudited condensed consolidated statement of cash flows for the nine month period then ended and a summary of significant accounting policies and other explanatory notes ("the interim financial information").

The Board of Directors is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard IAS 34 on Interim Financial Statements, as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

***Scope of Review***

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the company as at September 30, 2023 and of the results of its operations for the three and nine month period then ended in accordance with the International Accounting Standard IAS 34 on Interim Financial Statements as adopted by the European Union.

For Deloitte Audit, *Cabinet de révision agréé*

Ludovic Mosca, *Réviseur d'entreprises agréé*
Partner

January 19, 2024

Société à responsabilité limitée au capital de 360.000 €
RCS Luxembourg B 67.895
Autorisation d'établissement 10022179

## INEOS GROUP HOLDINGS S.A.

## UNAUDITED CONSOLIDATED INCOME STATEMENT

| | Three-Month Period Ended September 30, | |
|---|---|---|
| | 2023 | 2022 |
| | (€ in millions) | |
| **Revenue** | **3,481.1** | **4,996.3** |
| Cost of sales | (3,136.4) | (4,534.1) |
| **Gross profit** | **344.7** | **462.2** |
| Distribution costs | (52.8) | (49.0) |
| Administrative expenses | (104.4) | (104.1) |
| **Operating profit** | **187.5** | **309.1** |
| Share of loss of associates and joint ventures using the equity accounting method | (12.0) | (45.2) |
| Loss on disposal of property, plant and equipment | (0.4) | — |
| **Profit before net finance costs** | **175.1** | **263.9** |
| Finance income | 64.7 | 24.8 |
| Finance costs before exceptional items | (326.0) | (183.9) |
| Exceptional finance costs | (8.5) | — |
| Total finance costs | (334.5) | (183.9) |
| **(Loss)/profit before tax** | **(94.7)** | **104.8** |
| Tax credit/(charge) | 15.7 | (13.3) |
| **(Loss)/profit for the period** | **(79.0)** | **91.5** |

The condensed notes presented on pages F-11 to F-29 are an integral part of these unaudited condensed consolidated interim financial statements.

## INEOS GROUP HOLDINGS S.A.

## UNAUDITED CONSOLIDATED INCOME STATEMENT

| | Nine-Month Period Ended September 30, | |
|---|---|---|
| | 2023 | 2022 |
| | (€ in millions) | |
| **Revenue** | **11,323.1** | **16,711.2** |
| Cost of sales | (10,261.7) | (14,401.5) |
| **Gross profit** | **1,061.4** | **2,309.7** |
| Distribution costs | (164.2) | (153.3) |
| Administrative expenses | (375.7) | (307.5) |
| **Operating profit** | **521.5** | **1,848.9** |
| Share of (loss)/profit of associates and joint ventures using the equity accounting method | (115.4) | 134.2 |
| Loss on disposal of investments | (0.4) | — |
| Loss on disposal of property, plant and equipment | (0.4) | — |
| **Profit before net finance costs** | **405.3** | **1,983.1** |
| Finance income | 176.5 | 56.0 |
| Finance costs before exceptional items | (518.6) | (381.7) |
| Exceptional finance costs | (8.5) | — |
| Total finance costs | (527.1) | (381.7) |
| **Profit before tax** | **54.7** | **1,657.4** |
| Tax charge | (51.3) | (266.7) |
| **Profit for the period** | **3.4** | **1,390.7** |

The condensed notes presented on pages F-11 to F-29 are an integral part of these unaudited condensed consolidated interim financial statements.

## INEOS GROUP HOLDINGS S.A.

## UNAUDITED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

| | Three-Month Period Ended September 30, | |
|---|---|---|
| | 2023 | 2022 |
| | (€ in millions) | |
| **(Loss)/profit for the period** | (79.0) | 91.5 |
| **Other comprehensive income/(expense):** | | |
| **Items that will not be recycled to profit and loss:** | | |
| Remeasurement of post employment benefit obligations net of tax | 62.2 | 64.2 |
| **Items that may subsequently be recycled to profit and loss:** | | |
| Foreign exchange translation differences | 3.2 | (3.4) |
| Net gain on translation of foreign operations and hedge of net investment in foreign operations net of tax | 235.3 | 396.3 |
| **Other comprehensive income for the period net of tax** | **300.7** | **457.1** |
| **Total comprehensive income for the period** | **221.7** | **548.6** |

| | Nine-Month Period Ended September 30, | |
|---|---|---|
| | 2023 | 2022 |
| | (€ in millions) | |
| **Profit for the period** | 3.4 | 1,390.7 |
| **Other comprehensive income/(expense):** | | |
| **Items that will not be recycled to profit and loss:** | | |
| Remeasurement of post employment benefit obligations net of tax | 52.8 | 367.7 |
| **Items that may subsequently be recycled to profit and loss:** | | |
| Foreign exchange translation differences | (59.0) | (9.1) |
| Net gain on translation of foreign operations and hedge of net investment in foreign operations net of tax | 6.3 | 875.5 |
| **Other comprehensive income for the period net of tax** | **0.1** | **1,234.1** |
| **Total comprehensive income for the period** | **3.5** | **2,624.8** |

The condensed notes presented on pages F-11 to F-29 are an integral part of these unaudited condensed consolidated interim financial statements.

**INEOS GROUP HOLDINGS S.A.**

**UNAUDITED CONSOLIDATED BALANCE SHEET**

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| | (€ in millions) | |
| **Non-current assets** | | |
| Property, plant and equipment | 9,616.9 | 9,013.0 |
| Intangible assets | 1,152.6 | 1,061.4 |
| Investments in equity-accounted investees | 1,869.8 | 1,462.9 |
| Financial assets at fair value through other comprehensive income | 27.1 | 28.3 |
| Derivative financial instruments | 101.7 | 119.4 |
| Employee benefits | 37.3 | 35.0 |
| Trade and other receivables | 2,596.7 | 1,365.5 |
| Deferred tax assets | 129.0 | 118.3 |
| | 15,531.1 | 13,203.8 |
| **Current assets** | | |
| Inventories | 1,665.7 | 1,927.3 |
| Trade and other receivables | 2,012.1 | 2,108.4 |
| Tax receivables | 15.9 | 13.0 |
| Derivative financial instruments | 74.5 | 22.8 |
| Cash and cash equivalents | 2,219.9 | 2,639.1 |
| | 5,988.1 | 6,710.6 |
| **Total assets** | **21,519.2** | **19,914.4** |
| **Equity attributable to owners of the parent** | | |
| Share capital | 0.9 | 0.9 |
| Share premium | 150.1 | 150.1 |
| Other reserves | (1,679.7) | (1,679.8) |
| Retained earnings | 7,053.6 | 7,050.2 |
| **Total equity** | **5,524.9** | **5,521.4** |
| **Non-current liabilities** | | |
| Interest-bearing loans and borrowings | 9,633.7 | 8,445.5 |
| Lease liabilities | 960.5 | 927.0 |
| Trade and other payables | 146.0 | 107.4 |
| Employee benefits | 562.9 | 630.2 |
| Provisions | 34.4 | 32.4 |
| Deferred tax liabilities | 803.2 | 837.4 |
| | 12,140.7 | 10,979.9 |
| **Current liabilities** | | |
| Interest-bearing loans and borrowings | 337.7 | 308.3 |
| Lease liabilities | 183.7 | 162.3 |
| Trade and other payables | 2,867.7 | 2,445.1 |
| Tax payable | 397.8 | 464.3 |
| Derivative financial instruments | 60.3 | 26.0 |
| Provisions | 6.4 | 7.1 |
| | 3,853.6 | 3,413.1 |
| **Total liabilities** | **15,994.3** | **14,393.0** |
| **Total equity and liabilities** | **21,519.2** | **19,914.4** |

The condensed notes presented on pages F-11 to F-29 are an integral part of these unaudited condensed consolidated interim financial statements.

## INEOS GROUP HOLDINGS S.A.

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share capital | Share premium | Other reserves | Retained earnings | Total equity |
|---|---|---|---|---|---|
| | | | (€ in millions) | | |
| **Balance at December 31, 2022** | **0.9** | **150.1** | **(1,679.8)** | **7,050.2** | **5,521.4** |
| Profit for the period | — | — | — | 3.4 | 3.4 |
| **Other comprehensive (expense)/income:** | | | | | |
| Foreign exchange translation differences | — | — | (59.0) | — | (59.0) |
| Net gain on translation and hedge of net investment in foreign operations | — | — | 6.3 | — | 6.3 |
| Remeasurement of post employment benefit obligations net of tax | — | — | 52.8 | — | 52.8 |
| **Balance at September 30, 2023** | **0.9** | **150.1** | **(1,679.7)** | **7,053.6** | **5,524.9** |

| | Share capital | Share premium | Other reserves | Retained earnings | Total equity |
|---|---|---|---|---|---|
| | | | (€ in millions) | | |
| **Balance at December 31, 2021** | **0.9** | **585.6** | **(2,047.6)** | **4,814.1** | **3,353.0** |
| Profit for the period | — | — | — | 1,390.7 | 1,390.7 |
| **Other comprehensive (expense)/income:** | | | | | |
| Foreign exchange translation differences | — | — | (9.1) | — | (9.1) |
| Net gain on translation and hedge of net investment in foreign operations | — | — | 875.5 | — | 875.5 |
| Remeasurement of post employment benefit obligations net of tax | — | — | 367.7 | — | 367.7 |
| **Transactions with owners, recorded directly in equity:** | | | | | |
| Capital reduction | — | (435.5) | — | 435.5 | — |
| Dividends | — | — | — | (200.0) | (200.0) |
| **Balance at September 30, 2022** | **0.9** | **150.1** | **(813.5)** | **6,440.3** | **5,777.8** |

The condensed notes presented on pages F-11 to F-29 are an integral part of these unaudited condensed consolidated interim financial statements.

**INEOS GROUP HOLDINGS S.A.**

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**

| | Nine-month Period Ended September 30, | |
|---|---|---|
| | **2023** | **2022** |
| | (€ in millions) | |
| **Cash flows from operating activities** | | |
| Profit before tax | 54.7 | 1,657.4 |
| Adjustments for: | | |
| Depreciation, amortisation and impairment | 712.3 | 599.8 |
| Net finance cost | 350.6 | 325.7 |
| Share of loss/(profit) of equity-accounted investees | 115.4 | (134.2) |
| Loss on disposal of investments | 0.4 | — |
| Loss on disposal of property, plant and equipment | 0.4 | — |
| Decrease/(increase) in trade and other receivables | 126.3 | (28.4) |
| Decrease/(increase) in inventories | 299.8 | (287.3) |
| Decrease in trade and other payables | (189.1) | (5.7) |
| (Decrease)/increase in provisions and employee benefits | (3.2) | 8.8 |
| Tax paid | (192.3) | (112.8) |
| **Net cash from operating activities** | **1,275.3** | **2,023.3** |
| **Cash flows used in investing activities** | | |
| Proceeds from sale of investments | 0.8 | — |
| Interest and other finance income received | 67.3 | 11.1 |
| Dividends received | 0.6 | 2.1 |
| Disposal of businesses, net of cash disposed | (1.8) | — |
| Acquisition of businesses, net of cash acquired | (214.6) | — |
| Acquisition of property, plant and equipment | (986.8) | (674.9) |
| Acquisition of intangible assets | (3.0) | (1.8) |
| Acquisition of joint ventures and other investments | — | (449.8) |
| Loans to related parties | (1,121.2) | — |
| **Net cash used in investing activities** | **(2,258.7)** | **(1,113.3)** |
| **Cash flows used in financing activities** | | |
| Inventory Facility | (32.1) | (25.2) |
| Proceeds from Project One Facility | 522.0 | — |
| Proceeds from Project One Interim Facility | 85.0 | — |
| Proceeds from new Senior Secured Notes | 790.9 | — |
| Proceeds from Rain Term Loan | 236.1 | — |
| Refinancing of Senior Secured Term Loans due 2024 | (178.2) | — |
| Issue costs paid | (248.3) | (1.5) |
| Interest paid and other finance items | (436.9) | (134.7) |
| Repayment of loans | (62.2) | (110.1) |
| Dividends paid | — | (200.0) |
| Capital element of lease payments | (126.6) | (109.1) |
| **Net cash from/(used) in financing activities** | **549.7** | **(580.6)** |
| Net (decrease)/increase in cash and cash equivalents | (433.7) | 329.4 |
| Cash and cash equivalents at January 1 | 2,639.1 | 2,106.1 |
| Effect of exchange rate fluctuations on cash held | 14.5 | 296.2 |
| **Cash and cash equivalents at September 30** | **2,219.9** | **2,731.7** |

The condensed notes presented on pages F-11 to F-29 are an integral part of these unaudited condensed consolidated interim financial statements.

**INEOS GROUP HOLDINGS S.A.**

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**

## 1. BASIS OF PREPARATION

The condensed consolidated interim financial statements include INEOS Group Holdings S.A. and all its subsidiaries (together referred to as the "Group"). Intra-group transactions and balances have been eliminated on consolidation. The financial and operating results for any period less than a year are not necessarily indicative of the results that may be expected for a full year. The Group does not experience any significant seasonality in its operating results.

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain assets and liabilities that have been measured at fair value, principally equity investments taken through other comprehensive income, as well as derivative financial instruments and the assets and liabilities of the Group's defined benefit pension schemes measured at fair value and using the projected unit credit method, respectively.

These condensed consolidated interim financial statements are presented in euro, which is the functional currency of the majority of operations of the Group and is consistent with the audited financial statements for the year ended December 31, 2022.

The significant judgements and key sources of estimation uncertainty applicable to the preparation of the condensed consolidated interim financial statements are described within note 15. In each case, judgements have been applied consistently and estimates made using a consistent methodology, with inputs and assumptions updated to reflect the Group's latest forecasts and prevailing market conditions at the balance sheet date as appropriate.

The accompanying condensed consolidated interim financial statements of the Group are unaudited.

Whilst there is still uncertainty due to the disruption on the energy market resulting from the conflict in Ukraine, the Directors have undertaken a rigorous assessment of the potential impact on demand for the Group's products and services and the impact on margins for the next 12 months and the Directors do not expect a material impact on the Group's ability to operate as a going concern.

The Group meets its day to day working capital requirements through its cash generation from Group operations. The Group held cash balances of €2,219.9 million at September 30, 2023 and interest-bearing loans and borrowings (net of debt issue costs) of €9,971.4 million at September 30, 2023. The Directors have considered the Group's projected future cash flows and working capital requirements and are confident that the Company has sufficient cashflows to meet its working capital requirements for the next twelve months from the date of this report. In particular, the Directors have stress tested the forecasts through taking account of reasonable possible changes in trading performance on the impact on EBITDA, cash flow and debt. The stress tests show that the Group will still have sufficient cash flow to meet all of its obligations as they fall due within the next 12 months from the date of this report.

On the basis of this assessment together with net assets of €5,524.9 million as at September 30, 2023 and the Group's ability to meet working capital requirements through its external financing facilities, along with access to cash generated by its subsidiaries, the Directors have concluded that the Group can operate within its current facilities without the need to obtain new ones for a period of at least 12 months from the date of this report and have therefore prepared these financial statements on a going concern basis.

## 2. PRINCIPAL ACCOUNTING POLICIES

The financial information has been prepared and approved by the directors in accordance with IAS 34 "Interim financial reporting" as adopted by the European Union. In compliance with IAS 34, the Company has opted for a condensed scope of reporting in the condensed interim financial statements compared with the consolidated annual financial statements.

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's audited consolidated annual report and accounts for the year ended December 31, 2022, except for the adoption of new standards, interpretations and amendments effective as of January 1, 2023. The adoption of new standards, interpretations and amendments in the current year has not had a material impact. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective at September 30, 2023.

## 3. SEGMENTAL INFORMATION

*Class of business*

The Group reports under three business segments: O&P North America, O&P Europe and Chemical Intermediates.

The revenue and EBITDA before exceptionals attributable to each different class of business is as follows:

| | Three-Month Period Ended September 30, | | Nine-Month Period Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | (€ in millions) | | (€ in millions) | |
| *Revenue* | | | | |
| O&P North America | 951.2 | 1,464.1 | 3,069.6 | 4,529.4 |
| O&P Europe | 1,310.7 | 2,346.4 | 4,756.5 | 7,459.7 |
| Chemical Intermediates | 1,585.7 | 2,508.6 | 5,222.6 | 7,920.2 |
| Eliminations | (366.5) | (1,322.8) | (1,725.6) | (3,198.1) |
| | 3,481.1 | 4,996.3 | 11,323.1 | 16,711.2 |
| *EBITDA before exceptionals* | | | | |
| O&P North America | 177.2 | 207.1 | 570.9 | 1,028.7 |
| O&P Europe | 102.7 | 149.2 | 264.3 | 581.7 |
| Chemical Intermediates | 123.1 | 154.6 | 398.6 | 838.3 |
| | 403.0 | 510.9 | 1,233.8 | 2,448.7 |

EBITDA before exceptionals represents profit before net finance costs or income, tax charges or credits, depreciation and amortization, impairment charges, share of profit or loss of associates and joint ventures using the equity accounting method, profit/loss on disposal of investments, profit/loss on disposal of fixed assets, and exceptional items.

EBITDA before exceptionals is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Reconciliation of EBITDA before exceptionals to operating profit:

| | Three-Month Period Ended September 30, | | Nine-Month Period Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | (€ in millions) | | (€ in millions) | |
| EBITDA before exceptionals | 403.0 | 510.9 | 1,233.8 | 2,448.7 |
| Depreciation and amortisation | (215.5) | (201.8) | (712.3) | (599.8) |
| Operating profit | 187.5 | 309.1 | 521.5 | 1,848.9 |

## 4. TOTAL FINANCE COSTS

| | Three-Month Period Ended September 30, | | Nine-Month Period Ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | (€ in millions) | | (€ in millions) | |
| Interest payable on senior notes | 24.4 | 11.2 | 66.4 | 33.6 |
| Interest payable on bank loans and overdrafts | 145.5 | 51.2 | 396.1 | 126.4 |
| Interest payable on securitisation | 1.5 | 1.3 | 4.2 | 3.7 |
| Interest payable on lease liabilities | 14.4 | 14.3 | 44.7 | 38.1 |
| Amortisation of issue costs | 10.3 | 2.7 | 31.7 | 8.2 |
| Other finance charges | 25.1 | 13.8 | 53.4 | 30.2 |
| Net fair value gain on derivatives | (22.0) | (56.9) | (43.2) | (159.3) |
| **Finance costs before exchange movements** | 199.2 | 37.6 | 553.3 | 80.9 |
| Exchange movements | 144.5 | 149.5 | 13.9 | 309.1 |
| Borrowing costs capitalised in property, plant and equipment | (17.7) | (3.2) | (48.6) | (8.3) |
| **Finance costs before exceptional items** | 326.0 | 183.9 | 518.6 | 381.7 |
| Exceptional finance costs (see Note 7) | 8.5 | — | 8.5 | — |
| **Total finance costs** | 334.5 | 183.9 | 527.1 | 381.7 |

The exchange movements reflect net foreign exchange gains or losses associated with short term intra group funding.

## 5. TAXATION

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss.

After adjusting for the results from the share of associates and joint ventures, the effective tax rate of approximately 30% reflects the anticipated tax rate for the Group for the full year. After adjusting for the results from the share of associates and joint ventures, the underlying effective tax rate in the same period in 2022 was approximately 18%, which reflected the anticipated tax rate for the full year. The higher anticipated tax rate for the nine month period ended September 30, 2023 as compared to the same period in 2022 reflected decreased profitability in countries with lower corporate tax rates.

The group has applied the temporary exception, introduced in May 2023, from the accounting requirements for deferred taxes in IAS 12, so that the group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

## 6. SHARE OF PROFIT/(LOSS) OF ASSOCIATES AND JOINT VENTURES USING THE EQUITY ACCOUNTING METHOD AND INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES

The share of loss from associates and joint ventures in the nine month period ended September 30, 2023 primarily reflected the Group's share of losses from the SECCO joint venture with Sinopec which was acquired in December 2022. The share of profit from associates and joint ventures in the nine month period ended September 30, 2022 primarily reflected the Group's share of the results of the Refining joint venture with PetroChina. On December 23, 2022 the Group disposed of its non-voting ordinary shares in II(J)L to INEOS Limited, a related party, with an effective date of November 30, 2022, so after this date the Group no longer had any economic interest in the Refining joint venture.

In July 2023, the Group signed a shareholders' agreement with Sinopec relating to a proposed joint venture in respect of a 1,200kt per annum ethylene cracker and related derivative plants in Tianjin, China. Following an IAS 28 assessment the Group has determined that it has significant influence over the investment, therefore this has resulted in the recognition of an investment in equity-accounted investees of RMB 4,425 million (€573.5 million) which represents the latest view of the 50% equity share of the joint venture (see Note 15). As at September 30 ,2023 the Group has also recognised a financial liability at fair value through profit and loss of the same value within its balance sheet (see Note 11).

## 7. EXCEPTIONAL FINANCE COSTS

In April 2023, the Group successfully completed a syndication of the Rain acquisition financing originally funded in December 2022 (see Note 9). As part of the syndication, which increased the numbers of lenders to ten, the debt was increased to $785 million and RMB 1,045 million. Following an assessment of the amendment to the facility it was deemed to be a substantial modification which resulted in an exceptional finance cost for the write-off of unamortised debt issue costs of €8.5 million during September 2023.

## 8. PROPERTY, PLANT AND EQUIPMENT

In the nine month period ended September 30, 2023, the Group spent €986.8 million (nine month period ended September 30, 2022: €674.9 million) on property, plant and equipment. The main capital expenditures in the O&P North America segment related to turnaround expenditure. The main capital expenditures in the O&P Europe segment related to the completion of the cogeneration project at the Köln, Germany site, expenditure on a new ARG compressor, a turnaround on a polyethylene unit, a turnaround on a cracker and aromatics unit and expenditure on Project ONE. The main expenditure in the Chemical Intermediates segment was further growth expenditure by the Oligomers business on the LAO platform at Chocolate Bayou, USA and by the Phenol business on the new cumene unit project at Marl, Germany. There was also turnaround expenditure by the Oligomers business at Chocolate Bayou, USA. The remaining capital expenditure related primarily to sustenance expenditure.

## 9. INVENTORIES

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| | (€ in millions) | |
| Raw materials and consumables | 604.6 | 712.5 |
| Work in progress | 53.5 | 36.1 |
| Finished products | 1,007.6 | 1,178.7 |
| | 1,665.7 | 1,927.3 |

## 10. BORROWINGS

Borrowing obligations as of September 30, 2023 and December 31, 2022 are as follows:

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| | (€ in millions) | |
| **Non-current liabilities** | | |
| Senior Secured Term Loans | 5,135.0 | 5,286.7 |
| Senior Secured Notes due 2028 | 794.7 | — |
| Senior Secured Notes due May 2026 | 766.8 | 765.8 |
| Senior Secured Notes due March 2026 | 322.8 | 322.1 |
| Senior Secured Notes due 2025 | 548.4 | 547.9 |
| Gemini Facility | 479.1 | 491.4 |
| Rain Facility | 877.5 | 625.5 |
| Receivables Securitisation Facility | 19.0 | 18.7 |
| Köln CoGen Facility | 42.0 | 61.5 |
| Rafnes Facility | 302.3 | 301.4 |
| Project One Facility | 327.9 | — |
| Other loans | 18.2 | 24.5 |
| | **9,633.7** | **8,445.5** |

**10. BORROWINGS (continued)**

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| **Current liabilities** | | |
| Current portion of borrowings under Senior Secured Term Loans | 22.0 | 43.0 |
| Gemini Facility | 22.8 | 21.9 |
| Rafnes Facility | (0.6) | (0.7) |
| Köln CoGen Facility | 39.0 | 39.0 |
| Inventory Financing Facility | 170.5 | 202.5 |
| Project One Interim Facility | 83.0 | — |
| Other loans | 1.0 | 2.6 |
| | **337.7** | **308.3** |

| | September 30, 2023 | | |
|---|---|---|---|
| | Gross loans and borrowings | Issue costs | Net loans and borrowings |
| | | (€ in millions) | |
| Senior Secured Term Loans | 5,266.3 | (109.3) | 5,157.0 |
| Senior Secured Notes due May 2028 | 802.3 | (7.6) | 794.7 |
| Senior Secured Notes due May 2026 | 770.0 | (3.2) | 766.8 |
| Senior Secured Notes due March 2026 | 325.0 | (2.2) | 322.8 |
| Senior Secured Notes due 2025 | 550.0 | (1.6) | 548.4 |
| Receivables Securitisation Facility | 19.1 | (0.1) | 19.0 |
| Köln CoGen Facility | 81.0 | — | 81.0 |
| Rafnes Facility | 305.0 | (3.3) | 301.7 |
| Inventory Financing Facility | 170.5 | — | 170.5 |
| Project One Facility | 522.0 | (194.1) | 327.9 |
| Project One Interim Facility | 85.0 | (2.0) | 83.0 |
| Other | 19.2 | — | 19.2 |
| | **8,915.4** | **(323.4)** | **8,592.0** |
| Gemini Facility | 508.3 | (6.4) | 501.9 |
| Rain Facility | 878.6 | (1.1) | 877.5 |
| **Total** | **10,302.3** | **(330.9)** | **9,971.4** |

The Gemini Facility is an obligation of Gemini HDPE LLC. The Rain Facility is an obligation of INEOS China Holdings Limited. Gemini HDPE LLC and INEOS China Holdings Limited are designated as unrestricted subsidiaries in accordance with the Group’s Senior Secured Term Loans and Senior Secured Notes so neither the Gemini Facility nor Rain Facility benefits from the security or collateral of those facilities.

**10. BORROWINGS (continued)**

| | December 31, 2022 | | |
|---|---|---|---|
| | Gross loans and borrowings | Issue costs | Net loans and borrowings |
| | | (€ in millions) | |
| Senior Secured Term Loans | 5,424.7 | (95.0) | 5,329.7 |
| Senior Secured Notes due May 2026 | 770.0 | (4.2) | 765.8 |
| Senior Secured Notes due March 2026 | 325.0 | (2.9) | 322.1 |
| Senior Secured Notes due 2025 | 550.0 | (2.1) | 547.9 |
| Receivables Securitisation Facility | 18.9 | (0.2) | 18.7 |
| Köln CoGen Facility | 100.5 | — | 100.5 |
| Rafnes Facility | 305.0 | (4.3) | 300.7 |
| Inventory Financing Facility | 202.6 | (0.1) | 202.5 |
| Other | 27.1 | — | 27.1 |
| | **7,723.8** | **(108.8)** | **7,615.0** |
| Gemini Facility | 521.0 | (7.7) | 513.3 |
| Rain Facility | 632.8 | (7.3) | 625.5 |
| **Total** | **8,877.6** | **(123.8)** | **8,753.8** |

**Terms and debt repayment schedule**

| | Currency | Nominal interest rate | Year of maturity |
|---|---|---|---|
| Senior Secured Term Loans | $/€ | SOFR+0.10%/ EURIBOR plus 2.50% - 4.00% | 2027 - 2030 |
| Senior Secured Notes | $/€ | 2.125% - 6.750% | 2025 - 2028 |
| Gemini Facility | $ | SOFR+0.3% plus 3.00% | 2027 |
| Rain Facility | $/RMB | SOFR/HIBOR plus 3.75% - 4.50% | 2026 |
| Receivables Securitisation Facility | $/€/£ | Variable | 2024 |
| Köln CoGen Facility | € | 2.00% - 2.85% | 2024 - 2026 |
| Rafnes Facility | € | EURIBOR plus 2.25% | 2027 |
| Project One Facility | € | EURIBOR plus 2.75% - 3.50% | 2037 |
| Project One Interim Facility | € | EURIBOR plus 2.75% | 2024 |
| Other | €/$ | 2.95% - 3.50% | 2024 - 2027 |

***Senior Secured Term Loans***

The Group has outstanding borrowings under a senior credit facilities agreement dated April 27, 2012 (as amended and restated) which consist of euro and US dollar denominated Term Loans (referred to as the 'Senior Secured Term Loans' or 'Term Loans').

In February 2023 the Group issued new Senior Secured Term Loans and Senior Secured Notes. The Senior Secured Term Loans included €700 million maturing in November 2027 and $1.2 billion maturing in February 2030. Proceeds from the new Senior Secured Term Loans and Senior Secured Notes were used to fully redeem the euro and US dollar denominated Term Loans maturing on March 31, 2024 as well as increasing the liquidity of the Group. In November 2022 the Group extended its maturity profile by issuing new Senior Secured Term Loan maturing in November 2027, consisting of €800 million of euro denominated Term Loans and $1.2 billion of US dollar denominated Term Loans which were used to partially redeem the euro and US dollar denominated Term Loans maturing on March 31, 2024. In November 2021 the Group raised €1.1 billion of additional Senior Secured Term Loans which were used to fully redeem the outstanding Senior Notes due 2024. The additional Senior Secured Term Loans mature on November 8, 2028 and consisted of $845 million of US dollar denominated Term Loans and €350 million of euro denominated Term Loans. In October 2020 the Group issued new euro denominated Senior Secured Term Loans of €375 million which mature on October 27, 2027.

The Senior Secured Term Loans outstanding at September 30, 2023 before issue costs were €5,266.3 million (December 31, 2022: €5,424.7 million) of which €34.6 million (December 31, 2022:

**10. BORROWINGS (continued)**

€56.3 million) is due within one year. The total amounts outstanding on the Euro denominated Term Loans were €2,214.7 million (December 31, 2022: €2,770.9 million) and the US dollar denominated Term Loans were €3,051.6 million (December 31, 2022: €2,653.8 million).

The Term Loans are to be repaid in equal quarterly instalments, in aggregate annual amounts equal to 1% of the original principal amount of the Term Loans up to the final maturity date, apart from the euro denominated Term Loans maturing November 2027 and November 2028 which have no repayments until maturity. The €700 million euro denominated Term Loans issued in February 2023 mature on November 8, 2027 and the € $1.2 billion US dollar denominated Term Loans issued in February 2023 mature on February 16, 2030. The €800 million euro denominated Term Loans and $1.2 billion US dollar denominated Term Loans issued in November 2022 mature on November 8, 2027. The $845 million US dollar denominated Term Loans and €350 million of euro denominated Term Loans issued in November 2021 mature on November 8, 2028, whilst the €375 million euro denominated Senior Secured Term Loans issued in October 2020 mature on October 27, 2027.

The outstanding Term Loans denominated in US dollars bear interest at a rate per annum equal to SOFR plus 0.10% (with the $845 million US dollar denominated Term Loans maturing in November 2028 being subject to a floor of 0.50% per annum) plus the Applicable Margin. All of the Term Loans denominated in euros bear interest at a rate per annum equal to EURIBOR subject to a floor of 0.5% per annum plus the Applicable Margin.

As at September 30, 2023 the Applicable Margin for the €700 million euro denominated Term Loans maturing November 2027 was 4.00%, for the $1.2 billion US dollar denominated Term Loans maturing November 2030 it was 3.50%, for the euro denominated Term Loans maturing October 2027 and November 2028 it was 2.75%, for the US dollar denominated Term Loans maturing November 2028 it was 2.50%, for the €800 million euro denominated Term Loans maturing November 2027 it was 4.00% and for the US dollar denominated Term Loans maturing November 2027 it was 3.75%.

The Senior Secured Term Loans rank pari passu with the Senior Secured Notes due May 2026, Senior Secured Notes due March 2026, Senior Secured Notes due 2025 and the Senior Secured Notes due 2028. The Term Loans are guaranteed by INEOS Group Holdings S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The Term Loans and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the senior secured notes.

The Term Loans have numerous customary operating and financial incurrence covenants all of which have been complied with during the period, including covenants relating to, among other things, limitations on indebtedness, ability to give guarantees, creation of security interests, making acquisitions and investments, disposing of assets and paying dividends. The Term Loans have no financial maintenance covenants.

The Senior Secured Term Loans are stated net of debt issue costs of €109.3 million (December 31, 2022: €95.0 million). These costs are allocated to the profit and loss account over the term of the Term Loans.

***Senior Secured Notes due 2025***

In November 2017 the Group issued €550 million of Senior Secured Notes due 2025. The proceeds from the new Notes were used to partially repay the Senior Secured Term Loans. The Senior Secured Notes due 2025 are listed on the Euro MTF—Luxembourg Stock Exchange. The Senior Secured Notes due 2025 bear interest at 2.125% per annum, payable semi-annually in arrears on May 15 and November 15 of each year. Unless previously redeemed as noted below, the Senior Secured Notes due 2025 will be redeemed by the Group at their principal amount on November 15, 2025.

The Senior Secured Notes due 2025 can be subject to redemption at any time on or after November 15, 2020, at the option of the Issuer, in whole or in part, on not less than 10 nor more than

**10. BORROWINGS (continued)**

60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning November 15 of the year indicated below:

| Year | Redemption Price |
|---|---|
| 2022 and thereafter | 100.000% |

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due 2025 rank pari passu with the Senior Secured Term Loans, the Senior Secured Notes due May 2026, the Senior Secured Notes due March 2026 and the Senior Secured Notes due 2028. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due 2025 are stated net of debt issue costs of €1.6 million (December 31, 2022: €2.1 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due 2025.

***Senior Secured Notes due May 2026***

In April 2019, the Group issued €770 million of Senior Secured Notes due May 2026. The Senior Secured Notes due May 2026 are listed on the Euro MTF—Luxembourg Stock Exchange. The Senior Secured Notes due May 2026 bear interest at 2.875% per annum, payable semi-annually in arrears on May 1 and November 1 of each year, beginning November 1, 2019. Unless previously redeemed as noted below, the Senior Secured Notes due May 2026 will be redeemed by the Group at their principal amount on May 1, 2026.

The Senior Secured Notes due May 2026 can be subject to redemption at any time on or after May 1, 2022, at the option of the Issuer, in whole or in part, on not less than 10 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning May 1 of the year indicated below:

| Year | Redemption Price |
|---|---|
| 2023 | 100.71875% |
| 2024 and thereafter | 100.000% |

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due May 2026 rank pari passu with the Senior Secured Term Loans, the Senior Secured Notes due 2025, the Senior Secured Notes due March 2026 and the Senior Secured Notes due 2028. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

**10. BORROWINGS (continued)**

The Senior Secured Notes due May 2026 are stated net of debt issue costs of €3.2 million (December 31, 2022: €4.2 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due May 2026.

***Senior Secured Notes due March 2026***

In October 2020, the Group issued €325 million of Senior Secured Notes due March 2026. The Senior Secured Notes due March 2026 are listed on the Euro MTF—Luxembourg Stock Exchange. The Senior Secured Notes due March 2026 bear interest at 3.375% per annum, payable semi-annually in arrears on May 15 and November 15 of each year, beginning May 15, 2021. Unless previously redeemed as noted below, the Senior Secured Notes due March 2026 will be redeemed by the Group at their principal amount on March 31, 2026.

The Senior Secured Notes due March 2026 can be subject to redemption at any time on or after November 15, 2022, at the option of the Issuer, in whole or in part, on not less than 10 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning November 15 of the year indicated below:

| Year | Redemption Price |
|---|---|
| 2022 | 101.688% |
| 2023 | 100.844% |
| 2024 and thereafter | 100.000% |

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due March 2026 rank pari passu with the Senior Secured Term Loans, the Senior Secured Notes due 2025, the Senior Secured Notes due May 2026 and the Senior Secured Notes due 2028. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due March 2026 are stated net of debt issue costs of €2.2 million (December 31, 2022: €2.9 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due March 2026.

***Senior Secured Notes due 2028***

In February 2023, the Group issued €400 million and $425 million of Senior Secured Notes due 2028. The Senior Secured Notes due 2028 are listed on the Euro MTF—Luxembourg Stock Exchange. The Senior Secured Notes due 2028 denominated in euros bear interest at 6.625% per annum. The Senior Secured Notes due 2028 denominated in dollars bear interest at 6.750% per annum. Interest is payable semi-annually in arrears on May 15 and November 15 of each year, beginning November 15, 2023. Unless previously redeemed as noted below, the Senior Secured Notes due 2028 will be redeemed by the Group at their principal amount on May 15, 2028.

The Senior Secured Notes due 2028 can be subject to redemption at any time on or after February 15, 2025, at the option of the Issuer, in whole or in part, on not less than five nor more than 60 days' prior

**10. BORROWINGS (continued)**

notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning February 15 of the year indicated below:

| Year | Euro Notes redemption price | Dollar Notes redemption price |
|---|---|---|
| 2025 | 103.3125% | 103.375% |
| 2026 | 101.6563% | 101.6875% |
| 2027 and thereafter | 100.000% | 100.000% |

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due 2028 rank pari passu with the Senior Secured Term Loans, the Senior Secured Notes due 2025, the Senior Secured Notes due March 2026 and the Senior Secured Notes due May 2026. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due 2028 are stated net of debt issue costs of €7.6 million. These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due 2028.

***Receivables Securitisation Facility***

The Group has entered into a €800 million receivables securitisation facilities agreement ("Receivables Securitisation Facility") which matures on December 31, 2024. The total amount outstanding at September 30, 2023 before issue costs was €19.1 million (December 31, 2022: €18.9 million). The facility is secured by pledges over the trade receivables sold into the programme. Interest is charged on the facility at a rate of either EURIBOR, SOFR or SONIA plus a margin or short term commercial paper rates plus a margin. In December 2023, the Group extended the maturity date of the receivables securitisation facility to December 2026.

The Receivables Securitisation Facility is stated net of debt issue costs of €0.1 million (December 31, 2022: €0.2 million).

***Köln CoGen Facility***

As part of a project at the Group's Köln site to replace part of its incineration or cogeneration unit, the Group entered into a €120 million loan facility which matures in December 2024. In May 2021 the Group entered into an additional facility of €60 million which matures in June 2026. The total amount outstanding under the loan facilities ("Köln CoGen Facility") at September 30, 2023 was €81.0 million (December 31, 2022: €100.5 million) of which €39.0 million (December 31, 2022: €39.0 million) is due within one year.

The €120 million loan facility is to be repaid in equal quarterly instalments of €6 million, starting from March 2020 and bears a fixed interest rate of 2.85% per annum.

The €60 million additional loan facility is to be repaid in equal quarterly payments of €3.75 million starting in September 2022 and bears a fixed interest rate of 2.00% per annum.

The Köln CoGen Facility is secured by pledges over the plant and equipment of INEOS Manufacturing Deutschland GmbH's new cogeneration assets.

***Rafnes Facility***

As part of the Group's purchase of the remaining 50% interest in the Noretyl ethylene cracker at Rafnes, Norway from the Kerling group on July 1, 2015, the Group also assumed the obligations of a

**10. BORROWINGS (continued)**

€140 million loan facility that Noretyl had in place. In November 2019 following the repayment of the initial loan the term loan facility was amended and restated with a new facility amount of €250.0 million. In November 2022 the Group amended and extended the facility to be €305.0 million. The total amount outstanding at September 30, 2023 before issue costs was €305.0 million (December 31, 2022: €305.0 million) none of which is due within one year (December 31, 2022: nil).

The Rafnes Facility is to be repaid in six equal semi-annual instalments commencing in May 2025. The facility matures in November 2027. The facility is secured by pledges over the property, plant and equipment of INEOS Rafnes AS. The Rafnes Facility bears interest at a rate per annum equal to EURIBOR (subject to a floor of 0% per annum) plus a margin of 2.25%.

The Rafnes Facility is stated net of debt issue costs of €3.3 million (December 31, 2022: €4.3 million).

***Inventory Financing Facility***

In June 2019 the Group entered into an inventory monetisation agreement with J Aron & Company LLC ('J Aron'), for an initial term of one year which was extendable by mutual agreement. The facility was moved from J Aron to Goldman Sachs International ('GSI') in June 2023. The new facility is for an initial term of one year to expire in June 30, 2024 and is extendable by mutual agreement. Under this arrangement, the Group sells certain inventory to GSI and agrees to buy-back equivalent inventory at the end of the term at the same price. During the term, and subject to certain covenants and rights of GSI, GSI provides the Group with a just-in-time service for use of the inventory, and the ability to substitute used inventory with equivalent inventory, in return for a transaction fee. The arrangement is supported by a Group parent company guarantee and a cash collateral mechanism.

The total amount outstanding at September 30, 2023 before issue costs was €170.5 million (December 31, 2022: €202.6 million).

***Gemini Facility***

As part of the Group's purchase of the remaining 50% interest in the Gemini HDPE plant in Texas, USA, from Sasol Chemicals on December 31, 2020, the Group amended and upsized the existing Term Loan facility within the acquired Gemini HDPE LLC legal entity. The amended loan facility was upsized to $600.0 million ("Gemini Facility") and the maturity was extended to October 31, 2027. The total amount outstanding at September 30, 2023 before issue costs was €508.3 million ($536.9 million) (December 31, 2022: €521.0 million ($560.5 million)) of which €24.6 million ($26.0 million) (December 31, 2022: €23.7 million ($25.3 million)) is due within one year.

The Gemini Facility is to be repaid in quarterly instalments starting on April 30, 2021 with a final payment of $420.0 million on October 31, 2027 when the facility matures. The facility is secured by pledges over the plant and equipment of Gemini HDPE LLC. The outstanding Gemini Facility bears interest at a rate per annum equal to SOFR plus a credit spread adjustment of 0.3% plus a margin of 3.0%. Gemini HDPE LLC has been designated as an unrestricted subsidiary in accordance with the Group's Senior Secured Term Loans and Senior Secured Notes.

The Gemini Facility is stated net of debt issue costs of €6.4 million (December 31, 2022: €7.7 million).

***Rain Facility***

As part of the Group's acquisition of a 50% interest in Shanghai SECCO Petrochemical Company Limited ("SECCO") from Sinopec in December 2022 the Group entered into a RMB 1,045 million and $525 million term loan facility agreement maturing in June 2026 (the "Rain Facility"). In April 2023, the Group successfully completed a syndication of the acquisition financing originally funded in December 2022. As part of the syndication, which increased the numbers of lenders to ten, the debt was increased to $785 million and RMB 1,045 million. Following an assessment of the amendment to the facility it was deemed to be a substantial modification which resulted in an exceptional finance cost for the write-off of unamortised debt issue costs of €8.5 million during September 2023 (see Note 6).

**10. BORROWINGS (continued)**

The Rain Facility is to be repaid when the facility matures in June 2026. The Rain Facility is secured by pledges of the shares held by INEOS Investment (Shanghai) Company Limited in SECCO and of the shares held by INEOS China Holdings Limited in INEOS Investment (Shanghai) Company Limited. The Rain Facility carries an interest rate per annum equal to SOFR plus a margin of 3.75% on the US dollar denominated loan and HIBOR plus a margin of 4.50% on the RMB denominated loan. INEOS China Holdings Limited has been designated as an unrestricted subsidiary in accordance with the Group's Senior Secured Term Loans and Senior Secured Notes.

The total amount outstanding at September 30, 2023 before issue costs was €878.6 million (December 31, 2022: €632.8 million).

The Rain Facility is stated net of debt issue costs of €1.1 million (December 31, 2022: €7.3 million).

***Project One Facility***

On December 22, 2022, the Group entered into certain agreements (the "Project One Facility") providing for loans in an aggregate principal amount of €3,500 million under (i) facilities guaranteed by export credit agencies (UKEF, SACE and CESCE), (ii) a facility partially guaranteed by Gigarant (a special purpose vehicle of the Flemish government) and (iii) a Commercial Facility to fund the construction of Project One, a 1,450 ktpa ethane cracker and olefins complex located in the port of Antwerp. The ability to draw the funds was contingent on the receipt of certain guarantees which completed in February 2023. The Group expects the Project One Facility to be drawn in stages throughout the construction period to the end of 2026.

The total amount outstanding at September 30, 2023 before issue costs was €522.0 million (December 31, 2022: nil).

The Project One Facility is stated net of debt issue costs of €194.1 million (December 31, 2022: nil). The debt issue costs relate to legal and advisory fees, upfront fees to banks, agency fees to the facilities agents and the upfront Export Credit Agency Guarantee premiums paid to UKEF, CESCE and SACE.

On July 20, 2023 the Group received a decision from the Council for Permit Disputes annulling the permit for Project One. As a result of the annulment of the permit, no further drawings may be made until such time as a new permit is reissued. Under the terms of the facility there is a period of up to 18 months to achieve this. In January 2024 a new permit was reissued for Project One when the Group's appeal to reconfirm the permit was granted by the Flemish Minister for Justice and Enforcement, Environment and Spatial Development and Energy and Tourism, so construction of Project One has now resumed.

***Project One Interim Facility***

On September 15, 2023, the Group entered into certain agreements (the "Project One Interim Facility") providing for loans in an aggregate principal amount of €400 million under a facility partially guaranteed by Gigarant (a special purpose vehicle of the Flemish government). This is a short dated facility repayable within 364 days. The debt will continue to be drawn in stages based on the ongoing cash requirements of the project. The Group expects to repay the Project One Interim Facility from the original Project One Facility following the reinstatement of the permit. In January 2024 a new permit was reissued for Project One when the Group's appeal to reconfirm the permit was granted by the Flemish Minister for Justice and Enforcement, Environment and Spatial Development and Energy and Tourism, so construction of Project One has now resumed.

The total amount outstanding at September 30, 2023 before issue costs was €85.0 million (December 31, 2022: nil). The facility is stated net of debt issue costs of €2.0 million (December 31, 2022: nil).

## 11. FINANCIAL INSTRUMENTS

The carrying amount is a reasonable approximation of fair value of trade receivables and payables.

The financial assets/liabilities categorised as Fair Value through Profit and Loss (FVTPL) presented in Level 2 contains commodity and interest rate swap derivatives. The financial assets/liabilities categorised as Fair Value through Other Comprehensive Income (FVOCI) presented in Level 3 contains equity securities.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels, determined in accordance with IFRS 13 “Fair Value Measurement”, have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| | Fair value | Level 1 | Level 2 | Level 3 | Fair value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|---|---|---|
| | September 30, 2023 | | | | December 31, 2022 | | | |
| | (€ in millions) | | | | | | | |
| **Financial assets held at fair value through profit or loss:** | | | | | | | | |
| Derivative commodity contracts | 49.4 | 2.2 | 47.2 | — | 20.3 | 9.9 | 10.4 | — |
| Interest rate swap contracts | 126.8 | — | 126.8 | — | 121.9 | 20.7 | 101.2 | — |
| **Financial assets held at fair value through other comprehensive income:** | | | | | | | | |
| Equity investments | 27.1 | — | — | 27.1 | 28.3 | — | — | 28.3 |
| **Financial liabilities held for trading at fair value through profit and loss:** | | | | | | | | |
| Derivative commodity contracts | (60.3) | (11.4) | (48.9) | — | (26.0) | (11.9) | (14.1) | — |
| Consideration payable (see Note 6). | (573.5) | — | — | (573.5) | — | — | — | — |
| **Total financial (liabilities) and assets held at fair value** | **(430.5)** | **(9.2)** | **125.1** | **(546.4)** | **144.5** | **18.7** | **97.5** | **28.3** |

The commodity derivatives are fair valued using rates in a quoted market. There have been no transfers between levels during the nine month period ended September 30, 2023 (2022: no transfers between levels).

### *Net investment hedges*

The Group has US$ and Sterling financial liabilities in respect of the Senior Notes and Securitisation Facility that are designated net investment hedges of US$ and Sterling operations in accordance with the requirements of IFRS 9. For the nine month period ended September 30, 2023, gains net of tax of €6.3 million were taken directly to reserves and reported in the Statement of Comprehensive Income for the period then ended (nine month period ended September 30, 2022: gains €875.5 million,. There was no ineffectiveness recognised in the income statement for the nine month period ended September 30, 2023 (nine month period ended September 30, 2022: €nil). The cumulative net investment hedge reserve amount as at December 31, 2023 was €642.5 million (December 31, 2022: €636.2 million).

### *Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s receivables from customers, deposits with financial institutions and derivatives.

**11. FINANCIAL INSTRUMENTS (continued)**

Group Treasury policy and objectives in relation to credit risk is to minimize the likelihood that the Group will experience financial loss due to counterparty failure. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered or are adjusted accordingly. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval.

Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

***Liquidity risk***

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group. The Group's exposure to liquidity risk is limited by the fact that it operates with significant cash resources, and it maintains the most appropriate mix of short, medium and long-term borrowings from the Group's lenders.

The Group is reliant on committed funding from a variety of sources at Group and subsidiary company level to meet the anticipated needs of the Group for the period covered by the Group's budget.

The Group forecasts on a regular basis the expected cash flows that will occur on a weekly and monthly basis. This information is used in conjunction with the weekly reporting of actual cash balances at bank in order to calculate the level of funding that will be required in the short and medium term. On a monthly basis the level of headroom on existing facilities is reported and forecast forward until the end of the financial period.

***Currency risk***

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. A substantial portion of the Group's revenue is generated in, or linked to, the U.S. dollar and the euro. In the European petrochemical business, product prices, certain feedstock costs and most other costs are denominated in euro and sterling. In the U.S. petrochemical and specialty chemicals businesses, product prices, raw materials costs and most other costs are primarily denominated in U.S. dollars.

The Group has established a currency risk policy under which material currency flows are analysed and if management considers it needed the risks are mitigated. The Group looks at transactional and translation currency risks.

***Commodity price risk***

The Group is exposed to commodity price risk through fluctuations in raw material prices and sales of products. The raw material exposures result primarily from the price of crude oil and base chemicals linked to the price of crude. The sales price exposures are primarily related to petrochemicals where prices are in general linked to the market price of crude oil.

The Group enters into contracts to supply or acquire physical volumes of commodities at future dates during the normal course of business that may be considered derivative contracts. Where such contracts exist and are in respect of the normal purchase or sale of products to fulfil the Group's requirements, the own use exemption from derivative accounting is applied.

The Group manages commodity price exposures through trading refined products and chemical feedstock and using commodity swaps, options and futures as a means of managing price and timing risks. As at September 30, 2023 there was a net mark to market derivative liability in respect of commodity contracts of €10.9 million entered into by the Group to manage such risk (December 31, 2022: net derivative liability of €5.7 million).

The Group operates within procedures and policies designed to ensure that risks, including those relating to the default of counterparties, are minimised.

## 12. CONTINGENCIES

The Group is subject to various proceedings instituted by governmental authorities arising under the provisions of applicable laws or regulations relating to the discharge of materials into the environment or otherwise relating to the protection of the environment. In management's opinion, none of the proceedings is material to the financial condition or results of operation of the Group.

## 13. RELATED PARTIES

*Related parties comprise:*

- Parent entities and their subsidiaries not included within the INEOS Group Holdings S.A. group;
- Entities controlled by the shareholders of INEOS Limited, the ultimate parent company of INEOS Group Holdings S.A.;
- Key management personnel; and

Mr JA Ratcliffe, Mr AC Currie and Mr J Reece are shareholders in INEOS Limited.

INEOS Limited and INEOS AG, a subsidiary of INEOS Limited, provide operational management services to the Group through a management services agreement. Management fees of €79.6 million (September 30, 2022: €73.8 million) were charged to the income statement during the nine month period ended September 30, 2023. As at September 30, 2023 amounts owed to INEOS Limited were €31.1 million (December 31, 2022: €25.1 million) and amounts owed by INEOS Limited were nil (December 31, 2022: €410.3 million). Amounts owed to INEOS AG were nil (December 31, 2022: €2.2 million) and amounts owed by INEOS AG were €478.2 million (December 31, 2022 : €23.9 million). Amounts owed by INEOS Holdings AG and INEOS Holdings Luxembourg S.A., both wholly owned subsidiaries of INEOS AG, were €103.2 million (December 31, 2022: €99.5 million) and €13.6 million (December 31, 2022: €13.2 million) respectively.

INEOS Limited owns and controls a number of operating subsidiaries that are not included in the INEOS Group Holdings S.A. group, including INEOS Industries Limited, INEOS Enterprises Holdings Limited and the Lavéra petrochemical assets and businesses together with other French and Italian assets of O&P South.

During the nine month period ended September 30, 2023 the Group has made sales to these subsidiaries of €1,120.4 million (September 30, 2022: €1,652.7 million), received net cost recoveries of €157.0 million (September 30, 2022: net costs recovered of €147.9 million) and made purchases of €756.4 million (September 30, 2022: €1,090.0 million). As at September 30, 2023, €665.2 million (December 31, 2022: €596.7 million) was owed by and €215.1 million (December 31, 2022: €283.2 million) was owed to these subsidiaries (excluding the INEOS Upstream and INEOS Grangemouth loans).

In January 2023 the Group provided a loan of €309.3 million via INEOS Industries Holdings Limited to INEOS Grangemouth Limited, a related party, to facilitate the repayment of its Senior Term and Revolving Loan Facilities. The loan facility is unsecured, matures in January 2028 and bears interest at 5.75% per annum. As at September 30, 2023 €309.3 million was outstanding under the facility.

In April 2023 the Group provided a loan of €811.9 million via INEOS Industries Holdings Limited to INEOS Upstream Holdings Limited, a related party, to partly fund its acquisition of US onshore oil and gas assets in the Eagle Ford shale field from Chesapeake Energy. The loan facility is unsecured, matures in April 2028 and bears interest at 8.5% per annum. As at September 30, 2023 €811.9 million was outstanding under the facility.

During 2015 the Group provided a loan of $623.7 million via INEOS Industries Holdings Limited to INEOS Upstream Limited, a related party, in connection with its acquisition of natural gas assets in the North Sea. The loan facility is unsecured, matures in June 2026 and bears interest at 7% per annum. On September 29, 2017, INEOS Upstream Limited, a related party, acquired further natural gas assets in the North Sea through its acquisition of the entire oil and gas business of DONG Energy A/S. In connection with the DONG Acquisition, the Group advanced a loan of $376.2 million (€315.7 million) via INEOS Industries Holdings Limited to INEOS Upstream Limited, the proceeds of which were on-lent to certain of

**13. RELATED PARTIES (continued)**

its subsidiaries. The loan is unsecured, matures in June 2026 and bears interest at 7% per annum. As at September 30, 2023 $617.1 million (€584.2 million) was outstanding under these facilities (December 31, 2022: $617.1 million (€578.5 million)).

INEOS Limited owns interests in a number of joint ventures that are not included in the Ineos Group Holdings S.A. group, including the French joint ventures associated with the Lavera petrochemical assets and businesses which were divested by the Group on July 1, 2014 and the refining joint ventures between PetroChina and INEOS Investments (Jersey) Limited, a related party.

The Refining joint ventures are between PetroChina and INEOS Investments (Jersey) Limited, a related party. During the nine month period ended September 30, 2023 the Group has made sales of €1.0 million (September 30, 2022: nil), received cost recoveries of €25.4 million (September 30, 2022: received costs recovered of €23.1 million) and made purchases of €14.6 million (September 30, 2022: €38.8 million). As at September 30, 2023, €1.7 million (December 31, 2022: €0.9 million) was owed by the Refining joint ventures and €2.7 million (December 31, 2022: €1.6 million) was owed to the Refining joint ventures.

The Group has entered into a number of derivative contracts with INEOS UK SNS Limited and INEOS Energy Trading Limited, both related parties. The net fair value loss and settlements on these derivatives during the nine month period ended September 30, 2023 was nil (September 30, 2022: loss of €18.6 million). As at September 30, 2023, the mark to market derivative liability was €47.1 million (December 31, 2022: €10.2 million) and the mark to market derivative asset was €47.2 million (December 31, 2022: €10.4 million) in respect of these related party derivative financial instruments.

In general, any trading balances with related parties are priced based on contractual arrangements and are to be settled in cash. The transactions are made on terms equivalent to those that prevail in arm's length transactions. As at September 30, 2023 none (December 31, 2022: none) of the related party balances are secured and no guarantees have been given or received. There were no provisions for doubtful debt related to any related parties as at September 30, 2023 (December 31, 2022: nil).

**14. ACQUISITIONS**

*Mitsui Phenols*

On March 31, 2023, the Group completed the acquisition of 100% of the share capital of Mitsui Phenols Singapore Ltd from Mitsui Chemicals, a leading Japanese chemicals manufacturer, for a total consideration of $273.0 million (€257.5 million). The newly acquired plant in Jurong Island, Singapore produces over 1 million tonnes of product each year, including cumene, phenol, acetone, alpha-methylstyrene and bisphenol A. This acquisition forms part of the Chemicals Intermediates reporting segment and is defined as a business under IFRS 3.

*Financial performance of acquired entity*

In the six month period between acquisition and September 30, 2023, the acquired entity generated revenues of €173.3 million and a loss after tax of €30.1 million.

In the nine month period ending September 30, 2023. The entity generated revenues of €261.6 million and a loss after tax of €43.7 million. These values include the performance of the entity in the pre-acquisition three month period ended March 31, 2023, during which the entity was under the control of Mitsui Chemicals.

## 14. ACQUISITIONS (continued)

*Effect of the acquisition on individual assets and liabilities*

**Acquiree's provisional net assets at acquisition:**

| | Provisional fair values recognised on acquisition |
|---|---|
| | €m |
| Property, Plant and Equipment | 86.3 |
| Inventories | 38.0 |
| Trade and other receivables | 37.1 |
| Cash | 42.9 |
| Trade and other payables | (82.7) |
| Provisions | (6.5) |
| **Net identifiable assets and liabilities** | 115.1 |
| **Consideration paid:** | |
| Cash | 257.5 |
| **Difference between consideration and provisional net assets acquired** | **142.4** |

The fair values disclosed are provisional due to the proximity of the acquisition to the preparation of these financial statements so further work will be required to confirm final fair values. The finalisation of the work to determine the fair values of the assets and liabilities acquired will be completed within 12 months of the acquisition date.

The difference between consideration and net assets acquired has been recognised as provisional goodwill within intangible assets. The provisional goodwill has been allocated to the Phenol CGU and is not expected to be deductible for income tax purposes.

## 15. ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group prepares its unaudited condensed, consolidated financial statements in accordance with IFRSs, which require management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates change and in any future periods.

### Key sources of estimated uncertainty

Estimates and associated assumptions are based on historical experience and other factors that the Group believe are reasonable, including assets and expected economic conditions, and in certain cases actuarial assumption. Although these estimates are based on the Group's knowledge of current events and circumstances, actual numbers may differ.

***Post-retirement benefits***

The Group operates a number of defined benefit post-employment schemes. Under IAS 19 Revised Employee Benefits, management is required to estimate the present value of the future defined benefit obligation of each of the defined benefit schemes. The costs and year end obligations under defined benefit schemes are determined using actuarial valuations. The actuarial valuations involve making numerous assumptions, including:

- Future rate of increase in salaries;
- Inflation rate projections;
- Discount rate for scheme liabilities; and
- Expected rates of return on the scheme assets.

## 15. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

***Impairment reviews***

IFRSs require management to test for impairment of goodwill and other intangible assets with indefinite lives, on an annual basis, and of tangible and intangible assets with finite lives if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

An impairment test requires an assessment as to whether the carrying value of assets can be supported by its recoverable amount. Management calculates the recoverable amount based on the net present value of the future cash flows derived from the relevant assets, using cash flow projections which have been discounted at an appropriate discount rate.

In calculating the net present value of the future cash flows, certain assumptions and estimates are required to be made in respect of highly uncertain matters, including management's expectations of:

- Growth rates of various revenue streams;
- Long term growth rates;
- Future margins;
- The selection of an appropriately risk adjusted discount rate; and
- The determination of terminal values.

Changing the assumptions selected by management, in particular the discount rate used in the present value calculation, could significantly affect the Group's impairment evaluation and results.

For the purpose of impairment testing (when required), to assess whether any impairment exists, estimates are made of the future cash flows expected to result from the use of the asset and its eventual disposal. Actual outcomes could vary significantly from such estimates of discounted future cash flows. Factors such as changes in the planned use of buildings, plant or equipment, or closure of facilities, the presence or absence of competition, lower than expected asset utilisation from events such as unplanned outages, strikes and hurricanes, technical obsolescence or lower than anticipated sales of products with capitalised intellectual property rights could result in shortened useful lives or impairment. Changes in the discount rates used could also lead to impairments.

***Fair value measurement on business combination***

The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the purchase price to the fair value of the identifiable assets and liabilities acquired. The determination of the fair value of the acquired assets and liabilities is to a considerable extent based upon management's judgement and estimates and assumptions made.

Allocation of the purchase price affects the results of the Group as intangible assets are amortised over their estimated useful lives, whereas goodwill, is not amortised. This could lead to differing amortisation charges based on the allocation to indefinite and finite lived intangible assets.

On acquisition of a business, the identifiable intangible assets may include customer contracts, customer relationships and preferential supply contracts. The fair value of these assets is determined by discounting estimated future net cash flows generated by the asset. The use of different estimates and assumptions for the expectations of future cash flows and the discount rate would change the valuation of these intangible assets.

***Investment in equity-accounted investees***

In July 2023, the Group signed a shareholders' agreement with Sinopec relating to a proposed joint arrangement in respect of the construction and operation of a 1,200kt per annum ethylene cracker and related derivative plants in Tianjin, China. The joint arrangement will be structured through a separate legal entity: INEOS Sinopec (Tianjin) Petrochemicals Limited.

The Group has applied its accounting policies when assessing whether it has control, joint control, or significant influence over INEOS Sinopec (Tianjin) Petrochemicals Limited.

## 15. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

'Significant influence' is the power to participate in an entity's financial and operating policy decisions, but it is not control or joint control of those policies. Significant influence is presumed when an entity owns 20% or more of the voting power of the investee.

To assess whether the Group controls or joint controls INEOS Sinopec (Tianjin) Petrochemicals Limited, the Group has evaluated whether it has the power to direct the relevant activities of INEOS Sinopec (Tianjin) Petrochemicals Limited when the Group acquires its 50% equity interest. In making this judgement, the Group assessed what the relevant activities of the entity are, and how these are directed. INEOS Sinopec (Tianjin) Petrochemicals Limited is currently in the construction phase of the cracker. Although the Group has a 50% equity interest and has representation on the board of directors of INEOS Sinopec (Tianjin) Petrochemicals Limited, the Group concluded that it currently does not have control or joint control because it does not currently have the power to direct the relevant activities of INEOS Sinopec (Tianjin) Petrochemicals Limited. This is because, Sinopec has contractual rights to direct all of the relevant activities of the construction phase. However, the Group assessed that, through its participation in the Board, it has the ability to exercise significant influence over the financial and operational decision of the INEOS Sinopec (Tianjin) Petrochemicals Limited. The Group will therefore account for its interest in INEOS Sinopec (Tianjin) Petrochemicals Limited as an equity-accounted associate under IAS 28 (see Note 6).

The Group will continue to reassess the conclusion on control if facts and circumstances indicate that there has been a change in the assessment of power over the relevant activities in INEOS Sinopec (Tianjin) Petrochemicals Limited.

## 16. SUBSEQUENT EVENTS

In December 2023, the Group declared a dividend of €697.5 million payable to its immediate parent, INEOS Holdings Luxembourg S.A. of which €250.0 million was paid in cash.

In December 2023, the Group announced an agreement with LyondellBasell to buy its ethylene oxide and derivatives business including the Bayport Underwood site, Texas. The deal includes the 420kt ethylene oxide plant, the 375kt ethylene glycols plant and the 165kt glycol ethers plant together with all associated third-party business on the site, for $700 million. The acquisition is still subject to competition clearance.

In December 2023, the Group extended the maturity date of the receivables securitisation facility to December 2026.

In January 2024, a new permit was reissued for Project One when the Group's appeal to reconfirm the permit was granted by the Flemish Minister for Justice and Enforcement, Environment and Spatial Development and Energy and Tourism, so construction of Project One has now resumed.

# INEOS GROUP HOLDINGS S.A.

**Consolidated Financials Statements**
**for the year ended 31 December 2022**

## INDEX TO THE FINANCIAL STATEMENTS

Deloitte.

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To the Shareholders of
Ineos Group Holdings S.A.
58, rue Charles Martel
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# REPORT OF THE REVISEUR D'ENTREPRISES AGREE

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Ineos Group Holdings S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *"Commission de Surveillance du Secteur Financier"* (CSSF). Our responsibilities under the Law of July 23, 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *"réviseur d'entreprises agréé"* for the Audit of the Consolidated Financial Statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated annual report including the management report but does not include the consolidated financial statements and our report of the *"réviseur d'entreprises agréé"* thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Société à responsabilité limitée au capital de 360.000 €
RCS Luxembourg B 67.895
Autorisation d'établissement 10022179

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

**Responsibilities of the Board of Directors and Those Charged with Governance for the Consolidated Financial Statements**

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

**Responsibilities of the *"réviseur d'entreprises agréé"* for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *"réviseur d'entreprises agréé"* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *"réviseur d'entreprises agréé"* to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *"réviseur d'entreprises agréé"*. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

For Deloitte Audit, *Cabinet de révision agréé*

Ludovic Mosca, *Réviseur d'entreprises agréé*
Partner

March 17, 2023

## INEOS Group Holdings S.A.

## CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

| | Note | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| | | | €m | |
| **Revenue** | 2 | **20,927.0** | **18,826.7** | **11,303.7** |
| Cost of sales before exceptional items | | (18,313.2) | (15,357.7) | (9,921.5) |
| Exceptional impairment charge | 4 | — | — | (118.5) |
| Total cost of sales | | (18,313.2) | (15,357.7) | (10,040.0) |
| **Gross profit** | | **2,613.8** | **3,469.0** | **1,263.7** |
| Distribution costs | | (209.1) | (215.1) | (207.4) |
| Administrative expenses before exceptional items | | (399.2) | (398.4) | (387.5) |
| Exceptional administrative gain/(expense) | 4 | (4.2) | 8.9 | (8.9) |
| Total administrative expenses | | (403.4) | (389.5) | (396.4) |
| **Operating profit** | 5 | **2,001.3** | **2,864.4** | **659.9** |
| Share of profit/(loss) of associates and joint ventures using the equity accounting method | 12a | 147.2 | (42.5) | (210.0) |
| Profit on disposal of investments | 3, 12a | 270.6 | — | 78.3 |
| (Loss)/profit on disposal of fixed assets | | (0.6) | 0.3 | 1.1 |
| **Profit before net finance costs** | | **2,418.5** | **2,822.2** | **529.3** |
| Finance income | 8 | 279.9 | 248.2 | 318.3 |
| Finance costs before exceptional item | 8 | (415.8) | (525.0) | (296.2) |
| Exceptional finance cost | 4 | — | (3.5) | — |
| Total finance costs | | (415.8) | (528.5) | (296.2) |
| Net finance (costs)/income | | (135.9) | (280.3) | 22.1 |
| **Profit before tax** | | **2,282.6** | **2,541.9** | **551.4** |
| Tax (charge)/credit | 9 | (282.0) | (449.6) | 24.8 |
| **Profit for the year** | | **2,000.6** | **2,092.3** | **576.2** |

The notes on pages F-41 to F-108 are an integral part of these consolidated financial statements.

## INEOS Group Holdings S.A.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 DECEMBER 2022

| | Note | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| | | | €m | |
| **Profit for the year** | | 2,000.6 | 2,092.3 | 576.2 |
| **Other comprehensive income/(expense):** | | | | |
| **Items that will not be reclassified to profit or loss:** | | | | |
| Remeasurements of post employment benefit obligations net of tax | 9 | 173.2 | 134.0 | (74.4) |
| | | **173.2** | **134.0** | **(74.4)** |
| **Items that may subsequently be reclassified to profit or loss:** | | | | |
| Foreign exchange translation differences | | 1.1 | (14.1) | 30.8 |
| Net gain/(loss) on translation of foreign operations and hedge of net investment in foreign operations net of tax | 9, 24e | 193.5 | 479.2 | (527.4) |
| | | **194.6** | **465.1** | **(496.6)** |
| **Other comprehensive income/(expense) for the year net of tax** | | **367.8** | **599.1** | **(571.0)** |
| **Total comprehensive income for the year** | | **2,368.4** | **2,691.4** | **5.2** |

The notes on pages F-41 to F-108 are an integral part of these consolidated financial statements.

## INEOS Group Holdings S.A.

## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2022

| | Note | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| | | | €m | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 10 | 9,013.0 | 8,274.2 | 7,636.2 |
| Intangible assets | 11 | 1,061.4 | 938.3 | 927.2 |
| Investments in equity-accounted investees | 12a | 1,462.9 | 47.2 | 86.4 |
| Financial assets at fair value through other comprehensive income | 13 | 28.3 | 28.3 | 28.3 |
| Derivative financial instruments | 14 | 119.4 | 26.2 | — |
| Employee benefits | 20 | 35.0 | 123.6 | 82.7 |
| Trade and other receivables | 17 | 1,365.5 | 826.0 | 656.2 |
| Deferred tax assets | 15 | 118.3 | 154.4 | 183.2 |
| | | 13,203.8 | 10,418.2 | 9,600.2 |
| **Current assets** | | | | |
| Inventories | 16 | 1,927.3 | 1,767.2 | 1,059.7 |
| Trade and other receivables | 17 | 2,108.4 | 2,470.2 | 1,394.0 |
| Tax receivable | | 13.0 | 63.7 | 281.5 |
| Derivative financial instruments | 14 | 22.8 | 256.0 | 154.5 |
| Cash and cash equivalents | 27 | 2,639.1 | 2,106.1 | 1,342.2 |
| | | 6,710.6 | 6,663.2 | 4,231.9 |
| **Total assets** | | **19,914.4** | **17,081.4** | **13,832.1** |
| **Equity attributable to owners of the parent** | | | | |
| Share capital | 22 | 0.9 | 0.9 | 0.9 |
| Share premium | | 150.1 | 585.6 | 585.6 |
| Other reserves | | (1,679.8) | (2,047.6) | (2,646.7) |
| Retained earnings | | 7,050.2 | 4,814.1 | 3,521.8 |
| **Total equity** | | **5,521.4** | **3,353.0** | **1,461.6** |
| **Non-current liabilities** | | | | |
| Interest-bearing loans and borrowings | 18 | 8,445.5 | 7,331.5 | 7,343.2 |
| Lease liabilities | 25 | 927.0 | 830.8 | 772.8 |
| Trade and other payables | 19 | 107.4 | 113.2 | 112.9 |
| Employee benefits | 20 | 630.2 | 956.8 | 1,100.4 |
| Provisions | 21 | 32.4 | 32.3 | 52.3 |
| Deferred tax liabilities | 15 | 837.4 | 702.3 | 577.6 |
| Derivative financial instruments | 14 | — | — | 4.2 |
| | | 10,979.9 | 9,966.9 | 9,963.4 |
| **Current liabilities** | | | | |
| Interest-bearing loans and borrowings | 18 | 308.3 | 407.8 | 238.6 |
| Lease liabilities | 25 | 162.3 | 146.8 | 120.5 |
| Trade and other payables | 19 | 2,445.1 | 2,589.0 | 1,634.0 |
| Tax payable | | 464.3 | 376.2 | 307.4 |
| Derivative financial instruments | 14 | 26.0 | 236.0 | 96.9 |
| Provisions | 21 | 7.1 | 5.7 | 9.7 |
| | | 3,413.1 | 3,761.5 | 2,407.1 |
| **Total liabilities** | | **14,393.0** | **13,728.4** | **12,370.5** |
| **Total equity and liabilities** | | **19,914.4** | **17,081.4** | **13,832.1** |

These financial statements were approved by the board of directors on 17 March 2023 and were signed on its behalf by:

Natalina Arena
*Director*

Florence Bardot
*Director*

The notes on pages F-41 to F-108 are an integral part of these consolidated financial statements.

## INEOS Group Holdings S.A.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

| | Share capital | Share premium | Other reserves | Retained earnings | Total equity |
|---|---|---|---|---|---|
| | | | €m | | |
| **Balance at 1 January 2020** | **0.9** | **585.6** | **(2,075.7)** | **2,945.6** | **1,456.4** |
| Profit for the year | — | — | — | 576.2 | 576.2 |
| **Other comprehensive income/(expense):** | | | | | |
| Foreign exchange translation differences | — | — | 30.8 | — | 30.8 |
| Net loss on translation of foreign operations and hedge of net investment in foreign operations net of tax (see Note 9, 24e) | — | — | (527.4) | — | (527.4) |
| Remeasurements of post employment benefit obligations (see Note 9) | — | — | (74.4) | — | (74.4) |
| **Total other comprehensive (expense)/income** | — | — | (571.0) | 576.2 | 5.2 |
| **Balance at 31 December 2020** | **0.9** | **585.6** | **(2,646.7)** | **3,521.8** | **1,461.6** |
| Profit for the year | — | — | — | 2,092.3 | 2,092.3 |
| **Other comprehensive (expense)/income:** | | | | | |
| Foreign exchange translation differences | — | — | (14.1) | — | (14.1) |
| Net gain on translation of foreign operations and hedge of net investment in foreign operations net of tax (see Note 9, 24e) | — | — | 479.2 | — | 479.2 |
| Remeasurements of post employment benefit obligations (see Note 9) | — | — | 134.0 | — | 134.0 |
| **Total other comprehensive income** | — | — | 599.1 | 2,092.3 | 2,691.4 |
| **Transactions with owners, recorded directly in equity:** | | | | | |
| Dividend (see Note 23) | — | — | — | (800.0) | (800.0) |
| **Balance at 31 December 2021** | **0.9** | **585.6** | **(2,047.6)** | **4,814.1** | **3,353.0** |
| Profit for the year | — | — | — | 2,000.6 | 2,000.6 |
| **Other comprehensive income:** | | | | | |
| Foreign exchange translation differences | — | — | 1.1 | — | 1.1 |
| Net gain on translation of foreign operations and hedge of net investment in foreign operations net of tax (see Note 9, 24e) | — | — | 193.5 | — | 193.5 |
| Remeasurements of post employment benefit obligations (see Note 9) | — | — | 173.2 | — | 173.2 |
| **Total other comprehensive income** | — | — | 367.8 | 2,000.6 | 2,368.4 |
| **Transactions with owners, recorded directly in equity:** | | | | | |
| Transfer to retained earnings | — | (435.5) | — | 435.5 | — |
| Dividend (see Note 23) | — | — | — | (200.0) | (200.0) |
| **Balance at 31 December 2022** | **0.9** | **150.1** | **(1,679.8)** | **7,050.2** | **5,521.4** |

The notes on pages F-41 to F-108 are an integral part of these consolidated financial statements.

INEOS Group Holdings S.A.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

**Analysis of other reserves**

| | Translation reserve | Employee benefits | Merger reserve | Total other reserves |
|---|---|---|---|---|
| | | €m | | |
| **Balance at 1 January 2020** | **(508.7)** | **(766.3)** | **(800.7)** | **(2,075.7)** |
| Foreign exchange translation differences | 30.8 | — | — | 30.8 |
| Net gain on hedge of net investment in foreign operations | (527.4) | — | — | (527.4) |
| Remeasurements of post employment benefit obligations | — | (74.4) | — | (74.4) |
| **Balance at 31 December 2020** | **(1,005.3)** | **(840.7)** | **(800.7)** | **(2,646.7)** |
| Foreign exchange translation differences | (14.1) | — | — | (14.1) |
| Net loss on hedge of net investment in foreign operations | 479.2 | — | — | 479.2 |
| Remeasurements of post employment benefit obligations | — | 134.0 | — | 134.0 |
| **Balance at 31 December 2021** | **(540.2)** | **(706.7)** | **(800.7)** | **(2,047.6)** |
| Foreign exchange translation differences | 1.1 | — | — | 1.1 |
| Net gain on hedge of net investment in foreign operations | 193.5 | — | — | 193.5 |
| Remeasurements of post employment benefit obligations | | 173.2 | — | 173.2 |
| **Balance at 31 December 2022** | **(345.6)** | **(533.5)** | **(800.7)** | **(1,679.8)** |

The notes on pages F-41 to F-108 are an integral part of these consolidated financial statements.

**INEOS Group Holdings S.A.**

## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 DECEMBER 2022

| | Note | 2022 | 2021* | 2020* |
|---|---|---|---|---|
| | | | €m | |
| **Cash flows from operating activities** | | | | |
| Profit before tax | | 2,282.6 | 2,541.9 | 551.4 |
| Adjustments for: | | | | |
| Depreciation and impairment | 10 | 830.3 | 756.4 | 861.5 |
| Amortisation and impairment | 11 | 4.8 | 4.3 | 4.7 |
| Net finance costs/(income) | 4,8 | 135.9 | 280.3 | (22.1) |
| Share of (profit)/loss of equity-accounted investees | 12a | (147.2) | 42.5 | 210.0 |
| Profit on disposal of investments | 3, 12a | (270.6) | — | (78.3) |
| Loss/(profit) on sale of property, plant and equipment | | 0.6 | (0.3) | (1.1) |
| Decrease/(increase) in trade and other receivables | | 373.1 | (965.0) | 140.2 |
| (Increase)/decrease in inventories | | (92.6) | (637.3) | 121.6 |
| (Decrease)/increase in trade and other payables | | (238.9) | 866.0 | 57.2 |
| Increase/(decrease) in provisions and employee benefits | | 10.8 | (40.4) | (27.1) |
| Tax (paid)/received | | (148.1) | (109.7) | 68.2 |
| **Net cash generated from operating activities** | | **2,740.7** | **2,738.7** | **1,886.2** |
| **Cash flows used in investing activities** | | | | |
| Proceeds from sale of property, plant and equipment | | 0.4 | 0.9 | 2.1 |
| Proceeds from sales of investments | | — | — | 0.2 |
| Interest and other finance income received | | 31.1 | 1.3 | 3.0 |
| Dividends received | | 4.4 | 0.2 | 2.4 |
| Acquisition of businesses, net of cash acquired | 3 | — | (56.8) | (196.7) |
| Acquisition of intangible assets | | (128.8) | (31.0) | (53.6) |
| Acquisition of property, plant and equipment | | (1,036.4) | (809.0) | (1,311.0) |
| Acquisition of equity-accounted investees | 12a | (1,460.7) | (3.3) | (0.8) |
| **Net cash used in investing activities** | | **(2,590.0)** | **(897.7)** | **(1,554.4)** |
| **Cash flows from financing activities** | | | | |
| Securitisation Facility | | — | (99.1) | (172.1) |
| Inventory Financing Facility | | (40.5) | 114.2 | (62.1) |
| Proceeds from new Senior Secured Notes | | — | — | 325.0 |
| Redemption of Senior Notes | | — | (1,078.2) | — |
| Proceeds from new Senior Secured Term Loans | | 513.6 | 1,073.6 | 375.0 |
| Net proceeds from Gemini Term Loan | | — | — | 201.1 |
| Net proceeds from Rain Term Loan | | 647.8 | — | — |
| Issue costs paid | | (93.4) | (11.1) | (22.7) |
| Interest paid and other finance items | | (205.4) | (208.2) | (348.4) |
| Proceeds from other loans | | 126.4 | 60.0 | 29.3 |
| Repayment of loans | | (279.9) | (116.6) | (59.8) |
| Dividends paid | 23 | (200.0) | (800.0) | — |
| Capital element of lease payments | | (163.3) | (141.9) | (168.2) |
| **Net cash from/(used in) financing activities** | | **305.3** | **(1,207.3)** | **97.1** |
| Net increase in cash and cash equivalents | 27 | 456.0 | 633.7 | 428.9 |
| Cash and cash equivalents at 1 January | 27 | 2,106.1 | 1,342.2 | 982.9 |
| Effect of exchange rate fluctuations on cash held | | 77.0 | 130.2 | (69.6) |
| **Cash and cash equivalents at 31 December** | 27 | **2,639.1** | **2,106.1** | **1,342.2** |

* see note 1.

The notes on pages F-41 to F-108 are an integral part of these consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2022

*(forming part of the financial statements)*

### 1. ACCOUNTING POLICIES

**Overview**

INEOS Group Holdings S.A. (the “Company”) is a company incorporated and domiciled in the form of a société anonyme under the laws of the Grand-Duchy of Luxembourg, having its registered office at 62 Avenue de la Liberté L-1930, Luxembourg, Grand-Duchy of Luxembourg. The nature of the operations and principal activities of the Company and its subsidiaries are the manufacture and sale of a range of petrochemical products used in a variety of applications.

**Basis of accounting**

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”) and equity account the Group’s interest in associates and joint ventures.

The Group continues to implement contingency plans for the COVID-19 pandemic, with the primary objective of maintaining the safety of personnel and the reliable operation of the Group’s plants.

The chemical industry is deemed as essential, critical infrastructure by governments across the world. Throughout the pandemic all of the Group’s plants have continued to operate fully and supply chains have operated without significant disruption. Protecting employees and ensuring that they remain healthy has been the first priority of the Group. All plants have sufficient resources and have implemented measures to ensure that this remains the case throughout the pandemic.

The Group does not have operations in Belarus, Russia or Ukraine. During 2022, 2021 and 2020 revenue generated in these countries was not material to the Group. The Group is not currently experiencing any material disruption to its operations and does not foresee any direct impact as a result of the conflict, but will continue to monitor the evolving situation closely.

Whilst there is still uncertainty due to the COVID-19 pandemic and the disruption on the energy market resulting from the conflict in Ukraine, the Directors have undertaken a rigorous assessment of the potential impact on demand for the Group’s products and services and the impact on margins for the next 12 months and the Directors do not expect a material impact on the Group’s ability to operate as a going concern.

The Group meets its day to day working capital requirements through its cash generation from Group operations. The Group held cash balances of €2,639.1 million at 31 December 2022 (2021: €2,106.1 million, 2020: €1,342.2 million) and interest-bearing loans and borrowings (net of debt issue costs) of €8,753.8 million at 31 December 2022 (2021: €7,739.3 million, 2020: €7,581.8 million) of which €308.3 million is due to be repaid within 12 months of signing the financial statements. The Directors have considered the Group’s projected future cash flows and working capital requirements and are confident that the Group has sufficient cashflows to meet its working capital requirements for the next twelve months from the date of signing the financial statements. In particular, the Directors have stress tested the forecasts through taking account of reasonable possible changes in trading performance on the impact on EBITDA, cash flow and debt. The stress tests show that the Group will still have sufficient cash flow to meet all of its obligations as they fall due within the next 12 months from the date of signing the financial statements.

On the basis of this assessment together with net assets of €5,521.4 million as at 31 December 2022 (2021: €3,353.0 million, 2020: €1,461.6 million) and the Group’s ability to meet working capital requirements through its external financing facilities, along with access to cash generated by its subsidiaries, the Directors have concluded that the Group can operate within its current facilities without the need to obtain new ones for a period of at least 12 months from the date of this report and have therefore prepared these financial statements on a going concern basis.

The Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union in response to the IAS regulation (EC 1606/2002) effective as of 31 December 2022 and have been approved for issuance by the Board of Directors on 17 March 2023.

## 1. ACCOUNTING POLICIES (continued)

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

**Measurement convention**

The financial statements are prepared on the historical cost basis except for derivative financial instruments, financial instruments classified as fair value through the profit or loss or fair value through other comprehensive income (FVOCI) which are stated at their fair value.

**Functional and presentation currency**

These Group financial statements are presented in euro, which is the functional currency of the majority of operations, with other significant currencies being USD and Sterling. The Group's primary products are sold in an international commodities market which is priced and invoiced primarily in euros.

All financial information presented in euro has been rounded to the nearest €0.1 million.

**Changes in accounting policies**

The Group financial statements have been prepared using accounting policies that are consistent with those of the previous financial year. The Group has re-presented receipts from derivative contracts of €257.8 million for the year ended 31 December 2021 and €0.7 million for the year ended 31 December 2020 which are now shown net of payments on derivative contracts within interest paid and other finance items in the consolidated statement of cash flows . The Group has adopted the following amendments to accounting standards for the first time in 2022, with effect from 1 January 2022, although there has been no material effect on the Group's financial statements:

- Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract.

  The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

- Amendments to References to the Conceptual Framework in IFRS 3.

  The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

- Amendments to IAS 16: Property, Plant and Equipment—Proceeds before Intended Use.

  Under the amendments, proceeds from selling items before the related item of Property, Plant and Equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 *Inventories* should be applied in identifying and measuring these production costs.

  The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

  If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

**1. ACCOUNTING POLICIES (continued)**

- Annual Improvements to IFRS Standards 2018-2020:

  IFRS 1: Subsidiary as a first-time Adopter—The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. The amendment allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

  IFRS 9: Fees in the '10 per cent' test for derecognition of financial liabilities—The amendment clarifies which fees should be included in the 10% test for derecognition of financial liabilities.

  IFRS 16: The amendment removes the illustration of the reimbursement of leasehold improvements.

**Basis of consolidation**

*Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations, except acquisitions under common control which are outside the scope of IFRS 3. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination of a subsidiary or joint venture is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in the profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions—that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The

**1. ACCOUNTING POLICIES (continued)**

fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

*Special purpose entities ("SPE")*

An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPE's risks and rewards, the Group concludes that it controls the SPE. The Group has established an SPE, INEOS Finance Ireland Limited, for a debt securitisation programme The Group does not have any direct or indirect shareholdings in this SPE. INEOS Finance Ireland Limited is controlled by the Group as it was established under terms that impose strict limitations on the decision-making powers of the SPE's management that result in the Group receiving the majority of the benefits related to the SPE's operations and net assets, being exposed to the majority of risks arising from the SPE's activities, and retaining the majority of the residual or ownership risks related to the SPE and its assets. INEOS Finance Ireland Limited is therefore regarded as an SPE and has been consolidated in these financial statements.

*Associates*

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

*Joint arrangements*

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or

**1. ACCOUNTING POLICIES (continued)**

exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

**Foreign exchange**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated income statement except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign exchange are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, euros, at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at exchange rates prevailing at the dates of the transactions. The Group applies an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are taken directly to the translation reserve. They are recycled into the consolidated income statement upon disposal.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve. Foreign exchange differences arising on the retranslation of a borrowing designated as a hedge of a net investment in a foreign operation are recognised directly in other comprehensive income (OCI), in the translation reserve, to the extent that the hedge is effective. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss on disposal.

**Classification of financial instruments issued by the Group**

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) They include no contractual obligation upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts

## 1. ACCOUNTING POLICIES (continued)

presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

**Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

*Trade and other receivables*

Trade and other receivables are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are tested for classification as per IFRS 9. If the trade receivables satisfy the criteria for cash flow characteristics test and business model test as per IFRS 9, then they are recognised at amortised cost. If they do not qualify for being recognised at amortised cost they are recognised at fair value through profit or loss or at fair value through other comprehensive income.

*Trade and other payables*

Trade and other payables are recognised initially at fair value less transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

*Investments in debt and equity securities*

Investments in debt securities are measured at amortised cost if they meet both of the following conditions and are not designated as a fair value through profit and loss:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income only if it meets both of the following conditions and is not designated as a fair value through profit and loss:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For investment in equity securities that are not held for trading, the Group may irrevocably elect to present subsequent changes to fair value in other comprehensive income. The Group makes this election on an investment-by-investment basis.

All other financial assets, including derivatives, are classified as measured at fair value through profit and loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the income statement. Where no reliable measurement of fair value is available, investments are stated at historic acquisition cost.

*Cash and cash equivalents*

Cash and cash equivalents comprise of cash balances and call deposits.

*Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

## 1. ACCOUNTING POLICIES (continued)

*Debt restructuring*

The Group derecognises financial liabilities in accordance with the provisions in IFRS 9. When debt is modified, the Group analyses the modifications from both a quantitative and qualitative perspective to determine if the modifications are substantial and meet the IFRS requirements for de-recognition, in which case the debt is treated as extinguished. All fees paid in connection with a debt extinguishment are expensed immediately. When a modification is accounted for as a non-substantial modification, associated fees incurred are deferred as an adjustment to the carrying value of the liability and amortised using the original effective interest rate.

**Derivative financial instruments and hedging**

*Derivative financial instruments*

Derivative financial instruments are initially recognised at fair value. The gain or loss on subsequent re-measurement to fair value is recognised immediately in the consolidated income statement as finance income or expense. Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

**Hedge of net investment of foreign operation**

The Group applied hedge accounting to foreign exchange differences arising on the retranslation of a foreign currency loan where the loan is designated as a hedge of a net investment in a foreign operation in accordance with IFRS 9.

Most commonly this means that exchange differences arising on retranslation of foreign currency loans designated as a net investment hedge are recognised in the consolidated statement of comprehensive income. Gains and losses accumulated in the translation reserve will be recycled to the statement of comprehensive income when the foreign operation is sold.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in the income statement. The amount recognised in OCI is reclassified to the income statement as a reclassification adjustment on disposal of the foreign operation.

**Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Cost may include the cost of materials, labour and other costs directly attributable to bringing the assets to a working condition for their intended use. Cost may also include the cost of dismantling and removing items and restoring the site on which they are located.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation commences from the date an asset is brought into service. Land and assets in the course of construction are not depreciated. The estimated useful lives are as follows:

- Buildings . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 10 - 40 years
- Plant and equipment and fixtures and fittings . . . . . . . . . . . . . . . . . 3 - 40 years

**1. ACCOUNTING POLICIES (continued)**

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, the Group makes an estimate of the recoverable amount, which is the higher of the asset's fair value less cost to sell and value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated income statement in the period in which the item is derecognised.

**Business combinations, goodwill and intangible assets**

All business combinations are accounted for by applying the Acquisition method, except acquisitions under common control which are outside the scope of IFRS 3. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures.

Acquisitions under common control are accounted for at book value. The difference in the book value of the assets acquired and consideration paid is recognised in a distributable merger reserve.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to groups of cash-generating units and is not amortised but is tested annually for impairment. The cash generating units within the Group are predominately business units. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Negative goodwill arising on an acquisition is recognised immediately in the consolidated income statement.

*Intangible assets*

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses. These intangible assets principally comprise intellectual property rights, customer relationships, non-compete agreements and license fees.

Intangible assets acquired separately from a business are carried initially at cost. The initial cost is the aggregate amount paid and the fair value of other consideration given to acquire the assets. An intangible asset acquired as part of a business combination is recognised separately from goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

*Amortisation*

Amortisation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each reporting date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Customer relationships . . . . . . . . . . . . . . . . . . . . . . . . . . 3 - 12 years
- Intellectual property rights . . . . . . . . . . . . . . . . . . . . . . . . 10 - 15 years
- Non-compete agreements . . . . . . . . . . . . . . . . . . . . . . . . . . life of the agreement
- Licenses . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . up to 15 years

These intangible assets are tested for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying value may not be recoverable. Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

## 1. ACCOUNTING POLICIES (continued)

**Research and development**

Expenditure on research activities is recognised in the consolidated income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Where regulatory and other uncertainties are such that the criteria are not met, the expenditure is recognised in the income statement. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

**Impairment of financial assets**

*Trade and other receivables*

The Group applies the simplified approach when providing for expected credit losses prescribed by IFRS 9 for its trade receivables and contract assets. This approach requires the Group to recognise the lifetime expected loss provision for all trade receivables taking in consideration historical as well as forward-looking information.

Where the Group has assessed the probability of default of a financial asset to be low, the loss allowance is considered immaterial.

The Group assesses on a forward looking basis the expected credit losses associated with the financial assets classified at amortised cost at each balance sheet date and adjusts the allowance accordingly.

*Investments in debt and equity securities*

Impairment of equity securities classified as FVOCI are not tested for impairment under IFRS 9. If the fair value of a debt instrument classified as FVOCI increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the consolidated income statement, the impairment loss is reversed through profit or loss.

**Impairment of non-financial assets excluding inventories and deferred tax assets**

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are assessed at the end of the reporting period to determine whether there is any indication of impairment.

For goodwill and other intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at the end of the reporting period.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

*Calculation of recoverable amount*

The recoverable amount is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**1. ACCOUNTING POLICIES (continued)**

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversals of impairment*

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**Inventories**

Inventories are stated at the lower of cost, using the first-in first-out or average cost method, and net realisable value which is defined as the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale. Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Provision is made for obsolete, slow-moving or defective items where appropriate.

Items owned by the Group that are held on consignment at another entity's premises are included as part of the Group's inventory.

**Commodities**

Contracts that are entered into and continue to be held for the purpose of receipt or delivery of non-financial items in accordance with the Group's expected purchase, sale or usage requirements (own-use contracts) are not accounted for as derivative financial instruments, but rather as executory contracts.

**IFRS 16 Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

***Group as a lessee***

*Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition,

**1. ACCOUNTING POLICIES (continued)**

the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

*Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease payments include fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or a rate (initially measured using the index or rate as at the commencement date), amounts expected to be paid under residual value guarantees less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are expensed in the period in which the event or condition that triggers the payment occurs.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments a change in the assessment of whether the Group is reasonably certain to exercise an option to purchase the underlying asset, a change in future lease payments arising from a change in an index or rate, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee.

When the lease liability is remeasured in this way and there has been no change in the scope of the lease, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to all leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group also applies the lease of low-value assets recognition exemption to leases of assets that are valued below €10,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Employee benefits**

The Group operates a number of defined contribution plans and funded and unfunded defined benefit pension schemes. The Group also provides unfunded early retirement benefits, long service awards and an incentive plan for certain employees.

The Group provides health care insurance to eligible retired employees and their dependants, primarily in the United States.

*Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated income statement as incurred.

*Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have

**1. ACCOUNTING POLICIES (continued)**

earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The liability discount rate is the yield at the reporting date on AA credit rated bonds denominated in the currency of, and that have maturity dates approximating to the terms of, the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are amended or curtailed, the portion of the increased or decreased benefit relating to past service by employees is recognised as an expense immediately in the consolidated income statement.

Where the calculation results in a benefit to the Group, the asset recognised is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full.

The movement in the scheme surplus/deficit is split between:

- cost of sales and administrative expenses,
- net finance costs and,
- in net expense recognised directly in equity, the remeasurements of post employment benefit obligations.

*Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Provisions**

A provision is recognised in the consolidated balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**Revenue**

Revenue represents the invoiced value of products and services sold or services provided to third parties net of sales discounts, value added taxes and duties. Contracts for goods and services are analysed to determine the distinct performance obligations against which revenue should be recognised. The amount to be recognised is determined from the standalone selling prices for goods and services, allocated to the performance obligations. Revenue is recognised when (or as) the performance obligations are satisfied by transferring a promised good or service to a customer.

The pricing for products sold is determined by market prices (market contracts and arrangements) or is linked by a formula to published raw material prices plus an agreed additional amount (formula contracts). Revenue arising from the sale of goods is recognised when the goods are dispatched or delivered depending on the relevant delivery terms and point at which the control of the good or service is transferred to the customer.

Services provided to third parties include administrative and operational services provided to other chemical companies with facilities on our sites and services under tolling arrangements. Under tolling

**1. ACCOUNTING POLICIES (continued)**

arrangements, customers pay for or provide raw materials to be converted into certain specified products, for which the Group charges a toll fee. The Group only recognises toll fee as revenue earned under such arrangements upon shipment of the converted product to the customer as this is the point at which the control of the service is transferred to the buyer. For all other services, revenue is recognised at a point in time. There are no arrangements of significance which transfer goods or services over time.

**Government grants**

Government grants are shown in the consolidated balance sheet as deferred income. This income is amortised on a straight line basis over the same period as the tangible fixed asset to which it relates or the life of the related project.

**Finance income and expenses**

Interest income and interest expense are recognised in the consolidated income statement as it accrues, using the effective interest method. Dividend income is recognised in the consolidated income statement on the date the entity's right to receive payments is established. Foreign exchange gains and losses are reported on a gross basis.

Finance costs comprise interest payable, finance charges on leases, unwinding of the discount on provisions, net fair value losses on derivatives, net interest on employee benefit liabilities and foreign exchange losses that are recognised in the consolidated income statement (see foreign exchange accounting policy).

Finance income comprises interest receivable on funds invested and from related party loans, net fair value gains on derivatives and foreign exchange gains.

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are offset if it is possible that there is a legally enforceable right to offset current tax liabilities and assets because they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

**Segmental analysis**

The Group determines its operating segments in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments. The chief operating decision-makers are the members of the Executive Committee of the ultimate parent undertaking, INEOS Limited.

**1. ACCOUNTING POLICIES (continued)**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the chief operating decision-makers to make decisions about resources to be allocated to the segment and assess its performance.

The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure and the aggregation criteria set out in IFRS 8.

Segment results that are reported to the chief operating decision-makers include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total payments made during the period to acquire property, plant and equipment other than as acquired through business combinations.

**Emission trading scheme**

The Group participates in the EU Emissions Trading Scheme. The Scheme encourages companies to reduce carbon emissions by offering financial incentives if they achieve their annual reduction targets. If a company reduces emissions beyond their target then the surplus may be traded in the form of emissions permits.

The incentive money due from the EU Emissions Trading Scheme is recognised in the consolidated income statement once the reduction targets have been met. The emissions permits allocated under the Scheme are at nil cost. The Group recognises the revenue from such permits upon their sale to third parties.

The Group accrues for emissions produced. The accrual is measured at the carrying amount of the emission rights held (nil if granted, otherwise at cost) or, in the case of a shortfall, at the current fair value of the emission rights needed.

**Exceptional items**

In order to provide readers with a clear and consistent presentation of the underlying operating performance of the Group's ongoing business it separately identifies those profits and losses which because of their size or nature, are outside the normal course of business so are expected to be non-recurring. This may include the disposal of businesses, the impairment of non-current assets, the cost of restructuring acquired or existing businesses, site closures and demolition costs, the impact of one off events such as legal settlements or finance costs relating to call premia and write-off of unamortised debt issue costs following substantial modification or redemption of debt as exceptional items.

**Accounting standards not applied**

A number of new standards and amendments are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The impact of their adoption is being assessed and is not expected to have a material impact on the Group's financial statements in the period of initial application. The new standards and amendments are as follows:

- IFRS 17 Insurance Contracts (effective date 1 January 2023).
- Amendments to IAS 12: Income taxes—deferred tax related to assets and liabilities arising from a single transaction (effective date 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective date 1 January 2023).

**1. ACCOUNTING POLICIES (continued)**

- Amendments to IAS 8: Definition of Accounting Estimates (effective date 1 January 2023).
- Amendments to IFRS 16: Lease liability in a sale and leaseback (effective date 1 January 2024).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (effective date 1 January 2024).

**2. OPERATING SEGMENTS**

The determination of the Group's operating segments is based on the business units for which information is reported to the Group's Chief Operating Decision Maker. The Group has three reportable segments, as described below.

The Group's Olefins and Polymers business units produce olefins and related products and a broad range of polymers. The Group's olefins businesses are focused on ethylene and propylene, which are the two largest volume olefins globally and are key building blocks for polymers. These olefins are primarily used as feedstock for the Group's polymers business. In addition, the Group sells olefins to third party customers for a variety of industrial and consumer applications, including plastics, rubber and fibre.

- O&P North America segment—In North America, the Group's olefins and polymers business comprises five sites including major facilities in Chocolate Bayou, Texas, and Battleground, Texas.
- O&P Europe segment—In Europe, the Group owns and operates two major cracker complexes, in Köln, Germany and Rafnes, Norway. This includes polymers and derivatives units.
- Chemical Intermediates—This reportable segment is the aggregation, in compliance with IFRS 8, of a number of different business units with similar economic and other characteristics. Chemical Intermediates are high-value added chemical products used as key components in a variety of consumer and industrial products. The Group's chemical intermediates businesses are exposed to similar key commodities, namely oil and gas. They produce a range of products including phenol, alpha olefins, solvents, industrial chemicals and nitriles. The Chemical Intermediates processes are similar in that they are all capital intensive and based upon processing and mixing chemical raw materials to produce chemical products for the next stage along the value chain. The Chemical Intermediates products are distributed on a business-to-business basis across the world. This is performed using similar conventional methods of pipeline, truck, rail or ship container depending on the customer location and size of the order. The Chemical Intermediates customer base is similar in that the customers are generally manufacturers of consumer and industrial products in developed markets and mature industrial economies.

The accounting policies of all of the reportable segments are as described in Note 1.

Information regarding the operations of each reportable segment is included in the following tables. Performance is measured based on earnings before interest, tax, depreciation and amortisation and exceptional items, measured under IFRS ("Segment EBITDA"). A reconciliation to IFRS profit before tax is presented in the following tables. Segment EBITDA is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis. Information regarding segments reviewed by management includes management accounts comprising the profit or loss, cash flows and other financial and non-financial information used to manage the business.

Adjustments in the following tables comprise the following items:

- Elimination of inter-segmental transactions and balances; and
- The Group's share of profit/(loss) in respect of the Refining joint venture.

## 2. OPERATING SEGMENTS (continued)

### Segment information—2022

| | Reportable segments | | | | | |
|---|---|---|---|---|---|---|
| | O&P North America | O&P Europe | Chemical Inter-mediates | Total of reportable segments | Adjust-ments | Amounts in financial statements |
| | | | | €m | | |
| Reportable segment revenue | 5,723.9 | 9,177.7 | 9,802.9 | 24,704.5 | (3,777.5) | 20,927.0 |
| Reportable segment EBITDA | 1,204.4 | 655.6 | 980.6 | 2,840.6 | — | 2,840.6 |
| Depreciation and impairment of property, plant and equipment and amortisation of intangible assets | (314.5) | (203.8) | (316.8) | (835.1) | — | (835.1) |
| Exceptional administrative expenses | — | (4.2) | — | (4.2) | — | (4.2) |
| Share of (loss)/profit of associates and joint ventures | — | — | (0.2) | (0.2) | 147.4 | 147.2 |
| Profit on disposal of investments | | | | | | 270.6 |
| Loss on disposal of fixed assets | | | | | | (0.6) |
| Net finance costs | | | | | | (135.9) |
| Profit before tax from continuing operations | | | | | | 2,282.6 |
| Payments for capital expenditure | 243.6 | 489.6 | 303.2 | 1,036.4 | — | 1,036.4 |

Major items in the adjustments column include:

- Reportable segment revenues: the elimination of inter-segmental revenues: 2022: €3,777.5 million (2021: €2,722.8 million, 2020: €1,492.5 million).
- Share of (loss)/profit of associates and joint ventures: Refining joint venture: 2022: €147.4 million (2021: €(42.3) million, 2020: €(205.6) million).

### Segment information—2021

| | Reportable segments | | | | | |
|---|---|---|---|---|---|---|
| | O&P North America | O&P Europe | Chemical Inter-mediates | Total of reportable segments | Adjust-ments | Amounts in financial statements |
| | | | | €m | | |
| Reportable segment revenue | 5,527.3 | 7,526.0 | 8,496.2 | 21,549.5 | (2,722.8) | 18,826.7 |
| Reportable segment EBITDA | 1,577.2 | 948.2 | 1,090.8 | 3,616.2 | — | 3,616.2 |
| Depreciation and impairment of property, plant and equipment and amortisation of intangible assets | (272.9) | (205.0) | (282.8) | (760.7) | — | (760.7) |
| Exceptional administrative gains | — | — | 8.9 | 8.9 | — | 8.9 |
| Share of loss of associates and joint ventures | — | — | (0.2) | (0.2) | (42.3) | (42.5) |
| Profit on disposal of fixed assets | | | | | | 0.3 |
| Net finance costs | | | | | | (280.3) |
| Profit before tax from continuing operations | | | | | | 2,541.9 |
| Payments for capital expenditure | 163.2 | 285.8 | 360.0 | 809.0 | — | 809.0 |

## 2. OPERATING SEGMENTS (continued)

### Segment information—2020

| | Reportable segments | | | | | |
|---|---|---|---|---|---|---|
| | O&P North America | O&P Europe | Chemical Intermediates | Total of reportable segments | Adjustments | Amounts in financial statements |
| | | | | €m | | |
| Reportable segment revenue | 2,785.0 | 4,658.3 | 5,352.9 | 12,796.2 | (1,492.5) | 11,303.7 |
| Reportable segment EBITDA | 554.2 | 395.3 | 585.5 | 1,535.0 | — | 1,535.0 |
| Depreciation and impairment of property, plant and equipment and amortisation of intangible assets | (210.4) | (317.2) | (338.6) | (866.2) | — | (866.2) |
| Exceptional administrative expenses | — | (8.9) | — | (8.9) | — | (8.9) |
| Share of loss of associates and joint ventures | (4.3) | — | (0.1) | (4.4) | (205.6) | (210.0) |
| Profit on disposal of investments | | | | | | 78.3 |
| Profit on disposal of fixed assets | | | | | | 1.1 |
| Net finance income | | | | | | 22.1 |
| Profit before tax from continuing operations | | | | | | 551.4 |
| Payments for capital expenditure | 547.0 | 407.6 | 356.4 | 1,311.0 | — | 1,311.0 |

### Geographic segments

| | Revenues | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| | | €m | |
| **Geographical information by location of customers:** | | | |
| Europe | 11,933.6 | 10,415.7 | 6,137.3 |
| Americas | 6,749.6 | 6,588.6 | 3,605.0 |
| Rest of World | 2,243.8 | 1,822.4 | 1,561.4 |
| **Total** | **20,927.0** | **18,826.7** | **11,303.7** |
| **Geographical information by location from which the Group derives revenue:** | | | |
| Europe | 13,274.6 | 11,674.3 | 7,245.4 |
| Americas | 6,767.9 | 6,623.7 | 3,567.3 |
| Rest of World | 884.5 | 528.7 | 491.0 |
| **Total** | **20,927.0** | **18,826.7** | **11,303.7** |

In presenting information on the basis of geographic analysis of segments, segment revenue is based on the geographical location of customers and geographical locations from which the Group derives revenues.

Revenues from external customers for each product and service or each group of similar products and services and a geographic analysis of segment assets are not presented as the necessary information is not available and the Directors are of the opinion that the cost to develop it would be excessive.

All businesses within the Group typically sell individual cargos based on agreed price with delivery from the plant or at the customer premise. As such, the revenue is recognised as title passes, at a point in time, and there are no arrangements of significance which transfer goods or services over time. No significant contract balances arise. No costs to obtain or fulfil contracts are incurred, and therefore no related assets arise.

## 3. ACQUISITIONS

***Acquisition of subsidiaries in prior years***

**Charter Plastics**

On December 31, 2021, the Group acquired the assets of Charter Plastics in Titusville, USA which manufactures high density polyethylene (HDPE) pipe products. The total cash consideration for the assets was \$64.5 million (€56.4 million). This acquisition forms part of the O&P North America reporting segment and is defined as a business under IFRS 3.

*Effect of the acquisition on individual assets and liabilities*

**Acquiree's net assets at acquisition:**

| | **Final fair values recognised on acquisition** |
|---|---|
| | **€m** |
| Property, plant and equipment | 22.2 |
| Inventories | 12.1 |
| Trade and other receivables | 6.6 |
| Trade and other payables | (2.6) |
| **Net identifiable assets and liabilities** | 38.3 |
| **Consideration paid:** | |
| Cash | 56.4 |
| **Difference between consideration and net assets acquired** | **18.1** |

**WL Plastics**

On November 1, 2016 the Group acquired 100% of the shares of WLP Holding Corporation, one of the largest high density polyethylene (HDPE) pipe manufacturers in North America for an initial consideration of €162.1 million. The business is headquartered in Fort Worth, Texas with production facilities in Kentucky, South Dakota, Utah, Texas, and Wyoming. WL Plastics has over 500 million pounds of annual production capacity and provides HDPE pipe for use in oil, gas, industrial, mining, conduit, and municipal water and sewer applications. This acquisition forms part of the O&P North America segment.

During the year ended December 31, 2020 the Group paid a further €15.6 million which was the final instalment of the contingent consideration which was subject to the acquired business achieving certain targets over a three year period.

**Gemini**

On December 31, 2020, the Group acquired 50% of the ordinary shares in Gemini HDPE LLC ("Gemini") from Sasol Chemicals North America LLC for cash consideration of \$223.8 million (€187.3 million). The principal activity of the company is to produce high density polyethylene in La Porte, Texas, USA under tolling arrangements with its owners who provide the feedstock and pay a fee for this service. The acquisition increased the Group's interest in Gemini to 100%. Prior to the acquisition the Group reflected its 50% interest in Gemini as a joint venture (see Note 12a).

## 3. ACQUISITIONS (continued)

*Effect of the acquisition on individual assets and liabilities*

**Acquiree's net assets at acquisition:**

| | Final values recognised on acquisition |
|---|---|
| | €m |
| Property, plant and equipment | 537.5 |
| Intangibles | 27.8 |
| Deferred tax asset | 1.3 |
| Inventories | 1.2 |
| Trade and other receivables | 4.8 |
| Cash and cash equivalents | 6.2 |
| Interest bearing loans and borrowings | (301.0) |
| Trade and other payables | (12.7) |
| Deferred tax liability | (6.2) |
| **Net identifiable assets and liabilities** | 258.9 |
| **Consideration paid:** | |
| Cash | 187.7 |
| Fair value of previously held equity interest | 187.3 |
| **Total consideration** | 375.0 |
| **Difference between consideration and net assets acquired** | **116.1** |

The difference between consideration and net assets acquired has been recognised as goodwill within intangible assets (see Note 11) and has arisen because of the expected synergies and the ability of the Group to market the full output of Gemini. The goodwill has been allocated to the O&P North America reporting segment and is deductible for tax purposes over a period of 15 years.

*Settlement of pre-existing contractual relationship*

INEOS and Gemini are parties to four pre-existing agreements namely, a tolling agreement, a ground lease, a licensing agreement and an operating contract. At the acquisition date these pre-existing relationships were effectively settled as part of the acquisition.

The fair value of the agreements at the acquisition date was nil, and consequently there is no adjustment to the consideration paid or income or cost associated with the settlement of the relationship reflected in the Group financial statements.

*Acquisition related costs*

The Group did not incur any acquisition related costs in connection with the transaction.

Prior to the acquisition date, the Group's interest in the Gemini joint venture was accounted for in accordance with the equity method of accounting. As a result of the acquisition the previously held interest of 50% has been disposed of for a fair value of €187.3 million ($223.8 million), being the equivalent of the value paid to Sasol for their 50% shareholding. Therefore, the gain on the previously held equity interest in Gemini has been calculated as follows:

| | Gain on disposal of investment |
|---|---|
| | €m |
| Fair value of previously held equity interest | 187.3 |
| Carrying value of equity accounted investment (see Note 12a) | (109.0) |
| **Profit on previously held interest in Gemini recognised in income statement** | 78.3 |

## 4. EXCEPTIONAL ITEMS

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| Exceptional cost of sales: | | | |
| Property, plant and equipment impairment charge (see Note 10) | — | — | 118.5 |
| Exceptional administrative expense/(gain) | 4.2 | (8.9) | 8.9 |
| Exceptional finance costs | — | 3.5 | — |

***Exceptional cost of sales***

The Group recognised an exceptional impairment charge of €118.5 million for the year ended December 31, 2020 in relation to plant and equipment following the Group's decision to terminate work on a propane dehydrogenation unit and associated infrastructure at its site in Antwerp, Belgium (see Note 10).

***Exceptional administrative expense/(gain)***

In December 2019 the Group took the decision to close the Nitriles facility at Seal Sands, United Kingdom. Poor operating performance and uneconomic capital expenditure requirements to meet safety and environmental obligations led to the decision. During the year ended December 31, 2021 an exceptional administrative gain of €8.9 million was credited to the income statement following the final true up of the original closure cost provision made in December 2019 as a result of lower than expected demolition costs.

An exceptional administrative expense of €4.2 million has been charged during 2022 (2021: nil, 2020: €8.9 million), which related to a provision for early retirement costs as part of a restructuring of the Köln site within the O&P Europe business (see Note 21).

***Exceptional finance costs***

In November 2021 following the early redemption of the Senior Notes due 2024, an exceptional finance cost of €3.5 million was recognised following the write-off of deferred issue costs associated with the redeemed Notes.

## 5. OPERATING PROFIT

Included in operating profit are the following:

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| Research and development expensed as incurred | 41.9 | 35.2 | 34.8 |
| Amortisation of other intangible assets | 4.8 | 4.3 | 4.7 |
| Amortisation of government grants | (4.5) | (3.1) | (2.6) |
| Expenses relating to short-term leases | 32.3 | 23.7 | 28.0 |
| Expenses relating to leases of low value assets | 0.8 | 0.7 | 0.8 |
| Expenses relating to variable lease payments not included in the measurement of the lease liability | 13.9 | 11.0 | 10.0 |
| Income from sub-leasing of right-of-use assets | (12.6) | (12.7) | (13.2) |
| **Depreciation and impairment of property, plant and equipment:** | | | |
| Owned assets | 655.3 | 600.5 | 698.6 |
| Right-of-use assets | 175.0 | 155.9 | 162.9 |

## 5. OPERATING PROFIT (continued)

**Auditors' remuneration:**

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| Audit of these financial statements | 1.3 | 0.6 | 0.5 |
| **Amounts receivable by auditors and their associates in respect of:** | | | |
| Audit of financial statements of subsidiaries pursuant to legislation | 3.4 | 3.0 | 2.8 |
| Other services relating to taxation | 0.0 | 0.1 | 0.1 |
| All other services | 0.5 | 0.5 | 0.8 |
| | **5.2** | **4.2** | **4.2** |

## 6. STAFF NUMBERS AND COSTS

The monthly average number of persons employed by the Group (including any divestitures up to the date of disposal and any acquisitions from the date of acquisition) during the year, analysed by category, was as follows:

| | Number of employees | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Operations | 6,074 | 5,855 | 5,823 |
| Administration | 1,193 | 1,310 | 1,260 |
| Research and development | 250 | 267 | 253 |
| | **7,517** | **7,432** | **7,336** |

The aggregate payroll costs of these persons were as follows:

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| Wages and salaries | 829.7 | 767.4 | 750.3 |
| Social security costs | 128.4 | 110.9 | 101.5 |
| Expenses related to defined contribution pension plans | 20.4 | 17.0 | 16.1 |
| Expenses related to defined benefit pension plans | 50.4 | 58.9 | 55.1 |
| | **1,028.9** | **954.2** | **923.0** |

## 7. DIRECTORS' REMUNERATION

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| Salaries and other short term benefits | **1.8** | **1.2** | **1.5** |

## 8. FINANCE INCOME AND COSTS

**Recognised in income statement**

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| **Finance income** | | | |
| Interest income on bank balances | 27.0 | 1.0 | 2.5 |
| Other interest receivable | 62.3 | 49.5 | 57.4 |
| Total interest income on financial assets not at fair value through profit or loss | 89.3 | 50.5 | 59.9 |
| Exchange movements | — | 121.4 | 250.2 |
| Net fair value gain on derivatives | 186.2 | 76.1 | 5.8 |
| Dividend income | 4.4 | 0.2 | 2.4 |
| **Total finance income** | **279.9** | **248.2** | **318.3** |
| **Finance costs** | | | |
| Interest payable on senior notes | 44.8 | 94.7 | 95.5 |
| Interest payable on bank loans and overdrafts | 205.1 | 113.8 | 107.3 |
| Interest payable on securitisation | 5.0 | 5.8 | 7.9 |
| Amortisation of issue costs | 16.2 | 11.3 | 7.8 |
| Interest payable on lease liabilities | 53.8 | 43.1 | 47.5 |
| Other finance charges | 32.9 | 24.2 | 6.2 |
| Exchange movements | 62.2 | 234.4 | 21.8 |
| Net fair value loss on derivatives | — | — | — |
| Interest on employee benefit liabilities | 9.4 | 6.5 | 10.4 |
| Borrowing costs capitalised in property, plant and equipment | (13.6) | (8.8) | (8.2) |
| Total finance costs before exceptional items | 415.8 | 525.0 | 296.2 |
| Exceptional finance cost (see Note 4) | — | 3.5 | — |
| **Total finance costs** | **415.8** | **528.5** | **296.2** |
| **Net finance costs/(income)** | **135.9** | **280.3** | **(22.1)** |

The exchange movements reflect foreign exchange gains or losses associated with short term intra group funding.

Net gains and losses on financial instruments are included in Note 24b.

## 9. TAX CHARGE

**Taxation recognised in the consolidated income statement**

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| **Current tax expense/(credit)** | | | |
| Current year | 319.3 | 366.7 | (137.3) |
| Adjustments in respect of prior years | (75.6) | 13.6 | (117.6) |
| Current tax expense/(credit) | 243.7 | 380.3 | (254.9) |
| **Deferred tax expense** | | | |
| Origination and reversal of temporary differences | (3.7) | 132.4 | 225.4 |
| Effect of rate change | — | (15.9) | (7.9) |
| Adjustments in respect of prior years | 42.0 | (47.2) | 12.6 |
| Deferred tax charge (see Note 15) | 38.3 | 69.3 | 230.1 |
| **Total tax charge/(credit)** | **282.0** | **449.6** | **(24.8)** |

## 9. TAX CHARGE (continued)

### Reconciliation of effective tax rate

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| Profit before taxation | 2,282.6 | 2,541.9 | 551.4 |
| Tax on above using the Luxembourg corporation tax rate of 24.94% (2021: 24.94%, 2020: 24.94%) | 569.3 | 633.9 | 137.5 |
| Non-deductible expenses/tax exempt revenue | (107.7) | 14.0 | 33.9 |
| Effect of tax rates in foreign jurisdictions | (115.2) | (158.8) | (35.5) |
| Loss carry back | — | — | (55.3) |
| Deferred tax (previously unrecognised)/not recognised | (30.8) | 10.0 | 7.5 |
| Effect of rate change | — | (15.9) | (7.9) |
| Adjustments in respect of prior years | (33.6) | (33.6) | (105.0) |
| **Total tax charge/(credit)** | **282.0** | **449.6** | **(24.8)** |

The tax credit of €24.8 million in the year ended December 31, 2020 reflects the recognition of tax refunds due in accordance with the CARES Act in the USA. This Act allows the Group to carry back available net operating losses in the US for the years ended December 31, 2020 and December 31, 2019 for a period of up to five years to obtain retrospective tax refunds at the tax rates applicable for the years the losses are utilised.

### Taxation recognised in other comprehensive income/(expense)

| | 2022 | | | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross | Tax | Net | Gross | Tax | Net | Gross | Tax | Net |
| | | | | | €m | | | | |
| Foreign exchange translation differences | 1.1 | — | 1.1 | (14.1) | — | (14.1) | 30.8 | — | 30.8 |
| Net gain/(loss) on hedge of net investment in foreign operations | 277.0 | (83.5) | 193.5 | 542.6 | (63.4) | 479.2 | (577.9) | 50.5 | (527.4) |
| Remeasurement of post employment benefit obligations | 265.8 | (92.6) | 173.2 | 168.0 | (34.0) | 134.0 | (86.2) | 11.8 | (74.4) |
| Total | **543.9** | **(176.1)** | **367.8** | **696.5** | **(97.4)** | **599.1** | **(633.3)** | **62.3** | **(571.0)** |

## 10. PROPERTY, PLANT AND EQUIPMENT

| | Land and buildings | Plant & equipment Fixtures and fittings | Under construction | Oil & Gas | Right-of-use assets | Total |
|---|---|---|---|---|---|---|
| | | | €m | | | |
| **Cost** | | | | | | |
| Balance at 1 January 2020 | 759.2 | 9,857.7 | 1,767.9 | 5.9 | 1,178.5 | 13,569.2 |
| Business acquisition | 42.1 | 466.1 | 3.4 | — | — | 511.6 |
| Additions | 235.0 | 796.3 | 269.2 | 10.9 | 107.9 | 1,419.3 |
| Disposals | (0.6) | (128.6) | — | — | (37.2) | (166.4) |
| Transfers | 97.4 | 422.7 | (491.8) | — | — | 28.3 |
| Lease modifications | — | — | — | — | 13.7 | 13.7 |
| Effect of movements in foreign exchange | (50.1) | (510.9) | (127.6) | (1.1) | (50.6) | (740.3) |
| **Balance at 31 December 2020** | 1,083.0 | 10,903.3 | 1,421.1 | 15.7 | 1,212.3 | 14,635.4 |
| Business acquisition | 4.8 | 37.1 | 6.2 | — | — | 48.1 |
| Additions | 9.3 | 28.1 | 732.1 | 22.3 | 143.5 | 935.3 |

## 10. PROPERTY, PLANT AND EQUIPMENT (continued)

| | Land and buildings | Plant & equipment Fixtures and fittings | Under construction | Oil & Gas | Right-of-use assets | Total |
|---|---|---|---|---|---|---|
| | | | €m | | | |
| Disposals | (2.1) | (252.2) | — | — | (97.5) | (351.8) |
| Transfers | 71.0 | 638.5 | (700.7) | — | — | 8.8 |
| Lease modifications | — | — | — | — | 68.6 | 68.6 |
| Effect of movements in foreign exchange | 64.0 | 530.6 | 55.4 | 1.7 | 45.7 | 697.4 |
| **Balance at 31 December 2021** | 1,230.0 | 11,885.4 | 1,514.1 | 39.7 | 1,372.6 | 16,041.8 |
| Additions | 11.3 | 310.8 | 710.2 | 39.2 | 172.3 | 1,243.8 |
| Disposals | (2.2) | (68.4) | — | — | (38.0) | (108.6) |
| Transfers | 96.9 | 625.6 | (708.9) | — | — | 13.6 |
| Lease modifications | — | — | — | — | 57.2 | 57.2 |
| Effect of movements in foreign exchange | 29.1 | 309.0 | 36.2 | 3.8 | 34.5 | 412.6 |
| **Balance at 31 December 2022** | **1,365.1** | **13,062.4** | **1,551.6** | **82.7** | **1,598.6** | **17,660.4** |
| **Accumulated depreciation and impairment** | | | | | | |
| Balance at 1 January 2020 | **296.2** | **6,093.1** | **—** | **—** | **215.1** | **6,604.4** |
| Depreciation charge for the year | 30.5 | 524.1 | — | 0.8 | 161.4 | 716.8 |
| Exceptional impairment charge for the year | — | 118.5 | — | — | — | 118.5 |
| Impairment charge for the year | 1.8 | 22.9 | — | — | 1.5 | 26.2 |
| Disposals | (0.6) | (127.6) | — | — | (28.6) | (156.8) |
| Transfers | — | 20.1 | — | — | — | 20.1 |
| Effect of movements in foreign exchange | (14.4) | (303.0) | — | (0.1) | (12.5) | (330.0) |
| **Balance at 31 December 2020** | 313.5 | 6,348.1 | — | 0.7 | 336.9 | 6,999.2 |
| Depreciation charge for the year | 38.5 | 560.2 | — | 1.8 | 155.9 | 756.4 |
| Disposals | (2.1) | (251.6) | — | — | (54.2) | (307.9) |
| Effect of movements in foreign exchange | 14.8 | 290.5 | — | 0.2 | 14.4 | 319.9 |
| **Balance at 31 December 2021** | 364.7 | 6,947.2 | — | 2.7 | 453.0 | 7,767.6 |
| Depreciation charge for the year | 46.3 | 602.4 | — | 6.6 | 175.0 | 830.3 |
| Disposals | (2.2) | (67.4) | — | — | (37.1) | (106.7) |
| Effect of movements in foreign exchange | 3.1 | 141.4 | — | (0.2) | 11.9 | 156.2 |
| **Balance at 31 December 2022** | **411.9** | **7,623.6** | **—** | **9.1** | **602.8** | **8,647.4** |
| **Net book value** | | | | | | |
| At 31 December 2020 | 769.5 | 4,555.2 | 1,421.1 | 15.0 | 875.4 | 7,636.2 |
| At 31 December 2021 | 865.3 | 4,938.2 | 1,514.1 | 37.0 | 919.6 | 8,274.2 |
| **At 31 December 2022** | **953.2** | **5,438.8** | **1,551.6** | **73.6** | **995.8** | **9,013.0** |

Included in 2020 is an exceptional impairment charge of €118.5 million of plant and equipment following the Group's decision to terminate work on a propane dehydrogenation unit and associated infrastructure at its site in Antwerp, Belgium (see Note 4).

During the year ended December 31, 2020 a further impairment charge of €26.2 million was made in respect of tangible fixed assets at the Nitriles facility at Seal Sands, United Kingdom following a decision to close the site in December 2019 due to poor operating performance and uneconomic capital expenditure requirements to meet safety and environmental obligations (see Note 4).

## 10. PROPERTY, PLANT AND EQUIPMENT (continued)

***Leased plant and machinery***

The Group leases many assets including land and buildings, vessels, storage and transportation infrastructure, machinery and IT equipment which are classified as right-of-use assets.

More information regarding the right-of-use are presented below.

**Right-of-use (ROU) assets**

| | Land and buildings | Plant & equipment Fixtures and fittings | ROU Total |
|---|---|---|---|
| **Cost** | | | |
| Balance at 1 January 2020 | 169.2 | 1,009.3 | 1,178.5 |
| Additions | 2.2 | 105.7 | 107.9 |
| Disposals | — | (37.2) | (37.2) |
| Lease modifications | 5.0 | 8.7 | 13.7 |
| Effect of movements in foreign exchange | (4.9) | (45.7) | (50.6) |
| **Balance at 31 December 2020** | 171.5 | 1,040.8 | 1,212.3 |
| Additions | 0.9 | 142.6 | 143.5 |
| Disposals | — | (97.5) | (97.5) |
| Lease modifications | 1.9 | 66.7 | 68.6 |
| Effect of movements in foreign exchange | 4.9 | 40.8 | 45.7 |
| **Balance at 31 December 2021** | 179.2 | 1,193.4 | 1,372.6 |
| Additions | 2.8 | 169.5 | 172.3 |
| Disposals | (0.7) | (37.3) | (38.0) |
| Lease modifications | 0.4 | 56.8 | 57.2 |
| Transfers | (3.0) | 3.0 | — |
| Effect of movements in foreign exchange | 3.5 | 31.0 | 34.5 |
| **Balance at 31 December 2022** | **182.2** | **1,416.4** | **1,598.6** |

| | Land and buildings | Plant & equipment Fixtures and fittings | ROU Total |
|---|---|---|---|
| **Accumulated depreciation and impairment** | | | |
| Balance at 1 January 2020 | 15.3 | 199.8 | 215.1 |
| Reclassification | 0.8 | (0.8) | — |
| Depreciation charge for the year | 9.4 | 152.0 | 161.4 |
| Impairment charge for the year | — | 1.5 | 1.5 |
| Disposals | — | (28.6) | (28.6) |
| Effect of movements in foreign exchange | (1.0) | (11.5) | (12.5) |
| **Balance at 31 December 2020** | 24.5 | 312.4 | 336.9 |
| Reclassification | 0.8 | (0.8) | — |
| Depreciation charge for the year | 9.2 | 146.7 | 155.9 |
| Disposals | — | (54.2) | (54.2) |
| Effect of movements in foreign exchange | 1.3 | 13.1 | 14.4 |
| **Balance at 31 December 2021** | 35.8 | 417.2 | 453.0 |
| Depreciation charge for the year | 9.6 | 165.4 | 175.0 |
| Disposals | (0.7) | (36.4) | (37.1) |
| Effect of movements in foreign exchange | 0.9 | 11.0 | 11.9 |
| **Balance at 31 December 2022** | **45.6** | **557.2** | **602.8** |

## 10. PROPERTY, PLANT AND EQUIPMENT (continued)

| | Land and buildings | Plant & equipment Fixtures and fittings | ROU Total |
|---|---|---|---|
| **Net book value** | | | |
| At 31 December 2020 | 147.0 | 728.4 | 875.4 |
| At 31 December 2021 | 143.4 | 776.2 | 919.6 |
| **At 31 December 2022** | **136.6** | **859.2** | **995.8** |

See Note 25 for the lease obligations on right-of-use assets.

***Property, plant and equipment under construction***

During 2022, expenditure at the Chocolate Bayou site in the USA on a new barge and expenditure associated with Linear Alpha Olefins (LAO) platform was transferred to other classes of property, plant and equipment during the year ended December 31, 2022.

Additions to assets under construction during 2022 included expenditure within the O&P North America segment on the replacement of olefin furnace tubes at the Chocolate Bayou site in the USA along with expenditure on a number of turnarounds. The O&P Europe segment had further expenditure at the Köln, Germany site on the cogeneration project and the life cycle cracker project along with expenditure on turnarounds. In addition, there was further expenditure on a new ethane cracker at the Antwerp, Belgium site. The main additions to assets under construction in the Chemical Intermediates segment was further growth expenditure by the Phenol business on the new cumene unit project at Marl, Germany and expenditure on a new phenol terminal at Pasadena, USA.

During 2021, expenditure at the Chocolate Bayou site in the USA on a major cracker turnaround and debottleneck project, an office building and expenditure associated with Linear Alpha Olefins (LAO) platform was transferred to other classes of property, plant and equipment. In addition expenditure at the Köln site in Germany on a new jetty, a major cracker turnaround and on a life cycle cracker project were also transferred to other classes of property, plant and equipment during the year ended December 31, 2021.

Additions to assets under construction during 2021 included expenditure within the O&P North America segment on site integration at the Chocolate Bayou, USA site in respect of the new Poly Alpha Olefins (PAO) platform being constructed at the site within the Oligomers business together with expenditure on a new barge dock at the site. The O&P Europe segment had further expenditure at the Köln, Germany site on the cogeneration project and the life cycle cracker project along with expenditure on turnarounds. In addition, there was further expenditure on a new ethane cracker at the Antwerp, Belgium site. The main additions to assets under construction in the Chemical Intermediates segment was further growth expenditure by the Phenol business on the new cumene unit project at Marl, Germany and expenditure on a new phenol terminal at Pasadena, USA. There was also further expenditure by the Oligomers business on the PAO platform at the Chocolate Bayou, USA site.

During 2020, expenditure at the Chocolate Bayou site in the USA on a cracker debottleneck, furnace replacement and expenditure on a cogeneration project was transferred to other classes of property, plant and equipment. Assets under construction relating to a new propane dehydrogenation unit and associated infrastructure at its site in Antwerp, Belgium were also transferred to other classes of property, plant and equipment and fully impaired and disposed of following the Group’s decision to terminate work on the project.

Additions to assets under construction during 2020 included further expenditure within the O&P North America segment on a furnace replacement project, a cracker debottleneck and major scheduled turnaround on one of the crackers at Chocolate Bayou, USA, together with expenditure on office building at the site. The O&P Europe segment had further expenditure at the Köln, Germany site on the cogeneration project and further expenditure on the new jetty, together with a major scheduled turnaround on one of the crackers at the site. In addition, there was expenditure on a planned propane dehydrogenation unit and

## 10. PROPERTY, PLANT AND EQUIPMENT (continued)

new ethane cracker at the Antwerp, Belgium site. The main additions to assets under construction in the Chemical Intermediates segment was further expenditure by the Oligomers business on the LAO and PAO projects as well as on a barge dock at Chocolate Bayou, USA site. The Phenol business also had expenditure on a new cumene unit at the Marl, Germany site.

## 11. INTANGIBLE ASSETS

| | Intellectual property rights | Customer relationships | Other | Goodwill | Total |
|---|---|---|---|---|---|
| | | | €m | | |
| **Cost** | | | | | |
| Balance at 1 January 2020 | 93.3 | 56.6 | 114.5 | 690.0 | 954.4 |
| Reclassifications | — | — | 5.9 | — | 5.9 |
| Additions | — | — | 53.6 | — | 53.6 |
| Disposals | — | — | (59.1) | — | (59.1) |
| Business acquisition | 21.2 | — | 6.6 | 138.8 | 166.6 |
| Effect of movements in foreign exchange | (1.6) | (4.8) | (3.9) | (30.6) | (40.9) |
| **Balance at 31 December 2020** | 112.9 | 51.8 | 117.6 | 798.2 | 1,080.5 |
| Reclassifications | — | — | 1.1 | — | 1.1 |
| Additions | — | — | 28.9 | — | 28.9 |
| Disposals | (69.2) | (0.5) | (52.2) | — | (121.9) |
| Business acquisition | — | — | — | (4.6) | (4.6) |
| Effect of movements in foreign exchange | 2.7 | 4.5 | 4.2 | 34.8 | 46.2 |
| **Balance at 31 December 2021** | 46.4 | 55.8 | 99.6 | 828.4 | 1,030.2 |
| Additions | — | — | 123.7 | — | 123.7 |
| Disposals | — | — | (28.4) | — | (28.4) |
| Effect of movements in foreign exchange | 2.2 | 3.3 | 4.0 | 27.2 | 36.7 |
| **Balance at 31 December 2022** | **48.6** | **59.1** | **198.9** | **855.6** | **1,162.2** |
| **Accumulated amortisation and impairment** | | | | | |
| Balance at 1 January 2020 | 93.1 | 40.6 | 13.6 | 8.1 | 155.4 |
| Amortisation for the year | 0.1 | 2.3 | 0.6 | — | 3.0 |
| Impairment charge for the year | — | — | 1.7 | — | 1.7 |
| Disposals | — | — | (1.7) | — | (1.7) |
| Effect of movements in foreign exchange | (1.1) | (3.7) | (0.3) | — | (5.1) |
| **Balance at 31 December 2020** | 92.1 | 39.2 | 13.9 | 8.1 | 153.3 |
| Amortisation for the year | 0.9 | 2.6 | 0.8 | — | 4.3 |
| Disposals | (69.2) | (0.5) | (0.6) | — | (70.3) |
| Effect of movements in foreign exchange | 1.0 | 3.4 | 0.2 | — | 4.6 |
| **Balance at 31 December 2021** | 24.8 | 44.7 | 14.3 | 8.1 | 91.9 |
| Amortisation for the year | 1.1 | 2.4 | 1.3 | — | 4.8 |
| Effect of movements in foreign exchange | 0.8 | 2.8 | 0.5 | — | 4.1 |
| **Balance at 31 December 2022** | **26.7** | **49.9** | **16.1** | **8.1** | **100.8** |
| **Net book value** | | | | | |
| At 31 December 2020 | 20.8 | 12.6 | 103.7 | 790.1 | 927.2 |
| At 31 December 2021 | 21.6 | 11.1 | 85.3 | 820.3 | 938.3 |
| **At 31 December 2022** | **21.9** | **9.2** | **182.8** | **847.5** | **1,061.4** |

Other intangible assets include environmental certificates with a net book value of €145.3 million as at 31 December 2022 (2021: €52.0 million, 2020: €71.9 million).

## 11. INTANGIBLE ASSETS (continued)

***Amortisation charge***

The amortisation charge is recognised in administrative expenses in the consolidated income statement.

***Impairment***

Goodwill has been allocated to cash generating units (CGU) or groups of cash generating units as follows:

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| O&P Europe | 246.2 | 246.2 | 246.2 |
| O&P North America | 520.8 | 493.6 | 463.4 |
| Chemical Intermediates | 80.5 | 80.5 | 80.5 |
| **Total** | **847.5** | **820.3** | **790.1** |

The recoverable amount is based on the value in use of each CGU based on the latest board approved five year plan. The forecasts are based on current performance and management's assumptions regarding the future development of individual parameters including raw material prices and profit margins, utilising available market pricing forecasts. Future assumptions regarding market demand are based on external macroeconomic sources and specific data relevant to the petrochemical industry and management's knowledge of the local markets in which it operates.

The cash flows after the plan period are based on an average of each of the years in the five year plan to take account of the cyclical nature of the industry extrapolated using long term growth rates as set out in the table below.

No impairment charge has been recorded in these financial statements as a result of the annual impairment test.

The key assumptions underlying the value in use calculation for all CGUs are shown below:

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| Period on which management approved forecasts are based | 5 years | 5 years | 5 years |
| Discount rate | 11.3% | 8.5% | 8.5% |
| Growth rate | 3.0% | 3.0% | 3.0% |

A terminal value is calculated based on the average cash flows over the five year forecasting period assuming compound growth of 3% and is discounted over the expected lives of the assets of 40 years.

When determining the discount rate the pre-tax weighted average cost of capital of the Group is considered at each respective period end.

The growth rate used includes inflationary growth across our various markets.

The estimated recoverable amount exceeded the carrying amount for all cash generating units.

Sensitivity analysis on the recoverable amount was performed based on a 10% increase in the discount rate and a 10% decrease to the growth rate and a CGU earnings before interest, tax, depreciation and amortisation and exceptional items, measured under IFRS, all of which are considered a reasonable possible change in estimate. Neither of these changes resulted in the recoverable amount being lower than the carrying amount.

## 12. INVESTMENTS

### 12a Investments in Equity—Accounted Investees

| | Joint ventures |
|---|---|
| | €m |
| At 1 January 2020 | 371.4 |
| Additions | 1.6 |
| Reductions | (0.8) |
| Business disposals (see Note 3) | (109.0) |
| Share of losses retained | (210.0) |
| Exchange adjustments | 33.2 |
| **At 31 December 2020** | 86.4 |
| Additions | 3.3 |
| Share of losses retained | (42.5) |
| **At 31 December 2021** | 47.2 |
| Additions | 1,460.7 |
| Disposals | (190.0) |
| Share of profits retained | 147.2 |
| Exchange adjustments | (2.2) |
| **At 31 December 2022** | **1,462.9** |

***Joint ventures***

On July 1, 2011 the group restructured the Refining business into a new joint venture between PetroChina and INEOS Investments (Jersey) Limited (‘II(J)L’), a related party. II(J)L is held under common control by our controlling shareholders. The consideration received by the Group for the disposal consisted of cash consideration of $1.015 billion received from PetroChina for a 50% interest in the business and an investment in non-voting ordinary shares in II(J)L for the other 50% interest in the business.

During December 2022 the Group disposed of its non-voting ordinary shares in II(J)L to INEOS Limited, a related party for €420 million (see Note 28). The difference of €270.6 million between the carrying value of the Refining joint venture and the consideration received, along with the recycling of foreign exchange movements of €40.6 million previously reported within other comprehensive income have been recognised within the consolidated income statement.

Before its disposal the Group retained an economic interest in the Refining business by virtue of its investment in II(J)L. The results of the Refining business were reported within the share of profit/(loss) of associates and joint ventures using the equity accounting method by virtue of the Group’s effective control of II(J)L.

In July 2014 the Group set up a new joint venture entity (Gemini HDPE LLC) with Sasol to build and operate an HDPE plant at the Battleground site in Texas, USA. The Gemini plant became fully operational in the fourth quarter of 2017. During 2018 €12.9 million was invested into the joint venture. On December 31, 2020 the Group acquired the remaining 50% interest in the joint venture to become the 100% owner of the plant which resulted in the disposal of the Group’s previous 50% equity accounted interest of €109.0 million and a gain on disposal of €78.3 million (see Note 3).

In October 2020 the Group invested €1.6 million into a joint venture set up with a Chinese partner to jointly develop Acrylonitrile technology for use within the Chinese market, and to protect against mis-use of technology where appropriate. During 2021 the Group invested a further €3.3 million into the joint venture.

In December 2022 the Group acquired 50% of Shanghai SECCO Petrochemical Company Limited (“SECCO”) from Sinopec. SECCO operates a petrochemical facility near Shanghai, China which has a total capacity of 4.2 million tonnes of products including ethylene, propylene, polyethylene, polypropylene,

**12. INVESTMENTS (continued)**

styrene, polystyrene, acrylonitrile, butadiene, benzene and toluene. Total consideration was RMB 10,870 million (€1,460.7 million), which was partly funded by a new RMB 1,045 million and $525.0 million term loan facility which matures in June 2026 (see Note 18).

Details of investments in joint ventures are set out below:

| Company | Class of shares held | Place of business and country of incorporation | Percentage held | Principal activities |
|---|---|---|---|---|
| Shanghai SECCO Petrochemical Co., Ltd | Ordinary | Shanghai, China | 50% | Chemicals |
| Petroineos Refining Limited | Ordinary | Lavéra, France Grangemouth, Scotland | —* | Refining |
| Petroineos Trading Limited | Ordinary | Lavéra, France Grangemouth, Scotland | —* | Refining |
| INEOS Infrastructure (Grangemouth) Limited | Ordinary | Grangemouth, Scotland | 75% | Refining |

*Summary aggregated financial information for material equity accounted joint ventures:*

The SECCO joint venture was acquired on December 28, 2022. Due to the proximity of the acquisition to the year end the below aggregated financial information includes a preliminary allocation of the purchase price. The summary aggregated financial information is provisional and will be finalised within the next 12 months:

**SECCO joint venture**

| | 2022 |
|---|---|
| | €m |
| Current assets | **664.6** |
| Long-term assets | **3,464.2** |
| Current liabilities | **(1,207.4)** |
| Long-term liabilities | **—** |

**Refining joint ventures**

| | 11 months ended Nov 30, 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| Revenue | 42,159.5 | 27,417.3 | 17,102.8 |
| Profit/(loss) from continuing operations | 415.3 | (77.3) | (306.7) |

* On December 23, 2022 the Group disposed of its non-voting ordinary shares in II(J)L to INEOS Limited, a related party with an effective date of November 30, 2022, so the Group no longer has any economic interest in the Refining business.

**12b Investments in Subsidiary Undertakings**

The directors consider that to give full particulars of all subsidiary undertakings would lead to a statement of excessive length.

The directors believe the carrying value of the investments is supported by the underlying net assets of the subsidiaries.

## 12. INVESTMENTS (continued)

The following information relates to the principal subsidiary undertakings of the Company.

| Company | Country of incorporation and operation | Percentage holding | Principal activity |
|---|---|---|---|
| INEOS Luxembourg I S.A.* | Luxembourg | 100% | Holding Company |
| INEOS Luxembourg II S.A | Luxembourg | 100% | Holding Company |
| INEOS Group AG | Switzerland | 100% | Holding Company |
| INEOS Holdings Limited | England and Wales | 100% | Holding Company |
| INEOS European Holdings Limited | England and Wales | 100% | Holding Company |
| INEOS Gemini HDPE Holdings Company LLC | USA | 100% | Holding Company |
| INEOS China Holdings II Limited | England and Wales | 100% | Holding Company |
| INEOS China Holdings III Limited | England and Wales | 100% | Holding Company |
| INEOS Tianjin Holdings Limited | England and Wales | 100% | Holding Company |
| INEOS Investments (Shanghai) Limited | China | 100% | Holding Company |
| INEOS Investment (Tianjin) Company Limited | China | 100% | Holding Company |
| INEOS US Finance LLC | USA | 100% | Finance |
| INEOS Finance Plc | England and Wales | 100% | Finance |
| INEOS Treasury (UK) Limited | England and Wales | 100% | Finance |
| INEOS Europe AG | Switzerland | 100% | Chemicals |
| INEOS Oxide Limited | England and Wales | 100% | Chemicals |
| INEOS NV | Belgium | 100% | Chemicals |
| INEOS Belgium NV | Belgium | 100% | Chemicals |
| INEOS Phenol Belgium NV | Belgium | 100% | Chemicals |
| INEOS Italia Srl | Italy | 100% | Chemicals |
| INEOS Phenol GmbH | Germany | 100% | Chemicals |
| INEOS Americas LLC | USA | 100% | Chemicals |
| INEOS Manufacturing Deutschland GmbH | Germany | 100% | Chemicals |
| INEOS Köln GmbH | Germany | 100% | Chemicals |
| INEOS France SAS | France | 100% | Chemicals |
| INEOS Sales (UK) Limited | England and Wales | 100% | Chemicals |
| INEOS Manufacturing Belgium NV | Belgium | 100% | Chemicals |
| INEOS Olefins Belgium NV | Belgium | 100% | Chemicals |
| INEOS Feluy SPRL | Belgium | 100% | Chemicals |
| INEOS Sales Belgium NV | Belgium | 100% | Chemicals |
| INEOS Sales Italia s.r.l | Italy | 100% | Chemicals |
| INEOS Singapore Pte Limited | Singapore | 100% | Chemicals |
| INEOS USA LLC | USA | 100% | Chemicals |
| INEOS Canada Company | Canada | 100% | Chemicals |
| INEOS Canada Partnership | Canada | 100% | Chemicals |
| INEOS Bamble AS | Norway | 100% | Chemicals |
| INEOS Nitriles (UK) Limited | England and Wales | 100% | Chemicals |
| INEOS Manufacturing (Hull) Limited | England and Wales | 100% | Chemicals |
| INEOS Technologies (Vinyls) Limited | England and Wales | 100% | Chemicals |
| INEOS Technologies France SAS | France | 100% | Chemicals |
| INEOS US Sales Company | USA | 100% | Chemicals |
| INEOS Nitriles USA LLC | USA | 100% | Chemicals |
| INEOS Oligomers USA LLC | USA | 100% | Chemicals |
| INEOS Technologies USA LLC | USA | 100% | Chemicals |

## 12. INVESTMENTS (continued)

| Company | Country of incorporation and operation | Percentage holding | Principal activity |
|---|---|---|---|
| INEOS Technologies Italia S.r.l | Italy | 100% | Chemicals |
| INEOS Rafnes AS | Norway | 100% | Chemicals |
| Gemini HDPE LLC | USA | 100% | Chemicals |
| WLP Holding Corporation | USA | 100% | Manufacturer |

* Held directly by the Company.

***Branches of the Group outside of Luxembourg***

As at December 31, 2022 branches have been established in Austria, France, Slovakia, Spain and the United Kingdom.

## 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| **Non-current** | | | |
| Financial assets at fair value though comprehensive income (see below and Note 24a) | 28.3 | 28.3 | 28.3 |

***Financial assets at fair value through other comprehensive income***

Financial assets at fair value through other comprehensive income include a 25.0% (2021: 25.0%, 2020: 20.0%) investment in Aethylen Rohrleitungs Gesellschaft ('ARG') mbH and Co. KG, a company registered in Germany whose principal activity is the transportation of ethylene via pipelines in Northern Europe and other investments.

These investments comprise of shares in private limited companies. The carrying value of these financial assets at fair value through other comprehensive income was €28.3 million at December 31, 2022 (2021: €28.3 million, 2020: €28.3 million). A disposal of these investments is not currently anticipated.

## 14. DERIVATIVE FINANCIAL INSTRUMENTS

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| **Non-current asset** | | | |
| Interest rate swap contracts classified as fair value through profit or loss (see Note 24a) | 119.4 | 26.2 | — |

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| **Current asset** | | | |
| Interest rate swap contracts classified as fair value through profit or loss (see Note 24a) | 2.5 | — | — |
| Derivative commodity contracts classified as fair value through profit or loss (see Note 24a) | 20.3 | 256.0 | 154.5 |
| | 22.8 | 256.0 | 154.5 |

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| **Non-current liabilities** | | | |
| Interest rate swap contracts classified as fair value through profit or loss (see Note 24a) | — | — | 4.2 |

## 14. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| **Current liabilities** | | | |
| Derivative commodity contracts classified as fair value through profit or loss (see Note 24a) | 26.0 | 236.0 | 96.9 |

## 15. DEFERRED TAX ASSETS AND LIABILITIES

***Recognised deferred tax assets and liabilities***

Deferred tax assets and liabilities are attributable to the following:

| | 2022 | | |
|---|---|---|---|
| | Assets | Liabilities | Total |
| | | €m | |
| Property, plant and equipment | — | 951.1 | 951.1 |
| Employee benefits | (87.8) | — | (87.8) |
| Tax value of loss carry-forwards | (74.3) | — | (74.3) |
| Other | (69.9) | — | (69.9) |
| Tax (assets)/liabilities | (232.0) | 951.1 | 719.1 |
| Set off of tax | 113.7 | (113.7) | — |
| **Net tax (assets)/liabilities** | **(118.3)** | **837.4** | **719.1** |

| | 2021 | | |
|---|---|---|---|
| | Assets | Liabilities | Total |
| | | €m | |
| Property, plant and equipment | — | 873.2 | 873.2 |
| Employee benefits | (174.2) | — | (174.2) |
| Tax value of loss carry-forwards | (77.9) | — | (77.9) |
| Other | (73.2) | — | (73.2) |
| Tax (assets)/liabilities | (325.3) | 873.2 | 547.9 |
| Set off of tax | 170.9 | (170.9) | — |
| **Net tax (assets)/liabilities** | **(154.4)** | **702.3** | **547.9** |

| | 2020 | | |
|---|---|---|---|
| | Assets | Liabilities | Total |
| | | €m | |
| Property, plant and equipment | — | 813.9 | 813.9 |
| Employee benefits | (197.8) | — | (197.8) |
| Tax value of loss carry-forwards | (71.6) | — | (71.6) |
| Other | (150.1) | — | (150.1) |
| Tax (assets)/liabilities | (419.5) | 813.9 | 394.4 |
| Set off of tax | 236.3 | (236.3) | — |
| **Net tax (assets)/liabilities** | **(183.2)** | **577.6** | **394.4** |

## 15. DEFERRED TAX ASSETS AND LIABILITIES (continued)

**Movement in deferred tax**

| | Property, plant and equipment | Employee benefits | Tax value of loss carry- forward utilised | Other | Total |
|---|---|---|---|---|---|
| | | | €m | | |
| At 1 January 2020 | 512.4 | (191.2) | (70.5) | (72.7) | 178.0 |
| Recognised in profit or loss | 303.4 | 5.2 | (1.1) | (77.4) | 230.1 |
| Recognised in other comprehensive income | — | (11.8) | — | — | (11.8) |
| Business acquisitions (see Note 3) | 2.1 | — | — | — | 2.1 |
| Exchange adjustments | (4.0) | — | — | — | (4.0) |
| **At 31 December 2020** | 813.9 | (197.8) | (71.6) | (150.1) | 394.4 |
| Recognised in profit or loss | 0.7 | (11.5) | (6.3) | 86.4 | 69.3 |
| Recognised in other comprehensive income | — | 34.0 | — | — | 34.0 |
| Business acquisitions (see Note 3) | 2.8 | — | — | — | 2.8 |
| Exchange adjustments | 55.8 | 1.1 | — | (9.5) | 47.4 |
| **At 31 December 2021** | 873.2 | (174.2) | (77.9) | (73.2) | 547.9 |
| Recognised in profit or loss | 34.5 | (5.4) | 3.6 | 5.6 | 38.3 |
| Recognised in other comprehensive income | — | 92.6 | — | — | 92.6 |
| Exchange adjustments | 43.4 | (0.8) | — | (2.3) | 40.3 |
| **At 31 December 2022** | **951.1** | **(87.8)** | **(74.3)** | **(69.9)** | **719.1** |

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable based on an assessment of expected future profits modelled against the gross unused tax losses, deductible temporary differences and unused tax credits. The Group did not recognise gross deductible temporary and tax losses of €525.1 million (2021: €606.6 million, 2020: €123.8 million) due to uncertainty in respect of the existence of future probable taxable profits against which these tax attributes can be utilised. As at 31 December 2022 there are also net unrecognised unprovided foreign tax credits of €5.0 million (2021: €37.9 million, 2020: €32.7 million).

The Group has not provided deferred tax in relation to temporary differences on its overseas subsidiaries or joint ventures as the Group can control the timing and realisation of these temporary differences, and it is probable that no material unprovided tax liability would arise.

## 16. INVENTORIES

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| Raw materials and consumables | 712.5 | 615.9 | 392.7 |
| Work in progress | 36.1 | 31.7 | 17.8 |
| Finished goods | 1,178.7 | 1,119.6 | 649.2 |
| | **1,927.3** | **1,767.2** | **1,059.7** |

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to €13,641.4 million (2021: €10,720.6 million, 2020: €5,554.3 million). The net write-down of inventories to net realisable value amounted to €11.0 million (2021: €7.5 million, 2020: €2.3 million)

## 17. TRADE AND OTHER RECEIVABLES

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| **Current** | | | |
| Trade receivables | 1,313.8 | 1,665.4 | 955.1 |
| Amounts due from related parties (see Note 28) | 395.7 | 536.1 | 264.2 |
| Other receivables | 198.3 | 186.1 | 100.6 |
| Prepayments | 200.6 | 82.6 | 74.1 |
| | **2,108.4** | **2,470.2** | **1,394.0** |
| **Non-current** | | | |
| Amounts due from related parties (see Note 28) | 1,327.9 | 810.8 | 641.3 |
| Other receivables | 3.2 | 2.0 | 1.9 |
| Prepayments | 34.4 | 13.2 | 13.0 |
| | **1,365.5** | **826.0** | **656.2** |

### *Credit quality of financial assets and impairment losses*

The ageing of trade and other receivables at the end of the reporting period and the expected credit loss rate (ECLR) was:

| | Trade receivables | | | Amounts due from related parties | | | Other receivables | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross 2022 | Impairment 2022 | ECLR 2022 | Gross 2022 | Impairment 2022 | ECLR 2022 | Gross 2022 | Impairment 2022 | ECLR 2022 |
| | €m | €m | % | €m | €m | % | €m | €m | % |
| Not past due | 1,180.3 | (2.1) | 0.2 | 1,723.6 | — | — | 200.9 | (0.3) | 0.1 |
| Past due 0-30 days | 111.0 | (0.2) | 0.2 | — | — | — | 0.3 | — | — |
| Past due 31-90 days | 19.2 | — | — | — | — | — | 0.1 | — | — |
| More than 90 days | 12.7 | (7.1) | 55.9 | — | — | — | 0.5 | — | — |
| | 1,323.2 | (9.4) | 0.7 | 1,723.6 | — | — | 201.8 | (0.3) | 0.1 |

| | Trade receivables | | | Amounts due from related parties | | | Other receivables | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross 2021 | Impairment 2021 | ECLR 2021 | Gross 2021 | Impairment 2021 | ECLR 2021 | Gross 2021 | Impairment 2021 | ECLR 2021 |
| | €m | €m | % | €m | €m | % | €m | €m | % |
| Not past due | 1,614.6 | (1.2) | 0.1 | 1,346.9 | — | 0.0 | 186.8 | — | 0.0 |
| Past due 0-30 days | 49.9 | (0.2) | 0.4 | — | — | — | 0.8 | — | 0.0 |
| Past due 31-90 days | — | — | — | — | — | — | — | — | — |
| More than 90 days | 10.4 | (8.1) | 77.9 | — | — | — | 0.5 | — | 0.0 |
| | 1,674.9 | (9.5) | 0.6 | 1,346.9 | — | 0.0 | 188.1 | — | 0.0 |

| | Trade receivables | | | Amounts due from related parties | | | Other receivables | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross 2020 | Impairment 2020 | ECLR 2020 | Gross 2020 | Impairment 2020 | ECLR 2020 | Gross 2020 | Impairment 2020 | ECLR 2020 |
| | €m | €m | % | €m | €m | % | €m | €m | % |
| Not past due | 799.8 | (1.1) | 0.1 | 905.5 | — | 0.0 | 101.6 | — | 0.0 |
| Past due 0-30 days | 116.8 | (0.2) | 0.2 | — | — | — | 0.1 | — | 0.0 |
| Past due 31-90 days | 34.3 | (0.4) | 1.2 | — | — | — | 0.3 | — | 0.0 |
| More than 90 days | 15.1 | (9.2) | 60.9 | — | — | — | 0.5 | — | 0.0 |
| | 966.0 | (10.9) | 1.1 | 905.5 | — | 0.0 | 102.5 | — | 0.0 |

The accounts receivable not yet due after impairment losses as of the end of the reporting period are deemed to be collectible on the basis of established credit management processes such as regular analyses of the credit worthiness of our customers and external credit checks where appropriate for new

## 17. TRADE AND OTHER RECEIVABLES (continued)

customers (see Note 24c). At December 31, 2020, 2021 and 2022 there were no significant trade, related party or other receivable balances not past due that were subsequently impaired.

Due to the global activities and diversified customer structure of the Group, there is no significant concentration of credit risk (2021: nil, 2020: nil).

During 2020, 2021 and 2022 there were no significant trade, related party or other receivable balances that were subject to renegotiation of terms. Credit enhancements are held in respect of trade and other receivables in the form of €62.6 million (2021: €16.1 million 2020: €nil) of assets pledged as security against amounts owed to the Group of which €0.3 million (2021: €nil, 2020: €nil) is in respect of amounts falling overdue.

Trade receivable balances totalling €979.0 million (2021: €1,300.2 million, 2020: €776.4 million) have been pledged as security against amounts drawn down under the Receivables Securitisation Facility, described in Note 18, totalling €18.9 million (2021: €18.0 million, 2020: €114.2 million). In accordance with IFRS 9 'Financial Instruments' the trade receivable balances pledged as security do not qualify for derecognition and are included within the trade receivable balances above.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| Balance at 1 January | 9.5 | 10.9 | 13.5 |
| Additions/(released) | (0.1) | 0.3 | 1.0 |
| Utilised | — | (2.2) | (2.6) |
| Exchange | 0.3 | 0.5 | (1.0) |
| Balance at 31 December | **9.7** | **9.5** | **10.9** |

The allowance account for trade receivables is used to record any impairment losses unless the Group is satisfied that no recovery of the amount owing is probable; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

***Credit risk of trade receivables***

| | 2022 |
|---|---|
| | €m |
| Low | 1,247.4 |
| Medium | 59.6 |
| High | 16.5 |
| Impairment allowance | (9.7) |
| | **1,313.8** |

The credit risk grade is based on the analysis on both the quantitative and qualitative factors as detailed below:

- High: Customers under significant financial difficulty and customers for whom there is an uncertainty of payment based on knowledge of factors like insolvency, dispute. Any receivable more than 180 days past due should also be classified in this category.
- Medium: Any receivable between 90 and 180 days past due should be classified as medium risk unless qualitative factors indicate a higher credit risk.
- Low: Any receivable less than 90 days past due should be classified as low risk unless qualitative factors indicate a higher credit risk.

During the year the Group has not experienced a significant deterioration in the quality of receivable balances due to the current economic conditions.

## 17. TRADE AND OTHER RECEIVABLES (continued)

There were no allowances made against amounts due from other receivables during the year (2021: €nil, 2020: €nil).

There were no allowances made against amounts due from related parties during the year (2021: €nil, 2020: €nil).

## 18. INTEREST-BEARING LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk, see Note 24f.

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| **Non-current liabilities** | | | |
| Senior Secured Term Loans | 5,286.7 | 4,789.6 | 3,633.1 |
| Senior Secured Notes due May 2026 | 765.8 | 764.6 | 763.3 |
| Senior Secured Notes due March 2026 | 322.1 | 321.3 | 320.7 |
| Senior Secured Notes due 2025 | 547.9 | 547.1 | 546.4 |
| Senior Notes due 2024 | — | — | 1,051.9 |
| Gemini Facility | 491.4 | 483.2 | 463.2 |
| Rain Facility | 625.5 | — | — |
| Receivables Securitisation Facility | 18.7 | 17.8 | 113.4 |
| Köln CoGen Facility | 61.5 | 100.5 | 72.0 |
| Rafnes Facility | 301.4 | 141.5 | 212.3 |
| Schuldschein Facility | — | 139.9 | 139.4 |
| Other loans | 24.5 | 26.0 | 27.5 |
| | **8,445.5** | **7,331.5** | **7,343.2** |

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| **Current liabilities** | | | |
| Current portion of borrowings under Senior Secured Term Loans | 43.0 | 40.0 | 34.6 |
| Gemini Facility | 21.9 | 19.9 | 14.7 |
| Rafnes Facility | (0.7) | 70.7 | 35.0 |
| Köln CoGen Facility | 39.0 | 31.5 | 24.0 |
| Inventory Financing Facility | 202.5 | 243.1 | 128.8 |
| Other loans | 2.6 | 2.6 | 1.5 |
| | **308.3** | **407.8** | **238.6** |

## 18. INTEREST-BEARING LOANS AND BORROWINGS (continued)

| | Gross loans and borrowings 2022 | Issue costs 2022 | Net loans and borrowings 2022 |
|---|---|---|---|
| | | €m | |
| **Gross debt and issue costs** | | | |
| Senior Secured Term Loans | 5,424.7 | (95.0) | 5,329.7 |
| Senior Secured Notes due May 2026 | 770.0 | (4.2) | 765.8 |
| Senior Secured Notes due March 2026 | 325.0 | (2.9) | 322.1 |
| Senior Secured Notes due 2025 | 550.0 | (2.1) | 547.9 |
| Receivables Securitisation Facility | 18.9 | (0.2) | 18.7 |
| Köln CoGen Facility | 100.5 | — | 100.5 |
| Rafnes Facility | 305.0 | (4.3) | 300.7 |
| Inventory Financing Facility | 202.6 | (0.1) | 202.5 |
| Other loans | 27.1 | — | 27.1 |
| | **7,723.8** | **(108.8)** | **7,615.0** |
| Gemini Facility | 521.0 | (7.7) | 513.3 |
| Rain Facility | 632.8 | (7.3) | 625.5 |
| **Total** | **8,877.6** | **(123.8)** | **8,753.8** |

The Gemini Facility is an obligation of Gemini HDPE LLC. The Rain Facility is an obligation of INEOS China Holdings Limited. Gemini HDPE LLC and INEOS China Holdings Limited are designated as unrestricted subsidiaries in accordance with the Group's Senior Secured Term Loans and Senior Secured Notes so neither the Gemini Facility or Rain Facility benefits from the security or collateral of those facilities.

| | Gross loans and borrowings 2021 | Issue costs 2021 | Net loans and borrowings 2021 |
|---|---|---|---|
| | | €m | |
| **Gross debt and issue costs** | | | |
| Senior Secured Term Loans | 4,851.1 | (21.5) | 4,829.6 |
| Senior Secured Notes due May 2026 | 770.0 | (5.4) | 764.6 |
| Senior Secured Notes due March 2026 | 325.0 | (3.7) | 321.3 |
| Senior Secured Notes due 2025 | 550.0 | (2.9) | 547.1 |
| Receivables Securitisation Facility | 18.0 | (0.2) | 17.8 |
| Köln CoGen Facility | 132.0 | — | 132.0 |
| Rafnes Facility | 214.3 | (2.1) | 212.2 |
| Schuldschein Facility | 141.0 | (1.1) | 139.9 |
| Inventory Financing Facility | 243.1 | — | 243.1 |
| Other loans | 28.6 | — | 28.6 |
| | **7,273.1** | **(36.9)** | **7,236.2** |
| Gemini Facility | 512.1 | (9.0) | 503.1 |
| **Total** | **7,785.2** | **(45.9)** | **7,739.3** |

## 18. INTEREST-BEARING LOANS AND BORROWINGS (continued)

| | Gross loans and borrowings 2020 | Issue costs 2020 | Net loans and borrowings 2020 |
|---|---|---|---|
| | | €m | |
| **Gross debt and issue costs** | | | |
| Senior Secured Term Loans | 3,682.3 | (14.6) | 3,667.7 |
| Senior Secured Notes due May 2026 | 770.0 | (6.7) | 763.3 |
| Senior Secured Notes due March 2026 | 325.0 | (4.3) | 320.7 |
| Senior Secured Notes due 2025 | 550.0 | (3.6) | 546.4 |
| Senior Notes due 2024 | 1,056.5 | (4.6) | 1,051.9 |
| Receivables Securitisation Facility | 114.2 | (0.8) | 113.4 |
| Köln CoGen Facility | 96.0 | — | 96.0 |
| Rafnes Facility | 250.0 | (2.7) | 247.3 |
| Schuldschein Facility | 141.0 | (1.6) | 139.4 |
| Inventory Financing Facility | 128.8 | — | 128.8 |
| Other loans | 29.0 | — | 29.0 |
| | **7,142.8** | **(38.9)** | **7,103.9** |
| Gemini Facility | 487.8 | (9.9) | 477.9 |
| **Total** | **7,630.6** | **(48.8)** | **7,581.8** |

**Terms and debt repayment schedule**

| | Currency | Nominal interest rate | Year of maturity |
|---|---|---|---|
| Senior Secured Term Loans | $/€ | SOFR+0.10%/ EURIBOR plus 2.00% - 4.00% | 2024 - 2028 |
| Senior Secured Notes | € | 2.125% - 3.375% | 2025 - 2026 |
| Gemini Facility | $ | USD LIBOR plus 3.00% | 2027 |
| Rain Facility | $/RMB | SOFR/HIBOR plus 3.75% - 3.75% - 4.50% | 2026 |
| Receivables Securitisation Facility | $/€/£ | Variable | 2024 |
| Köln CoGen Facility | € | 2.00% - 2.85% | 2024 - 2026 |
| Rafnes Facility | € | EURIBOR plus 2.25% | 2027 |
| Other loans | €/$ | 2.95% - 3.50% | 2024 - 2027 |

***Senior Secured Term Loans***

The Group has outstanding borrowings under a senior credit facilities agreement dated April 27, 2012 (as amended and restated) which consists of euro and US dollar denominated Term Loans (referred to as the 'Senior Secured Term Loans' or 'Term Loans').

In November 2022 the Group extended its maturity profile by issuing new Senior Secured Term Loan maturing in November 2027, consisting of €800 million of euro denominated Term Loans and $1.2 billion of US dollar denominated Term Loans which were used to partially redeem the euro and US dollar denominated Term Loans maturing on March 31, 2024. In November 2021 the Group raised €1.1 billion of additional Senior Secured Term Loans which were used to fully redeem the outstanding Senior Notes due 2024. These Senior Secured Term Loans mature on November 8, 2028 and consisted of $845 million of US dollar denominated Term Loans and €350 million of euro denominated Term Loans. In October 2020 the Group issued euro denominated Senior Secured Term Loans of €375 million which mature on October 27, 2027. As at December 31, 2022 the Group also had euro and US dollar denominated Term Loans maturing on March 31, 2024, which were fully redeemed in February 2023 (see Note 31).

The Senior Secured Term Loans outstanding at December 31, 2022 before issue costs were €5,424.7 million (2021: €4,851.1 million, 2020: €3,682.3 million) of which €56.3 million (2021: €44.7 million,

**18. INTEREST-BEARING LOANS AND BORROWINGS (continued)**

2020: €37.8 million) is due within one year. The total amounts outstanding on the euro denominated Term Loans were €2,770.9 million and the US dollar denominated Term Loans were €2,653.8 million.

The Term Loans are to be repaid in equal quarterly instalments, in aggregate annual amounts equal to 1% of the original principal amount of the Term Loans up to the final maturity date, apart from the euro denominated Term Loans maturing in November 2027 and November 2028 which have no repayments until maturity. The €800 million euro denominated Term Loans and $1.2 billion US dollar denominated Term Loans issued in November 2022 mature on November 8, 2027. The $845 million US dollar denominated Term Loans and €350 million of euro denominated Term Loans issued in November 2021 mature on November 8, 2028, whilst the €375 million euro denominated Senior Secured Term Loans issued in October 2020 mature on October 27, 2027. As at December 31, 2022 the remaining Term Loans were due to mature on March 31, 2024; however in February 2023 these loans were fully redeemed (see Note 31).

The outstanding Term Loans denominated in US dollars bear interest at a rate per annum equal to SOFR plus 0.10% (with the $845 million US dollar denominated Term Loans maturing in November 2028 being subject to a floor of 0.50% per annum) plus the Applicable Margin. All of the Term Loans denominated in euros bear interest at a rate per annum equal to EURIBOR subject to a floor of 0.5% per annum plus the Applicable Margin.

As at December 31, 2022 the Applicable Margin for the euro denominated Term Loans and the US dollar denominated Term Loans maturing March 2024 was 2.00%, for the euro denominated Term Loans maturing October 2027 and November 2028 it was 2.75%, for the US dollar denominated Term Loans maturing November 2028 it was 2.50%, for the euro denominated Term Loans maturing November 2027 it was 4.00% and for the US dollar denominated Term Loans maturing November 2027 it was 3.75%.

The Senior Secured Term Loans rank pari passu with the Senior Secured Notes due May 2026, Senior Secured Notes due March 2026 and the Senior Secured Notes due 2025. The Term Loans are guaranteed by INEOS Group Holdings S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The Term Loans and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the senior secured notes.

The Term Loans have numerous customary operating and financial incurrence covenants all of which have been complied with during the year, including covenants relating to, among other things, limitations on indebtedness, ability to give guarantees, creation of security interests, making acquisitions and investments, disposing of assets and paying dividends. The Term Loans have no financial maintenance covenants.

The Senior Secured Term Loans are stated net of debt issue costs of €95.0 million (2021: €21.5 million, 2020: €14.6 million). These costs are allocated to the profit and loss account over the term of the Term Loans.

In February 2023 the Group issued new Senior Secured Term Loans and Senior Secured Notes. The Senior Secured Term Loans included €700 million maturing in November 2027 and $1.2 billion maturing in February 2030. Interest rates are EURIBOR (subject to a floor of 0.50% per annum) plus a margin of 4.00% and SOFR plus 0.10% plus a margin of 3.50%. Proceeds from the new Senior Secured Term Loans and Senior Secured Notes were used to fully redeem the euro and US dollar denominated Term Loans maturing on March 31, 2024 as well as increasing the liquidity of the Group. The outstanding amount of Senior Secured Term Loans maturing March 2024 at December 31, 2022 before issue costs was €1,996.0 million (see Note 31).

***Senior Secured Notes due 2025***

In November 2017 the Group issued €550 million of Senior Secured Notes due 2025. The proceeds from the new Notes were used to partially repay the Senior Secured Term Loans. The Senior Secured Notes due 2025 are listed on the Euro MTF—Luxembourg Stock Exchange. The Senior Secured Notes due 2025 bear interest at 2.125% per annum, payable semi-annually in arrears on May 15 and November 15 of

**18. INTEREST-BEARING LOANS AND BORROWINGS (continued)**

each year. Unless previously redeemed as noted below, the Senior Secured Notes due 2025 will be redeemed by the Group at their principal amount on November 15, 2025.

The Senior Secured Notes due 2025 can be subject to redemption at any time on or after November 15, 2020, at the option of the Issuer, in whole or in part, on not less than 10 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning November 15 of the year indicated below:

| Year | Redemption Price |
|---|---|
| 2022 and thereafter | 100.000% |

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due 2025 rank pari passu with the Senior Secured Term Loans and Senior Secured Notes due May 2026 and the Senior Secured Notes due March 2026. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due 2025 are stated net of debt issue costs of €2.1 million (2021: €2.9 million, 2020: €3.6 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due 2025.

***Senior Secured Notes due May 2026***

In April 2019, the Group issued €770 million of Senior Secured Notes due May 2026. The Senior Secured Notes due May 2026 are listed on the Euro MTF—Luxembourg Stock Exchange. The Senior Secured Notes due May 2026 bear interest at 2.875% per annum, payable semi-annually in arrears on May 1 and November 1 of each year, beginning November 1, 2020. Unless previously redeemed as noted below, the Senior Secured Notes due May 2026 will be redeemed by the Group at their principal amount on May 1, 2026.

The Senior Secured Notes due May 2026 can be subject to redemption at any time on or after May 1, 2022, at the option of the Issuer, in whole or in part, on not less than 10 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning May 1 of the year indicated below:

| Year | Redemption Price |
|---|---|
| 2022 | 101.4375% |
| 2023 | 100.71875% |
| 2024 and thereafter | 100.000% |

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due May 2026 rank pari passu with the Senior Secured Term Loans, Senior Secured Notes due March 2026 and the Senior Secured Notes due 2025. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their

**18. INTEREST-BEARING LOANS AND BORROWINGS (continued)**

subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due May 2026 are stated net of debt issue costs of €4.2 million (2021: €5.4 million, 2020: €6.7 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due May 2026.

***Senior Secured Notes due March 2026***

In October 2020, the Group issued €325 million of Senior Secured Notes due March 2026. The Senior Secured Notes due March 2026 are listed on the Euro MTF—Luxembourg Stock Exchange. The Senior Secured Notes due March 2026 bear interest at 3.375% per annum, payable semi-annually in arrears on May 15 and November 15 of each year, beginning May 15, 2021. Unless previously redeemed as noted below, the

Senior Secured Notes due March 2026 will be redeemed by the Group at their principal amount on March 31, 2026.

The Senior Secured Notes due March 2026 can be subject to redemption at any time on or after November 15, 2022, at the option of the Issuer, in whole or in part, on not less than 10 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning November 15 of the year indicated below:

| Year | Redemption Price |
|---|---|
| 2022 | 101.688% |
| 2023 | 100.844% |
| 2024 and thereafter | 100.000% |

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due March 2026 rank pari passu with the Senior Secured Term Loans, Senior Secured Notes due May 2026 and the Senior Secured Notes due 2025. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due March 2026 are stated net of debt issue costs of €2.9 million (2021: €3.7 million, 2020: €4.3 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due March 2026.

***Senior Notes due 2024***

In November 2021 the Group redeemed in full the Senior Notes due 2024 with the proceeds from the issuance of additional Senior Secured Term Loans along with cash on hand. Before redemption the Senior Notes due 2024 were listed on the Euro MTF—Luxembourg Stock Exchange and comprised of €650 million Senior Notes due 2024 (the "Euro Notes") and $500 million Senior Notes due 2024 (the "Dollar

**18. INTEREST-BEARING LOANS AND BORROWINGS (continued)**

Notes”). The Senior Notes due 2024 bore interest at 5.375% per annum for the Euro Notes and 5.625% for the Dollar Notes, payable semi-annually in arrears on 1 February and 1 August of each year.

Following the full redemption of the Senior Notes due 2024, unamortised debt issue costs of €3.5 million were charged to exceptional finance costs in November 2021 (see Note 4). Prior to redemption the Senior Notes due 2024 were stated net of debt issue costs of €4.6 million as at December 31, 2020.

***Receivables Securitisation Facility***

The Group has entered into a €800 million receivables securitisation facilities agreement (“Receivables Securitisation Facility”) which matures on December 31, 2024. The total amount outstanding at December 31, 2022 before issue costs was €18.9 million (2021: €18.0 million, 2020: €114.2 million). The facility is secured by pledges over the trade receivables sold into the programme. Interest is charged on the facility at a rate of either EURIBOR, SOFR or SONIA plus a margin or short term commercial paper rates plus a margin.

The Receivables Securitisation Facility is stated net of debt issue costs of €0.2 million (2021: €0.2 million, 2020: €0.8 million).

***Köln CoGen Facility***

As part of a project at the Group’s Köln site to replace part of its incineration or cogeneration unit, the Group has entered into a €120 million loan facility which matures in December 2024. In May 2021 the Group entered into an additional facility of €60 million which matures in June 2026. The total amount outstanding under the loan facilities (“Köln CoGen Facility”) at December 31, 2022 was €100.5 million (2021: €132.0 million, 2020: €96.0 million) of which €39.0 million (2021: €31.5 million, 2020: €24.0 million) is due within one year.

The €120 million loan facility is to be repaid in equal quarterly instalments of €6 million, starting from March 2020 and bears a fixed interest rate of 2.85% per annum.

The €60 million additional loan facility is to be repaid in equal quarterly payments of €3.75 million starting in September 2022 and bears a fixed interest rate of 2.00% per annum.

The Köln CoGen Facility is secured by pledges over the plant and equipment of INEOS Manufacturing Deutschland GmbH’ s new cogeneration assets.

***Rafnes Facility***

As part of the Group’s purchase of the remaining 50% interest in the Noretyl ethylene cracker at Rafnes, Norway from the Kerling group on July 1, 2015, the Group also assumed the obligations of a €140 million loan facility that Noretyl had in place. In November 2019 following the repayment of the initial loan the term loan facility was amended and restated with a new facility amount (“Rafnes Facility”) of €250.0 million. In November 2022 the Group amended and extended the facility to be €305.0 million. The total amount outstanding at December 31, 2022 before issue costs was €305.0 million (2021: €214.3 million, 2020: €250.0 million) of which nil (2021: €71.4 million, 2020: €35.7 million) is due within one year.

The Rafnes Facility is to be repaid in six equal semi-annual instalments commencing in May 2025. The facility matures in November 2027. The facility is secured by pledges over the property, plant and equipment of INEOS Rafnes AS. The Rafnes Facility bears interest at a rate per annum equal to EURIBOR (subject to a floor of 0% per annum) plus a margin of 2.25%.

The Rafnes Facility is stated net of debt issue costs of €4.3 million (2021: €2.1 million, 2020: €2.7 million).

**18. INTEREST-BEARING LOANS AND BORROWINGS (continued)**

***Schuldschein Loan***

In December 2022 the Group repaid in full the €141 million floating rate Schuldschein loan facility which was originally due to mature in March 2024. Before repayment the Schuldschein Loan bore interest at a rate per annum equal to EURIBOR for an interest period of six months (subject to a floor of 0.50% per annum) plus a margin of 2.00%. As at December 31, 2021 the Schuldschein Loan was stated net of debt issue costs of €1.1 million (2020: €1.6 million).

***Inventory Financing Facility***

In June 2019 the Group entered into an inventory monetisation agreement with J Aron & Company LLC ("J Aron"), for an initial term of one year. In June 2022 the Group and J Aron agreed an extension of the term to June 30, 2023, and a further extension option may be exercised by mutual agreement. Under this arrangement, the Group sold certain inventory to J Aron and agreed to buy-back equivalent inventory at the end of the term at the same price. During the term, and subject to certain covenants and rights of J Aron, J Aron provides the Group with a just-in-time service for use of the inventory, and the ability to substitute used inventory with equivalent inventory, in return for a transaction fee. The arrangement is supported by a Group parent company guarantee and a cash collateral mechanism.

The total amount outstanding at December 31, 2022 before issue costs was €202.6 million (2021: €243.1 million, 2020: €128.8 million). The Inventory Financing Facility is stated net of debt issue costs of €0.1 million (2021: nil, 2020: nil).

***Gemini Facility***

As part of the Group's purchase of the remaining 50% interest in the Gemini HDPE plant in Texas, USA, from Sasol Chemicals on December 31, 2020, the Group amended and upsized the existing Term Loan facility within the acquired Gemini HDPE LLC legal entity. The amended loan facility was upsized to $600.0 million ("Gemini Facility") and the maturity was extended to October 31, 2027. The total amount outstanding at December 31, 2022 before issue costs was €521.0 million ($530.5 million) (2021: €512.1 million ($580.3 million), 2020: €487.8 million ($600.0 million)) of which €23.7 million ($25.3 million) (2021: €21.6 million ($24.5 million), 2020: €16.0 million ($19.7 million)) is due within one year.

The Gemini Facility is to be repaid in quarterly instalments starting on April 30, 2021 with a final payment of $420.0 million on October 31, 2027 when the facility matures. The facility is secured by pledges over the plant and equipment of Gemini HDPE LLC. The outstanding Gemini Facility will bear interest at a rate per annum equal to USD LIBOR (subject to a floor of 0.5% per annum) plus a margin of 3.0%. Gemini HDPE LLC has been designated as an unrestricted subsidiary in accordance with the Group's Senior Secured Term Loans and Senior Secured Notes.

The Gemini Facility is stated net of debt issue costs of €7.7 million (2021: €9.0 million, 2020: €9.9 million).

***Rain Facility***

As part of the Group's acquisition of a 50% interest in Shanghai SECCO Petrochemical Company Limited ("SECCO") from Sinopec in December 2022 the Group entered into a RMB 1,045 million and $525 million term loan facility agreement maturing in June 2026 (the "Rain Facility").

The Rain Facility is to be repaid when the facility matures in June 2026. The Rain Facility is secured by pledges of the shares held by INEOS Investment (Shanghai) Company Limited in SECCO and of the shares held by INEOS China Holdings Limited in INEOS Investment (Shanghai) Company Limited. The Rain Facility carries an interest rate per annum equal to SOFR plus a margin of 3.75% on the US dollar denominated loan and HIBOR plus a margin of 4.50% on the RMB denominated loan. INEOS China Holdings Limited has been designated as an unrestricted subsidiary in accordance with the Group's Senior Secured Term Loans and Senior Secured Notes.

## 18. INTEREST-BEARING LOANS AND BORROWINGS (continued)

The Rain Facility is stated net of debt issue costs of €7.3 million.

***Project One Facility***

On December 22, 2022, the Group entered into certain agreements (the "Project One Facility") providing for loans in an aggregate principal amount of €3,500 million under (i) facilities guaranteed by export credit agencies (UKEF, SACE and CESCE), (ii) a facility partially guaranteed by Gigarant (a special purpose vehicle of the Flemish government) and (iii) a Commercial Facility to fund the construction of Project One, a 1,450 ktpa ethane cracker and olefins complex located in the port of Antwerp. The ability to draw the funds was contingent on the receipt of certain guarantees which did not complete until February 2023, therefore as at December 31, 2022 no funds were available to be drawn. The Group expects the Project One Facility to be drawn in stages, beginning in the first quarter of 2023 and throughout the construction period to the end of 2026.

## 19. TRADE AND OTHER PAYABLES

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| **Current** | | | |
| Trade payables | 422.9 | 641.1 | 329.7 |
| Amounts due to related parties (see Note 28) | 312.0 | 313.2 | 179.4 |
| Other payables | 906.9 | 702.4 | 593.6 |
| Deferred consideration | 2.1 | 14.3 | 13.2 |
| Accruals and deferred income | 801.2 | 918.0 | 518.1 |
| | 2,445.1 | 2,589.0 | 1,634.0 |
| **Non-current** | | | |
| Other payables | 82.0 | 86.0 | 89.0 |
| Accruals and deferred income | 25.4 | 27.2 | 23.9 |
| | 107.4 | 113.2 | 112.9 |

## 20. EMPLOYEE BENEFITS

***Pension plans***

The Group operates a number of pension plans throughout the world, devised in accordance with local conditions and practices. The plans are generally of the defined benefit type and are funded by payments to separately administered funds or insurance companies. The principal funded plans are in the United Kingdom, North America, Belgium, Switzerland and Germany.

The Group also operates a number of unfunded defined benefit pension schemes in Germany and France.

The most recent full valuations of the significant defined benefit plans were carried out as follows:

| Plan | Country | Valuation date |
|---|---|---|
| All Plans | United Kingdom | 4 May 2022 and 31 December 2019 |
| All Plans | North America | 1 January 2022 |
| All Plans | Belgium | 1 January 2023 |
| All Plans | France | 31 December 2022 |
| All Plans | Germany | 31 December 2021 and 31 December 2022 |
| All Plans | Switzerland | 31 December 2022 |

These valuations have been updated where appropriate to December 31, 2022 by independent qualified actuaries.

**20. EMPLOYEE BENEFITS (continued)**

The Group's pension schemes have been disclosed on a geographical basis as those schemes in the United Kingdom, North America and Other European. Other European principally includes the Group's pension plans in Germany, Belgium, France and Switzerland.

The UK defined benefit pension plans were historically final salary in nature, with a normal retirement age of 60. The majority of the UK plans are either closed to new entrants, or frozen to future accrual. The plans operate under trust law and are managed and administered by Trustees in accordance with the terms of each plan's Trust Deed and Rules and relevant legislation. The contributions paid to the UK plans are set every three years based on a funding agreement between the company and Trustee after taking actuarial advice.

The North American pension arrangements consist of two funded plans, both closed to new entrants and future accrual. Both plans were final salary defined benefit in nature, and the plans' liabilities are valued regularly in line with US statutory funding requirements. Around 90% of both plans' assets are invested in bond instruments, to closely match the profile of each plans' liabilities.

The Other European pension arrangements are primarily final salary in nature, the majority of which remain open to new entrants. The majority of plans in Germany are funded through plan assets from contractual trust arrangements. There are no legal minimum funding requirements, thus the Group can decide on any plan contributions considering local conditions and practices. The Swiss benefits are insured, the Belgian plan assets are held in trust, and the remaining schemes are unfunded with associated provisions held on the Group's balance sheet.

***Pension plan assumptions***

The principal actuarial assumptions (expressed as weighted averages or ranges) at the year end were as follows:

| | United Kingdom | | | North America | | | Other European | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 |
| | | | | | % | | | | |
| **Major assumptions** | | | | | | | | | |
| Rate of general increase in salaries | 3.2 | 3.2 | 2.8 | N/A | 3.5 | 3.5 | 2.0-3.5 | 2.0-4.5 | 2.0-4.3 |
| Rate of increase to pensions in payment | 3.0 | 3.0-5.0 | 3.0-5.0 | 0.0 | 0.0 | 0.0 | 0.0-2.5 | 0.0-2.0 | 0.0-1.8 |
| Discount rate for scheme liabilities | 5.0 | 1.9 | 1.6 | 5.4 | 2.8 | 2.5 | 2.2-3.8 | 0.3-1.3 | 0.0-2.0 |
| Inflation | 3.2 | 3.2 | 2.8 | N/A | N/A | N/A | 1.3-2.5 | 1.0-2.0 | 1.0-1.8 |

The assumptions relating to longevity underlying the pension liabilities at the reporting date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

| | United Kingdom | | | North America | | | Other European | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 |
| | | | | | Years | | | | |
| Longevity at age 65 for current pensioners | 21.9-24.2 | 22.1-24.3 | 22.0-24.2 | 21.4-22.9 | 21.4-22.8 | 21.2-22.6 | 20.6-28.6 | 20.5-28.4 | 20.3-28.0 |

## 20. EMPLOYEE BENEFITS (continued)

The following table presents the sensitivity of the defined benefit obligation to each significant actuarial assumption:

| | United Kingdom | North America | Other European |
|---|---|---|---|
| | | 2022 | |
| | | % | |
| **Major assumptions** | | | |
| Discount rate: 1.0% decrease | 15.3 | 10.8 | 18.4 |
| Rate of inflation: 0.5% increase[1] | 5.3 | N/A | 5.8 |
| One year increase in longevity for a member currently aged 65 | 3.2 | 1.1 | 2.5 |

(1) The sensitivity to the inflation assumption change includes corresponding changes to the future salary increase and future pension increase assumptions where these assumptions are set to be linked to the inflation assumption.

### *Post-retirement health care plans*

The Group also operates a number of post-retirement healthcare plans in the United States, which provide employees with other post-employment benefits in respect of health care. The plans are unfunded and the liability in respect of these benefits is included in provisions. The liability is assessed by qualified independent actuaries under the projected unit method, assuming the following rates:

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | % | |
| **Rates** | | | |
| Liability discount rate | 5.4 | 2.8 | 2.5 |
| Long-term healthcare trend rate | 5.0 | 5.0 | 5.0 |

### *History of plans*

The history of the plans for the current and prior years is as follows:

**Consolidated balance sheet**

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| Present value of the defined benefit obligation in respect of pension plan | 1,353.4 | 1,917.0 | 2,014.9 |
| Present value of obligations in respect of post-retirement health care plan | 17.7 | 22.8 | 25.4 |
| Fair value of plan assets | (775.9) | (1,106.6) | (1,022.6) |
| **Net deficit** | **595.2** | **833.2** | **1,017.7** |

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| Non-current assets | (35.0) | (123.6) | (82.7) |
| Non-current liabilities | 630.2 | 956.8 | 1,100.4 |
| **Net deficit** | **595.2** | **833.2** | **1,017.7** |

**20. EMPLOYEE BENEFITS (continued)**

The Group's net liability in respect of defined benefit obligations (DBO) is as follows:

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| Obligations in respect of pension plans: | | | |
| United Kingdom | (21.1) | (67.8) | (53.9) |
| North America | (13.7) | (26.4) | (28.5) |
| Other European | 612.3 | 904.6 | 1,074.7 |
| | 577.5 | 810.4 | 992.3 |
| Obligations in respect of post-retirement health care plans | 17.7 | 22.8 | 25.4 |
| **Recognised liability for defined benefit obligations** | **595.2** | **833.2** | **1,017.7** |

The Group expects to contribute approximately €23.3 million to its funded defined benefit plans in the next financial year. This excludes direct company benefit payments and payments in relation to unfunded defined benefit plan schemes.

***Expense recognised in the consolidated income statement***

| | United Kingdom | North America | Other European | Post retirement health care plans | Total |
|---|---|---|---|---|---|
| | | | €m | | |
| **Year ended 31 December 2022** | | | | | |
| Current service cost | 0.6 | 0.8 | 43.8 | 0.3 | 45.5 |
| Past service cost | — | — | 2.6 | — | 2.6 |
| Cost of termination benefits | — | — | 2.3 | — | 2.3 |
| Interest cost on DBO | 6.7 | 6.7 | 14.8 | 0.6 | 28.8 |
| Interest income on assets | (7.9) | (7.4) | (4.1) | — | (19.4) |
| | **(0.6)** | **0.1** | **59.4** | **0.9** | **59.8** |

| | United Kingdom | North America | Other European | Post retirement health care plans | Total |
|---|---|---|---|---|---|
| **Year ended 31 December 2021** | | | | | |
| Current service cost | 0.6 | 0.7 | 52.7 | 0.4 | 54.4 |
| Past service credit | — | — | (2.0) | — | (2.0) |
| Cost of termination benefits | — | — | 6.5 | — | 6.5 |
| Interest cost on DBO | 5.7 | 5.9 | 9.2 | 0.6 | 21.4 |
| Interest income on assets | (6.6) | (6.7) | (1.6) | — | (14.9) |
| | **(0.3)** | **(0.1)** | **64.8** | **1.0** | **65.4** |

| | United Kingdom | North America | Other European | Post retirement health care plans | Total |
|---|---|---|---|---|---|
| | | | €m | | |
| **Year ended 31 December 2020** | | | | | |
| Current service cost | 0.6 | 0.9 | 49.3 | 0.4 | 51.2 |
| Cost of termination benefits | — | — | 3.9 | — | 3.9 |
| Interest cost on DBO | 6.6 | 7.7 | 13.7 | 0.8 | 28.8 |
| Interest income on assets | (7.7) | (8.5) | (2.2) | — | (18.4) |
| | **(0.5)** | **0.1** | **64.7** | **1.2** | **65.5** |

## 20. EMPLOYEE BENEFITS (continued)

The expense is recognised in the following line items in the consolidated income statement:

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| Cost of sales and administrative expenses | 50.4 | 58.9 | 55.1 |
| Finance cost | 9.4 | 6.5 | 10.4 |
| | **59.8** | **65.4** | **65.5** |

### *Pension plans*

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| **As at 31 December 2022** | | | | |
| Present value of funded obligations | 214.2 | 175.3 | 927.6 | 1,317.1 |
| Present value of unfunded obligations | — | — | 36.3 | 36.3 |
| | 214.2 | 175.3 | 963.9 | 1,353.4 |
| Fair value of plan assets | (235.3) | (189.0) | (351.6) | (775.9) |
| | **(21.1)** | **(13.7)** | **612.3** | **577.5** |

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | | €m | |
| **As at 31 December 2021** | | | | |
| Present value of funded obligations | 363.1 | 234.1 | 1,273.7 | 1,870.9 |
| Present value of unfunded obligations | — | — | 46.1 | 46.1 |
| | 363.1 | 234.1 | 1,319.8 | 1,917.0 |
| Fair value of plan assets | (430.9) | (260.5) | (415.2) | (1,106.6) |
| | **(67.8)** | **(26.4)** | **904.6** | **810.4** |

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | | €m | |
| **As at 31 December 2020** | | | | |
| Present value of funded obligations | 346.8 | 238.4 | 1,140.1 | 1,725.3 |
| Present value of unfunded obligations | — | — | 289.6 | 289.6 |
| | 346.8 | 238.4 | 1,429.7 | 2,014.9 |
| Fair value of plan assets | (400.7) | (266.9) | (355.0) | (1,022.6) |
| | **(53.9)** | **(28.5)** | **1,074.7** | **992.3** |

Included within the Other European deficits are amounts relating to German plans of €590.6 million (2021: €903.5 million, 2020: €1,035.2 million).

The pension plan surplus is recognised on the balance sheet on the basis that the Group is entitled to a refund of any remaining assets once all members have left the plan or it can be used to fund future employer contributions.

## 20. EMPLOYEE BENEFITS (continued)

Movements in present value of defined benefit obligation:

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | €m | | |
| At 1 January 2020 | 337.7 | 252.6 | 1,247.9 | 1,838.2 |
| Current service cost | 0.6 | 0.9 | 49.3 | 50.8 |
| Interest cost on DBO | 6.6 | 7.7 | 13.7 | 28.0 |
| Member contributions | — | — | 1.8 | 1.8 |
| Actuarial loss—experience | 0.6 | 0.9 | 9.2 | 10.7 |
| Actuarial loss/(gain)—demographic assumptions | 2.3 | (0.6) | — | 1.7 |
| Actuarial loss—financial assumptions | 33.5 | 22.6 | 128.0 | 184.1 |
| Disbursements from plan assets | (15.4) | (22.4) | (9.4) | (47.2) |
| Disbursements paid directly by the employer | — | (0.2) | (13.3) | (13.5) |
| Termination benefits | — | — | 3.9 | 3.9 |
| Exchange | (19.1) | (23.1) | (1.4) | (43.6) |
| **At 31 December 2020** | 346.8 | 238.4 | 1,429.7 | 2,014.9 |
| Current service cost | 0.6 | 0.7 | 52.7 | 54.0 |
| Past service credit | — | — | (2.0) | (2.0) |
| Interest cost on DBO | 5.7 | 5.9 | 9.2 | 20.8 |
| Member contributions | — | — | 1.6 | 1.6 |
| Actuarial (gain)/loss—experience | (0.1) | 0.9 | (5.7) | (4.9) |
| Actuarial loss/(gain)—demographic assumptions | — | 3.4 | (5.1) | (1.7) |
| Actuarial (gain)—financial assumptions | (0.8) | (7.0) | (124.5) | (132.3) |
| Disbursements from plan assets | (15.3) | (27.2) | (12.1) | (54.6) |
| Disbursements paid directly by the employer | — | (0.2) | (14.0) | (14.2) |
| Termination benefits | — | — | 6.5 | 6.5 |
| Reclassifications | — | — | (20.1) | (20.1) |
| Exchange | 26.2 | 19.2 | 3.6 | 49.0 |
| **At 31 December 2021** | 363.1 | 234.1 | 1,319.8 | 1,917.0 |
| Current service cost | 0.6 | 0.8 | 43.8 | 45.2 |
| Past service credit | — | — | 2.6 | 2.6 |
| Interest cost on DBO | 6.7 | 6.7 | 14.8 | 28.2 |
| Member contributions | — | — | 1.8 | 1.8 |
| Actuarial loss—experience | 22.1 | 0.8 | 41.0 | 63.9 |
| Actuarial (gain)/loss—demographic assumptions | (0.2) | 0.3 | — | 0.1 |
| Actuarial (gain)—financial assumptions | (148.2) | (51.9) | (447.4) | (647.5) |
| Disbursements from plan assets | (16.3) | (30.2) | (5.2) | (51.7) |
| Disbursements paid directly by the employer | — | (0.3) | (15.0) | (15.3) |
| Termination benefits | — | — | 2.3 | 2.3 |
| Exchange | (13.6) | 15.0 | 5.4 | 6.8 |
| **At 31 December 2022** | **214.2** | **175.3** | **963.9** | **1,353.4** |

**20. EMPLOYEE BENEFITS (continued)**

Movements in fair value of plan assets:

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | €m | | |
| At 1 January 2020 | 385.8 | 275.2 | 268.0 | 929.0 |
| Interest income on plan assets | 7.7 | 8.5 | 2.2 | 18.4 |
| Return on plan assets greater than discount rate | 36.4 | 31.5 | 45.4 | 113.3 |
| Employer contributions | 8.0 | 0.2 | 61.8 | 70.0 |
| Member contributions | — | — | 1.8 | 1.8 |
| Disbursements | (15.4) | (22.6) | (22.7) | (60.7) |
| Exchange | (21.8) | (25.9) | (1.5) | (49.2) |
| **At 31 December 2020** | 400.7 | 266.9 | 355.0 | 1,022.6 |
| Interest income on plan assets | 6.6 | 6.7 | 1.6 | 14.9 |
| Return on plan assets greater/(less) than discount rate | 5.7 | (7.4) | 27.3 | 25.6 |
| Employer contributions | 2.5 | 0.2 | 72.0 | 74.7 |
| Member contributions | — | — | 1.6 | 1.6 |
| Disbursements | (15.3) | (27.4) | (26.1) | (68.8) |
| Reclassifications | — | — | (18.8) | (18.8) |
| Exchange | 30.7 | 21.5 | 2.6 | 54.8 |
| **At 31 December 2021** | 430.9 | 260.5 | 415.2 | 1,106.6 |
| Interest income on plan assets | 7.9 | 7.4 | 4.1 | 19.4 |
| Return on plan assets less than discount rate | (173.8) | (65.6) | (83.4) | (322.8) |
| Employer contributions | 2.0 | 0.3 | 31.2 | 33.5 |
| Member contributions | — | — | 1.8 | 1.8 |
| Disbursements | (16.3) | (30.6) | (20.1) | (67.0) |
| Exchange | (15.4) | 17.0 | 2.8 | 4.4 |
| **At 31 December 2022** | **235.3** | **189.0** | **351.6** | **775.9** |

The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

The fair value of the plan assets were as follows:

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | €m | | |
| **At 31 December 2022** | | | | |
| Equities | — | 18.8 | 140.9 | 159.7 |
| Bonds | 138.5 | 168.1 | 83.0 | 389.6 |
| Property | — | — | 58.8 | 58.8 |
| Other | 96.8 | 2.1 | 68.9 | 167.8 |
| **Total plan assets** | **235.3** | **189.0** | **351.6** | **775.9** |

**20. EMPLOYEE BENEFITS (continued)**

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | €m | | |
| **At 31 December 2021** | | | | |
| Equities | 6.4 | 25.5 | 215.1 | 247.0 |
| Bonds | 312.6 | 231.8 | 90.5 | 634.9 |
| Property | 0.8 | — | 54.5 | 55.3 |
| Other | 111.1 | 3.2 | 55.1 | 169.4 |
| **Total plan assets** | **430.9** | **260.5** | **415.2** | **1,106.6** |

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | €m | | |
| **At 31 December 2020** | | | | |
| Equities | 24.1 | 27.8 | 168.6 | 220.5 |
| Bonds | 311.7 | 236.9 | 68.0 | 616.6 |
| Property | 12.9 | — | 49.9 | 62.8 |
| Other | 52.0 | 2.2 | 68.5 | 122.7 |
| **Total plan assets** | **400.7** | **266.9** | **355.0** | **1,022.6** |

There are no plans which hold investments in the Group's own financial instruments, or hold assets or property which are used by the Group.

***Post-retirement health care plans***

Reconciliation of present value of scheme liabilities:

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| At 1 January | 22.8 | 25.4 | 26.5 |
| Current service cost | 0.3 | 0.4 | 0.4 |
| Interest cost on DBO | 0.6 | 0.6 | 0.8 |
| Actuarial (gain)/loss—experience | (1.0) | — | 1.1 |
| Actuarial (gain)—demographic assumptions | — | (3.0) | (0.1) |
| Actuarial (gain)/loss—financial assumptions | (4.1) | (0.5) | 2.0 |
| Disbursements directly paid by the employer | (2.4) | (2.1) | (2.8) |
| Exchange adjustments | 1.5 | 2.0 | (2.5) |
| **At 31 December** | **17.7** | **22.8** | **25.4** |

The post-retirement healthcare plans do not hold any assets.

The following table presents the sensitivity of the post-retirement healthcare plans to each significant actuarial assumption:

| | 2022 |
|---|---|
| | % |
| **Major assumptions** | |
| Discount rate: 1.0% decrease | 8.2 |
| 1 year increase in longevity for a member currently aged 65 | 1.5 |

## 21. PROVISIONS

| | Severance and restructuring costs | Remediation | Other | Total |
|---|---|---|---|---|
| | | €m | | |
| At 1 January 2022 | 19.9 | 16.5 | 1.6 | 38.0 |
| Charged/(credited) to the income statement | (0.6) | (1.3) | 2.6 | 0.7 |
| Exceptional administrative expense (see Note 4) | 4.2 | — | — | 4.2 |
| Utilised in the year | — | (0.7) | — | (0.7) |
| Unwinding of discount | — | 0.2 | — | 0.2 |
| Reclassifications | (2.5) | — | — | (2.5) |
| Effects of movements in foreign exchange | (0.3) | (0.2) | 0.1 | (0.4) |
| **At 31 December 2022** | **20.7** | **14.5** | **4.3** | **39.5** |
| Non-current | 25.7 | 25.3 | 1.3 | 52.3 |
| Current | 5.9 | 1.0 | 2.8 | 9.7 |
| Balance at 31 December 2020 | **31.6** | **26.3** | **4.1** | **62.0** |
| Non-current | 18.3 | 13.9 | 0.1 | 32.3 |
| Current | 1.6 | 2.6 | 1.5 | 5.7 |
| Balance at 31 December 2021 | **19.9** | **16.5** | **1.6** | **38.0** |
| Non-current | 19.7 | 12.6 | 0.1 | 32.4 |
| Current | 1.0 | 1.9 | 4.2 | 7.1 |
| **Balance at 31 December 2022** | **20.7** | **14.5** | **4.3** | **39.5** |

### *Severance and restructuring costs*

The severance and restructuring costs provision includes €17.6 million relating to the Köln site following reorganisations within the O&P North business and is expected to be fully utilised by 2029. During 2022 an exceptional administrative expense of €4.2 million has been charged against the severance and restructuring costs provision relating to the Köln site within the O&P Europe business (see Note 4).

### *Remediation costs*

The Group has provided for the cost of remediation works of €14.5 million where there is a legal or constructive obligation for such work to be carried out. Provisions are established to meet the clean-up costs of contaminated soil and groundwater, the removal of potentially hazardous substances and rectification work required to ensure compliance with license to operate obligations. These costs relate mainly to the Group's production facilities at the Green Lake site, a pilot plant at the Lavera site and oil and gas wells in the Giddings Field. The provision only covers items of specific work for which a reasonable estimate can be determined. By their nature the amounts and timing of any outflows in respect of remediation costs are difficult to predict.

### *Other provisions*

Other provisions primarily relates to commercial disputes in respect of licencing agreements and are expected to be fully utilised within the next year.

## 22. SHARE CAPITAL

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| **Fully paid** | | | |
| 924,803 (2021: 924,803, 2020: 924,803) Ordinary shares of €1 each | 0.9 | 0.9 | 0.9 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

**22. SHARE CAPITAL (continued)**

The Company did not hold or acquire any of its own shares during the year ended 31 December 2022 (2021: none, 2020: none).

**23. DIVIDENDS**

The following dividends were recognised during the year:

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| Dividend paid (2022: €216.3 per share, 2021: €865.0 per share, 2020: nil per share) | 200.0 | 800.0 | — |

**24. FINANCIAL INSTRUMENTS**

**24a Fair value of financial instruments**

***Investments in debt and equity securities***

The fair value of financial assets at fair value through profit or loss is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Financial assets at fair value through other comprehensive income are accounted for at fair value based on the present value of future cash flows where such information is readily available based on the present value of future cash flows estimated from financial information made available during the year as a result of a recent transaction in the investment. However, as explained in Note 13, the Group's financial assets at fair value through other comprehensive income include certain equity interests which are not quoted and for which there is no active market. The Group considers that the acquisition cost to be a reasonable approximation for fair value.

***Trade and other receivables***

The carrying amount of trade and other receivables generally approximates to fair value due to their short maturities. Where settlement is not due in the short term and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

***Trade and other payables***

The carrying amount of trade and other payables generally approximates to fair value due to their short maturities. Where settlement is not due in the short term and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

***Cash and cash equivalents***

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date.

***Interest-bearing borrowings***

The fair value of the Senior Secured Term Loans and Senior Secured Notes, which after initial recognition is determined for disclosure purposes only are based on the market yields derived from quotes obtained at the year end from leading financial institutions. The fair value of the Receivables and Inventory Securitisation, Rafnes Facility, Köln CoGen Facility, Gemini Facility, Rain Facility and Other loans is the same as the carrying value before unamortised debt issue costs.

***Derivative financial instruments***

The fair value of interest rate swaps and commodity contracts are based on market or broker quotes.

## 24. FINANCIAL INSTRUMENTS (continued)

*Fair values*

The fair values for each class of financial assets and financial liabilities together with their carrying amounts shown in the consolidated balance sheet are as follows:

| | Carrying amount | Fair value | Carrying amount | Fair value | Carrying amount | Fair value |
|---|---|---|---|---|---|---|
| | 2022 | | 2021 | | 2020 | |
| | | | €m | | | |
| **Financial assets held at fair value through profit or loss:** | | | | | | |
| Derivative commodity contracts | 20.3 | 20.3 | 256.0 | 256.0 | 154.5 | 154.5 |
| Interest rate swap contracts | 121.9 | 121.9 | 26.2 | 26.2 | — | — |
| **Financial assets held at fair value through other comprehensive income:** | | | | | | |
| Equity investments | 28.3 | 28.3 | 28.3 | 28.3 | 28.3 | 28.3 |
| **Financial assets held at amortised cost (previously loans and receivables):** | | | | | | |
| Trade receivables | 1,313.8 | 1,313.8 | 1,665.4 | 1,665.4 | 955.1 | 955.1 |
| Amounts due from related parties | 1,723.6 | 1,723.6 | 1,346.9 | 1,346.9 | 905.5 | 905.5 |
| Other receivables | 201.5 | 201.5 | 188.1 | 188.1 | 102.5 | 102.5 |
| Cash and cash equivalents | 2,639.1 | 2,639.1 | 2,106.1 | 2,106.1 | 1,342.2 | 1,342.2 |
| **Total financial assets** | **6,048.5** | **6,048.5** | **5,617.0** | **5,617.0** | **3,488.1** | **3,488.1** |

| | Carrying amount | Fair value | Carrying amount | Fair value | Carrying amount | Fair value |
|---|---|---|---|---|---|---|
| | 2022 | | 2021 | | 2020 | |
| | | | €m | | | |
| **Financial liabilities held at fair value through profit and loss:** | | | | | | |
| Derivative commodity contracts | 26.0 | 26.0 | 236.0 | 236.0 | 96.9 | 96.9 |
| Interest rate swap contracts | — | — | — | — | 4.2 | 4.2 |
| **Financial liabilities carried at amortised cost:** | | | | | | |
| Senior Secured Term Loans | 5,329.7 | 5,318.0 | 4,829.6 | 4,845.6 | 3,667.7 | 3,653.4 |
| Senior Secured Notes | 1,635.8 | 1,454.7 | 1,633.0 | 1,661.8 | 1,630.4 | 1,662.2 |
| Senior Notes | — | — | — | — | 1,051.9 | 1,072.2 |
| Securitisation Facility | 18.7 | 18.9 | 17.8 | 18.0 | 113.4 | 114.2 |
| Inventory Financing Facility | 202.5 | 202.6 | 243.1 | 243.1 | 128.8 | 128.8 |
| Rafnes Facility | 300.7 | 305.0 | 212.2 | 214.3 | 247.3 | 250.0 |
| Köln CoGen Facility | 100.5 | 100.5 | 132.0 | 132.0 | 96.0 | 96.0 |
| Schuldschein Loan | — | — | 139.9 | 141.0 | 139.4 | 141.0 |
| Other loans | 27.1 | 27.1 | 28.6 | 28.6 | 29.0 | 29.0 |
| Gemini Facility | 513.3 | 521.0 | 503.1 | 512.1 | 477.9 | 487.8 |
| Rain Facility | 625.5 | 632.8 | — | — | — | — |
| Lease liabilities | 1,089.3 | 1,089.3 | 977.6 | 977.6 | 893.3 | 893.3 |
| Trade payables | 422.9 | 422.9 | 641.1 | 641.1 | 329.7 | 329.7 |
| Amounts due to related parties | 312.0 | 312.0 | 313.2 | 313.2 | 179.4 | 179.4 |
| Other payables | 988.9 | 988.9 | 788.4 | 788.4 | 682.6 | 682.6 |
| **Total financial liabilities** | **11,592.9** | **11,419.7** | **10,695.6** | **10,752.8** | **9,767.9** | **9,820.7** |

## 24. FINANCIAL INSTRUMENTS (continued)

The table below analyses financial instruments carried at fair value, by valuation method. The different levels, determined in accordance with IFRS 13 "Fair Value Measurement", have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| | 2022 | | | | 2021 | | | | 2020 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Fair value | Level 1 | Level 2 | Level 3 | Fair value | Level 1 | Level 2 | Level 3 | Fair value | Level 1 | Level 2 | Level 3 |
| | €m | | | | | | | | | | | |
| **Financial assets held at fair value through profit or loss:** | | | | | | | | | | | | |
| Derivative commodity contracts | 20.3 | 9.9 | 10.4 | — | 256.0 | 77.7 | 178.3 | — | 154.5 | — | 154.5 | — |
| Interest rate swap contracts | 121.9 | 20.7 | 101.2 | — | 26.2 | — | 26.2 | — | — | — | — | — |
| **Financial assets held at fair value through other comprehensive income:** | | | | | | | | | | | | |
| Equity investments | 28.3 | — | — | 28.3 | 28.3 | — | — | 28.3 | 28.3 | — | — | 28.3 |
| **Financial liabilities held at fair value through profit and loss:** | | | | | | | | | | | | |
| Derivative commodity contracts | (26.0) | (11.9) | (14.1) | — | (236.0) | (42.8) | (193.2) | — | (96.9) | — | (96.9) | — |
| Interest rate swap contracts | — | — | — | — | — | — | — | — | (4.2) | — | (4.2) | — |
| **Total financial assets and liabilities held at fair value** | **144.5** | **18.7** | **97.5** | **28.3** | **74.5** | **34.9** | **11.3** | **28.3** | **81.7** | **—** | **53.4** | **28.3** |

The commodity derivatives are fair valued using rates in quoted markets. There have been no transfers between any levels in 2022 (2021 and 2020: no transfers between levels).

### 24b Net gains and losses from financial instruments

Net gains and losses from financial instruments comprise the results of valuations, the amortisation of discounts, the recognition and derecognition of impairment losses, results from the translation of foreign currencies, interest, dividends and all effects on profit or loss of financial instruments.

Net gains from financial assets measured at amortised cost relate primarily to recognition and derecognition of impairment losses, results from the translation of foreign currencies and interest income.

Net losses from financial liabilities measured at amortised cost relate primarily to amortisation of discounts, results from the translation of foreign currencies, interest expense and other financing related expenses.

The item 'financial instruments at fair value through profit or loss' comprise valuation gains and losses, and only includes gains and losses from instruments which are not designated as hedging instruments as defined by IFRS 9.

## 24. FINANCIAL INSTRUMENTS (continued)

| | Assets measured at amortised cost | | | Fair value through OCI | | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 |
| | | | €m | | | |
| Interest income | 89.3 | 50.5 | 59.9 | — | — | — |
| Dividend income | — | — | — | 4.4 | 0.2 | 2.4 |
| Foreign exchange gains/(losses) | 206.4 | (19.9) | 17.3 | — | — | — |
| **Net result** | **295.7** | **30.6** | **77.2** | **4.4** | **0.2** | **2.4** |
| **Carrying value at 31 December** | **5,878.0** | **5,306.5** | **3,305.3** | **28.3** | **28.3** | **28.3** |

| | Liabilities measured at amortised cost | | | Financial instruments at fair value through profit or loss | | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 |
| | | | €m | | | |
| Interest cost | (324.9) | (268.7) | (266.0) | — | — | — |
| Other finance cost | (32.9) | (24.2) | (6.2) | — | — | — |
| Net fair value gains on derivatives | — | — | — | 186.2 | 76.1 | 5.8 |
| Foreign exchange (losses)/gains | (210.3) | 331.6 | 163.4 | 2.3 | 7.0 | 1.5 |
| **Net result** | **(568.1)** | **38.7** | **(108.8)** | **188.5** | **83.1** | **7.3** |
| **Carrying value at 31 December** | **(11,566.9)** | **(10,459.6)** | **(9,666.8)** | **116.2** | **46.2** | **53.4** |

### 24c Credit risk

***Financial risk management***

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, deposits with financial institutions and derivatives.

Group Treasury policy and objectives in relation to credit risk is to minimize the likelihood that the Group will experience financial loss due to counterparty failure and to ensure that in the event of a single loss, the failure of any single counterparty would not materially impact the financial wellbeing of the Group.

***Trade and other receivables***

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Management considers that there is no geographical concentration of credit risk. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered or are adjusted accordingly. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

***Investments, cash and cash equivalent***

Surplus cash investments are only made with banks with which the Group has a relationship.

***Guarantees***

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. At December 31, 2022 no guarantees were outstanding (2021: none, 2020: none).

## 24. FINANCIAL INSTRUMENTS (continued)

***Exposure to credit risk***

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the reporting date was the carrying amount of financial assets. Further details on the Group's exposure to credit risk are given in Note 17.

### 24d Liquidity risk

***Financial risk management***

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group. The Group's exposure to liquidity risk is limited by the fact that it operates with significant cash resources, and it maintains the most appropriate mix of short, medium and long-term borrowings from the Group's lenders.

The Group is reliant on committed funding from a variety of sources at Group and subsidiary company level to meet the anticipated needs of the Group for the period covered by the Group's budget.

The Group forecasts on a regular basis the expected cash flows that will occur on a weekly and monthly basis. This information is used in conjunction with the weekly reporting of actual cash balances at bank in order to calculate the level of funding that will be required in the short and medium term. On a monthly basis the level of headroom on existing facilities is reported and forecast forward until the end of the financial period.

In addition, the Group maintains various lines of credits in the form of Senior Secured Notes, Senior Secured Term Loans, Securitisation, Rafnes Facility, Köln CoGen Facility, Gemini Facility, Rain Facility, Project One Facility and Other loans. (See Note 18—"Interest-Bearing Loans and Borrowings" for more information).

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

| | 2022 | | | | | |
|---|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flows | 1 year or less | 1 to<2 years | 2 to<5 years | 5 years and over |
| | | | €m | | | |
| **Non-derivative financial liabilities** | | | | | | |
| Senior Secured Term Loans | 5,329.7 | (6,715.1) | (382.2) | (2,237.1) | (2,940.3) | (1,155.5) |
| Senior Secured Notes | 1,635.8 | (1,794.6) | (44.8) | (44.8) | (1,705.0) | — |
| Securitisation Facility | 18.7 | (28.5) | (4.8) | (23.7) | — | — |
| Inventory Financing Facility | 202.5 | (204.9) | (204.9) | — | — | — |
| Rafnes Facility | 300.7 | (351.3) | (12.3) | (12.4) | (326.6) | — |
| Köln CoGen Facility | 100.5 | (103.9) | (41.0) | (40.0) | (22.9) | — |
| Other loans | 27.1 | (30.2) | (3.5) | (8.0) | (18.7) | — |
| Gemini Facility | 513.3 | (601.4) | (41.5) | (41.5) | (518.4) | — |
| Rain Facility | 625.5 | (803.6) | (47.9) | (48.0) | (707.7) | — |
| Lease liabilities | 1,089.3 | (1,396.7) | (203.2) | (203.2) | (440.6) | (549.7) |
| Trade payables | 422.9 | (422.9) | (422.9) | — | — | — |
| Amounts due to related parties | 312.0 | (312.0) | (312.0) | — | — | — |
| Other payables | 988.9 | (988.9) | (906.9) | (82.0) | — | — |
| **Derivative financial liabilities** | | | | | | |
| Commodity contracts | 26.0 | (26.0) | (26.0) | — | — | — |
| | **11,592.9** | **(13,780.0)** | **(2,653.9)** | **(2,740.7)** | **(6,680.2)** | **(1,705.2)** |

## 24. FINANCIAL INSTRUMENTS (continued)

| | 2021 | | | | | |
|---|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flows | 1 year or less | 1 to<2 years | 2 to<5 years | 5 years and over |
| | | | €m | | | |
| **Non-derivative financial liabilities** | | | | | | |
| Senior Secured Term Loans | 4,829.6 | (5,311.2) | (170.4) | (171.1) | (3,486.1) | (1,483.6) |
| Senior Secured Notes | 1,633.0 | (1,839.4) | (44.8) | (44.8) | (1,749.8) | — |
| Securitisation Facility | 17.8 | (30.4) | (4.1) | (4.1) | (22.2) | — |
| Inventory Financing Facility | 243.1 | (246.0) | (246.0) | — | — | — |
| Rafnes Facility | 212.2 | (230.1) | (79.7) | (76.7) | (73.7) | — |
| Köln CoGen Facility | 132.0 | (137.6) | (33.7) | (56.6) | (47.3) | — |
| Schuldschein loan | 139.9 | (151.5) | (3.5) | (3.5) | (144.5) | — |
| Other loans | 28.6 | (32.1) | (10.6) | (2.2) | (4.7) | (14.6) |
| Gemini Facility | 503.1 | (605.4) | (39.2) | (39.1) | (117.4) | (409.7) |
| Lease liabilities | 977.6 | (1,251.6) | (185.3) | (185.3) | (395.0) | (486.0) |
| Trade payables | 641.1 | (641.1) | (641.1) | — | — | — |
| Amounts due to related parties | 313.2 | (313.2) | (313.2) | — | — | — |
| Other payables | 788.4 | (788.4) | (702.4) | (86.0) | — | — |
| **Derivative financial liabilities** | | | | | | |
| Commodity contracts | 236.0 | (236.0) | (236.0) | — | — | — |
| | **10,695.6** | **(11,814.0)** | **(2,710.0)** | **(669.4)** | **(6,040.7)** | **(2,393.9)** |

| | 2020 | | | | | |
|---|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flows | 1 year or less | 1 to<2 years | 2 to<5 years | 5 years and over |
| | | | €m | | | |
| **Non-derivative financial liabilities** | | | | | | |
| Senior Secured Term Loans | 3,667.7 | (4,006.7) | (129.6) | (128.4) | (3,376.1) | (372.6) |
| Senior Secured Notes | 1,630.4 | (1,884.7) | (45.3) | (44.8) | (684.4) | (1,110.2) |
| Senior Notes | 1,051.9 | (1,287.7) | (57.8) | (57.8) | (1,172.1) | — |
| Securitisation Facility | 113.4 | (125.6) | (5.7) | (119.9) | — | — |
| Inventory Financing Facility | 128.8 | (130.3) | (130.3) | — | — | — |
| Rafnes Facility | 247.3 | (271.1) | (41.0) | (79.7) | (150.4) | — |
| Köln CoGen Facility | 96.0 | (101.8) | (26.5) | (25.8) | (49.5) | — |
| Schuldschein loan | 139.4 | (155.1) | (3.5) | (3.5) | (148.1) | — |
| Other loans | 29.0 | (33.2) | (2.9) | (10.5) | (5.0) | (14.8) |
| Gemini Facility | 477.9 | (587.6) | (30.0) | (36.1) | (108.1) | (413.4) |
| Lease liabilities | 893.3 | (1,061.2) | (174.7) | (174.7) | (289.5) | (422.3) |
| Trade payables | 329.7 | (329.7) | (329.7) | — | — | — |
| Amounts due to related parties | 179.4 | (179.4) | (179.4) | — | — | — |
| Other payables | 682.6 | (682.6) | (593.6) | (89.0) | — | — |
| **Derivative financial liabilities** | | | | | | |
| Commodity contracts | 96.9 | (96.9) | (96.9) | — | — | — |
| Interest rate swap contracts | 4.2 | (18.1) | (3.1) | (3.1) | (11.9) | — |
| | **9,767.9** | **(10,951.7)** | **(1,850.0)** | **(773.3)** | **(5,995.1)** | **(2,333.3)** |

**24. FINANCIAL INSTRUMENTS (continued)**

**24e Net investment and cash flow hedges**

The Group does not have derivative commodity contracts that qualify as cash flow hedges at December 31, 2022.

The Group has US$ and Sterling financial liabilities in respect of the Senior Notes and Securitisation Facility that are designated net investment hedges of US$ and Sterling operations in accordance with the requirements of IFRS 9. The US$ and Sterling net investment hedges had a carrying value and fair value as follows:

| | Carrying amounts 2022 | Fair value 2022 | Carrying amounts 2021 | Fair value 2021 | Carrying amounts 2020 | Fair value 2020 |
|---|---|---|---|---|---|---|
| | | | €m | | | |
| US Dollars | (503.0) | (509.1) | (15.7) | (15.9) | (516.1) | (525.0) |
| Sterling | (2.0) | (2.0) | (2.1) | (2.1) | (2.0) | (2.0) |
| | **(505.0)** | **(511.1)** | **(17.8)** | **(18.0)** | **(518.1)** | **(527.0)** |

For the year ended December 31, 2022 gains net of tax of €193.5 million were taken directly to reserves and reported in the Statement of Comprehensive Income for the year then ended (2021: gains €479 2 million, 2020: losses €527.4 million). There was no ineffectiveness recognised in the income statement for the year ended December 31, 2022 (2021: €nil, 2020: €nil). The cumulative net investment hedge reserve amount as at December 31, 2022 was €636.2 million (2021: €442.7 million, 2020: €(36.5) million).

**24f Market risk**

***Financial risk management***

Market risk reflects the possibility that changes in market prices, such as crude oil, feedstock refined products, chemicals or currency exchange rates or changes in interest rates will adversely affect the value of the Group's assets, liabilities or expected future cash flows. The Group holds commodity and interest rate swap contracts in order to manage market risk. The use of derivative instruments is confined to specialist teams that have the appropriate skills, experience, supervision, control and reporting systems.

***Market risk—Foreign currency risk***

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. Dollar and Sterling.

Foreign exchange risk arises from net investments in foreign operations, future commercial transactions, and recognised assets and liabilities.

The Group applies hedge accounting to foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation. When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item is considered to form part of a net investment in a foreign operation and changes in the fair value are recognised directly within equity.

A substantial portion of the Group's revenue is generated in, or linked to, the U.S. dollar and the euro. In the European petrochemical business, product prices, certain feedstock costs and most other costs are denominated in euro and sterling. In the U.S. petrochemical and specialty chemicals businesses, product prices, raw materials costs and most other costs are primarily denominated in U.S. dollars.

The Group generally does not enter into foreign currency exchange instruments to hedge foreign currency transaction exposure, although the Group has done so in the past and may do so in the future.

The Group benefits from natural hedging, to the extent that currencies in which net cash flows are generated from the Group's operations, are matched against long-term indebtedness.

**24. FINANCIAL INSTRUMENTS (continued)**

The foreign currency exposure where the Group's external financial assets/(liabilities) are not denominated in the functional currency of the operating unit involved is shown below. Foreign exchange differences on retranslation of these assets and liabilities are taken to the other comprehensive income of the Group.

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| Euros | (273.2) | 4.5 | 26.9 |
| US Dollars | (494.9) | (126.1) | (609.8) |
| Sterling | 2.1 | 3.4 | (9.0) |
| Other | (17.9) | (211.4) | (247.0) |
| | **(783.9)** | **(329.6)** | **(838.9)** |

***Sensitivity analysis***

A ten percent weakening of the following currencies at December 31, would have increased/(decreased) equity and profit or (loss) by the amounts shown below. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for the comparative years.

| | Equity | | | Profit or loss | | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 |
| | | | €m | | | |
| Euro | 30.1 | — | — | (2.8) | (0.5) | (2.7) |
| US Dollars | 50.3 | 1.6 | 51.6 | (0.8) | 11.0 | 9.4 |
| Sterling | 0.2 | 0.2 | 0.2 | (0.4) | (0.6) | 0.7 |
| Other | (0.4) | 20.9 | 24.4 | 2.2 | 0.3 | 0.3 |

A ten percent strengthening of the above currencies against the euro at December 31, would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

**Market risk—Interest rate risk**

***Profile***

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

**Carrying amount—asset/(liability)**

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| **Fixed rate instruments** | | | |
| Financial assets | 1,494.1 | 1,108.6 | 761.5 |
| Financial liabilities | (3,055.2) | (3,014.3) | (3,829.4) |
| | **(1,561.1)** | **(1,905.7)** | **(3,067.9)** |
| **Variable rate instruments** | | | |
| Financial assets | 2,639.1 | 2,106.1 | 1,342.2 |
| Financial liabilities | (6,787.9) | (5,702.6) | (4,645.7) |
| | **(4,148.8)** | **(3,596.5)** | **(3,303.5)** |

**24. FINANCIAL INSTRUMENTS (continued)**

***Sensitivity analysis***

A change of 1% in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates, financial instrument at fair value through profit or loss or available for sale with fixed interest rates and the fixed rate element of interest rate caps. The analysis is performed on the same basis for 2022, 2021 and 2020.

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| **Profit or loss** | | | |
| Loss on increase in interest rates by 1% | (41.5) | (36.0) | (33.0) |

A 1% change in the opposite direction of the above interest rates at December 31, would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

***Market risk—Commodity price risk***

This section discusses the Group's exposure to the commodity contracts which are not covered under the own use exemption and are recognised as derivative instruments.

The Group and its Refining joint venture are exposed to commodity price risk through fluctuations in raw material prices and sales of products. The raw material exposures result primarily from the price of crude oil and base chemicals linked to the price of crude. The sales price exposures are primarily related to petrochemicals where prices are in general linked to the market price of crude oil.

The Group enters into contracts to supply or acquire physical volumes of commodities at future dates during the normal course of business that may be considered derivative contracts. Where such contracts exist and are in respect of the normal purchase or sale of products to fulfil the Group's requirements, the own use exemption from derivative accounting is applied.

The Group manages commodity price exposures through trading refined products and chemical feedstock and using commodity swaps, options and futures as a means of managing price and timing risks. In 2022 there was a net mark to market derivative liability in respect of commodity contracts of €5.7 million entered into by the Group to manage such risk (2021: net derivative asset of €20.0 million, 2020: net derivative liability of €57.6 million).

The Group operates within procedures and policies designed to ensure that risks, including those relating to the default of counterparties, are minimised.

***Market risk—Equity price risk***

The Group's exposure to equity price risk arises from its investment in equity securities which are classified as financial assets at fair value through other comprehensive income. These financial assets are accounted for at fair value based on the present value of future cash flows where such information is readily available.

For the financial assets at fair value through other comprehensive income a 10 percent increase and decrease in transaction prices at the reporting date would have decreased and increased the loss for the year by €2.8 million (2021: €2.8 million, 2020: €2.8 million). Management consider that a change of 10 percent gives an appropriate benchmark to assess the risks that the Group is expected to be exposed to. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

## 24. FINANCIAL INSTRUMENTS (continued)

**Capital management**

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group defines its capital employed of €11,636.1 million (2021: €8,986.2 million, 2020: €7,701.2 million) as shareholders' equity of €5,521.4 million (2021: €3,353.0 million, 2020: €1,461.6 million) and net debt (net of debt issue costs) of €6,114.7 million (2021: €5,633.2 million, 2020: €6,239.6 million).

The principal sources of debt available to the Group at December 31, 2022 include the Senior Secured Term Loans, Senior Secured Notes due March 2026, Senior Secured Notes due May 2026, Senior Secured Notes due 2025, Receivables Securitisation Facility, Inventory Financing Facility, Rafnes Facility, Köln CoGen Facility, Gemini Facility and the Rain Facility and are described in Note 18 along with the key operating and financial covenants that apply to these facilities.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, raise new debt or sell assets to reduce debt. The ability of the Group to pay dividends and provide appropriate facilities to the Group is restricted by the terms of principal financing agreements to which members of the Group are party.

## 25. LEASE OBLIGATIONS

*Analysed as:*

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | €m | €m | €m |
| Current lease liabilities | 162.3 | 146.8 | 120.5 |
| Non-current lease liabilities | 927.0 | 830.8 | 772.8 |
| | **1,089.3** | **977.6** | **893.3** |

*Maturity analysis—contractual undiscounted cash flows:*

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | €m | €m | €m |
| Less than one year | 203.2 | 185.3 | 174.7 |
| Between one and five years | 643.8 | 580.3 | 464.2 |
| More than five years | 549.7 | 486.0 | 422.3 |
| **Total undiscounted lease liabilities at 31 December** | **1,396.7** | **1,251.6** | **1,061.2** |

*Amounts recognized in the statement of cash flows:*

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | €m | €m | €m |
| **Total cash outflow for leases** | **248.1** | **208.2** | **243.3** |

The Group has entered into a number of significant lease arrangements relating to shipping capacity in respect of the supply chain activities for the European cracker assets. These leases typically run for a period of between 10 and 15 years with options to extend after that date.

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

## 26. CAPITAL COMMITMENTS

Outstanding capital expenditure authorised by the Board and for which contracts had been placed as at December 31, 2022 by the Group amounted to approximately €502.7 million (2021: €273.0 million, 2020: €308.8 million).

## 27. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| | | €m | |
| Increase/(decrease) in cash and cash equivalents in the year | 456.0 | 633.7 | 428.9 |
| Cash (inflow)/outflow from change in debt financing | (967.4) | 46.1 | (636.4) |
| Change in net debt before issue costs resulting from cash flows | (511.4) | 679.8 | (207.5) |
| Debt acquired with acquisition of business | — | — | (301.0) |
| Foreign exchange and other net non-cash transactions | (48.0) | (70.5) | 124.5 |
| Movement in net debt before issue costs in year | **(559.4)** | **609.3** | **(384.0)** |

On 4 May 2012, the Group entered into an on-demand letter of credit facility (the "LC Facility") with Barclays Bank PLC (the "Issuing Bank"), under which the Group may request the Issuing Bank to issue letters of credit, guarantees, performance bonds and indemnities (or any other instrument in a form agreed by the Issuing Bank) ("LC Utilizations"), the outstanding aggregate base currency amount of which is not more the €300 million. Under the terms of the LC Facility, the Company undertakes to provide cash collateral in an amount at least equal to the aggregate of 100% of the maximum actual and/or contingent liability of the Issuing Bank under each outstanding LC Utilizations (or 105%, to the extent cash cover is provided in a currency other than the currency of an LC Utilization) standing to the credit of an account or certain accounts of the Company which are subject to a lien in favour of the Issuing Bank.

An analysis of changes in the Group's liabilities arising from financing activities is as follows:

| | 1 Jan 2022 | Cash Flow | Acquisitions (Note 3) | Foreign Exchange and Other Non Cash Changes | 31 Dec 2022 |
|---|---|---|---|---|---|
| | €m | €m | €m | €m | €m |
| Interest-bearing loans and borrowings | (7,739.3) | (874.0) | — | (140.5) | (8,753.8) |
| Lease liabilities | (977.6) | 163.3 | — | (275.0) | (1,089.3) |
| **Total** | **(8,716.9)** | **(710.7)***| — | **(415.5)** | **(9,843.1)** |

* Represents net cash used in financing activities excluding cash flows from dividends and interest paid.

| | 1 Jan 2021 | Cash Flow | Acquisitions (Note 3) | Foreign Exchange and Other Non Cash Changes | 31 Dec 2021 |
|---|---|---|---|---|---|
| | €m | €m | €m | €m | €m |
| Interest-bearing loans and borrowings | (7,581.8) | 57.2 | — | (214.7) | (7,739.3) |
| Lease liabilities | (893.3) | 141.9 | — | (226.2) | (977.6) |
| **Total** | **(8,475.1)** | **199.1*** | — | **(440.9)** | **(8,716.9)** |

* Represents net cash used in financing activities excluding cash flows from dividends and interest paid.

## 27. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (continued)

| | 1 Jan 2020 | Cash Flow | Acquisitions (Note 3) | Foreign Exchange and Other Non Cash Changes | 31 Dec 2020 |
|---|---|---|---|---|---|
| | €m | €m | €m | €m | €m |
| Interest-bearing loans and borrowings | (6,852.8) | (613.7) | (301.0) | 185.7 | (7,581.8) |
| Lease liabilities | (989.8) | 168.2 | — | (71.7) | (893.3) |
| **Total** | **(7,842.6)** | **(445.5)*** | **(301.0)** | **114.0** | **(8,475.1)** |

* Represents net cash used in financing activities excluding cash flows from dividends and interest paid.

An analysis of net debt before issue costs is as follows:

| | 1 Jan 2022 | Cash Flow | Acquisitions (Note 3) | Foreign Exchange and Other Non Cash Changes | 31 Dec 2022 |
|---|---|---|---|---|---|
| | €m | €m | €m | €m | €m |
| Cash at bank and in hand | 2,106.1 | 456.0 | — | 77.0 | 2,639.1 |
| Debt due within one year | (414.7) | 36.1 | — | 54.4 | (324.2) |
| Debt due after more than one year | (7,370.5) | (1,003.5) | — | (179.4) | (8,553.4) |
| Total external borrowings | (7,785.2) | (967.4) | — | (125.0) | (8,877.6) |
| **Net debt before issue costs** | **(5,679.1)** | **(511.4)** | — | **(48.0)** | **(6,238.5)** |

| | 1 Jan 2021 | Cash Flow | Acquisitions (Note 3) | Foreign Exchange and Other Non Cash Changes | 31 Dec 2021 |
|---|---|---|---|---|---|
| | €m | €m | €m | €m | €m |
| Cash at bank and in hand | 1,342.2 | 633.7 | — | 130.2 | 2,106.1 |
| Debt due within one year | (243.9) | (113.6) | — | (57.2) | (414.7) |
| Debt due after more than one year | (7,386.7) | 159.7 | — | (143.5) | (7,370.5) |
| Total external borrowings | (7,630.6) | 46.1 | — | (200.7) | (7,785.2) |
| **Net debt before issue costs** | **(6,288.4)** | **679.8** | — | **(70.5)** | **(5,679.1)** |

| | 1 Jan 2020 | Cash Flow | Acquisitions (Note 3)* | Foreign Exchange and Other Non Cash Changes | 31 Dec 2020 |
|---|---|---|---|---|---|
| | €m | €m | €m | €m | €m |
| Cash at bank and in hand | 982.9 | 428.9 | — | (69.6) | 1,342.2 |
| Debt due within one year | (250.6) | 76.2 | (14.9) | (54.6) | (243.9) |
| Debt due after more than one year | (6,636.7) | (712.6) | (286.1) | 248.7 | (7,386.7) |
| Total external borrowings | (6,887.3) | (636.4) | (301.0) | 194.1 | (7,630.6) |
| **Net debt before issue costs** | **(5,904.4)** | **(207.5)** | **(301.0)** | **124.5** | **(6,288.4)** |

* Excludes cash.

## 28. RELATED PARTIES

***Identity of related parties with which the Group has transacted***

Related parties comprise:

- Parent entities and their subsidiaries not included within the INEOS Group Holdings S.A. group;
- Entities controlled by the shareholders of INEOS Limited, the ultimate parent company of INEOS Group Holdings S.A.;
- Key management personnel; and
- Joint ventures.

Mr JA Ratcliffe, Mr AC Currie and Mr J Reece are shareholders in INEOS Limited.

INEOS Limited (previously also INEOS AG, a subsidiary of INEOS Limited), provides operational management services to the Group through a management services agreement. During the year ended December 31, 2022 management fees of €98.5 million (2021: €91.6 million, 2020: €90.5 million) were charged to the income statement. During December 2022 the Group disposed of its non-voting ordinary shares in INEOS Investments (Jersey) Limited to INEOS Limited, a related party for €420 million (see Note 12a). As at December 31, 2022 €25.1 million (2021: €23.3 million, 2020: €23.1 million) was owed to INEOS Limited and €410.3 million (2021: nil, 2020: nil) was owed by INEOS Limited. As at December 31, 2022 there was €2.2 million owed to INEOS AG (2021: nil, 2020: nil) and €23.9 million owed by INEOS AG (2021: nil, 2020: nil). As at December 31, 2022 amounts owed by INEOS Holdings AG, a wholly owned subsidiary of INEOS AG were €99.5 million (2021: €94.5 million, 2020: €28.3 million). As at December 31, 2022 amounts owed by INEOS Holdings Luxembourg S.A., a wholly owned subsidiary of INEOS Holdings AG were €13.2 million (2021: €15.6 million, 2020: €0.3 million).

INEOS Limited owns and controls a number of operating subsidiaries that are not included in the INEOS Group Holdings S.A. group, including INEOS Industries Limited, INEOS Enterprises Holdings Limited and the Lavéra petrochemical assets and businesses together with other French and Italian assets of INEOS O&P South.

During the year ended December 31, 2022 the Group has made sales to these subsidiaries of €2,036.7 million (2021: €1,727.1 million, 2020: €1,044.7 million), recovered net costs of €360.5 million (2021: €180.1 million, 2020: €141.4 million) and made purchases of €2,095.6 million (2021: €2,100.5 million, 2020: €1,031.3 million). As at December 31, 2022, €596.7 million (2021: €690.4 million, 2020: €374.2 million) was owed by and €283.2 million (2021: €288.5 million, 2020: €177.4 million) was owed to these subsidiaries (excluding the INEOS Upstream Limited loan).

During 2015 the Group provided a loan of $623.7 million to INEOS Upstream Limited, a related party, in connection with its acquisition of natural gas assets in the North Sea. The loan facility is unsecured and matures in June 2024 and bears interest at 7% per annum. On September 29, 2017, INEOS Upstream Limited, a related party, acquired further natural gas assets in the North Sea through its acquisition of the entire oil and gas business of DONG Energy A/S. In connection with the DONG Acquisition, the Group advanced a loan of $376.2 million (€315.7 million) to INEOS Upstream Limited, the proceeds of which were on lent to certain of its subsidiaries. The loan is unsecured and matures in June 2024 and bears interest at 7% per annum. There were no loan repayments during 2022 (2021: nil, 2020: nil). As at December 31, 2022 $617.1 million (€578.5 million) (2021: $617.1 million (€544.6 million), 2020: $617.1 million (€501.7 million)) was outstanding under the facility.

INEOS Limited owns interests in a number of joint ventures that are not included in the INEOS Group Holdings S.A. group, including the French joint ventures associated with the Lavera petrochemical assets and businesses which were divested by the Group on July 1, 2014 and the refining joint ventures between PetroChina and INEOS Investments (Jersey) Limited, a related party. Previous to becoming a fully owned subsidiary on December 31, 2020 (see Note 3) the Group had a joint venture with Sasol Limited to build and operate a HDPE plant at Battleground site in Texas, USA which became operational at the end of 2017.

**28. RELATED PARTIES (continued)**

During the year ended December 31, 2022 the Group made no sales (2021: nil, 2020: €0.1 million), recovered net costs of €13.1 million (2021: €12.4 million, 2020: €0.2 million) and made no purchases (2021: nil, 2020: €0.2 million) from the French joint ventures. As at December 31, 2022 €0.1 million (2021: €0.3 million, 2020: €0.1 million) was owed by the French joint ventures and €0.2 million (2021: €0.1 million, 2020: nil) was owed to the French joint ventures.

The Refining joint ventures are between PetroChina and INEOS Investments (Jersey) Limited, a related party. During the year ended December 31, 2022 the Group made sales to the Refining joint ventures of €3.8 million (2021: €2.5 million, 2020: €1.4 million), recovered costs of €23.0 million (2021: €35.1 million, 2020: €8.4 million) and made purchases of €40.8 million (2021: €80.1 million, 2020: €145.7 million). As at December 31, 2022, €0.9 million (2021: €1.5 million, 2020: €1.2 million) was owed by the Refining joint ventures and €1.6 million (2021: €1.3 million, 2020: €2.0 million) was owed to the Refining joint ventures.

Before the HDPE joint venture became a fully owned subsidiary of the Group on December 31, 2020 (see Note 3) the Group recovered costs of €60.5 million and made purchases of €43.6 million from the HDPE joint venture.

The Group has entered into a number of derivative contracts with INEOS UK SNS Limited and INEOS Energy Trading Limited, both related parties. The net fair value loss on these derivatives during the year ended December 31, 2022 was €14.3 million (2021: €109.5 million, 2020: €126.2 million). As at December 31, 2022, the mark to market derivative asset was €10.4 million (2021: €173.8 million, 2020: €17.8 million) and the mark to market liability was €10.2 million (2021: €193.2 million, 2020: €88.0 million) in respect of these related party derivative financial instruments (see Note 14).

In general, any trading balances with related parties are priced based on contractual arrangements and are to be settled in cash. The transactions are made on terms equivalent to those that prevail in arm's length transactions.

None (2021: none, 2020: none) of the related party balances are secured and no guarantees have been given or received. There were no provisions for doubtful debt related to any related parties as at December 31, 2022 (2021: nil, 2020: nil).

***Compensation to key management personnel (including directors)***

The Group defines key management as the directors of the Company. Details of Directors' remuneration are given in Note 7.

**29. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent undertaking is INEOS Holdings Luxembourg S.A.. The ultimate parent undertaking at December 31, 2022 was INEOS Limited, a company registered in the Isle of Man. The ultimate controlling party is Mr JA Ratcliffe, director and majority shareholder of the ultimate parent undertaking. INEOS Group Holdings S.A. and its subsidiaries are not included within any other consolidated financial statements.

**30. ACCOUNTING ESTIMATES AND JUDGEMENTS**

The Group prepares its consolidated financial statements in accordance with IFRSs, which require management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates change and in any future periods.

**Key sources of estimated uncertainty**

Estimates and associated assumptions are based on historical experience and other factors that the Group believe are reasonable, including assets and expected economic conditions, and in certain cases

## 30. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

actuarial assumption. Although these estimates are based on the Group's knowledge of current events and circumstances, actual numbers may differ.

***Post-retirement benefits***

The Group operates a number of defined benefit post-employment schemes. Under IAS 19 Revised Employee Benefits, management is required to estimate the present value of the future defined benefit obligation of each of the defined benefit schemes. The costs and year end obligations under defined benefit schemes are determined using actuarial valuations. The actuarial valuations involve making numerous assumptions, including:

- Future rate of increase in salaries;
- Inflation rate projections;
- Discount rate for scheme liabilities; and
- Expected rates of return on the scheme assets.

Details of post-retirement benefits are set out in Note 20.

## 31. SUBSEQUENT EVENTS

In February 2023 the Group issued new Senior Secured Term Loans and Senior Secured Notes. The Senior Secured Term Loans included €700 million maturing in November 2027 and $1.2 billion maturing in February 2030. Interest rates are EURIBOR (subject to a floor of 0.50% per annum) plus a margin of 4.00% and SOFR plus 0.10% plus a margin of 3.50%. The Senior Secured Notes consisted of €400 million and $425 million and mature in May 2028 and are listed on the Euro MTF—Luxembourg Stock Exchange. Interest rates are 6.625% and 6.750% respectively. Proceeds were used to fully redeem the remaining Term Loans due 2024 as well as increasing the liquidity of the Group. The outstanding amount of Senior Secured Term Loans maturing March 2024 at December 31, 2022 before issue costs was €1,996.0 million (see Note 18).

In February 2023 the Group received certain guarantees which meant it could start drawing under the Project One Facility (see Note 18). The Group expects the Project One Facility to be drawn in stages, beginning in the first quarter of 2023 and throughout the construction period to the end of 2026.

In August 2022, the Group agreed to acquire the entire asset base of Mitsui Phenols Singapore Ltd from Mitsui Chemicals for approximately $330.0 million, which upon completion will add more than 1,000 kta of capacity, including for cumene, phenol, acetone, alpha-methylstyrene and bisphenol A. The acquisition was subject to competition clearance which was received post year end so completion is expected to occur by the end of the first quarter of 2023.

# INEOS GROUP HOLDINGS S.A.

**Consolidated Financials Statements**
**for the year ended 31 December 2021**

## INDEX TO THE FINANCIAL STATEMENTS

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To the Shareholders of
INEOS Group Holdings S.A.
62, Avenue de la Liberté
L-1930 Luxembourg

# REPORT OF THE REVISEUR D'ENTREPRISES AGREE

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of INEOS Group Holdings S.A. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at December 31, 2021, and the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended , and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "*Commission de Surveillance du Secteur Financier*" (CSSF). Our responsibilities under the Law of July 23, 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "*réviseur d'entreprises agréé*" for the Audit of the Consolidated Financial Statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated annual report including the management report but does not include the consolidated financial statements and our report of the "*réviseur d'entreprises agréé*" thereon.

Société à responsabilité limitée au capital de 360.000 €
RCS Luxembourg B 67.895
Autorisation d'établissement 10022179

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

**Responsibilities of the Board of Directors and Those Charged with Governance for the Consolidated Financial Statements**

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Responsibilities of the "*réviseur d'entreprises agréé*" for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *"réviseur d'entreprises agréé"* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "*réviseur d'entreprises agréé*" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "*réviseur d'entreprises agréé*". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

For Deloitte Audit, *Cabinet de révision agréé*

Ludovic Mosca, *Réviseur d'entreprises agréé*
Partner

March 18, 2022

## CONSOLIDATED INCOME STATEMENT
## FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | 2021 | 2020 | 2019 |
|---|---|---|---|---|
| | | | €m | |
| **Revenue** | 2 | **18,826.7** | **11,303.7** | **13,705.0** |
| Cost of sales before exceptional items | | (15,357.7) | (9,921.5) | (11,774.4) |
| Exceptional impairment charge | 4 | — | (118.5) | — |
| Total cost of sales | | (15,357.7) | (10,040.0) | (11,774.4) |
| **Gross profit** | | **3,469.0** | **1,263.7** | **1,930.6** |
| Distribution costs | | (215.1) | (207.4) | (229.7) |
| Administrative expenses before exceptional items | | (398.4) | (387.5) | (441.0) |
| Exceptional administrative gain/(expense) | 4 | 8.9 | (8.9) | (48.1) |
| Total administrative expenses | | (389.5) | (396.4) | (489.1) |
| **Operating profit** | 5 | **2,864.4** | **659.9** | **1,211.8** |
| Share of (loss)/profit of associates and joint ventures using the equity accounting method | 12a | (42.5) | (210.0) | 67.0 |
| Profit on disposal of investments | 3, 12, 13 | — | 78.3 | 2.6 |
| Profit on disposal of fixed assets | | 0.3 | 1.1 | — |
| **Profit before net finance costs** | | **2,822.2** | **529.3** | **1,281.4** |
| Finance income | 8 | 248.2 | 318.3 | 91.0 |
| Finance costs before exceptional item | 8 | (525.0) | (296.2) | (421.1) |
| Exceptional finance cost | 4 | (3.5) | — | (11.7) |
| Total finance costs | | (528.5) | (296.2) | (432.8) |
| Net finance (costs)/income | | (280.3) | 22.1 | (341.8) |
| **Profit before tax** | | **2,541.9** | **551.4** | **939.6** |
| Tax (charge)/credit | 9 | (449.6) | 24.8 | (216.3) |
| **Profit for the year** | | **2,092.3** | **576.2** | **723.3** |

The notes on pages F-120 to F-187 are an integral part of these consolidated financial statements.

## INEOS Group Holdings S.A.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | 2021 | 2010 | 2019 |
|---|---|---|---|---|
| | | | €m | |
| **Profit for the year** | | 2,092.3 | 576.2 | 723.3 |
| **Other comprehensive income/(expense):** | | | | |
| **Items that will not be reclassified to profit or loss:** | | | | |
| Remeasurements of post employment benefit obligations net of tax | 9 | 134.0 | (74.4) | (132.3) |
| | | **134.0** | **(74.4)** | **(132.3)** |
| **Items that may subsequently be reclassified to profit or loss:** | | | | |
| Foreign exchange translation differences | | (14.1) | 30.8 | (1.9) |
| Net gain/(loss) on translation of foreign operations and hedge of net investment in foreign operations net of tax | 9, 25.e | 479.2 | (527.4) | 88.0 |
| | | **465.1** | **(496.6)** | **86.1** |
| **Other comprehensive income/(expense) for the year net of tax** | | **599.1** | **(571.0)** | **(46.2)** |
| **Total comprehensive income for the year** | | **2,691.4** | **5.2** | **677.1** |

The notes on pages F-120 to F-187 are an integral part of these consolidated financial statements.

## INEOS Group Holdings S.A.

## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021

| | Note | 2021 | 2020 | 2019 |
|---|---|---|---|---|
| | | | €m | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 10 | 8,274.2 | 7,636.2 | 6,964.8 |
| Intangible assets | 11 | 938.3 | 927.2 | 799.0 |
| Investments in equity-accounted investees | 12.a | 47.2 | 86.4 | 371.4 |
| Financial assets at fair value through profit or loss | 13 | — | — | — |
| Financial assets at fair value through other comprehensive income | 14 | 28.3 | 28.3 | 28.3 |
| Derivative financial instruments | 15 | 26.2 | — | — |
| Employee benefits | 21 | 123.6 | 82.7 | 48.5 |
| Trade and other receivables | 18 | 826.0 | 656.2 | 742.4 |
| Deferred tax assets | 16 | 154.4 | 183.2 | 113.2 |
| | | 10,418.2 | 9,600.2 | 9,067.6 |
| **Current assets** | | | | |
| Inventories | 17 | 1,767.2 | 1,059.7 | 1,227.0 |
| Trade and other receivables | 18 | 2,470.2 | 1,394.0 | 1,544.9 |
| Tax receivable | | 63.7 | 281.5 | — |
| Derivative financial instruments | 15 | 256.0 | 154.5 | 15.3 |
| Cash and cash equivalents | 28 | 2,106.1 | 1,342.2 | 982.9 |
| | | 6,663.2 | 4,231.9 | 3,770.1 |
| **Total assets** | | **17,081.4** | **13,832.1** | **12,837.7** |
| **Equity attributable to owners of the parent** | | | | |
| Share capital | 23 | 0.9 | 0.9 | 0.9 |
| Share premium | | 585.6 | 585.6 | 585.6 |
| Other reserves | | (2,047.6) | (2,646.7) | (2,075.7) |
| Retained earnings | | 4,814.1 | 3,521.8 | 2,945.6 |
| **Total equity** | | **3,353.0** | **1,461.6** | **1,456.4** |
| **Non-current liabilities** | | | | |
| Interest-bearing loans and borrowings | 19 | 7,331.5 | 7,343.2 | 6,604.8 |
| Lease liabilities | 26 | 830.8 | 772.8 | 864.4 |
| Trade and other payables | 20 | 113.2 | 112.9 | 79.7 |
| Employee benefits | 21 | 956.8 | 1,100.4 | 984.2 |
| Provisions | 22 | 32.3 | 52.3 | 46.5 |
| Deferred tax liabilities | 16 | 702.3 | 577.6 | 291.2 |
| Derivative financial instruments | 15 | — | 4.2 | — |
| | | 9,966.9 | 9,963.4 | 8,870.8 |
| **Current liabilities** | | | | |
| Interest-bearing loans and borrowings | 19 | 407.8 | 238.6 | 248.0 |
| Lease liabilities | 26 | 146.8 | 120.5 | 125.4 |
| Trade and other payables | 20 | 2,589.0 | 1,634.0 | 1,772.0 |
| Tax payable | | 376.2 | 307.4 | 278.0 |
| Derivative financial instruments | 15 | 236.0 | 96.9 | 59.5 |
| Provisions | 22 | 5.7 | 9.7 | 27.6 |
| | | 3,761.5 | 2,407.1 | 2,510.5 |
| **Total liabilities** | | **13,728.4** | **12,370.5** | **11,381.3** |
| **Total equity and liabilities** | | **17,081.4** | **13,832.1** | **12,837.7** |

These financial statements were approved by the board of directors on 18 March 2022 and were signed on its behalf by:

Natalina Arena Florence Bardot
*Director* *Director*

The notes on pages F-120 to F-187 are an integral part of these consolidated financial statements.

## INEOS Group Holdings S.A.

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

| | Share capital | Share premium | Other reserves | Retained earnings | Total equity |
|---|---|---|---|---|---|
| | | | €m | | |
| **Balance at 1 January 2019** | **0.9** | **779.4** | **(2,029.5)** | **4,095.1** | **2,845.9** |
| Profit for the year | — | — | — | 723.3 | 723.3 |
| **Other comprehensive (expense)/income:** | | | | | |
| Foreign exchange translation differences | — | — | (1.9) | — | (1.9) |
| Net gain on translation of foreign operations and hedge of net investment in foreign operations net of tax (see Note 9, 25.e) | — | — | 88.0 | — | 88.0 |
| Remeasurements of post employment benefit obligations (see Note 9) | — | — | (132.3) | — | (132.3) |
| **Transactions with owners, recorded directly in equity:** | | | | | |
| Capital reduction | — | (193.8) | — | 193.8 | — |
| Dividend | — | — | — | (2,066.6) | (2,066.6) |
| **Balance at 31 December 2019** | **0.9** | **585.6** | **(2,075.7)** | **2,945.6** | **1,456.4** |
| Profit for the year | — | — | — | 576.2 | 576.2 |
| **Other comprehensive income/(expense):** | | | | | |
| Foreign exchange translation differences | — | — | 30.8 | — | 30.8 |
| Net loss on translation of foreign operations and hedge of net investment in foreign operations net of tax (see Note 9, 25.e) | — | — | (527.4) | — | (527.4) |
| Remeasurements of post employment benefit obligations (see Note 9) | | | (74.4) | — | (74.4) |
| **Balance at 31 December 2020** | **0.9** | **585.6** | **(2,646.7)** | **3,521.8** | **1,461.6** |
| Profit for the year | — | — | — | 2,092.3 | 2,092.3 |
| **Other comprehensive (expense)/income:** | | | | | |
| Foreign exchange translation differences | — | — | (14.1) | — | (14.1) |
| Net gain on translation of foreign operations and hedge of net investment in foreign operations net of tax (see Note 9, 25.e) | — | — | 479.2 | — | 479.2 |
| Remeasurements of post employment benefit obligations (see Note 9) | — | — | 134.0 | — | 134.0 |
| **Transactions with owners, recorded directly in equity:** | | | | | |
| Dividend | — | — | — | (800.0) | (800.0) |
| **Balance at 31 December 2021** | **0.9** | **585.6** | **(2,047.6)** | **4,814.1** | **3,353.0** |

The notes on pages F-120 to F-187 are an integral part of these consolidated financial statements.

INEOS Group Holdings S.A.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

**Analysis of other reserves**

| | Translation reserve | Employee benefits | Merger reserve | Total other reserves |
|---|---|---|---|---|
| | | €m | | |
| **Balance at 1 January 2019** | **(594.8)** | **(634.0)** | **(800.7)** | **(2,029.5)** |
| Foreign exchange translation differences | (1.9) | — | — | (1.9) |
| Net gain on hedge of net investment in foreign operations | 88.0 | — | — | 88.0 |
| Remeasurements of post employment benefit obligations | — | (132.3) | — | (132.3) |
| **Balance at 31 December 2019** | **(508.7)** | **(766.3)** | **(800.7)** | **(2,075.7)** |
| Foreign exchange translation differences | 30.8 | — | — | 30.8 |
| Net loss on hedge of net investment in foreign operations | (527.4) | — | — | (527.4) |
| Remeasurements of post employment benefit obligations | — | (74.4) | — | (74.4) |
| **Balance at 31 December 2020** | **(1,005.3)** | **(840.7)** | **(800.7)** | **(2,646.7)** |
| Foreign exchange translation differences | (14.1) | — | — | (14.1) |
| Net gain on hedge of net investment in foreign operations | 479.2 | — | — | 479.2 |
| Remeasurements of post employment benefit obligations | — | 134.0 | — | 134.0 |
| **Balance at 31 December 2021** | **(540.2)** | **(706.7)** | **(800.7)** | **(2,047.6)** |

## INEOS Group Holdings S.A.

## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | 2021 | 2020 | 2019 |
|---|---|---|---|---|
| | | | €m | |
| **Cash flows from operating activities** | | | | |
| Profit before tax | | 2,541.9 | 551.4 | 939.6 |
| Adjustments for: | | | | |
| Depreciation and impairment | 10 | 756.4 | 861.5 | 681.8 |
| Amortisation and impairment | 11 | 4.3 | 4.7 | 3.4 |
| Net finance costs/(income) | 4,8 | 280.3 | (22.1) | 341.8 |
| Share of loss/(profit) of equity-accounted investees | 12a | 42.5 | 210.0 | (67.0) |
| Profit on disposal of investments | 3, 13 | (0.3) | (78.3) | (2.6) |
| Profit on sale of property, plant and equipment | | — | (1.1) | — |
| (Increase)/decrease in trade and other receivables | | (965.0) | 140.2 | 247.5 |
| (Increase)/decrease in inventories | | (637.3) | 121.6 | 195.3 |
| Increase/(decrease) in trade and other payables | | 866.0 | 57.2 | (105.4) |
| (Decrease)/increase in provisions and employee benefits | | (40.4) | (27.1) | 23.5 |
| Tax (paid)/received | | (109.7) | 68.2 | (172.4) |
| **Net cash generated from operating activities** | | **2,738.7** | **1,886.2** | **2,085.5** |
| **Cash flows from investing activities** | | | | |
| Proceeds from sale of property, plant and equipment | | 0.9 | 2.1 | 0.4 |
| Proceeds from sales of investments | | — | 0.2 | 260.9 |
| Interest and other finance income received | | 259.1 | 3.7 | 65.0 |
| Dividends received | | 0.2 | 2.4 | 6.0 |
| Acquisition of businesses, net of cash acquired | 3 | (56.8) | (196.7) | (70.7) |
| Acquisition of intangible assets | | (31.0) | (53.6) | (44.5) |
| Acquisition of property, plant and equipment | | (809.0) | (1,311.0) | (1,380.0) |
| Acquisition of other investments | | (3.3) | (0.8) | — |
| **Net cash used in investing activities** | | **(639.9)** | **(1,553.7)** | **(1,162.9)** |
| **Cash flows from financing activities** | | | | |
| Securitisation Facility | | (99.1) | (172.1) | 6.4 |
| Inventory Financing Facility | | 114.2 | (62.1) | 190.9 |
| Proceeds from new Senior Secured Notes | | — | 325.0 | 770.0 |
| Redemption of Senior Secured Notes | | — | — | (770.0) |
| Redemption of Senior Notes | | (1,078.2) | — | — |
| Proceeds from new Senior Secured Term Loans | | 1,073.6 | 375.0 | — |
| Net proceeds from Gemini Term Loan | | — | 201.1 | — |
| Issue costs paid | | (11.1) | (22.7) | (16.9) |
| Interest paid | | (466.0) | (349.1) | (329.7) |
| Proceeds from other loans | | 60.0 | 29.3 | 392.0 |
| Repayment of loans | | (116.6) | (59.8) | (74.9) |
| Dividends paid | 24 | (800.0) | — | (2,066.6) |
| Capital element of lease payments | | (141.9) | (168.2) | (128.4) |
| **Net cash (used in)/from financing activities** | | **(1,465.1)** | **96.4** | **(2,027.2)** |
| Net increase/(decrease) in cash and cash equivalents | 28 | 633.7 | 428.9 | (1,104.6) |
| Cash and cash equivalents at 1 January | 28 | 1,342.2 | 982.9 | 2,071.3 |
| Effect of exchange rate fluctuations on cash held | | 130.2 | (69.6) | 16.2 |
| **Cash and cash equivalents at 31 December** | 28 | **2,106.1** | **1,342.2** | **982.9** |

The notes on pages F-120 to F-187 are an integral part of these consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2021
*(forming part of the financial statements)*

### 1. ACCOUNTING POLICIES

#### Overview

INEOS Group Holdings S.A. (the "Company") is a company incorporated and domiciled in the form of a société anonyme under the laws of the Grand-Duchy of Luxembourg, having its registered office at 62 Avenue de la Liberté L-1930, Luxembourg, Grand-Duchy of Luxembourg. The nature of the operations and principal activities of the Company and its subsidiaries are the manufacture and sale of a range of petrochemical products used in a variety of applications.

#### Basis of accounting

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group") and equity account the Group's interest in associates and joint ventures.

The Group continues to implement contingency plans for the COVID-19 pandemic, with the primary objective of maintaining the safety of personnel and the reliable operation of the Group's plants.

The chemical industry is deemed as essential, critical infrastructure by governments across the world. Throughout the pandemic all of the Group's plants have continued to operate fully and supply chains have operated without significant disruption. Protecting employees and ensuring that they remain healthy has been the first priority of the Group. All plants have sufficient resources and have implemented measures to ensure that this remains the case throughout the pandemic.

Whilst there is still uncertainty due to the COVID-19 pandemic the Directors have undertaken a rigorous assessment of the potential impact of COVID-19 on demand for the Group's products and services and the impact on margins for the next 12 months.

The Group meets its day to day working capital requirements through its cash generation from Group operations. The Group held cash balances of €2,106.1 million at 31 December 2021 (2020: €1,342.2 million, 2019: €982.9 million) and interest-bearing loans and borrowings of €7,739.3 million at 31 December 2021 (2020: €7,581.8 million, 2019: €6,852.8 million). The Directors have considered the Group's projected future cash flows and working capital requirements and are confident that the Company has sufficient cashflows to meet its working capital requirements for the next twelve months from the date of signing the financial statements. In particular, the Directors have stress tested the forecasts through taking account of reasonable possible changes in trading performance on the impact on EBITDA, cash flow and debt. The stress tests show that the Group will still have sufficient cash flow to meet all of its obligations as they fall due within the next 12 months from the date of signing the financial statements.

On the basis of this assessment together with net assets of €3,353.0 million as at 31 December 2021 (2020: €1,461.6 million, 2019: €1,456.4 million) and the Group's ability to meet working capital requirements through its external financing facilities, along with access to cash generated by its subsidiaries, the Directors have concluded that the Group can operate within its current facilities without the need to obtain new ones for a period of at least 12 months from the date of this report and have therefore prepared these financial statements on a going concern basis.

The Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union in response to the IAS regulation (EC 1606/2002) effective as of 31 December 2021 and have been approved for issuance by the Board of Directors on 18 March 2022.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

#### Measurement convention

The financial statements are prepared on the historical cost basis except for derivative financial instruments, financial instruments classified as fair value through the profit or loss or fair value through other comprehensive income (FVOCI) which are stated at their fair value.

## 1. ACCOUNTING POLICIES (continued)

### Functional and presentation currency

These Group financial statements are presented in euro, which is the functional currency of the majority of operations, with other significant currencies being USD and Sterling. The Group's primary products are sold in an international commodities market which is priced and invoiced primarily in euros.

All financial information presented in euro has been rounded to the nearest €0.1 million.

### Changes in accounting policies

The Group financial statements have been prepared using accounting policies that are consistent with those of the previous financial year. The Group has adopted the following amendments to accounting standards for the first time in 2021, with effect from 1 January 2021, although there has been no material effect on the Group's financial statements:

- Amendment to IFRS 16—COVID-19—Related Rent Concessions—beyond 30 June 2021 (effective date 1 April 2021). The amendment introduces an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19.
- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16: Interest Rate Benchmark Reform—Phase 2 has been adopted and has been applied retrospectively. The amendments introduce a practical expedient relating to modifications of financial instruments and lease contracts and specific hedge accounting requirements which is triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate. The details of the accounting policies are disclosed in Note 1—"Derivative financial instruments and hedging."

### Basis of consolidation

*Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations, except acquisitions under common control which are outside the scope of IFRS 3. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination of a subsidiary or joint venture is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in the profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

**1. ACCOUNTING POLICIES (continued)**

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions—that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

*Special purpose entities ("SPE")*

An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPE's risks and rewards, the Group concludes that it controls the SPE. The Group has established an SPE, INEOS Finance Ireland Limited, for a debt securitisation programme. The Group does not have any direct or indirect shareholdings in this SPE. INEOS Finance Ireland Limited is controlled by the Group as it was established under terms that impose strict limitations on the decision-making powers of the SPE's management that result in the Group receiving the majority of the benefits related to the SPE's operations and net assets, being exposed to the majority of risks arising from the SPE's activities, and retaining the majority of the residual or ownership risks related to the SPE and its assets. INEOS Finance Ireland Limited is therefore regarded as an SPE and has been consolidated in these financial statements.

*Associates*

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

**1. ACCOUNTING POLICIES (continued)**

*Joint arrangements*

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

**Foreign exchange**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated income statement except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign exchange are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, euros, at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at exchange rates prevailing at the dates of the transactions. The Group applies an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are taken directly to the translation reserve. They are recycled into the consolidated income statement upon disposal.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve. Foreign exchange differences arising on the retranslation of a borrowing designated as a hedge of a net investment in a foreign operation are recognised directly in other comprehensive income (OCI), in the translation reserve, to the extent that the hedge is effective. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss on disposal.

## 1. ACCOUNTING POLICIES (continued)

**Classification of financial instruments issued by the Group**

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) They include no contractual obligation upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

**Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

*Trade and other receivables*

Trade and other receivables are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are tested for classification as per IFRS 9. If the trade receivables satisfy the criteria for cash flow characteristics test and business model test as per IFRS 9, then they are recognised at amortised cost. If they do not qualify for being recognised at amortised cost they are recognised at fair value through profit or loss or at fair value through other comprehensive income.

*Trade and other payables*

Trade and other payables are recognised initially at fair value less transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

*Investments in debt and equity securities*

Investments in debt securities are measured at amortised cost if they meet both of the following conditions and are not designated as a fair value through profit and loss:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income only if it meets both of the following conditions and is not designated as a fair value through profit and loss:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**1. ACCOUNTING POLICIES (continued)**

For investment in equity securities that are not held for trading, the Group may irrevocably elect to present subsequent changes to fair value in other comprehensive income. The Group makes this election on an investment-by-investment basis.

All other financial assets, including derivatives, are classified as measured at fair value through profit and loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the income statement. Where no reliable measurement of fair value is available, investments are stated at historic acquisition cost.

*Cash and cash equivalents*

Cash and cash equivalents comprise of cash balances and call deposits.

*Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

*Debt restructuring*

The Group derecognises financial liabilities in accordance with the provisions in IFRS 9. When debt is modified, the Group analyses the modifications from both a quantitative and qualitative perspective to determine if the modifications are substantial and meet the IFRS requirements for de-recognition, in which case the debt is treated as extinguished. All fees paid in connection with a debt extinguishment are expensed immediately. When a modification is accounted for as a non-substantial modification, associated fees incurred are deferred as an adjustment to the carrying value of the liability and amortised using the original effective interest rate.

**Derivative financial instruments and hedging**

*Derivative financial instruments*

Derivative financial instruments are initially recognised at fair value. The gain or loss on subsequent re- measurement to fair value is recognised immediately in the consolidated income statement as finance income or expense. Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

**Hedge of net investment of foreign operation**

The Group applied hedge accounting to foreign exchange differences arising on the retranslation of a foreign currency loan where the loan is designated as a hedge of a net investment in a foreign operation in accordance with IFRS 9.

Most commonly this means that exchange differences arising on retranslation of foreign currency loans designated as a net investment hedge are recognised in the consolidated statement of comprehensive income. Gains and losses accumulated in the translation reserve will be recycled to the statement of comprehensive income when the foreign operation is sold.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in the income statement. The amount recognised in OCI is reclassified to the income statement as a reclassification adjustment on disposal of the foreign operation.

## 1. ACCOUNTING POLICIES (continued)

### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Cost may include the cost of materials, labour and other costs directly attributable to bringing the assets to a working condition for their intended use. Cost may also include the cost of dismantling and removing items and restoring the site on which they are located.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation commences from the date an asset is brought into service. Land and assets in the course of construction are not depreciated. The estimated useful lives are as follows:

- Buildings . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 10 - 40 years
- Plant and equipment and fixtures and fittings . . . . . . . . . . . . . . . . . 3 - 40 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, the Group makes an estimate of the recoverable amount, which is the higher of the asset's fair value less cost to sell and value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated income statement in the period in which the item is derecognised.

### Business combinations, goodwill and intangible assets

All business combinations are accounted for by applying the Acquisition method, except acquisitions under common control which are outside the scope of IFRS 3. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures.

Acquisitions under common control are accounted for at book value. The difference in the book value of the assets acquired and consideration paid is recognised in a distributable merger reserve.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to groups of cash-generating units and is not amortised but is tested annually for impairment. The cash generating units within the Group are predominately business units. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Negative goodwill arising on an acquisition is recognised immediately in the consolidated income statement.

*Intangible assets*

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses. These intangible assets principally comprise intellectual property rights, customer relationships, non-compete agreements and license fees.

Intangible assets acquired separately from a business are carried initially at cost. The initial cost is the aggregate amount paid and the fair value of other consideration given to acquire the assets. An intangible

**1. ACCOUNTING POLICIES (continued)**

asset acquired as part of a business combination is recognised separately from goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

*Amortisation*

Amortisation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each reporting date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Customer relationships . . . . . . . . . . . . . . . . . . . . . . . . . . . . 3 - 12 years
- Intellectual property rights . . . . . . . . . . . . . . . . . . . . . . . . . 10 - 15 years
- Non-compete agreements . . . . . . . . . . . . . . . . . . . . . . . . . . life of the agreement
- Licenses . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . up to 15 years

These intangible assets are tested for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying value may not be recoverable. Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

**Research and development**

Expenditure on research activities is recognised in the consolidated income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Where regulatory and other uncertainties are such that the criteria are not met, the expenditure is recognised in the income statement. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

**Impairment of financial assets**

*Trade and other receivables*

The Group applies the simplified approach when providing for expected credit losses prescribed by IFRS 9 for its trade receivables and contract assets. This approach requires the Group to recognise the lifetime expected loss provision for all trade receivables taking in consideration historical as well as forward-looking information.

Where the Group has assessed the probability of default of a financial asset to be low, the loss allowance is considered immaterial.

The Group assesses on a forward looking basis the expected credit losses associated with the financial assets classified at amortised cost at each balance sheet date and adjusts the allowance accordingly.

*Investments in debt and equity securities*

Impairment of equity securities classified as FVOCI are not tested for impairment under IFRS 9. If the fair value of a debt instrument classified as FVOCI increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the consolidated income statement, the impairment loss is reversed through profit or loss.

## 1. ACCOUNTING POLICIES (continued)

**Impairment of non-financial assets excluding inventories and deferred tax assets**

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are assessed at the end of the reporting period to determine whether there is any indication of impairment.

For goodwill and other intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at the end of the reporting period.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

*Calculation of recoverable amount*

The recoverable amount is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversals of impairment*

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**Inventories**

Inventories are stated at the lower of cost, using the first-in first-out or average cost method, and net realisable value which is defined as the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale. Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Provision is made for obsolete, slow-moving or defective items where appropriate.

Items owned by the Group that are held on consignment at another entity's premises are included as part of the Group's inventory.

**Commodities**

Contracts that are entered into and continue to be held for the purpose of receipt or delivery of non-financial items in accordance with the Group's expected purchase, sale or usage requirements (own-use contracts) are not accounted for as derivative financial instruments, but rather as executory contracts.

## 1. ACCOUNTING POLICIES (continued)

### IFRS 16 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

***Group as a lessee***

*Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right- of-use assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

*Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease payments include fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or a rate (initially measured using the index or rate as at the commencement date), amounts expected to be paid under residual value guarantees less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are expensed in the period in which the event or condition that triggers the payment occurs.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments a change in the assessment of whether the Group is reasonably certain to exercise an option to purchase the underlying asset, a change in future lease payments arising from a change in an index or rate, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee.

When the lease liability is remeasured in this way and there has been no change in the scope of the lease, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to all leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group also

**1. ACCOUNTING POLICIES (continued)**

applies the lease of low-value assets recognition exemption to leases of assets that are valued below €10,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Employee benefits**

The Group operates a number of defined contribution plans and funded and unfunded defined benefit pension schemes. The Group also provides unfunded early retirement benefits, long service awards and an incentive plan for certain employees.

The Group provides health care insurance to eligible retired employees and their dependants, primarily in the United States.

*Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated income statement as incurred.

*Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The liability discount rate is the yield at the reporting date on AA credit rated bonds denominated in the currency of, and that have maturity dates approximating to the terms of, the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are amended or curtailed, the portion of the increased or decreased benefit relating to past service by employees is recognised as an expense immediately in the consolidated income statement.

Where the calculation results in a benefit to the Group, the asset recognised is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full.

The movement in the scheme surplus/deficit is split between:

- cost of sales and administrative expenses,
- net finance costs and,
- in net expense recognised directly in equity, the remeasurements of post employment benefit obligations.

*Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Provisions**

A provision is recognised in the consolidated balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an

**1. ACCOUNTING POLICIES (continued)**

outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**Revenue**

Revenue represents the invoiced value of products and services sold or services provided to third parties net of sales discounts, value added taxes and duties. Contracts for goods and services are analysed to determine the distinct performance obligations against which revenue should be recognised. The amount to be recognised is determined from the standalone selling prices for goods and services, allocated to the performance obligations. Revenue is recognised when (or as) the performance obligations are satisfied by transferring a promised good or service to a customer.

The pricing for products sold is determined by market prices (market contracts and arrangements) or is linked by a formula to published raw material prices plus an agreed additional amount (formula contracts). Revenue arising from the sale of goods is recognised when the goods are dispatched or delivered depending on the relevant delivery terms and point at which the control of the good or service is transferred to the customer.

Services provided to third parties include administrative and operational services provided to other chemical companies with facilities on our sites and services under tolling arrangements. Under tolling arrangements, customers pay for or provide raw materials to be converted into certain specified products, for which the Group charges a toll fee. The Group only recognises toll fee as revenue earned under such arrangements upon shipment of the converted product to the customer as this is the point at which the control of the service is transferred to the buyer. For all other services, revenue is recognised at a point in time. There are no arrangements of significance which transfer goods or services over time.

**Government grants**

Government grants are shown in the consolidated balance sheet as deferred income. This income is amortised on a straight line basis over the same period as the tangible fixed asset to which it relates or the life of the related project.

**Finance income and expenses**

Interest income and interest expense are recognised in the consolidated income statement as it accrues, using the effective interest method. Dividend income is recognised in the consolidated income statement on the date the entity's right to receive payments is established. Foreign exchange gains and losses are reported on a gross basis.

Finance costs comprise interest payable, finance charges on leases, unwinding of the discount on provisions, net fair value losses on derivatives, net interest on employee benefit liabilities and foreign exchange losses that are recognised in the consolidated income statement (see foreign exchange accounting policy).

Finance income comprises interest receivable on funds invested and from related party loans, net fair value gains on derivatives and foreign exchange gains.

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

**1. ACCOUNTING POLICIES (continued)**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are offset if it is possible that there is a legally enforceable right to offset current tax liabilities and assets because they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

**Segmental analysis**

The Group determines its operating segments in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments. The chief operating decision-makers are the members of the Executive Committee of the ultimate parent undertaking, INEOS Limited.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the chief operating decision-makers to make decisions about resources to be allocated to the segment and assess its performance.

The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure and the aggregation criteria set out in IFRS 8.

Segment results that are reported to the chief operating decision-makers include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total payments made during the period to acquire property, plant and equipment other than as acquired through business combinations.

**Emission trading scheme**

The Group participates in the EU Emissions Trading Scheme. The Scheme encourages companies to reduce carbon emissions by offering financial incentives if they achieve their annual reduction targets. If a company reduces emissions beyond their target then the surplus may be traded in the form of emissions permits.

The incentive money due from the EU Emissions Trading Scheme is recognised in the consolidated income statement once the reduction targets have been met. The emissions permits allocated under the Scheme are at nil cost. The Group recognises the revenue from such permits upon their sale to third parties.

The Group accrues for emissions produced. The accrual is measured at the carrying amount of the emission rights held (nil if granted, otherwise at cost) or, in the case of a shortfall, at the current fair value of the emission rights needed.

## 1. ACCOUNTING POLICIES (continued)

### Exceptional items

In order to provide readers with a clear and consistent presentation of the underlying operating performance of the Group's ongoing business it separately identifies those profits and losses which because of their size or nature, are outside the normal course of business so are expected to be non-recurring. This may include the disposal of businesses, the impairment of non-current assets, the cost of restructuring acquired or existing businesses, site closures and demolition costs, the impact of one off events such as legal settlements or finance costs relating to call premia and write-off of unamortised debt issue costs following substantial modification or redemption of debt as exceptional items.

### Accounting standards not applied

A number of new standards and amendments are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The impact of their adoption is being assessed and is not expected to have a material impact on the Group's financial statements in the period of initial application. The new standards and amendments are as follows:

- Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract (effective date 1 January 2022).
- Amendments to References to the Conceptual Framework in IFRS 3 (effective date 1 January 2022).
- Amendments to IAS 16: Property, Plant and Equipment—Proceeds before Intended Use (effective date 1 January 2022).
- Annual Improvements to IFRS Standards 2018-2020 (effective date 1 January 2022).
- IFRS 17 Insurance Contracts (effective date 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective date 1 January 2023).
- Amendments to IAS 12: Income taxes—deferred tax related to assets and liabilities arising from a single transaction (effective date 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective date 1 January 2023).
- Amendments to IAS 8: Definition of Accounting Estimates (effective date 1 January 2023).

## 2. OPERATING SEGMENTS

The determination of the Group's operating segments is based on the business units for which information is reported to the Group's Chief Operating Decision Maker. The Group has three reportable segments, as described below.

The Group's Olefins and Polymers business units produce olefins and related products and a broad range of polymers. The Group's olefins businesses are focused on ethylene and propylene, which are the two largest volume olefins globally and are key building blocks for polymers. These olefins are primarily used as feedstock for the Group's polymers business. In addition, the Group sells olefins to third party customers for a variety of industrial and consumer applications, including plastics, rubber and fibre.

- O&P North America segment—In North America, the Group's olefins and polymers business comprises five sites including major facilities in Chocolate Bayou, Texas, and Battleground, Texas.
- O&P Europe segment—In Europe, the Group owns and operates two major cracker complexes, in Köln, Germany and Rafnes, Norway. This includes polymers and derivatives units.

## 2. OPERATING SEGMENTS (continued)

- Chemical Intermediates—This reportable segment is the aggregation, in compliance with IFRS 8, of a number of different business units with similar economic and other characteristics. Chemical Intermediates are high-value added chemical products used as key components in a variety of consumer and industrial products. The Group's chemical intermediates businesses are exposed to similar key commodities, namely oil and gas. They produce a range of products including phenol, alpha olefins, solvents, industrial chemicals and nitriles. The Chemical Intermediates processes are similar in that they are all capital intensive and based upon processing and mixing chemical raw materials to produce chemical products for the next stage along the value chain. The Chemical Intermediates products are distributed on a business-to-business basis across the world. This is performed using similar conventional methods of pipeline, truck, rail or ship container depending on the customer location and size of the order. The Chemical Intermediates customer base is similar in that the customers are generally manufacturers of consumer and industrial products in developed markets and mature industrial economies.

The accounting policies of all of the reportable segments are as described in Note 1.

Information regarding the operations of each reportable segment is included in the following tables. Performance is measured based on earnings before interest, tax, depreciation and amortisation and exceptional items, measured under IFRS ("Segment EBITDA"). A reconciliation to IFRS profit before tax is presented in the following tables. Segment EBITDA is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis. Information regarding segments reviewed by management includes management accounts comprising the profit or loss, cash flows and other financial and non-financial information used to manage the business.

Adjustments in the following tables comprise the following items:

- Elimination of inter-segmental transactions and balances; and
- The Group's share of (loss)/profit in respect of the Refining joint venture.

**Segment information—2021**

| | Reportable segments | | | | | |
|---|---|---|---|---|---|---|
| | O&P North America | O&P Europe | Chemical Inter-mediates | Total of reportable segments | Adjust-ments | Amounts in financial statements |
| | | | | €m | | |
| Reportable segment revenue | 5,527.3 | 7,526.0 | 8,496.2 | 21,549.5 | (2,722.8) | 18,826.7 |
| Reportable segment EBITDA | 1,577.2 | 948.2 | 1,090.8 | 3,616.2 | — | 3,616.2 |
| Depreciation and impairment of property, plant and equipment and amortisation of intangible assets | (272.9) | (205.0) | (282.8) | (760.7) | — | (760.7) |
| Exceptional administrative gains | — | — | 8.9 | 8.9 | — | 8.9 |
| Share of loss of associates and joint ventures | — | — | (0.2) | (0.2) | (42.3) | (42.5) |
| Profit on disposal of fixed assets | | | | | | 0.3 |
| Net finance costs | | | | | | (280.3) |
| Profit before tax from continuing operations | | | | | | 2,541.9 |
| Payments for capital expenditure | 163.2 | 285.8 | 360.0 | 809.0 | — | 809.0 |

Major items in the adjustments column include:

- Reportable segment revenues: the elimination of inter-segmental revenues: 2021: €2,722.8 million (2020: €1,492.5 million, 2019: €1,844.5 million).

## 2. OPERATING SEGMENTS (continued)

- Share of (loss)/profit of associates and joint ventures: Refining joint venture: 2021: €(42.3) million (2020: €(205.6) million, 2019: €63.0 million).

### Segment information—2020

| | Reportable segments | | | | | |
|---|---|---|---|---|---|---|
| | O&P North America | O&P Europe | Chemical Inter-mediates | Total of reportable segments | Adjust-ments | Amounts in financial statements |
| | | | | €m | | |
| Reportable segment revenue | 2,785.0 | 4,658.3 | 5,352.9 | 12,796.2 | (1,492.5) | 11,303.7 |
| Reportable segment EBITDA | 554.2 | 395.3 | 585.5 | 1,535.0 | — | 1,535.0 |
| Depreciation and impairment of property, plant and equipment and amortisation of intangible assets | (210.4) | (317.2) | (338.6) | (866.2) | — | (866.2) |
| Exceptional administrative expenses | — | (8.9) | — | (8.9) | — | (8.9) |
| Share of loss of associates and joint ventures | (4.3) | — | (0.1) | (4.4) | (205.6) | (210.0) |
| Profit on disposal of investments | | | | | | 78.3 |
| Profit on disposal of fixed assets | | | | | | 1.1 |
| Net finance income | | | | | | 22.1 |
| Profit before tax from continuing operations | | | | | | 551.4 |
| Payments for capital expenditure | 547.0 | 407.6 | 356.4 | 1,311.0 | — | 1,311.0 |

### Segment information—2019

| | Reportable segments | | | | | |
|---|---|---|---|---|---|---|
| | O&P North America | O&P Europe | Chemical Inter-mediates | Total of reportable segments | Adjust-ments | Amounts in financial statements |
| | | | | €m | | |
| Reportable segment revenue | 3,200.8 | 5,861.9 | 6,486.8 | 15,549.5 | (1,844.5) | 13,705.0 |
| Reportable segment EBITDA | 726.8 | 591.4 | 626.9 | 1,945.1 | — | 1,945.1 |
| Depreciation and impairment of property, plant and equipment and amortisation of intangible assets | (194.8) | (191.9) | (299.1) | (685.8) | 0.6 | (685.2) |
| Exceptional administrative expenses | — | — | (48.1) | (48.1) | — | (48.1) |
| Share of profit of associates and joint ventures | 4.0 | — | — | 4.0 | 63.0 | 67.0 |
| Profit on disposal of investments | | | | | | 2.6 |
| Net finance costs | | | | | | (341.8) |
| Profit before tax from continuing operations | | | | | | 939.6 |
| Payments for capital expenditure | 590.3 | 276.9 | 512.8 | 1,380.0 | — | 1,380.0 |

## 2. OPERATING SEGMENTS (continued)

### Geographic segments

| | Revenues | | |
|---|---|---|---|
| | 2021 | 2020 | 2019 |
| | | €m | |
| **Geographical information by location of customers:** | | | |
| Europe | 10,415.7 | 6,137.3 | 7,943.2 |
| Americas | 6,588.6 | 3,605.0 | 4,137.2 |
| Rest of World | 1,822.4 | 1,561.4 | 1,624.6 |
| **Total** | **18,826.7** | **11,303.7** | **13,705.0** |
| **Geographical information by location from which the Group derives revenue:** | | | |
| Europe | 11,674.3 | 7,245.4 | 9,114.7 |
| Americas | 6,623.7 | 3,567.3 | 4,203.3 |
| Rest of World | 528.7 | 491.0 | 387.0 |
| **Total** | **18,826.7** | **11,303.7** | **13,705.0** |

In presenting information on the basis of geographic analysis of segments, segment revenue is based on the geographical location of customers and geographical locations from which the Group derives revenues.

Revenues from external customers for each product and service or each group of similar products and services and a geographic analysis of segment assets are not presented as the necessary information is not available and the Directors are of the opinion that the cost to develop it would be excessive.

All businesses within the Group typically sell individual cargos based on agreed price with delivery from the plant or at the customer premise. As such, the revenue is recognised as title passes, at a point in time, and there are no arrangements of significance which transfer goods or services over time. No significant contract balances arise. No costs to obtain or fulfil contracts are incurred, and therefore no related assets arise.

## 3. ACQUISITIONS

***Acquisition of businesses in the current year***

**Charter Plastics**

On December 31, 2021, the Group acquired the assets of Charter Plastics in Titusville, USA which manufactures high density polyethylene (HDPE) pipe products. The total cash consideration for the assets was $64.5 million (€56.4 million). This acquisition forms part of the O&P North America reporting segment and is defined as a business under IFRS 3.

**3. ACQUISITIONS (continued)**

*Effect of the acquisition on individual assets and liabilities*

**Acquiree's provisional net assets at acquisition:**

| | Provisional fair values recognised on acquisition |
|---|---|
| | €m |
| Property, plant and equipment | 22.2 |
| Inventories | 12.1 |
| Trade and other receivables | 6.6 |
| Trade and other payables | (2.6) |
| **Net identifiable assets and liabilities** | 38.3 |
| **Consideration paid:** | |
| Cash | 56.4 |
| **Difference between consideration and provisional net assets acquired** | **18.1** |

The fair values disclosed are provisional due to the proximity of the acquisition to the preparation of these financial statements so further work may be required to confirm final fair values. The finalisation of the work to determine the fair values of the assets and liabilities acquired will be completed within 12 months of the acquisition date.

The difference between consideration and net assets acquired has been recognised as goodwill within intangible assets (see Note 11) and has arisen because of the ability of the Group to create product and market diversification in the Northeast region of the USA. The goodwill has been allocated to the O&P North America CGU and is deductible for tax purposes over a period of 15 years.

The fair value of acquired trade receivables was €6.6 million. The gross contractual amounts receivable are €6.6 million, of which none was expected to be uncollectable at the date of acquisition.

*Acquisition related costs*

The Group incurred acquisition related costs in connection with the transaction of €0.1 million which were charged to administrative expenses in the Group's consolidated income statement during the year ended December 31, 2021.

***Updates to prior years***

**Gemini**

On December 31, 2020, the Group acquired 50% of the ordinary shares in Gemini HDPE LLC ("Gemini") from Sasol Chemicals North America LLC for cash consideration of $223.8 million (€187.3 million). The principal activity of the company is to produce high density polyethylene in La Porte, Texas, USA under tolling arrangements with its owners who provide the feedstock and pay a fee for this service. The acquisition increased the Group's interest in Gemini to 100%. Prior to the acquisition the Group reflected its 50% interest in Gemini as a joint venture (see Note 12a).

As Gemini HDPE LLC is a toll manufacturer on behalf of its owners the overall direct impact on the 2020 Group revenue and profit and loss had the acquisition occurred at the start of 2020 was immaterial.

The fair values assigned to the book values of the identifiable assets and liabilities were reviewed during the year ended December 31, 2021 which resulted in an update to the net assets acquired. In addition, the purchase agreement provided for corrections for actual net working capital contributions compared to target which resulted in a final consideration payment of €0.4 million during the year ended December 31, 2021.

**3. ACQUISITIONS (continued)**

*Effect of the acquisition on individual assets and liabilities*

**Acquiree's net assets at acquisition:**

| | Provisional fair values recognised on acquisition | 2021 Revaluation updates | Final values recognised on acquisition |
|---|---|---|---|
| | €m | €m | €m |
| Property, plant and equipment | 511.6 | 25.9 | 537.5 |
| Intangibles | 27.8 | — | 27.8 |
| Deferred tax asset | 1.3 | — | 1.3 |
| Inventories | 1.2 | — | 1.2 |
| Trade and other receivables | 4.8 | — | 4.8 |
| Cash and cash equivalents | 6.2 | — | 6.2 |
| Interest bearing loans and borrowings | (301.0) | — | (301.0) |
| Trade and other payables | (12.7) | — | (12.7) |
| Deferred tax liability | (3.4) | (2.8) | (6.2) |
| **Net identifiable assets and liabilities** | 235.8 | 23.1 | 258.9 |
| **Consideration paid:** | | | |
| Cash | 187.3 | 0.4 | 187.7 |
| Fair value of previously held equity interest | 187.3 | — | 187.3 |
| **Total consideration** | 374.6 | 0.4 | 375.0 |
| **Difference between consideration and net assets acquired** | **138.8** | **(22.7)** | **116.1** |

The difference between consideration and net assets acquired has been recognised as goodwill within intangible assets (see Note 11) and has arisen because of the expected synergies and the ability of the Group to market the full output of Gemini. The goodwill has been allocated to the O&P North America reporting segment and is deductible for tax purposes over a period of 15 years.

*Settlement of pre-existing contractual relationship*

INEOS and Gemini are parties to four pre-existing agreements namely, a tolling agreement, a ground lease, a licensing agreement and an operating contract. At the acquisition date these pre-existing relationships were effectively settled as part of the acquisition.

The fair value of the agreements at the acquisition date was nil, and consequently there is no adjustment to the consideration paid or income or cost associated with the settlement of the relationship reflected in the Group financial statements.

*Acquisition related costs*

The Group did not incur any acquisition related costs in connection with the transaction.

Prior to the acquisition date, the Group's interest in the Gemini joint venture was accounted for in accordance with the equity method of accounting. As a result of the acquisition the previously held interest of 50% has been disposed of for a fair value of €187.3 million ($223.8 million), being the equivalent of the value paid to Sasol for their 50% shareholding. Therefore, the gain on the previously held equity interest in Gemini has been calculated as follows:

**3. ACQUISITIONS (continued)**

| | Gain on disposal of investment |
|---|---|
| | €m |
| Fair value of previously held equity interest | 187.3 |
| Carrying value of equity accounted investment (see Note 12a) | (109.0) |
| **Profit on previously held interest in Gemini recognised in income statement** | 78.3 |

*Acquisition of subsidiaries in prior years*

**WL Plastics**

On November 1, 2016 the Group acquired 100% of the shares of WLP Holding Corporation, one of the largest high density polyethylene (HDPE) pipe manufacturers in North America for an initial consideration of €162.1 million. The business is headquartered in Fort Worth, Texas with production facilities in Kentucky, South Dakota, Utah, Texas, and Wyoming. WL Plastics has over 500 million pounds of annual production capacity and provides HDPE pipe for use in oil, gas, industrial, mining, conduit, and municipal water and sewer applications. This acquisition forms part of the O&P North America segment.

During the year ended December 31, 2020 the Group paid a further €15.6 million (2019: €15.0 million) which was the final instalment of the contingent consideration which was subject to the acquired business achieving certain targets over a three year period.

**INESCO combined heat and power plant**

On March 1, 2019, the Group acquired 100% of the shares of RWE Generation Belgium NV, the owner of a Cogeneration unit on the Oxide Antwerp site in Belgium for cash consideration of €70.4 million. The business consists of two 50MW units and an additional 35MW steam generator. All the steam and approximately one third of the electricity is consumed by the Group and a number of co-siting companies on the site in Antwerp. The remainder of the electricity is sold to the Belgian electricity grid, through a short term marketing contract with the previous owner RWE. This acquisition forms part of the Chemical Intermediates segment and is defined as a business under IFRS 3.

*Effect of the acquisition on individual assets and liabilities*

**Acquiree's net assets at acquisition:**

| | Final values recognised on acquisition |
|---|---|
| | €m |
| Property, plant and equipment | 34.4 |
| Inventories | 1.0 |
| Trade and other receivables | 0.1 |
| Cash and cash equivalents | 41.9 |
| Trade and other payables | (7.0) |
| **Net identifiable assets and liabilities** | 70.4 |
| **Consideration paid:** | |
| Cash | 70.4 |
| **Difference between consideration and net assets acquired** | — |

For the ten month period since March 1, 2019, the acquired business contributed revenue of €123.5 million and an EBITDA of €14.3 million. If the acquisition had occurred on January 1, 2019, management estimates that the business would have contributed revenues of €148.5 million and EBITDA of €17.1 million.

## 3. ACQUISITIONS (continued)

***Acquisition of assets in prior years***

**Shale oil and gas assets**

In April 2019 the Group purchased 104 active oil and gas wells and three non-active oil and gas wells located in the Giddings Fields in Texas USA. In addition to the purchase of the wells the Group acquired all acreage associated with each well. The total cash consideration for the assets was €27.2 million which included €24.4 million in respect of intangible well rights, €2.6 million relating to property, plant and equipment and €0.2 million relating to inventories.

## 4. EXCEPTIONAL ITEMS

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| Exceptional cost of sales: | | | |
| Property, plant and equipment impairment charge (see Note 10) | — | 118.5 | — |
| Exceptional administrative (gain)/expense | (8.9) | 8.9 | 48.1 |
| Exceptional finance costs | 3.5 | — | 11.7 |

***Exceptional cost of sales***

The Group recognised an exceptional impairment charge of €118.5 million for the year ended December 31, 2020 in relation to plant and equipment following the Group's decision to terminate work on a propane dehydrogenation unit and associated infrastructure at its site in Antwerp, Belgium (see Note 10).

***Exceptional administrative (gain)/expense***

In December 2019 the Group took the decision to close the Nitriles facility at Seal Sands, United Kingdom. Poor operating performance and uneconomic capital expenditure requirements to meet safety and environmental obligations led to the decision. As a result, an exceptional administrative charge of €35.1 million was incurred in 2019 for closure costs including severance and outplacement expenses, together with decommissioning and demolition costs. In addition, tangible fixed assets at the facility of €33.3 million were impaired during the year ended December 31, 2019 along with a further €26.2 million impairment charge in the year ended December 31, 2020 (see Note 10). During the year ended December 31, 2021 an exceptional administrative gain of €8.9 million was credited to the income statement following the final true up of the original closure cost provision made in December 2019 as a result of lower than expected demolition costs.

An exceptional administrative expense of €8.9 million has been charged during 2020, which related to a provision for early retirement costs as part of a restructuring of the Köln site within the O&P Europe business.

An exceptional administrative charge of €13.0 million was also incurred during 2019 relating to the settlement of an intellectual property dispute in respect of the former Technologies business.

***Exceptional finance costs***

In November 2021 following the early redemption of the Senior Notes due 2024, an exceptional finance cost of €3.5 million was recognised following the write-off of deferred issue costs associated with the redeemed Notes.

In April 2019 following the early redemption of the Senior Secured Notes due 2023, an exceptional finance cost of €11.7 million was recognised which included an early prepayment premium of €7.7 million and the write-off of deferred issue costs associated with the redeemed Notes of €4.0 million.

## 5. OPERATING PROFIT

Included in operating profit are the following:

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| Research and development expensed as incurred | 35.2 | 34.8 | 40.0 |
| Amortisation of other intangible assets | 4.3 | 4.7 | 3.4 |
| Amortisation of government grants | (3.1) | (2.6) | (9.6) |
| Expenses relating to short-term leases | 23.7 | 28.0 | 31.1 |
| Expenses relating to leases of low value assets | 0.7 | 0.8 | 0.6 |
| Expenses relating to variable lease payments not included in the measurement of the lease liability | 11.0 | 10.0 | 12.3 |
| Income from sub-leasing of right-of-use assets | (12.7) | (13.2) | (0.2) |
| **Depreciation and impairment of property, plant and equipment:** | | | |
| Owned assets | 600.5 | 698.6 | 527.5 |
| Right-of-use assets | 155.9 | 162.9 | 154.3 |

**Auditors' remuneration:**

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| Audit of these financial statements | 0.6 | 0.5 | 0.5 |
| **Amounts receivable by auditors and their associates in respect of:** | | | |
| Audit of financial statements of subsidiaries pursuant to legislation | 3.0 | 2.8 | 3.2 |
| Other services relating to taxation | 0.1 | 0.1 | 0.3 |
| All other services | 0.5 | 0.8 | 1.2 |
| | **4.2** | **4.2** | **5.2** |

## 6. STAFF NUMBERS AND COSTS

The monthly average number of persons employed by the Group (including any divestitures up to the date of disposal and any acquisitions from the date of acquisition) during the year, analysed by category, was as follows:

| | Number of employees | | |
|---|---|---|---|
| | 2021 | 2020 | 2019 |
| Operations | 5,855 | 5,823 | 5,758 |
| Administration | 1,310 | 1,260 | 1,539 |
| Research and development | 267 | 253 | 167 |
| | **7,432** | **7,336** | **7,464** |

The aggregate payroll costs of these persons were as follows:

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| Wages and salaries | 767.4 | 750.3 | 774.4 |
| Social security costs | 110.9 | 101.5 | 101.7 |
| Expenses related to defined contribution pension plans | 17.0 | 16.1 | 23.0 |
| Expenses related to defined benefit pension plans | 58.9 | 55.1 | 44.6 |
| | **954.2** | **923.0** | **943.7** |

## 7. DIRECTORS' REMUNERATION

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| Salaries and other short term benefits | **1.2** | **1.5** | **1.6** |

## 8. FINANCE INCOME AND COSTS

**Recognised in income statement**

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| **Finance income** | | | |
| Interest income on bank balances | 1.0 | 2.5 | 11.8 |
| Other interest receivable | 49.5 | 57.4 | 66.4 |
| Total interest income on financial assets not at fair value through profit or loss | 50.5 | 59.9 | 78.2 |
| Exchange movements | 121.4 | 250.2 | 6.8 |
| Net fair value gain on derivatives | 76.1 | 5.8 | — |
| Dividend income | 0.2 | 2.4 | 6.0 |
| **Total finance income** | **248.2** | **318.3** | **91.0** |
| **Finance costs** | | | |
| Interest payable on senior notes | 94.7 | 95.5 | 97.1 |
| Interest payable on bank loans and overdrafts | 113.8 | 107.3 | 123.5 |
| Interest payable on securitisation | 5.8 | 7.9 | 10.3 |
| Amortisation of issue costs | 11.3 | 7.8 | 7.9 |
| Interest payable on lease liabilities | 43.1 | 47.5 | 48.5 |
| Other finance charges | 24.2 | 6.2 | 7.4 |
| Exchange movements | 234.4 | 21.8 | 21.1 |
| Net fair value loss on derivatives | — | — | 95.4 |
| Interest on employee benefit liabilities | 6.5 | 10.4 | 14.0 |
| Borrowing costs capitalised in property, plant and equipment | (8.8) | (8.2) | (4.1) |
| Total finance costs before exceptional items | 525.0 | 296.2 | 421.1 |
| Exceptional finance cost (see Note 4) | 3.5 | — | 11.7 |
| **Total finance costs** | **528.5** | **296.2** | **432.8** |
| **Net finance costs/(income)** | **280.3** | **(22.1)** | **341.8** |

The exchange movements reflect foreign exchange gains or losses associated with short term intra group funding.

Net gains and losses on financial instruments are included in Note 25.b.

## 9. TAX CHARGE

**Taxation recognised in the consolidated income statement**

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| **Current tax expense** | | | |
| Current year | 366.7 | (137.3) | 191.5 |
| Adjustments in respect of prior years | 13.6 | (117.6) | (128.6) |
| Current tax expense | 380.3 | (254.9) | 62.9 |
| **Deferred tax expense** | | | |
| Origination and reversal of temporary differences | 132.4 | 225.4 | 30.4 |
| Effect of rate change | (15.9) | (7.9) | — |
| Adjustments in respect of prior years | (47.2) | 12.6 | 123.0 |
| Deferred tax charge/(credit) (see Note 16) | 69.3 | 230.1 | 153.4 |
| **Total tax charge/(credit)** | **449.6** | **(24.8)** | **216.3** |

**Reconciliation of effective tax rate**

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| Profit before taxation | 2,541.9 | 551.4 | 939.6 |
| Tax on above using the Luxembourg corporation tax rate of 24.94% (2020: 24.94%, 2019: 24.94%) | 633.9 | 137.5 | 234.3 |
| Non-deductible expenses/tax exempt revenue | 14.0 | 33.9 | 66.1 |
| Effect of tax rates in foreign jurisdictions | (158.8) | (35.5) | (83.7) |
| Loss carry back | — | (55.3) | — |
| Deferred tax not recognised | 10.0 | 7.5 | 5.2 |
| Effect of rate change | (15.9) | (7.9) | — |
| Adjustments in respect of prior years | (33.6) | (105.0) | (5.6) |
| **Total tax charge/(credit)** | **449.6** | **(24.8)** | **216.3** |

The tax credit of €24.8 million in the year ended December 31, 2020 reflects the recognition of tax refunds due in accordance with the CARES Act in the USA. This Act allows the Group to carry back available net operating losses in the US for the years ended December 31, 2020 and December 31, 2019 for a period of up to five years to obtain retrospective tax refunds at the tax rates applicable for the years the losses are utilised.

**Taxation recognised in other comprehensive income/(expense)**

| | 2021 | | | 2020 | | | 2019 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross | Tax | Net | Gross | Tax | Net | Gross | Tax | Net |
| | | | | | €m | | | | |
| Foreign exchange translation differences | (14.1) | — | (14.1) | 30.8 | — | 30.8 | (1.9) | — | (1.9) |
| Net gain/(loss) on hedge of net investment in foreign operations | 542.6 | (63.4) | 479.2 | (577.9) | 50.5 | (527.4) | 93.4 | (5.4) | 88.0 |
| Remeasurement of post employment benefit obligations | 168.0 | (34.0) | 134.0 | (86.2) | 11.8 | (74.4) | (184.1) | 51.8 | (132.3) |
| Total | **696.5** | **(97.4)** | **599.1** | **(633.3)** | **62.3** | **(571.0)** | **(92.6)** | **46.4** | **(46.2)** |

## 10. PROPERTY, PLANT AND EQUIPMENT

| | Land and buildings | Plant & equipment Fixtures and fittings | Under construction | Oil & Gas | Right-of-use assets | Total |
|---|---|---|---|---|---|---|
| | | | €m | | | |
| **Cost** | | | | | | |
| Balance at 1 January 2019 | 701.6 | 8,858.0 | 1,370.5 | — | — | 10,930.1 |
| Impact of adopting IFRS 16 | (11.1) | (56.5) | — | — | 967.0 | 899.4 |
| Business acquisition | — | 30.1 | 4.3 | 2.6 | — | 37.0 |
| Additions | 5.0 | 256.4 | 1,115.5 | 0.1 | 165.5 | 1,542.5 |
| Disposals | (1.9) | (39.3) | — | — | (3.5) | (44.7) |
| Transfers | 54.6 | 711.0 | (762.0) | 3.2 | — | 6.8 |
| Modifications | — | — | — | — | 40.7 | 40.7 |
| Effect of movements in foreign exchange | 11.0 | 98.0 | 39.6 | — | 8.8 | 157.4 |
| **Balance at 31 December 2019** | 759.2 | 9,857.7 | 1,767.9 | 5.9 | 1,178.5 | 13,569.2 |
| Business acquisition | 42.1 | 466.1 | 3.4 | — | — | 511.6 |
| Additions | 235.0 | 796.3 | 269.2 | 10.9 | 107.9 | 1,419.3 |
| Disposals | (0.6) | (128.6) | — | — | (37.2) | (166.4) |
| Transfers | 97.4 | 422.7 | (491.8) | — | — | 28.3 |
| Modifications | — | — | — | — | 13.7 | 13.7 |
| Effect of movements in foreign exchange | (50.1) | (510.9) | (127.6) | (1.1) | (50.6) | (740.3) |
| **Balance at 31 December 2020** | 1,083.0 | 10,903.3 | 1,421.1 | 15.7 | 1,212.3 | 14,635.4 |
| Business acquisition | 4.8 | 37.1 | 6.2 | — | — | 48.1 |
| Additions | 9.3 | 28.1 | 732.1 | 22.3 | 143.5 | 935.3 |
| Disposals | (2.1) | (252.2) | — | — | (97.5) | (351.8) |
| Transfers | 71.0 | 638.5 | (700.7) | — | — | 8.8 |
| Modifications | — | — | — | — | 68.6 | 68.6 |
| Effect of movements in foreign exchange | 64.0 | 530.6 | 55.4 | 1.7 | 45.7 | 697.4 |
| **Balance at 31 December 2021** | **1,230.0** | **11,885.4** | **1,514.1** | **39.7** | **1,372.6** | **16,041.8** |
| **Accumulated depreciation and impairment** | | | | | | |
| Balance at 1 January 2019 | 278.2 | 5,605.6 | — | — | — | 5,883.8 |
| Impact of adopting IFRS 16 | (7.5) | (56.5) | — | — | 64.0 | — |
| Depreciation charge for the year | 23.2 | 471.0 | — | — | 154.3 | 648.5 |
| Impairment charge for the year | 0.7 | 32.6 | — | — | — | 33.3 |
| Disposals | (1.9) | (38.9) | — | — | (3.5) | (44.3) |
| Effect of movements in foreign exchange | 3.5 | 79.3 | — | — | 0.3 | 83.1 |
| **Balance at 31 December 2019** | 296.2 | 6,093.1 | — | — | 215.1 | 6,604.4 |
| Depreciation charge for the year | 30.5 | 524.1 | — | 0.8 | 161.4 | 716.8 |
| Exceptional impairment charge for the year | — | 118.5 | — | — | — | 118.5 |
| Impairment charge for the year | 1.8 | 22.9 | — | — | 1.5 | 26.2 |
| Disposals | (0.6) | (127.6) | — | — | (28.6) | (156.8) |
| Transfers | — | 20.1 | — | — | — | 20.1 |
| Effect of movements in foreign exchange | (14.4) | (303.0) | — | (0.1) | (12.5) | (330.0) |
| **Balance at 31 December 2020** | 313.5 | 6,348.1 | — | 0.7 | 336.9 | 6,999.2 |
| Depreciation charge for the year | 38.5 | 560.2 | — | 1.8 | 155.9 | 756.4 |
| Disposals | (2.1) | (251.6) | — | — | (54.2) | (307.9) |
| Effect of movements in foreign exchange | 14.8 | 290.5 | — | 0.2 | 14.4 | 319.9 |
| **Balance at 31 December 2021** | **364.7** | **6,947.2** | **—** | **2.7** | **453.0** | **7,767.6** |
| **Net book value** | | | | | | |
| At 31 December 2019 | 463.0 | 3,764.6 | 1,767.9 | 5.9 | 963.4 | 6,964.8 |
| At 31 December 2020 | 769.5 | 4,555.2 | 1,421.1 | 15.0 | 875.4 | 7,636.2 |
| **At 31 December 2021** | **865.3** | **4,938.2** | **1,514.1** | **37.0** | **919.6** | **8,274.2** |

## 10. PROPERTY, PLANT AND EQUIPMENT (continued)

Included in 2020 is an exceptional impairment charge of €118.5 million of plant and equipment following the Group's decision to terminate work on a propane dehydrogenation unit and associated infrastructure at its site in Antwerp, Belgium (see Note 4).

During the year ended December 31, 2020 a further impairment charge of €26.2 million (2019: €33.3 million) was made in respect of tangible fixed assets at the Nitriles facility at Seal Sands, United Kingdom following a decision to close the site in December 2019 due to poor operating performance and uneconomic capital expenditure requirements to meet safety and environmental obligations (see Note 4).

*Leased plant and machinery*

The Group leases many assets including land and buildings, vessels, storage and transportation infrastructure, machinery and IT equipment which are classified as right-of-use assets.

More information regarding the right-of-use are presented below.

**Right-of-use (ROU) assets**

| | Land and buildings | Plant & equipment Fixtures and fittings | ROU Total |
|---|---|---|---|
| **Cost** | | | |
| Balance at 1 January 2019 | — | — | — |
| Impact of adopting IFRS 16 | 128.7 | 838.3 | 967.0 |
| Additions | 40.0 | 125.5 | 165.5 |
| Disposals | (0.8) | (2.7) | (3.5) |
| Modifications | — | 40.7 | 40.7 |
| Effect of movements in foreign exchange | 1.3 | 7.5 | 8.8 |
| **Balance at 31 December 2019** | 169.2 | 1,009.3 | 1,178.5 |
| Additions | 2.2 | 105.7 | 107.9 |
| Disposals | — | (37.2) | (37.2) |
| Modifications | 5.0 | 8.7 | 13.7 |
| Effect of movements in foreign exchange | (4.9) | (45.7) | (50.6) |
| **Balance at 31 December 2020** | 171.5 | 1,040.8 | 1,212.3 |
| Additions | 0.9 | 142.6 | 143.5 |
| Disposals | — | (97.5) | (97.5) |
| Modifications | 1.9 | 66.7 | 68.6 |
| Effect of movements in foreign exchange | 4.9 | 40.8 | 45.7 |
| **Balance at 31 December 2021** | **179.2** | **1,193.4** | **1,372.6** |
| **Accumulated depreciation and impairment** | | | |
| Balance at 1 January 2019 | — | — | — |
| Impact of adopting IFRS 16 | 7.5 | 56.5 | 64.0 |
| Depreciation charge for the year | 8.5 | 145.8 | 154.3 |
| Disposals | (0.8) | (2.7) | (3.5) |
| Effect of movements in foreign exchange | 0.1 | 0.2 | 0.3 |
| **Balance at 31 December 2019** | 15.3 | 199.8 | 215.1 |
| Reclassification | 0.8 | (0.8) | — |
| Depreciation charge for the year | 9.4 | 152.0 | 161.4 |
| Impairment charge for the year | — | 1.5 | 1.5 |

## 10. PROPERTY, PLANT AND EQUIPMENT (continued)

| | Land and buildings | Plant & equipment Fixtures and fittings | ROU Total |
|---|---|---|---|
| Disposals | — | (28.6) | (28.6) |
| Effect of movements in foreign exchange | (1.0) | (11.5) | (12.5) |
| **Balance at 31 December 2020** | 24.5 | 312.4 | 336.9 |
| Reclassification | 0.8 | (0.8) | — |
| Depreciation charge for the year | 9.2 | 146.7 | 155.9 |
| Disposals | — | (54.2) | (54.2) |
| Effect of movements in foreign exchange | 1.3 | 13.1 | 14.4 |
| **Balance at 31 December 2021** | **35.8** | **417.2** | **453.0** |
| **Net book value** | | | |
| At 31 December 2019 | 153.9 | 809.5 | 963.4 |
| At 31 December 2020 | 147.0 | 728.4 | 875.4 |
| **At 31 December 2021** | **143.4** | **776.2** | **919.6** |

See Note 26 for the lease obligations on right-of-use assets.

***Property, plant and equipment under construction***

During 2021, expenditure at the Chocolate Bayou site in the USA on a major cracker turnaround and debottleneck project, an office building and expenditure associated with Linear Alpha Olefins (LAO) platform was transferred to other classes of property, plant and equipment. In addition expenditure at the Köln site in Germany on a new jetty, a major cracker turnaround and on a life cycle cracker project were also transferred to other classes of property, plant and equipment during the year ended December 31, 2021.

Additions to assets under construction during 2021 included expenditure within the O&P North America segment on site integration at the Chocolate Bayou, USA site in respect of the new Poly Alpha Olefins (PAO) platform being constructed at the site within the Oligomers business together with expenditure on a new barge dock at the site. The O&P Europe segment had further expenditure at the Köln, Germany site on the cogeneration project and the life cycle cracker project along with expenditure on turnarounds. In addition, there was further expenditure on a new ethane cracker at the Antwerp, Belgium site. The main additions to assets under construction in the Chemical Intermediates segment was further growth expenditure by the Phenol business on the new cumene unit project at Marl, Germany and expenditure on a new phenol terminal at Pasadena, USA. There was also further expenditure by the Oligomers business on the PAO platform at the Chocolate Bayou, USA site.

During 2020, expenditure at the Chocolate Bayou site in the USA on a cracker debottleneck, furnace replacement and expenditure on a cogeneration project was transferred to other classes of property, plant and equipment. Assets under construction relating to a new propane dehydrogenation unit and associated infrastructure at its site in Antwerp, Belgium were also transferred to other classes of property, plant and equipment and fully impaired and disposed of following the Group's decision to terminate work on the project.

Additions to assets under construction during 2020 included further expenditure within the O&P North America segment on a furnace replacement project, a cracker debottleneck and major scheduled turnaround on one of the crackers at Chocolate Bayou, USA, together with expenditure on office building at the site. The O&P Europe segment had further expenditure at the Köln, Germany site on the cogeneration project and further expenditure on the new jetty, together with a major scheduled turnaround on one of the crackers at the site. In addition, there was expenditure on a planned propane dehydrogenation unit and new ethane cracker at the Antwerp, Belgium site. The main additions to assets under construction in the Chemical Intermediates segment was further expenditure by the Oligomers business on the LAO and PAO

## 10. PROPERTY, PLANT AND EQUIPMENT (continued)

projects as well as on a barge dock at Chocolate Bayou, USA site. The Phenol business also had expenditure on a new cumene unit at the Marl, Germany site.

During 2019, expenditure at the Chocolate Bayou site in the USA on the LAO project as well as expenditure on a cogeneration project and barge dock was transferred to other classes of property, plant and equipment.

Additions to assets under construction during 2019 included further expenditure at the Chocolate Bayou site in the USA on a furnace replacement project, a cogeneration project, a PAO project, a barge dock and a debottleneck of one of the crackers. There was also further expenditure at the Köln, Germany site on a cogeneration project.

## 11. INTANGIBLE ASSETS

| | Intellectual property rights | Customer relationships | Other | Goodwill | Total |
|---|---|---|---|---|---|
| | | | €m | | |
| **Cost** | | | | | |
| Balance at 1 January 2019 | 93.1 | 59.9 | 58.9 | 684.0 | 895.9 |
| Additions | — | — | 37.3 | — | 37.3 |
| Disposals | — | (4.5) | (14.0) | — | (18.5) |
| Business acquisition (see Note 3) | — | — | 24.4 | — | 24.4 |
| Effect of movements in foreign exchange | 0.2 | 1.2 | 7.9 | 6.0 | 15.3 |
| **Balance at 31 December 2019** | 93.3 | 56.6 | 114.5 | 690.0 | 954.4 |
| Reclassifications | — | — | 5.9 | — | 5.9 |
| Additions | — | — | 53.6 | — | 53.6 |
| Disposals | — | — | (59.1) | — | (59.1) |
| Business acquisition (see Note 3) | 21.2 | — | 6.6 | 138.8 | 166.6 |
| Effect of movements in foreign exchange | (1.6) | (4.8) | (3.9) | (30.6) | (40.9) |
| **Balance at 31 December 2020** | 112.9 | 51.8 | 117.6 | 798.2 | 1,080.5 |
| Reclassifications | — | — | 1.1 | — | 1.1 |
| Additions | — | — | 28.9 | — | 28.9 |
| Disposals | (69.2) | (0.5) | (52.2) | — | (121.9) |
| Business acquisition (see Note 3) | — | — | — | (4.6) | (4.6) |
| Effect of movements in foreign exchange | 2.7 | 4.5 | 4.2 | 34.8 | 46.2 |
| **Balance at 31 December 2021** | **46.4** | **55.8** | **99.6** | **828.4** | **1,030.2** |
| **Accumulated amortisation and impairment** | | | | | |
| Balance at 1 January 2019 | 92.8 | 37.6 | 12.6 | 8.1 | 151.1 |
| Amortisation for the year | 0.1 | 2.3 | 1.0 | — | 3.4 |
| Effect of movements in foreign exchange | 0.2 | 0.7 | — | — | 0.9 |
| **Balance at 31 December 2019** | 93.1 | 40.6 | 13.6 | 8.1 | 155.4 |
| Amortisation for the year | 0.1 | 2.3 | 0.6 | — | 3.0 |
| Impairment charge for the year | — | — | 1.7 | — | 1.7 |
| Disposals | — | — | (1.7) | — | (1.7) |
| Effect of movements in foreign exchange | (1.1) | (3.7) | (0.3) | — | (5.1) |
| **Balance at 31 December 2020** | 92.1 | 39.2 | 13.9 | 8.1 | 153.3 |
| Amortisation for the year | 0.9 | 2.6 | 0.8 | — | 4.3 |
| Disposals | (69.2) | (0.5) | (0.6) | — | (70.3) |
| Effect of movements in foreign exchange | 1.0 | 3.4 | 0.2 | — | 4.6 |
| **Balance at 31 December 2021** | **24.8** | **44.7** | **14.3** | **8.1** | **91.9** |

## 11. INTANGIBLE ASSETS (continued)

| | Intellectual property rights | Customer relationships | Other | Goodwill | Total |
|---|---|---|---|---|---|
| | | | €m | | |
| **Net book value** | | | | | |
| At 31 December 2019 | 0.2 | 16.0 | 100.9 | 681.9 | 799.0 |
| At 31 December 2020 | 20.8 | 12.6 | 103.7 | 790.1 | 927.2 |
| **At 31 December 2021** | **21.6** | **11.1** | **85.3** | **820.3** | **938.3** |

Other intangible assets include shale oil and gas licences, non-compete agreements, licence fees and environmental certificates.

### *Amortisation charge*

The amortisation charge is recognised in administrative expenses in the consolidated income statement.

### *Impairment*

Goodwill has been allocated to cash generating units (CGU) or groups of cash generating units as follows:

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| O&P Europe | 246.2 | 246.2 | 246.2 |
| O&P North America | 493.6 | 463.4 | 355.2 |
| Chemical Intermediates | 80.5 | 80.5 | 80.5 |
| **Total** | **820.3** | **790.1** | **681.9** |

The recoverable amount is based on the value in use of each CGU based on the latest board approved five year plan. The forecasts are based on current performance and management's assumptions regarding the future development of individual parameters including raw material prices and profit margins, utilising available market pricing forecasts. Future assumptions regarding market demand are based on external macroeconomic sources and specific data relevant to the petrochemical industry and management's knowledge of the local markets in which it operates.

The cash flows after the plan period are based on an average of each of the years in the five year plan to take account of the cyclical nature of the industry extrapolated using long term growth rates as set out in the table below.

No impairment charge has been recorded in these financial statements as a result of the annual impairment test.

The key assumptions underlying the value in use calculation for all CGUs are shown below:

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| Period on which management approved forecasts are based | 5 years | 5 years | 5 years |
| Discount rate | 8.5% | 8.5% | 8.5% |
| Growth rate | 3.0% | 3.0% | 3.0% |

A terminal value is calculated based on the average cash flows over the five year forecasting period assuming compound growth of 3% and is discounted over the expected lives of the assets of 40 years.

When determining the discount rate the pre-tax weighted average cost of capital of the Group is considered at each respective period end.

The growth rate used includes inflationary growth across our various markets.

**11. INTANGIBLE ASSETS (continued)**

The estimated recoverable amount exceeded the carrying amount for all cash generating units.

Sensitivity analysis on the recoverable amount was performed based on a 10% increase in the discount rate and a 10% decrease to the growth rate and a CGU earnings before interest, tax, depreciation and amortisation and exceptional items, measured under IFRS, all of which are considered a reasonable possible change in estimate. Neither of these changes resulted in the recoverable amount being lower than the carrying amount.

## 12. INVESTMENTS

### 12a Investments In Equity—Accounted Investees

| | Joint ventures |
|---|---|
| | €m |
| At 1 January 2019 | 302.0 |
| Share of profits retained | 67.0 |
| Exchange adjustments | 2.4 |
| **At 31 December 2019** | 371.4 |
| Additions | 1.6 |
| Reductions | (0.7) |
| Business disposals (see Note 3) | (109.0) |
| Share of losses retained | (210.0) |
| Exchange adjustments | 33.1 |
| **At 31 December 2020** | 86.4 |
| Additions | 3.3 |
| Share of losses retained | (42.5) |
| **At 31 December 2021** | **47.2** |

***Joint ventures***

On July 1, 2011 the group restructured the Refining business into a new joint venture between PetroChina and INEOS Investments (Jersey) Limited ('II(J)L'), a related party. II(J)L is held under common control by our controlling shareholders. The consideration received by the Group for the disposal consisted of cash consideration of $1.015 billion received from PetroChina for a 50% interest in the business and an investment in non-voting ordinary shares in II(J)L for the other 50% interest in the business.

The Group retains an economic interest in the Refining business by virtue of its investment in II(J)L. The results of the Refining business are reported within the share of profit/(loss) of associates and joint ventures using the equity accounting method by virtue of the Group's effective control of II(J)L. The Group has no ongoing obligations to fund the Refining business.

In July 2014 the Group set up a new joint venture entity (Gemini HDPE LLC) with Sasol to build and operate an HDPE plant at the Battleground site in Texas, USA. The Gemini plant became fully operational in the fourth quarter of 2017. During 2018 €12.9 million was invested into the joint venture. On December 31, 2020 the Group acquired the remaining 50% interest in the joint venture to become the 100% owner of the plant which resulted in the disposal of the Group's previous 50% equity accounted interest of €109.0 million and a gain on disposal of €78.3 million (see Note 3).

In October 2020 the Group invested €1.6 million into a joint venture set up with a Chinese partner to jointly develop Acrylonitrile technology for use within the Chinese market, and to protect against mis-use of technology where appropriate. During 2021 the Group invested a further €3.3 million into the joint venture.

## 12. INVESTMENTS (continued)

Details of investments in joint ventures are set out below:

| Company | Class of shares held | Place of business and country of incorporation | Percentage held | Principal activities |
|---|---|---|---|---|
| Petroineos Refining Limited | Ordinary | Lavéra, France Grangemouth, Scotland | 50.1% | Refining |
| Petroineos Trading Limited | Ordinary | Lavéra, France Grangemouth, Scotland | 49.9% | Refining |
| INEOS Infrastructure (Grangemouth) Limited | Ordinary | Grangemouth, Scotland | 75% | Refining |
| Gemini HDPE LLC | Ordinary | Texas, USA | —* | Chemicals |

Summary aggregated financial information for material equity accounted joint ventures are as follows:

**Gemini HDPE joint venture**

| | 2020* | 2019 |
|---|---|---|
| Current assets | — | 15.4 |
| Long-term assets | — | 561.9 |
| Current liabilities | — | (32.4) |
| Long-term liabilities | — | (307.5) |
| Cash (outflow)/inflow | (1.4) | 0.9 |
| Revenue | 56.7 | 58.5 |
| Expenses | (94.1) | (101.7) |

* On December 31, 2020 the Group acquired the remaining 50% interest in the Gemini HDPE LLC joint venture and it became a wholly owned subsidiary.

Summary aggregated financial information for immaterial equity accounted joint ventures are as follows:

**Refining joint ventures**

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| Revenue | 27,417.3 | 17,102.8 | 27,867.0 |
| Expenses | (27,494.6) | (17,409.5) | (27,722.9) |

### 12.b Investments in Subsidiary Undertakings

The directors consider that to give full particulars of all subsidiary undertakings would lead to a statement of excessive length.

The directors believe the carrying value of the investments is supported by the underlying net assets of the subsidiaries.

## 12. INVESTMENTS (continued)

The following information relates to the principal subsidiary undertakings of the Company.

| Company | Country of incorporation and operation | Percentage holding | Principal activity |
|---|---|---|---|
| INEOS Luxembourg I S.A.* | Luxembourg | 100% | Holding Company |
| INEOS Luxembourg II S.A | Luxembourg | 100% | Holding Company |
| INEOS Group AG | Switzerland | 100% | Holding Company |
| INEOS Holdings Limited | England and Wales | 100% | Holding Company |
| INEOS European Holdings Limited | England and Wales | 100% | Holding Company |
| INEOS Gemini HDPE Holdings Company LLC | USA | 100% | Holding Company |
| INEOS US Finance LLC | USA | 100% | Finance |
| INEOS Finance Plc | England and Wales | 100% | Finance |
| INEOS Treasury (UK) Limited | England and Wales | 100% | Finance |
| INEOS Europe AG | Switzerland | 100% | Chemicals |
| INEOS Oxide Limited | England and Wales | 100% | Chemicals |
| INEOS NV | Belgium | 100% | Chemicals |
| INEOS Belgium NV | Belgium | 100% | Chemicals |
| INEOS Phenol Belgium NV | Belgium | 100% | Chemicals |
| INEOS Italia Srl | Italy | 100% | Chemicals |
| INEOS Phenol GmbH | Germany | 100% | Chemicals |
| INEOS Americas LLC | USA | 100% | Chemicals |
| INEOS Manufacturing Deutschland GmbH | Germany | 100% | Chemicals |
| INEOS Köln GmbH | Germany | 100% | Chemicals |
| INEOS France SAS | France | 100% | Chemicals |
| INEOS Sales (UK) Limited | England and Wales | 100% | Chemicals |
| INEOS Manufacturing Belgium NV | Belgium | 100% | Chemicals |
| INEOS Olefins Belgium NV | Belgium | 100% | Chemicals |
| INEOS Feluy SPRL | Belgium | 100% | Chemicals |
| INEOS Sales Belgium NV | Belgium | 100% | Chemicals |
| INEOS Sales Italia s.r.l. | Italy | 100% | Chemicals |
| INEOS Singapore Pte Limited | Singapore | 100% | Chemicals |
| INEOS USA LLC | USA | 100% | Chemicals |
| INEOS Canada Company | Canada | 100% | Chemicals |
| INEOS Canada Partnership | Canada | 100% | Chemicals |
| INEOS Bamble AS | Norway | 100% | Chemicals |
| INEOS Nitriles (UK) Limited | England and Wales | 100% | Chemicals |
| INEOS Manufacturing (Hull) Limited | England and Wales | 100% | Chemicals |
| INEOS Technologies (Vinyls) Limited | England and Wales | 100% | Chemicals |
| INEOS Technologies France SAS | France | 100% | Chemicals |
| INEOS US Sales Company | USA | 100% | Chemicals |
| INEOS Nitriles USA LLC | USA | 100% | Chemicals |
| INEOS Oligomers USA LLC | USA | 100% | Chemicals |
| INEOS Technologies USA LLC | USA | 100% | Chemicals |
| INEOS Technologies Italia S.r.l | Italy | 100% | Chemicals |
| INEOS Rafnes AS | Norway | 100% | Chemicals |
| Gemini HDPE LLC | USA | 100% | Chemicals |
| WLP Holding Corporation | USA | 100% | Manufacturer |

* Held directly by the Company.

## 12. INVESTMENTS (continued)

***Branches of the Group outside of Luxembourg***

Branches have been established in Austria, France, Slovakia, Spain and the United Kingdom.

## 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| At 1 January | — | — | 251.2 |
| Interest receivable | — | — | 2.2 |
| Exchange adjustments | — | — | 4.5 |
| Disposals | — | — | (257.9) |
| **At 31 December** | — | — | — |

Before being disposed the Group held a non-voting preferred partnership interest in INEOS Investments Partnership, an entity held under common control by the Group's ultimate shareholders, which owned 24% of the share capital of the PQ Corporation, a silicas business incorporated in the USA and listed on the New York stock exchange.

In 2019 the Group disposed of its preferential interest in INEOS Investments Partnership following the sale by INEOS Investments Partnership of its assets (shares in PQ Corporation) to INEOS Limited, a related party, for €260.5 million ($296.5 million) which resulted in a profit on disposal of €2.6 million.

## 14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| **Non-current** | | | |
| Financial assets at fair value though comprehensive income (see below and Note 25.a) | 28.3 | 28.3 | 28.3 |

***Financial assets at fair value through other comprehensive income***

Financial assets at fair value through other comprehensive income include a 25.0% (2020: 20.0%, 2019: 20.0%) investment in Aethylen Rohrleitungs Gesellschaft ('ARG') mbH and Co. KG, a company registered in Germany whose principal activity is the transportation of ethylene via pipelines in Northern Europe and other investments.

These investments comprise of shares in private limited companies. The carrying value of these financial assets at fair value through other comprehensive income was €28.3 million at December 31, 2021 (2020: €28.3 million, 2019: €28.3 million). A disposal of these investments is not currently anticipated.

## 15. DERIVATIVE FINANCIAL INSTRUMENTS

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| **Non-current asset** | | | |
| Interest rate swap contracts classified as fair value through profit or loss (see Note 25.a) | 26.2 | — | — |

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| **Current asset** | | | |
| Derivative commodity contracts classified as fair value through profit or loss (see Note 25.a) | 256.0 | 154.5 | 15.3 |

## 15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| **Non-current liabilities** | | | |
| Interest rate swap contracts classified as fair value through profit or loss (see Note 25.a) | — | 4.2 | — |

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| **Current liabilities** | | | |
| Derivative commodity contracts classified as fair value through profit or loss (see Note 25.a) | 236.0 | 96.9 | 59.5 |

## 16. DEFERRED TAX ASSETS AND LIABILITIES

***Recognised deferred tax assets and liabilities***

Deferred tax assets and liabilities are attributable to the following:

| | 2021 | | |
|---|---|---|---|
| | Assets | Liabilities | Total |
| | | €m | |
| Property, plant and equipment | — | 873.2 | 873.2 |
| Employee benefits | (174.2) | — | (174.2) |
| Tax value of loss carry-forwards. | (77.9) | — | (77.9) |
| Other | (73.2) | — | (73.2) |
| Tax (assets)/liabilities | (325.3) | 873.2 | 547.9 |
| Set off of tax | 170.9 | (170.9) | — |
| **Net tax (assets)/liabilities** | **(154.4)** | **702.3** | **547.9** |

| | 2020 | | |
|---|---|---|---|
| | Assets | Liabilities | Total |
| | | €m | |
| Property, plant and equipment | — | 813.9 | 813.9 |
| Employee benefits | (197.8) | — | (197.8) |
| Tax value of loss carry-forwards | (71.6) | — | (71.6) |
| Other | (150.1) | — | (150.1) |
| Tax (assets)/liabilities | (419.5) | 813.9 | 394.4 |
| Set off of tax | 236.3 | (236.3) | — |
| **Net tax (assets)/liabilities** | **(183.2)** | **577.6** | **394.4** |

| | 2019 | | |
|---|---|---|---|
| | Assets | Liabilities | Total |
| | | €m | |
| Property, plant and equipment | — | 512.4 | 512.4 |
| Employee benefits | (191.2) | — | (191.2) |
| Tax value of loss carry-forwards | (70.5) | — | (70.5) |
| Other | (72.7) | — | (72.7) |
| Tax (assets)/liabilities | (334.4) | 512.4 | 178.0 |
| Set off of tax | 221.2 | (221.2) | — |
| **Net tax (assets)/liabilities** | **(113.2)** | **291.2** | **178.0** |

## 16. DEFERRED TAX ASSETS AND LIABILITIES (continued)

**Movement in deferred tax**

| | Property, plant and equipment | Employee benefits | Tax value of loss carry-forward utilised | Other | Total |
|---|---|---|---|---|---|
| | | | €m | | |
| At 1 January 2019 | 249.6 | (135.0) | (51.1) | 12.9 | 76.4 |
| Recognised in profit or loss | 262.8 | (4.4) | (19.4) | (85.6) | 153.4 |
| Recognised in other comprehensive income | — | (51.8) | — | — | (51.8) |
| **At 31 December 2019** | 512.4 | (191.2) | (70.5) | (72.7) | 178.0 |
| Recognised in profit or loss | 303.4 | 5.2 | (1.1) | (77.4) | 230.1 |
| Recognised in other comprehensive income | — | (11.8) | — | — | (11.8) |
| Business acquisitions (see Note 3) | 2.1 | — | — | — | 2.1 |
| Exchange adjustments | (4.0) | — | — | — | (4.0) |
| **At 31 December 2020** | 813.9 | (197.8) | (71.6) | (150.1) | 394.4 |
| Recognised in profit or loss | 0.7 | (11.5) | (6.3) | 86.4 | 69.3 |
| Recognised in other comprehensive income | — | 34.0 | — | — | 34.0 |
| Business acquisitions (see Note 3) | 2.8 | — | — | — | 2.8 |
| Exchange adjustments | 55.8 | 1.1 | — | (9.5) | 47.4 |
| **At 31 December 2021** | **873.2** | **(174.2)** | **(77.9)** | **(73.2)** | **547.9** |

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable based on an assessment of expected future profits modelled against the gross unused tax losses, deductible temporary differences and unused tax credits. The Group did not recognise gross deductible temporary and tax losses of €606.6 million (2020: €123.8 million, 2019: €95.9 million) due to uncertainty in respect of the existence of future probable taxable profits against which these tax attributes can be utilised. As at 31 December 2021 there are also net unrecognised unprovided foreign tax credits of €37.9 million (2020: €32.7 million).

The Group has not provided deferred tax in relation to temporary differences on its overseas subsidiaries or joint ventures as the Group can control the timing and realisation of these temporary differences, and it is probable that no material unprovided tax liability would arise.

## 17. INVENTORIES

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| Raw materials and consumables | 615.9 | 392.7 | 430.4 |
| Work in progress | 31.7 | 17.8 | 19.5 |
| Finished goods | 1,119.6 | 649.2 | 777.1 |
| | **1,767.2** | **1,059.7** | **1,227.0** |

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to €10,720.6 million (2020: €5,554.3 million, 2019: €7,175.0 million). The net write-down of inventories to net realisable value amounted to €7.5 million (2020: €2.3 million, 2019: €0.5 million) after the reversal of previous write downs of €nil (2020: €nil, 2019: €0.2 million).

## 18. TRADE AND OTHER RECEIVABLES

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| **Current** | | | |
| Trade receivables | 1,665.4 | 955.1 | 1,008.6 |
| Amounts due from related parties (see Note 29) | 536.1 | 264.2 | 300.8 |
| Other receivables | 186.1 | 100.6 | 150.7 |
| Prepayments | 82.6 | 74.1 | 84.8 |
| | **2,470.2** | **1,394.0** | **1,544.9** |
| **Non-current** | | | |
| Amounts due from related parties (see Note 29) | 810.8 | 641.3 | 727.8 |
| Other receivables | 2.0 | 1.9 | 2.1 |
| Prepayments | 13.2 | 13.0 | 12.5 |
| | **826.0** | **656.2** | **742.4** |

### *Credit quality of financial assets and impairment losses*

The ageing of trade and other receivables at the end of the reporting period and the expected credit loss rate (ECLR) was:

| | Trade receivables | | | Amounts due from related parties | | | Other receivables | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross | Impairment | ECLR | Gross | Impairment | ECLR | Gross | Impairment | ECLR |
| | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 |
| | €m | €m | % | €m | €m | % | €m | €m | % |
| Not past due | 1,614.6 | (1.2) | 0.1 | 1,346.9 | — | 0.0 | 186.8 | — | 0.0 |
| Past due 0-30 days | 49.9 | (0.2) | 0.4 | — | — | — | 0.8 | — | 0.0 |
| Past due 31-90 days | — | — | — | — | — | — | — | — | — |
| More than 90 days | 10.4 | (8.1) | 77.9 | — | — | — | 0.5 | — | 0.0 |
| | 1,674.9 | (9.5) | 0.6 | 1,346.9 | — | 0.0 | 188.1 | — | 0.0 |

| | Trade receivables | | | Amounts due from related parties | | | Other receivables | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross | Impairment | ECLR | Gross | Impairment | ECLR | Gross | Impairment | ECLR |
| | 2020 | 2020 | 2020 | 2020 | 2020 | 2020 | 2020 | 2020 | 2020 |
| | €m | €m | % | €m | €m | % | €m | €m | % |
| Not past due | 799.8 | (1.1) | 0.1 | 905.5 | — | 0.0 | 101.6 | — | 0.0 |
| Past due 0-30 days | 116.8 | (0.2) | 0.2 | — | — | — | 0.1 | — | 0.0 |
| Past due 31-90 days | 34.3 | (0.4) | 1.2 | — | — | — | 0.3 | — | 0.0 |
| More than 90 days | 15.1 | (9.2) | 60.9 | — | — | — | 0.5 | — | 0.0 |
| | 966.0 | (10.9) | 1.1 | 905.5 | — | 0.0 | 102.5 | — | 0.0 |

| | Trade receivables | | | Amounts due from related parties | | | Other receivables | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross | Impairment | ECLR | Gross | Impairment | ECLR | Gross | Impairment | ECLR |
| | 2019 | 2019 | 2019 | 2019 | 2019 | 2019 | 2019 | 2019 | 2019 |
| | €m | €m | % | €m | €m | % | €m | €m | % |
| Not past due | 868.0 | — | 0.0 | 1,028.6 | — | 0.0 | 151.2 | — | 0.0 |
| Past due 0-30 days | 126.2 | (1.4) | 1.1 | — | — | — | 0.6 | — | 0.0 |
| Past due 31-90 days | 17.2 | (2.5) | 14.5 | — | — | — | — | — | — |
| More than 90 days | 10.7 | (9.6) | 89.7 | — | — | — | 1.0 | — | 0.0 |
| | 1,022.1 | (13.5) | 1.3 | 1,028.6 | — | 0.0 | 152.8 | — | 0.0 |

The accounts receivable not yet due after impairment losses as of the end of the reporting period are deemed to be collectible on the basis of established credit management processes such as regular analyses of the credit worthiness of our customers and external credit checks where appropriate for new

**18. TRADE AND OTHER RECEIVABLES (continued)**

customers (see Note 25.c). At December 31, 2019, 2020 and 2021 there were no significant trade, related party or other receivable balances not past due that were subsequently impaired.

Due to the global activities and diversified customer structure of the Group, there is no significant concentration of credit risk (2020: nil, 2019: nil).

During 2019, 2020 and 2021 there were no significant trade, related party or other receivable balances that were subject to renegotiation of terms. Credit enhancements are held in respect of trade and other receivables in the form of €16.1 million (2020: €nil, 2019: €nil) of assets pledged as security against amounts owed to the Group of which €nil (2020: €nil, 2019: €nil) is in respect of amounts falling overdue.

Trade receivable balances totalling €1,300.2 million (2020: €776.4 million, 2019: €770.0 million) have been pledged as security against amounts drawn down under the Receivables Securitisation Facility, described in Note 19, totalling €18.0 million (2020: €114.2 million, 2019: €297.1 million). In accordance with IFRS 9 'Financial Instruments' the trade receivable balances pledged as security do not qualify for derecognition and are included within the trade receivable balances above.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| Balance at 1 January | 10.9 | 13.5 | 16.9 |
| Additions/(released) | 0.3 | 1.0 | (3.4) |
| Utilised | (2.2) | (2.6) | — |
| Exchange | 0.5 | (1.0) | — |
| Balance at 31 December | **9.5** | **10.9** | **13.5** |

The allowance account for trade receivables is used to record any impairment losses unless the Group is satisfied that no recovery of the amount owing is probable; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

***Credit risk of trade receivables***

| | 2021 |
|---|---|
| | €m |
| Low | 1,570.7 |
| Medium | 99.8 |
| High | 4.4 |
| Impairment allowance | (9.5) |
| | **1,665.4** |

The credit risk grade is based on the analysis on both the quantitative and qualitative factors as detailed below:

- High: Customers under significant financial difficulty and customers for whom there is an uncertainty of payment based on knowledge of factors like insolvency, dispute. Any receivable more than 180 days past due should also be classified in this category.
- Medium: Any receivable between 90 and 180 days past due should be classified as medium risk unless qualitative factors indicate a higher credit risk.
- Low: Any receivable less than 90 days past due should be classified as low risk unless qualitative factors indicate a higher credit risk.

During the year the Group has not experienced a significant deterioration in the quality of receivable balances due to the current economic conditions.

## 18. TRADE AND OTHER RECEIVABLES (continued)

There were no allowances made against amounts due from other receivables during the year (2020: €nil, 2019: €nil).

There were no allowances made against amounts due from related parties during the year (2020: €nil, 2019: €nil).

## 19. INTEREST-BEARING LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk, see Note 25.f.

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| **Non-current liabilities** | | | |
| Senior Secured Term Loans | 4,789.6 | 3,633.1 | 3,428.6 |
| Senior Secured Notes due May 2026 | 764.6 | 763.3 | 762.1 |
| Senior Secured Notes due March 2026 | 321.3 | 320.7 | — |
| Senior Secured Notes due 2025 | 547.1 | 546.4 | 545.6 |
| Senior Notes due 2024 | — | 1,051.9 | 1,090.4 |
| Gemini Facility | 483.2 | 463.2 | — |
| Receivables Securitisation Facility | 17.8 | 113.4 | 295.9 |
| Köln CoGen Facility | 100.5 | 72.0 | 96.0 |
| Rafnes Facility | 141.5 | 212.3 | 246.5 |
| Schuldschein Facility | 139.9 | 139.4 | 138.9 |
| Other loans | 26.0 | 27.5 | 0.8 |
| | **7,331.5** | **7,343.2** | **6,604.8** |

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| **Current liabilities** | | | |
| Current portion of borrowings under Senior Secured Term Loans | 40.0 | 34.6 | 33.3 |
| Gemini Facility | 19.9 | 14.7 | — |
| Rafnes Facility | 70.7 | 35.0 | — |
| Köln CoGen Facility | 31.5 | 24.0 | 24.0 |
| Inventory Financing Facility | 243.1 | 128.8 | 190.4 |
| Other loans | 2.6 | 1.5 | 0.3 |
| | **407.8** | **238.6** | **248.0** |

## 19. INTEREST-BEARING LOANS AND BORROWINGS (continued)

| | Gross loans and borrowings 2021 | Issue costs 2021 | Net loans and borrowings 2021 |
|---|---|---|---|
| | | €m | |
| **Gross debt and issue costs** | | | |
| Senior Secured Term Loans | 4,851.1 | (21.5) | 4,829.6 |
| Senior Secured Notes due May 2026 | 770.0 | (5.4) | 764.6 |
| Senior Secured Notes due March 2026 | 325.0 | (3.7) | 321.3 |
| Senior Secured Notes due 2025 | 550.0 | (2.9) | 547.1 |
| Receivables Securitisation Facility | 18.0 | (0.2) | 17.8 |
| Köln CoGen Facility | 132.0 | — | 132.0 |
| Rafnes Facility | 214.3 | (2.1) | 212.2 |
| Schuldschein Facility | 141.0 | (1.1) | 139.9 |
| Inventory Financing Facility | 243.1 | — | 243.1 |
| Other loans | 28.6 | — | 28.6 |
| | **7,273.1** | **(36.9)** | **7,236.2** |
| Gemini Facility | 512.1 | (9.0) | 503.1 |
| **Total** | **7,785.2** | **(45.9)** | **7,739.3** |

The Gemini Facility is an obligation of Gemini HDPE LLC. Gemini HDPE LLC is designated as an unrestricted subsidiary in accordance with the Group's Senior Secured Term Loans, Schuldschein Facility and Senior Secured Notes and the Gemini Facility does not benefit from the security or collateral of those facilities.

| | Gross loans and borrowings 2020 | Issue costs 2020 | Net loans and borrowings 2020 |
|---|---|---|---|
| | | €m | |
| **Gross debt and issue costs** | | | |
| Senior Secured Term Loans | 3,682.3 | (14.6) | 3,667.7 |
| Senior Secured Notes due May 2026 | 770.0 | (6.7) | 763.3 |
| Senior Secured Notes due March 2026 | 325.0 | (4.3) | 320.7 |
| Senior Secured Notes due 2025 | 550.0 | (3.6) | 546.4 |
| Senior Notes due 2024 | 1,056.5 | (4.6) | 1,051.9 |
| Receivables Securitisation Facility | 114.2 | (0.8) | 113.4 |
| Köln CoGen Facility | 96.0 | — | 96.0 |
| Rafnes Facility | 250.0 | (2.7) | 247.3 |
| Schuldschein Facility | 141.0 | (1.6) | 139.4 |
| Inventory Financing Facility | 128.8 | — | 128.8 |
| Other loans | 29.0 | — | 29.0 |
| | **7,142.8** | **(38.9)** | **7,103.9** |
| Gemini Facility | 487.8 | (9.9) | 477.9 |
| **Total** | **7,630.6** | **(48.8)** | **7,581.8** |

## 19. INTEREST-BEARING LOANS AND BORROWINGS (continued)

| | Gross loans and borrowings 2019 | Issue costs 2019 | Net loans and borrowings 2019 |
|---|---|---|---|
| | | €m | |
| **Gross debt and issue costs** | | | |
| Senior Secured Term Loans | 3,470.9 | (9.0) | 3,461.9 |
| Senior Secured Notes due May 2026 | 770.0 | (7.9) | 762.1 |
| Senior Secured Notes due 2025 | 550.0 | (4.4) | 545.6 |
| Senior Notes due 2024 | 1,096.3 | (5.9) | 1,090.4 |
| Receivables Securitisation Facility | 297.1 | (1.2) | 295.9 |
| Köln CoGen Facility | 120.0 | — | 120.0 |
| Rafnes Facility | 250.0 | (3.5) | 246.5 |
| Schuldschein Facility | 141.0 | (2.1) | 138.9 |
| Inventory Financing Facility | 190.9 | (0.5) | 190.4 |
| Other loans | 1.1 | — | 1.1 |
| **Total** | **6,887.3** | **(34.5)** | **6,852.8** |

**Terms and debt repayment schedule**

| | Currency | Nominal interest rate | Year of maturity |
|---|---|---|---|
| Senior Secured Term Loans | $/€ | USD LIBOR/ EURIBOR plus 2.00% - 2.75% | 2024 - 2028 |
| Senior Secured Notes | € | 2.125% - 3.375% | 2025 - 2026 |
| Gemini Facility | $ | USD LIBOR plus 3.00% | 2027 |
| Schuldschein Facility | € | EURIBOR plus 2.00% | 2024 |
| Receivables Securitisation Facility | $/€/£ | Variable | 2024 |
| Köln CoGen Facility | € | 2.00% - 2.85% | 2024 - 2026 |
| Rafnes Facility | € | EURIBOR plus 2.10% | 2024 |
| Other loans | €/$ | 2.00% - 3.50% | 2023 - 2027 |

***Senior Secured Term Loans***

The Group has outstanding borrowings under a senior credit facilities agreement dated April 27, 2012 (as amended and restated) which consist of euro and US dollar denominated Term Loans (referred to as the 'Senior Secured Term Loans' or 'Term Loans').

In November 2021 the Group raised €1.1 billion of additional Senior Secured Term Loans which were used to fully redeem the outstanding Senior Notes due 2024. The additional Senior Secured Term Loans mature on November 8, 2028 and consisted of $845 million of US dollar denominated Term Loans and €350 million of euro denominated Term Loans. In October 2020 the Group issued new euro denominated Senior Secured Term Loans of €375 million which mature on October 27, 2027. In addition to these new Senior Secured Term Loans the Group has euro and US dollar denominated Term Loans maturing on March 31, 2024.

The Senior Secured Term Loans outstanding at December 31, 2021 before issue costs were €4,851.1 million (2020: €3,682.3 million, 2019: €3,470.9 million) of which €44.7 million (2020: €37.8 million, 2019: €35.4 million) is due within one year. The total amounts outstanding on the euro denominated Term Loans were €2,698.9 million and the US dollar denominated Term Loans were €2,152.2 million.

The Term Loans are to be repaid in equal quarterly instalments, in aggregate annual amounts equal to 1% of the original principal amount of the Term Loans up to the final maturity date, apart from the euro denominated Term Loans maturing November 2028 which have no repayments until maturity. The $845 million US dollar denominated Term Loans and €350 million of euro denominated Term Loans issued

## 19. INTEREST-BEARING LOANS AND BORROWINGS (continued)

in November 2021 mature on November 8, 2028, whilst the €375 million euro denominated Senior Secured Term Loans issued in October 2020 mature on October 27, 2027 with the remaining Term Loans maturing on March 31, 2024.

The outstanding Term Loans denominated in US dollars bear interest at a rate per annum equal to USD LIBOR (with the $845 million US dollar denominated Term Loans issued in November 2021 being subject to a floor of 0.50% per annum) plus the Applicable Margin. All of the Term Loans denominated in euros bear interest at a rate per annum equal to EURIBOR (subject to a floor of 0.50% per annum) plus the Applicable Margin.

As at December 31, 2021 the Applicable Margin for the euro denominated Term Loans and the US dollar denominated Term Loans maturing March 2024 was 2.00%, for the euro denominated Term Loans maturing October 2027 and November 2028 it was 2.75% and for the US dollar denominated Term Loans maturing November 2028 it was 2.50%.

The Senior Secured Term Loans rank pari passu with the Senior Secured Notes due May 2026, Senior Secured Notes due March 2026, Senior Secured Notes due 2025 and the Schuldschein Loan. The Term Loans are guaranteed by INEOS Group Holdings S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The Term Loans and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the senior secured notes.

The Term Loans have numerous customary operating and financial incurrence covenants all of which have been complied with during the year, including covenants relating to, among other things, limitations on indebtedness, ability to give guarantees, creation of security interests, making acquisitions and investments, disposing of assets and paying dividends. The Term Loans have no financial maintenance covenants.

The Senior Secured Term Loans are stated net of debt issue costs of €21.5 million (2020: €14.6 million, 2019: €9.0 million). These costs are allocated to the profit and loss account over the term of the Term Loans.

### *Senior Secured Notes due 2023*

In April 2019 the Group redeemed in full the Senior Secured Notes due 2023 with the proceeds from the issuance of the Senior Secured Notes due May 2026 along with cash on hand. Before redemption the Senior Secured Notes due 2023 were listed on the Euro MTF—Luxembourg Stock Exchange. The Senior Secured Notes due 2023 bore interest at 4.0% per annum, payable semi-annually in arrears on May 1 and November 1 of each year.

Following the full redemption of the Senior Secured Notes due 2023, unamortised debt issue costs of €4.0 million and an early prepayment premium of €7.7 million were charged to exceptional finance costs in April 2019 (see Note 4).

### *Senior Secured Notes due 2025*

In November 2017 the Group issued €550 million of Senior Secured Notes due 2025. The proceeds from the new Notes were used to partially repay the Senior Secured Term Loans. The Senior Secured Notes due 2025 are listed on the Euro MTF—Luxembourg Stock Exchange. The Senior Secured Notes due 2025 bear interest at 2.125% per annum, payable semi-annually in arrears on May 15 and November 15 of each year. Unless previously redeemed as noted below, the Senior Secured Notes due 2025 will be redeemed by the Group at their principal amount on November 15, 2025.

The Senior Secured Notes due 2025 can be subject to redemption at any time on or after November 15, 2020, at the option of the Issuer, in whole or in part, on not less than 10 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning November 15 of the year indicated below:

**19. INTEREST-BEARING LOANS AND BORROWINGS (continued)**

| Year | Redemption Price |
|---|---|
| 2021 | 100.53125% |
| 2022 and thereafter | 100.000% |

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due 2025 rank pari passu with the Senior Secured Term Loans and Senior Secured Notes due May 2026, Senior Secured Notes due March 2026 and the Schuldschein Loan. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due 2025 are stated net of debt issue costs of €2.9 million (2020: €3.6 million, 2019: €4.4 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due 2025.

***Senior Secured Notes due May 2026***

In April 2019, the Group issued €770 million of Senior Secured Notes due May 2026. The Senior Secured Notes due May 2026 are listed on the Euro MTF—Luxembourg Stock Exchange. The Senior Secured Notes due May 2026 bear interest at 2.875% per annum, payable semi-annually in arrears on May 1 and November 1 of each year, beginning November 1, 2020. Unless previously redeemed as noted below, the Senior Secured Notes due May 2026 will be redeemed by the Group at their principal amount on May 1, 2026.

The Senior Secured Notes due May 2026 can be subject to redemption at any time on or after May 1, 2022, at the option of the Issuer, in whole or in part, on not less than 10 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning May 1 of the year indicated below:

| Year | Redemption Price |
|---|---|
| 2022 | 101.4375% |
| 2023 | 100.71875% |
| 2024 and thereafter | 100.000% |

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due May 2026 rank pari passu with the Senior Secured Term Loans, Senior Secured Notes due March 2026, Senior Secured Notes due 2025 and the Schuldschein Loan. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

## 19. INTEREST-BEARING LOANS AND BORROWINGS (continued)

The Senior Secured Notes due May 2026 are stated net of debt issue costs of €5.4 million (2020: €6.7 million, 2019: €7.9 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due May 2026.

### *Senior Secured Notes due March 2026*

In October 2020, the Group issued €325 million of Senior Secured Notes due March 2026. The Senior Secured Notes due March 2026 are listed on the Euro MTF—Luxembourg Stock Exchange. The Senior Secured Notes due March 2026 bear interest at 3.375% per annum, payable semi-annually in arrears on May 15 and November 15 of each year, beginning May 15, 2021. Unless previously redeemed as noted below, the Senior Secured Notes due March 2026 will be redeemed by the Group at their principal amount on March 31, 2026.

The Senior Secured Notes due March 2026 can be subject to redemption at any time on or after November 15, 2022, at the option of the Issuer, in whole or in part, on not less than 10 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning November 15 of the year indicated below:

| Year | Redemption Price |
|---|---|
| 2022 | 101.688% |
| 2023 | 100.844% |
| 2024 and thereafter | 100.000% |

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due March 2026 rank pari passu with the Senior Secured Term Loans, Senior Secured Notes due May 2026, Senior Secured Notes due 2025 and the Schuldschein Loan. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due March 2026 are stated net of debt issue costs of €3.7 million (2020: €4.3 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due March 2026.

### *Senior Notes due 2024*

In November 2021 the Group redeemed in full the Senior Notes due 2024 with the proceeds from the issuance of additional Senior Secured Term Loans along with cash on hand. Before redemption the Senior Notes due 2024 were listed on the Euro MTF—Luxembourg Stock Exchange and comprised of €650 million Senior Notes due 2024 (the "Euro Notes") and $500 million Senior Notes due 2024 (the "Dollar Notes"). The Senior Notes due 2024 bore interest at 5.375% per annum for the Euro Notes and 5.625% for the Dollar Notes, payable semi-annually in arrears on 1 February and 1 August of each year.

Following the full redemption of the Senior Notes due 2024, unamortised debt issue costs of €3.5 million were charged to exceptional finance costs in November 2021 (see Note 4). Prior to redemption the Senior Notes due 2024 were stated net of debt issue costs of €4.6 million as at December 31, 2020 (2019: €5.9 million).

**19. INTEREST-BEARING LOANS AND BORROWINGS (continued)**

***Receivables Securitisation Facility***

The Group has entered into a €800 million receivables securitisation facilities agreement ("Receivables Securitisation Facility") which matures on December 31, 2024. The total amount outstanding at December 31, 2021 before issue costs was €18.0 million (2020: €114.2 million, 2019: €297.1 million). The facility is secured by pledges over the trade receivables sold into the programme. Interest is charged on the facility at a rate of either EURIBOR, USD LIBOR or SONIA plus a margin or short term commercial paper rates plus a margin.

The Receivables Securitisation Facility is stated net of debt issue costs of €0.2 million (2020: €0.8 million, 2019: €1.2 million).

***Köln CoGen Facility***

As part of a project at the Group's Köln site to replace part of its incineration or cogeneration unit, the Group has entered into a €120 million loan facility which matures in December 2024. In May 2021 the Group entered into an additional facility of €60 million which matures in June 2026. The total amount outstanding under the loan facilities ("Köln CoGen Facility") at December 31, 2021 was €132.0 million (2020: €96.0 million, 2019: €120.0 million) of which €31.5 million (2020: €24.0 million, 2019: €24.0 million) is due within one year.

The €120 million loan facility is to be repaid in equal quarterly instalments of €6 million, starting from March 2020 and bears a fixed interest rate of 2.85% per annum.

The €60 million additional loan facility is to be repaid in equal quarterly payments of €3.75 million starting in September 2022 and bears a fixed interest rate of 2.00% per annum.

The Köln CoGen Facility is secured by pledges over the plant and equipment of INEOS Manufacturing Deutschland GmbH's new cogeneration assets.

***Rafnes Facility (previously Noretyl Facility)***

As part of the Group's purchase of the remaining 50% interest in the Noretyl ethylene cracker at Rafnes, Norway from the Kerling group on July 1, 2015, the Group also assumed the obligations of a €140 million loan facility ("Noretyl Facility") that Noretyl had in place. In November 2019 following the repayment of the initial loan the term loan facility was amended and restated with a new facility amount ("Rafnes Facility") of €250.0 million. The total amount outstanding at December 31, 2021 before issue costs was €214.3 million (2020: €250.0 million, 2019: €250.0 million) of which €71.4 million (2020: €35.7 million, 2019: nil) is due within one year.

The Rafnes Facility is to be repaid in equal semi-annual instalments of €35.7 million commencing on December 15, 2021. The facility matures in November 2024. The facility is secured by pledges over the property, plant and equipment of INEOS Rafnes AS (previously Noretyl AS). The Rafnes Facility bears interest at a rate per annum equal to EURIBOR (subject to a floor of 0% per annum) plus a margin of 2.10%.

The Rafnes Facility is stated net of debt issue costs of €2.1 million (2020: €2.7 million, 2019: €3.5 million).

***Schuldschein Loan***

In March 2019 the Group entered into a €141 million floating rate loan facility ("Schuldschein Loan"). The facility matures in March 2024. The Schuldschein Loan bears interest at a rate per annum equal to EURIBOR for an interest period of six months (subject to a floor of 0.50% per annum) plus a margin of 2.00%. Interest on the Schuldschein Loan is payable semi-annually in arrears in September and March of each year.

The Schuldschein Loan ranks pari passu with the Senior Secured Term Loans, Senior Secured Notes due 2025, Senior Secured Notes due March 2026 and the Senior Secured Notes due May 2026. The Schuldschein Loan is stated net of debt issue costs of €1.1 million (2020: €1.6 million, 2019: €2.1 million).

**19. INTEREST-BEARING LOANS AND BORROWINGS (continued)**

***Inventory Financing Facility***

In June 2019 the Group entered into an inventory monetisation agreement with J Aron & Company LLC ("J Aron"), for an initial term of one year. In April 2021 the Group and J Aron agreed an extension of the term to June 2022, and a further extension option may be exercised by mutual agreement. Under this arrangement, the Group sold certain inventory to J Aron and agreed to buy-back equivalent inventory at the end of the term at the same price. During the term, and subject to certain covenants and rights of J Aron, J Aron provides the Group with a just-in-time service for use of the inventory, and the ability to substitute used inventory with equivalent inventory, in return for a transaction fee. The arrangement is supported by a Group parent company guarantee and a cash collateral mechanism.

The total amount outstanding at December 31, 2021 before issue costs was €243.1 million (2020: €128.8 million, 2019: €190.9 million). The Inventory Financing Facility is stated net of debt issue costs of nil (2020: nil, 2019: €0.5 million).

***Gemini Facility***

As part of the Group's purchase of the remaining 50% interest in the Gemini HDPE plant in Texas, USA, from Sasol Chemicals on December 31, 2020, the Group amended and upsized the existing Term Loan facility within the acquired Gemini HDPE LLC legal entity. The amended loan facility was upsized to $600.0 million ("Gemini Facility") and the maturity was extended to October 31, 2027. The total amount outstanding at December 31, 2021 before issue costs was €512.1 million ($580.3 million) (2020: €487.8 million ($600.0 million) of which €21.6 million ($24.5 million) (2020: €16.0 million ($19.7 million) is due within one year.

The Gemini Facility is to be repaid in quarterly instalments starting on April 30, 2021 with a final payment of $420.0 million on October 31, 2027 when the facility matures. The facility is secured by pledges over the plant and equipment of Gemini HDPE LLC. The outstanding Gemini Facility will bear interest at a rate per annum equal to USD LIBOR (subject to a floor of 0.5% per annum) plus a margin of 3.0%. Gemini HDPE LLC has been designated as an unrestricted subsidiary in accordance with the Group's Senior Secured Term Loans, Schuldschein Facility and Senior Secured Notes.

The Gemini Facility is stated net of debt issue costs of €9.0 million (2020: €9.9 million).

**20. TRADE AND OTHER PAYABLES**

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| **Current** | | | |
| Trade payables | 641.1 | 329.7 | 353.7 |
| Amounts due to related parties (see Note 29) | 313.2 | 179.4 | 208.8 |
| Other payables | 702.4 | 593.6 | 609.9 |
| Deferred consideration | 14.3 | 13.2 | 30.9 |
| Accruals and deferred income | 918.0 | 518.1 | 568.7 |
| | 2,589.0 | 1,634.0 | 1,772.0 |
| **Non-current** | | | |
| Other payables | 86.0 | 89.0 | 65.7 |
| Accruals and deferred income | 27.2 | 23.9 | 14.0 |
| | 113.2 | 112.9 | 79.7 |

## 21 EMPLOYEE BENEFITS

***Pension plans***

The Group operates a number of pension plans throughout the world, devised in accordance with local conditions and practices. The plans are generally of the defined benefit type and are funded by payments to separately administered funds or insurance companies. The principal funded plans are in the United Kingdom, North America, Belgium, Switzerland and Germany.

The Group also operates a number of unfunded defined benefit pension schemes in Germany and France.

The most recent full valuations of the significant defined benefit plans were carried out as follows:

| Plan | Country | Valuation date |
|---|---|---|
| All Plans | United Kingdom | 5 April 2019 and 31 December 2019 |
| All Plans | North America | 1 January 2021 |
| All Plans | Belgium | 1 January 2022 |
| All Plans | France | 31 December 2021 |
| All Plans | Germany | 31 December 2021 |
| All Plans | Switzerland | 31 December 2021 |

These valuations have been updated where appropriate to December 31, 2021 by independent qualified actuaries.

The Group's pension schemes have been disclosed on a geographical basis as those schemes in the United Kingdom, North America and Other European. Other European principally includes the Group's pension plans in Germany, Belgium, France and Switzerland.

The UK defined benefit pension plans were historically final salary in nature, with a normal retirement age of 60. The majority of the UK plans are either closed to new entrants, or frozen to future accrual. The plans operate under trust law and are managed and administered by Trustees in accordance with the terms of each plan's Trust Deed and Rules and relevant legislation. The contributions paid to the UK plans are set every three years based on a funding agreement between the company and Trustee after taking actuarial advice.

The North American pension arrangements consist of two funded plans, both closed to new entrants and future accrual. Both plans were final salary defined benefit in nature, and the plans' liabilities are valued regularly in line with US statutory funding requirements. Around 90% of both plans' assets are invested in bond instruments, to closely match the profile of each plans' liabilities.

The Other European pension arrangements are primarily final salary in nature, the majority of which remain open to new entrants. The majority of plans in Germany are funded through plan assets from contractual trust arrangements. There are no legal minimum funding requirements, thus the Group can decide on any plan contributions considering local conditions and practices. The Swiss benefits are insured, the Belgian plan assets are held in trust, and the remaining schemes are unfunded with associated provisions held on the Group's balance sheet.

## 21 EMPLOYEE BENEFITS (continued)

### *Pension plan assumptions*

The principal actuarial assumptions (expressed as weighted averages or ranges) at the year end were as follows:

| | United Kingdom | | | North America | | | Other European | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 |
| | | | | | % | | | | |
| **Major assumptions** | | | | | | | | | |
| Rate of general increase in salaries | 3.2 | 2.8 | 3.2 | 3.5 | 3.5 | 3.5 | 2.0-4.5 | 2.0-4.3 | 2.0-4.5 |
| Rate of increase to pensions in payment | 3.0-5.0 | 3.0-5.0 | 3.0-5.0 | 0.0 | 0.0 | 0.0 | 0.0-2.0 | 0.0-1.8 | 0.0-1.8 |
| Discount rate for scheme liabilities | 1.9 | 1.6 | 2.1 | 2.8 | 2.5 | 3.3 | 0.3-1.3 | 0.0-2.0 | 0.8-2.5 |
| Inflation | 3.2 | 2.8 | 2.9 | N/A | N/A | 2.5 | 1.0-2.0 | 1.0-1.8 | 1.0-2.0 |

The assumptions relating to longevity underlying the pension liabilities at the reporting date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

| | United Kingdom | | | North America | | | Other European | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 |
| | | | | | Years | | | | |
| Longevity at age 65 for current pensioners | 22.1-24.3 | 22.0-24.2 | 22.2-24.4 | 21.4-22.8 | 21.2-22.6 | 21.5-22.9 | 20.5-28.4 | 20.3-28.0 | 22.3-28.0 |

The following table presents the sensitivity of the defined benefit obligation to each significant actuarial assumption:

| | United Kingdom | North America | Other European |
|---|---|---|---|
| | | 2021 | |
| | | % | |
| **Major assumptions** | | | |
| Discount rate: 1.0% decrease | 21.1 | 15.1 | 24.9 |
| Rate of inflation: 0.5% increase(1) | 7.1 | N/A | 6.3 |
| One year increase in longevity for a member currently aged 65 | 4.2 | 1.5 | 3.1 |

(1) The sensitivity to the inflation assumption change includes corresponding changes to the future salary increase and future pension increase assumptions where these assumptions are set to be linked to the inflation assumption.

### *Post-retirement health care plans*

The Group also operates a number of post-retirement healthcare plans in the United States, which provide employees with other post-employment benefits in respect of health care. The plans are unfunded and the liability in respect of these benefits is included in provisions. The liability is assessed by qualified independent actuaries under the projected unit method, assuming the following rates:

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | % | |
| **Rates** | | | |
| Liability discount rate | 2.8 | 2.5 | 3.3 |
| Long-term healthcare trend rate | 5.0 | 5.0 | 5.0 |

**21 EMPLOYEE BENEFITS (continued)**

***History of plans***

The history of the plans for the current and prior years is as follows:

**Consolidated balance sheet**

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| Present value of the defined benefit obligation in respect of pension plan | 1,917.0 | 2,014.9 | 1,838.2 |
| Present value of obligations in respect of post-retirement health care plan | 22.8 | 25.4 | 26.5 |
| Fair value of plan assets | (1,106.6) | (1,022.6) | (929.0) |
| **Net deficit** | **833.2** | **1,017.7** | **935.7** |

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| Non-current assets | (123.6) | (82.7) | (48.5) |
| Non-current liabilities | 956.8 | 1,100.4 | 984.2 |
| **Net deficit** | **833.2** | **1,017.7** | **935.7** |

The Group's net liability in respect of defined benefit obligations (DBO) is as follows:

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| Obligations in respect of pension plans: | | | |
| United Kingdom | (67.8) | (53.9) | (48.1) |
| North America | (26.4) | (28.5) | (22.6) |
| Other European | 904.6 | 1,074.7 | 979.9 |
| | 810.4 | 992.3 | 909.2 |
| Obligations in respect of post-retirement health care plans | 22.8 | 25.4 | 26.5 |
| **Recognised liability for defined benefit obligations** | **833.2** | **1,017.7** | **935.7** |

The Group expects to contribute approximately €39.7 million to its funded defined benefit plans in the next financial year. This excludes direct company benefit payments and payments in relation to unfunded defined benefit plan schemes.

***Expense recognised in the consolidated income statement***

| | United Kingdom | North America | Other European | Post retirement health care plans | Total |
|---|---|---|---|---|---|
| | | | €m | | |
| **Year ended 31 December 2021** | | | | | |
| Current service cost | 0.6 | 0.7 | 52.7 | 0.4 | 54.4 |
| Past service credit | — | — | (2.0) | — | (2.0) |
| Cost of termination benefits | — | — | 6.5 | — | 6.5 |
| Interest cost on DBO | 5.7 | 5.9 | 9.2 | 0.6 | 21.4 |
| Interest income on assets | (6.6) | (6.7) | (1.6) | — | (14.9) |
| | **(0.3)** | **(0.1)** | **64.8** | **1.0** | **65.4** |

**21 EMPLOYEE BENEFITS (continued)**

| | United Kingdom | North America | Other European | Post retirement health care plans | Total |
|---|---|---|---|---|---|
| | | | €m | | |
| **Year ended 31 December 2020** | | | | | |
| Current service cost | 0.6 | 0.9 | 49.3 | 0.4 | 51.2 |
| Cost of termination benefits | — | — | 3.9 | — | 3.9 |
| Interest cost on DBO | 6.6 | 7.7 | 13.7 | 0.8 | 28.8 |
| Interest income on assets | (7.7) | (8.5) | (2.2) | — | (18.4) |
| | **(0.5)** | **0.1** | **64.7** | **1.2** | **65.5** |

| | United Kingdom | North America | Other European | Post retirement health care plans | Total |
|---|---|---|---|---|---|
| | | | €m | | |
| **Year ended 31 December 2019** | | | | | |
| Current service cost | 0.7 | 1.0 | 41.3 | 0.4 | 43.4 |
| Past service credit | — | — | (1.7) | — | (1.7) |
| Cost of termination benefits | — | — | 2.9 | — | 2.9 |
| Interest cost on DBO | 8.9 | 9.6 | 18.9 | 1.0 | 38.4 |
| Interest income on assets | (10.1) | (10.1) | (4.2) | — | (24.4) |
| | **(0.5)** | **0.5** | **57.2** | **1.4** | **58.6** |

The expense is recognised in the following line items in the consolidated income statement:

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| Cost of sales and administrative expenses | 58.9 | 55.1 | 44.6 |
| Finance cost | 6.5 | 10.4 | 14.0 |
| | **65.4** | **65.5** | **58.6** |

***Pension plans***

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | | €m | |
| **As at 31 December 2021** | | | | |
| Present value of funded obligations | 363.1 | 234.1 | 1,273.7 | 1,870.9 |
| Present value of unfunded obligations | — | — | 46.1 | 46.1 |
| | 363.1 | 234.1 | 1,319.8 | 1,917.0 |
| Fair value of plan assets | (430.9) | (260.5) | (415.2) | (1,106.6) |
| | **(67.8)** | **(26.4)** | **904.6** | **810.4** |

**21 EMPLOYEE BENEFITS (continued)**

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | | €m | |
| **As at 31 December 2020** | | | | |
| Present value of funded obligations | 346.8 | 238.4 | 1,140.1 | 1,725.3 |
| Present value of unfunded obligations | — | — | 289.6 | 289.6 |
| | 346.8 | 238.4 | 1,429.7 | 2,014.9 |
| Fair value of plan assets | (400.7) | (266.9) | (355.0) | (1,022.6) |
| | **(53.9)** | **(28.5)** | **1,074.7** | **992.3** |

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| **As at 31 December 2019** | | | | |
| Present value of funded obligations | 337.7 | 252.6 | 360.5 | 950.8 |
| Present value of unfunded obligations | — | — | 887.4 | 887.4 |
| | 337.7 | 252.6 | 1,247.9 | 1,838.2 |
| Fair value of plan assets | (385.8) | (275.2) | (268.0) | (929.0) |
| | **(48.1)** | **(22.6)** | **979.9** | **909.2** |

Included within the Other European deficits are amounts relating to German plans of €903.5 million (2020: €1,035.2 million, 2019: €877.7 million).

The pension plan surplus is recognised on the balance sheet on the basis that the Group is entitled to a refund of any remaining assets once all members have left the plan or it can be used to fund future employer contributions.

Movements in present value of defined benefit obligation:

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | | €m | |
| At 1 January 2019 | 302.5 | 230.1 | 1,001.1 | 1,533.7 |
| Current service cost | 0.7 | 1.0 | 41.3 | 43.0 |
| Past service credit | — | — | (1.7) | (1.7) |
| Interest cost on DBO | 8.9 | 9.6 | 18.9 | 37.4 |
| Member contributions | — | — | 1.7 | 1.7 |
| Actuarial (gain)/loss—experience | (5.5) | 1.2 | 9.1 | 4.8 |
| Actuarial (gain)—demographic assumptions | (3.2) | (0.6) | (3.7) | (7.5) |
| Actuarial loss—financial assumptions | 39.5 | 28.0 | 196.2 | 263.7 |
| Disbursements from plan assets | (22.3) | (22.5) | (7.6) | (52.4) |
| Disbursements paid directly by the employer | — | (0.2) | (13.0) | (13.2) |
| Termination benefits | — | — | 2.9 | 2.9 |
| New material plans | — | 1.3 | — | 1.3 |
| Exchange | 17.1 | 4.7 | 2.7 | 24.5 |
| **At 31 December 2019** | 337.7 | 252.6 | 1,247.9 | 1,838.2 |
| Current service cost | 0.6 | 0.9 | 49.3 | 50.8 |
| Interest cost on DBO | 6.6 | 7.8 | 13.6 | 28.0 |
| Member contributions | — | — | 1.8 | 1.8 |
| Actuarial loss—experience | 0.6 | 0.9 | 9.2 | 10.7 |
| Actuarial loss/(gain)—demographic assumptions | 2.3 | (0.6) | — | 1.7 |
| Actuarial loss—financial assumptions | 33.5 | 22.6 | 128.0 | 184.1 |
| Disbursements from plan assets | (15.4) | (22.4) | (9.4) | (47.2) |

**21 EMPLOYEE BENEFITS (continued)**

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | €m | | |
| Disbursements paid directly by the employer | — | (0.2) | (13.3) | (13.5) |
| Termination benefits | — | — | 3.9 | 3.9 |
| Exchange | (19.1) | (23.2) | (1.3) | (43.6) |
| **At 31 December 2020** | 346.8 | 238.4 | 1,429.7 | 2,014.9 |
| Current service cost | 0.6 | 0.7 | 52.7 | 54.0 |
| Past service credit | — | — | (2.0) | (2.0) |
| Interest cost on DBO | 5.7 | 5.9 | 9.2 | 20.8 |
| Member contributions | — | — | 1.6 | 1.6 |
| Actuarial (gain)/loss—experience | (0.1) | 0.9 | (5.7) | (4.9) |
| Actuarial loss/(gain)—demographic assumptions | — | 3.4 | (5.1) | (1.7) |
| Actuarial (gain)—financial assumptions | (0.8) | (7.0) | (124.5) | (132.3) |
| Disbursements from plan assets | (15.3) | (27.2) | (12.1) | (54.6) |
| Disbursements paid directly by the employer | — | (0.2) | (14.0) | (14.2) |
| Termination benefits | — | — | 6.5 | 6.5 |
| Reclassifications | — | — | (20.1) | (20.1) |
| Exchange | 26.2 | 19.2 | 3.6 | 49.0 |
| **At 31 December 2021** | **363.1** | **234.1** | **1,319.8** | **1,917.0** |

Movements in fair value of plan assets:

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | €m | | |
| At 1 January 2019 | 338.3 | 239.6 | 235.2 | 813.1 |
| Interest income on plan assets | 10.1 | 10.1 | 4.2 | 24.4 |
| Return on plan assets greater than discount rate | 27.2 | 36.6 | 16.2 | 80.0 |
| Employer contributions | 13.1 | 5.4 | 29.5 | 48.0 |
| Member contributions | — | — | 1.7 | 1.7 |
| Disbursements | (22.3) | (22.7) | (20.6) | (65.6) |
| Reclassifications | — | 1.3 | — | 1.3 |
| Exchange | 19.4 | 4.9 | 1.8 | 26.1 |
| **At 31 December 2019** | 385.8 | 275.2 | 268.0 | 929.0 |
| Interest income on plan assets | 7.7 | 8.5 | 2.2 | 18.4 |
| Return on plan assets greater than discount rate | 36.4 | 31.5 | 45.4 | 113.3 |
| Employer contributions | 8.0 | 0.2 | 61.8 | 70.0 |
| Member contributions | — | — | 1.8 | 1.8 |
| Disbursements | (15.4) | (22.6) | (22.7) | (60.7) |
| Exchange | (21.8) | (25.9) | (1.5) | (49.2) |
| **At 31 December 2020** | 400.7 | 266.9 | 355.0 | 1,022.6 |
| Interest income on plan assets | 6.6 | 6.7 | 1.6 | 14.9 |
| Return on plan assets greater/(less) than discount rate | 5.7 | (7.4) | 27.3 | 25.6 |
| Employer contributions | 2.5 | 0.2 | 72.0 | 74.7 |
| Member contributions | — | — | 1.6 | 1.6 |
| Disbursements | (15.3) | (27.4) | (26.1) | (68.8) |
| Reclassifications | — | — | (18.8) | (18.8) |
| Exchange | 30.7 | 21.5 | 2.6 | 54.8 |
| **At 31 December 2021** | **430.9** | **260.5** | **415.2** | **1,106.6** |

**21 EMPLOYEE BENEFITS (continued)**

The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

The fair value of the plan assets were as follows:

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | €m | | |
| **At 31 December 2021** | | | | |
| Equities | 6.4 | 25.5 | 215.1 | 247.0 |
| Bonds | 312.6 | 231.8 | 90.5 | 634.9 |
| Property | 0.8 | — | 54.5 | 55.3 |
| Other | 111.1 | 3.2 | 55.1 | 169.4 |
| **Total plan assets** | **430.9** | **260.5** | **415.2** | **1,106.6** |

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | €m | | |
| **At 31 December 2020** | | | | |
| Equities | 24.1 | 27.8 | 168.6 | 220.5 |
| Bonds | 311.7 | 236.9 | 68.0 | 616.6 |
| Property | 12.9 | — | 49.9 | 62.8 |
| Other | 52.0 | 2.2 | 68.5 | 122.7 |
| **Total plan assets** | **400.7** | **266.9** | **355.0** | **1,022.6** |

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | €m | | |
| **At 31 December 2019** | | | | |
| Equities | 30.9 | 27.3 | 114.8 | 173.0 |
| Bonds | 284.3 | 244.9 | 52.3 | 581.5 |
| Property | 12.2 | — | 19.7 | 31.9 |
| Other | 58.4 | 3.0 | 81.2 | 142.6 |
| **Total plan assets** | **385.8** | **275.2** | **268.0** | **929.0** |

There are no plans which hold investments in the Group's own financial instruments, or hold assets or property which are used by the Group.

***Post-retirement health care plans***

Reconciliation of present value of scheme liabilities:

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| At 1 January | 25.4 | 26.5 | 23.9 |
| Current service cost | 0.4 | 0.4 | 0.4 |
| Interest cost on DBO | 0.6 | 0.8 | 1.0 |
| Actuarial loss—experience | — | 1.1 | 0.9 |
| Actuarial (gain)—demographic assumptions | (3.0) | (0.1) | (0.3) |
| Actuarial (gain)/loss—financial assumptions | (0.5) | 2.0 | 2.5 |
| Disbursements directly paid by the employer | (2.1) | (2.8) | (2.6) |
| Exchange adjustments | 2.0 | (2.5) | 0.7 |
| **At 31 December** | **22.8** | **25.4** | **26.5** |

**21 EMPLOYEE BENEFITS (continued)**

The post-retirement healthcare plans do not hold any assets.

The following table presents the sensitivity of the defined benefit obligation to each significant actuarial assumption:

| | 2021 |
|---|---|
| | % |
| **Major assumptions** | |
| Discount rate: 1.0% decrease | 10.5% |
| 1 year increase in longevity for a member currently aged 65 | 2.0% |

## 22. PROVISIONS

| | Severance and restructuring costs | Remediation | Other | Total |
|---|---|---|---|---|
| | | €m | | |
| At 1 January 2021 | 31.6 | 26.3 | 4.1 | 62.0 |
| Credited to the income statement | (5.6) | (10.8) | (1.2) | (17.6) |
| Utilised in the year | — | (0.1) | (1.8) | (1.9) |
| Unwinding of discount | — | 0.2 | — | 0.2 |
| Reclassifications | (0.3) | — | 0.3 | — |
| Effects of movements in foreign exchange | (5.8) | 0.9 | 0.2 | (4.7) |
| **At 31 December 2021** | **19.9** | **16.5** | **1.6** | **38.0** |
| Non—current | 20.1 | 25.9 | 0.5 | 46.5 |
| Current | 17.9 | 6.2 | 3.5 | 27.6 |
| Balance at 31 December 2019 | **38.0** | **32.1** | **4.0** | **74.1** |
| Non—current | 25.7 | 25.3 | 1.3 | 52.3 |
| Current | 5.9 | 1.0 | 2.8 | 9.7 |
| Balance at 31 December 2020 | **31.6** | **26.3** | **4.1** | **62.0** |
| Non—current | 18.3 | 13.9 | 0.1 | 32.3 |
| Current | 1.6 | 2.6 | 1.5 | 5.7 |
| **Balance at 31 December 2021** | **19.9** | **16.5** | **1.6** | **38.0** |

***Severance and restructuring costs***

The severance and restructuring costs provision includes €15.8 million relating to the Köln site following a reorganisation within the O&P North business in 2015 and is expected to be fully utilised by 2027.

In December 2019 the Group took the decision to close the Nitriles facility at Seal Sands, United Kingdom. The severance and restructuring costs provision includes €1.0 million in respect of remaining closure costs including severance and outplacement expenses. The provision is expected to be fully utilised within the next year.

***Remediation costs***

The Group has provided for the cost of remediation works of €15.3 million where there is a legal or constructive obligation for such work to be carried out. Provisions are established to meet the clean-up costs of contaminated soil and groundwater, the removal of potentially hazardous substances and rectification work required to ensure compliance with license to operate obligations. These costs relate mainly to the Group's production facilities at the Köln, Chocolate Bayou, Green Lake and Lima sites, a pilot plant at the Lavera site and oil and gas wells in the Giddings Field. The provision only covers items of specific work

## 22. PROVISIONS (continued)

for which a reasonable estimate can be determined. By their nature the amounts and timing of any outflows in respect of remediation costs are difficult to predict.

In December 2019 the Group took the decision to close the Nitriles facility at Seal Sands, United Kingdom. The remediation provision includes €1.2 million in respect of decommissioning and demolition costs. The provision is expected to be fully utilised within the next year.

### *Other provisions*

Other provisions primarily relates to a commercial disputes in respect of a licencing agreement and are expected to be fully utilised within the next two years.

## 23. SHARE CAPITAL

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| **Fully paid** | | | |
| 924,803 (2020: 924,803, 2019: 924,803) Ordinary shares of €1 each | 0.9 | 0.9 | 0.9 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The Company did not hold or acquire any of its own shares during the year ended 31 December 2021 (2020: none, 2019: none).

## 24. DIVIDENDS

The following dividends were recognised during the year:

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| Dividend paid (2021: €865.0 per share, 2020: nil per share, 2019: €2,234.6 per share) | 800.0 | — | 2,066.6 |

## 25. FINANCIAL INSTRUMENTS

### 25a Fair value of financial instruments

#### *Investments in debt and equity securities*

The fair value of financial assets at fair value through profit or loss is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Financial assets at fair value through other comprehensive income are accounted for at fair value based on the present value of future cash flows where such information is readily available based on the present value of future cash flows estimated from financial information made available during the year as a result of a recent transaction in the investment. However, as explained in Note 14, the Group's financial assets at fair value through other comprehensive income include certain equity interests which are not quoted and for which there is no active market. The Group considers that the acquisition cost to be a reasonable approximation for fair value.

#### *Trade and other receivables*

The carrying amount of trade and other receivables generally approximates to fair value due to their short maturities. Where settlement is not due in the short term and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

## 25. FINANCIAL INSTRUMENTS (continued)

***Trade and other payables***

The carrying amount of trade and other payables generally approximates to fair value due to their short maturities. Where settlement is not due in the short term and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

***Cash and cash equivalents***

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date.

***Interest-bearing borrowings***

The fair value of the Senior Secured Term Loans and Senior Secured Notes, which after initial recognition is determined for disclosure purposes only are based on the market yields derived from quotes obtained at the year end from leading financial institutions. The fair value of the Receivables and Inventory Securitisation, Rafnes Facility, Schuldschein Loan, Köln CoGen Facility, Gemini Facility and Other loans is the same as the carrying value before unamortised debt issue costs.

***Derivative financial instruments***

The fair value of interest rate swaps and commodity contracts are based on market or broker quotes.

***Fair values***

The fair values for each class of financial assets and financial liabilities together with their carrying amounts shown in the consolidated balance sheet are as follows:

| | Carrying amount | Fair value | Carrying amount | Fair value | Carrying amount | Fair value |
|---|---|---|---|---|---|---|
| | 2021 | | 2020 | | 2019 | |
| | | | €m | | | |
| **Financial assets held at fair value through profit or loss:** | | | | | | |
| Derivative commodity contracts | 256.0 | 256.0 | 154.5 | 154.5 | 15.3 | 15.3 |
| Interest rate swap contracts | 26.2 | 26.2 | — | — | — | — |
| **Financial assets held at fair value through other comprehensive income:** | | | | | | |
| Equity investments | 28.3 | 28.3 | 28.3 | 28.3 | 28.3 | 28.3 |
| **Financial assets held at amortised cost (previously loans and receivables):** | | | | | | |
| Trade receivables | 1,665.4 | 1,665.4 | 955.1 | 955.1 | 1,008.6 | 1,008.6 |
| Amounts due from related parties | 1,346.9 | 1,346.9 | 905.5 | 905.5 | 1,028.6 | 1,028.6 |
| Other receivables | 188.1 | 188.1 | 102.5 | 102.5 | 152.8 | 152.8 |
| Cash and cash equivalents | 2,106.1 | 2,106.1 | 1,342.2 | 1,342.2 | 982.9 | 982.9 |
| **Total financial assets** | **5,617.0** | **5,617.0** | **3,488.1** | **3,488.1** | **3,216.5** | **3,216.5** |

## 25. FINANCIAL INSTRUMENTS (continued)

| | Carrying amount 2021 | Fair value 2021 | Carrying amount 2020 | Fair value 2020 | Carrying amount 2019 | Fair value 2019 |
|---|---|---|---|---|---|---|
| | €m | | | | | |
| **Financial liabilities held at fair value through profit and loss:** | | | | | | |
| Derivative commodity contracts | 236.0 | 236.0 | 96.9 | 96.9 | 59.5 | 59.5 |
| Interest rate swap contracts | — | — | 4.2 | 4.2 | — | — |
| **Financial liabilities carried at amortised cost:** | | | | | | |
| Senior Secured Term Loans | 4,829.6 | 4,845.6 | 3,667.7 | 3,653.4 | 3,461.9 | 3,478.5 |
| Senior Secured Notes | 1,633.0 | 1,661.8 | 1,630.4 | 1,662.2 | 1,307.7 | 1,352.5 |
| Senior Notes | — | — | 1,051.9 | 1,072.2 | 1,090.4 | 1,138.1 |
| Securitisation Facility | 17.8 | 18.0 | 113.4 | 114.2 | 295.9 | 297.1 |
| Inventory Financing Facility | 243.1 | 243.1 | 128.8 | 128.8 | 190.4 | 190.9 |
| Rafnes Facility | 212.2 | 214.3 | 247.3 | 250.0 | 246.5 | 250.0 |
| Köln CoGen Facility | 132.0 | 132.0 | 96.0 | 96.0 | 120.0 | 120.0 |
| Schuldschein Loan | 139.9 | 141.0 | 139.4 | 141.0 | 138.9 | 141.0 |
| Other loans | 28.6 | 28.6 | 29.0 | 29.0 | 1.1 | 1.1 |
| Gemini Facility | 503.1 | 512.1 | 477.9 | 487.8 | — | — |
| Lease liabilities | 977.6 | 977.6 | 893.3 | 893.3 | 989.8 | 989.8 |
| Trade payables | 641.1 | 641.1 | 329.7 | 329.7 | 353.7 | 353.7 |
| Amounts due to related parties | 313.2 | 313.2 | 179.4 | 179.4 | 208.8 | 208.8 |
| Other payables | 788.4 | 788.4 | 682.6 | 682.6 | 675.6 | 675.6 |
| **Total financial liabilities** | **10,695.6** | **10,752.8** | **9,767.9** | **9,820.7** | **9,140.2** | **9,256.6** |

The table below analyses financial instruments carried at fair value, by valuation method. The different levels, determined in accordance with IFRS 13 "Fair Value Measurement", have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| | 2021 Fair value | 2021 Level 1 | 2021 Level 2 | 2021 Level 3 | 2020 Fair value | 2020 Level 1 | 2020 Level 2 | 2020 Level 3 | 2019 Fair value | 2019 Level 1 | 2019 Level 2 | 2019 Level 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | €m | | | | | | | | | | | |
| **Financial assets held at fair value through profit or loss:** | | | | | | | | | | | | |
| Derivative commodity contracts | 256.0 | 77.7 | 178.3 | — | 154.5 | — | 154.5 | — | 15.3 | — | 15.3 | — |
| Interest rate swap contracts | 26.2 | — | 26.2 | — | — | — | — | — | — | — | — | — |
| **Financial assets held at fair value through other comprehensive income:** | | | | | | | | | | | | |
| Equity investments | 28.3 | — | — | 28.3 | 28.3 | — | — | 28.3 | 28.3 | — | — | 28.3 |
| **Financial liabilities held at fair value through profit and loss:** | | | | | | | | | | | | |
| Derivative commodity contracts | (236.0) | (42.8) | (193.2) | — | (96.9) | — | (96.9) | — | (59.5) | — | (59.5) | — |
| Interest rate swap contracts | — | — | — | — | (4.2) | — | (4.2) | — | — | — | — | — |
| **Total financial assets and liabilities held at fair value** | **74.5** | **34.9** | **11.3** | **28.3** | **81.7** | **—** | **53.4** | **28.3** | **(15.9)** | **—** | **(44.2)** | **28.3** |

**25. FINANCIAL INSTRUMENTS (continued)**

The commodity derivatives are fair valued using rates in quoted markets. There have been no transfers between any levels in 2021 (2020 and 2019: no transfers between levels).

**25b Net gains and losses from financial instruments**

Net gains and losses from financial instruments comprise the results of valuations, the amortisation of discounts, the recognition and derecognition of impairment losses, results from the translation of foreign currencies, interest, dividends and all effects on profit or loss of financial instruments.

Net gains from financial assets measured at amortised cost relate primarily to recognition and derecognition of impairment losses, results from the translation of foreign currencies and interest income.

Net losses from financial liabilities measured at amortised cost relate primarily to amortisation of discounts, results from the translation of foreign currencies, interest expense and other financing related expenses.

The item 'financial instruments at fair value through profit or loss' comprise valuation gains and losses, and only includes gains and losses from instruments which are not designated as hedging instruments as defined by IFRS 9.

| | Assets measured at amortised cost | | | Fair value through OCI | | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 |
| | | | €m | | | |
| Interest income | 50.5 | 59.9 | 76.0 | — | — | — |
| Dividend income | — | — | — | 0.2 | 2.4 | 6.0 |
| Foreign exchange (losses)/gains | (19.9) | 17.3 | 61.1 | — | — | — |
| **Net result** | **30.6** | **77.2** | **137.1** | **0.2** | **2.4** | **6.0** |
| **Carrying value at 31 December** | **5,306.5** | **3,305.3** | **3,172.9** | **28.3** | **28.3** | **28.3** |

| | Liabilities measured at amortised cost | | | Financial instruments at fair value through profit or loss | | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 |
| | | | €m | | | |
| Interest cost | (268.7) | (266.0) | (287.3) | — | — | — |
| Other finance cost | (24.2) | (6.2) | (7.4) | — | — | — |
| Net fair value gains/(losses) on derivatives | — | — | — | 76.1 | 5.8 | (95.4) |
| Foreign exchange gains/(losses) | 331.6 | 163.4 | (27.7) | 7.0 | 1.5 | — |
| **Net result** | **38.7** | **(108.8)** | **(322.4)** | **83.1** | **7.3** | **(95.4)** |
| **Carrying value at 31 December** | **(10,459.6)** | **(9,666.8)** | **(9,080.7)** | **46.2** | **53.4** | **(44.2)** |

**25c Credit risk**

***Financial risk management***

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, deposits with financial institutions and derivatives.

Group Treasury policy and objectives in relation to credit risk is to minimize the likelihood that the Group will experience financial loss due to counterparty failure and to ensure that in the event of a single loss, the failure of any single counterparty would not materially impact the financial wellbeing of the Group.

***Trade and other receivables***

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including

**25. FINANCIAL INSTRUMENTS (continued)**

the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Management considers that there is no geographical concentration of credit risk. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered or are adjusted accordingly. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

***Investments, cash and cash equivalent***

Surplus cash investments are only made with banks with which the Group has a relationship.

***Guarantees***

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. At December 31, 2021 no guarantees were outstanding (2020: none, 2019: none).

***Exposure to credit risk***

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the reporting date was the carrying amount of financial assets. Further details on the Group's exposure to credit risk are given in Note 18.

**25d Liquidity risk**

***Financial risk management***

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group. The Group's exposure to liquidity risk is limited by the fact that it operates with significant cash resources, and it maintains the most appropriate mix of short, medium and long-term borrowings from the Group's lenders.

The Group is reliant on committed funding from a variety of sources at Group and subsidiary company level to meet the anticipated needs of the Group for the period covered by the Group's budget.

The Group forecasts on a regular basis the expected cash flows that will occur on a weekly and monthly basis. This information is used in conjunction with the weekly reporting of actual cash balances at bank in order to calculate the level of funding that will be required in the short and medium term. On a monthly basis the level of headroom on existing facilities is reported and forecast forward until the end of the financial period.

In addition, the Group maintains various lines of credits in the form of Senior Secured Notes, Senior Secured Term Loans, Securitisation, Rafnes Facility, Köln CoGen Facility, Gemini Facility and Other loans. (See Note 19—"Interest-Bearing Loans and Borrowings" for more information).

**25. FINANCIAL INSTRUMENTS (continued)**

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

| | 2021 | | | | | |
|---|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flows | 1 year or less | 1 to<2 years | 2 to<5 years | 5 years and over |
| | | | €m | | | |
| **Non-derivative financial liabilities** | | | | | | |
| Senior Secured Term Loans | 4,829.6 | (5,311.2) | (170.4) | (171.1) | (3,486.1) | (1,483.6) |
| Senior Secured Notes | 1,633.0 | (1,839.4) | (44.8) | (44.8) | (1,749.8) | — |
| Securitisation Facility | 17.8 | (30.4) | (4.1) | (4.1) | (22.2) | — |
| Inventory Financing Facility | 243.1 | (246.0) | (246.0) | — | — | — |
| Rafnes Facility | 212.2 | (230.1) | (79.7) | (76.7) | (73.7) | — |
| Köln CoGen Facility | 132.0 | (137.6) | (33.7) | (56.6) | (47.3) | — |
| Schuldschein loan | 139.9 | (151.5) | (3.5) | (3.5) | (144.5) | — |
| Other loans | 28.6 | (32.1) | (10.6) | (2.2) | (4.7) | (14.6) |
| Gemini Facility | 503.1 | (605.4) | (39.2) | (39.1) | (117.4) | (409.7) |
| Lease liabilities | 977.6 | (1,251.6) | (185.3) | (185.3) | (395.0) | (486.0) |
| Trade payables | 641.1 | (641.1) | (641.1) | — | — | — |
| Amounts due to related parties | 313.2 | (313.2) | (313.2) | — | — | — |
| Other payables | 788.4 | (788.4) | (702.4) | (86.0) | — | — |
| **Derivative financial liabilities** | | | | | | |
| Commodity contracts | 236.0 | (236.0) | (236.0) | — | — | — |
| | **10,695.6** | **(11,814.0)** | **(2,710.0)** | **(669.4)** | **(6,040.7)** | **(2,393.9)** |

| | 2020 | | | | | |
|---|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flows | 1 year or less | 1 to<2 years | 2 to<5 years | 5 years and over |
| | | | €m | | | |
| **Non-derivative financial liabilities** | | | | | | |
| Senior Secured Term Loans | 3,667.7 | (4,006.7) | (129.6) | (128.4) | (3,376.1) | (372.6) |
| Senior Secured Notes | 1,630.4 | (1,884.7) | (45.3) | (44.8) | (684.4) | (1,110.2) |
| Senior Notes | 1,051.9 | (1,287.7) | (57.8) | (57.8) | (1,172.1) | — |
| Securitisation Facility | 113.4 | (125.6) | (5.7) | (119.9) | — | — |
| Inventory Financing Facility | 128.8 | (130.3) | (130.3) | — | — | — |
| Rafnes Facility | 247.3 | (271.1) | (41.0) | (79.7) | (150.4) | — |
| Köln CoGen Facility | 96.0 | (101.8) | (26.5) | (25.8) | (49.5) | — |
| Schuldschein loan | 139.4 | (155.1) | (3.5) | (3.5) | (148.1) | — |
| Other loans | 29.0 | (33.2) | (2.9) | (10.5) | (5.0) | (14.8) |
| Gemini Facility | 477.9 | (587.6) | (30.0) | (36.1) | (108.1) | (413.4) |
| Lease liabilities | 893.3 | (1,061.2) | (174.7) | (174.7) | (289.5) | (422.3) |
| Trade payables | 329.7 | (329.7) | (329.7) | — | — | — |
| Amounts due to related parties | 179.4 | (179.4) | (179.4) | — | — | — |
| Other payables | 682.6 | (682.6) | (593.6) | (89.0) | — | — |
| **Derivative financial liabilities** | | | | | | |
| Commodity contracts | 96.9 | (96.9) | (96.9) | — | — | — |
| Interest rate swap contracts | 4.2 | (18.1) | (3.1) | (3.1) | (11.9) | — |
| | **9,767.9** | **(10,951.7)** | **(1,850.0)** | **(773.3)** | **(5,995.1)** | **(2,333.3)** |

## 25. FINANCIAL INSTRUMENTS (continued)

| | 2019 | | | | | |
|---|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flows | 1 year or less | 1 to<2 years | 2 to<5 years | 5 years and over |
| | €m | | | | | |
| **Non-derivative financial liabilities** | | | | | | |
| Senior Secured Term Loans | 3,461.9 | (3,905.3) | (139.8) | (138.2) | (3,627.3) | — |
| Senior Secured Notes | 1,307.7 | (1,534.0) | (33.8) | (33.8) | (101.5) | (1,364.9) |
| Senior Notes | 1,090.4 | (1,396.4) | (60.0) | (60.0) | (1,276.4) | — |
| Securitisation Facility | 295.9 | (322.9) | (8.6) | (8.6) | (305.7) | — |
| Inventory Financing Facility | 190.4 | (192.7) | (192.7) | — | — | — |
| Noretyl Facility | 246.5 | (271.0) | — | (41.0) | (230.0) | — |
| Köln CoGen Facility | 120.0 | (129.0) | (27.2) | (26.5) | (75.3) | — |
| Schuldschein loan | 138.9 | (158.6) | (3.5) | (3.5) | (151.6) | — |
| Other loans | 1.1 | (1.1) | (0.5) | (0.6) | — | — |
| Lease liabilities | 989.8 | (1,131.1) | (187.0) | (187.0) | (272.0) | (485.1) |
| Trade payables | 353.7 | (353.7) | (353.7) | — | — | — |
| Amounts due to related parties | 208.8 | (208.8) | (208.8) | — | — | — |
| Other payables | 675.6 | (675.6) | (609.9) | (65.7) | — | — |
| **Derivative financial liabilities** | | | | | | |
| Commodity contracts | 59.5 | (59.5) | (59.5) | — | — | — |
| | **9,140.2** | **(10,339.7)** | **(1,885.0)** | **(564.9)** | **(6,039.8)** | **(1,850.0)** |

### 25e Net investment and cash flow hedges

The Group does not have derivative commodity contracts that qualify as cash flow hedges at December 31, 2021.

The Group has US$ and Sterling financial liabilities in respect of the Senior Notes and Securitisation Facility that are designated net investment hedges of US$ and Sterling operations in accordance with the requirements of IFRS 9. The US$ and Sterling net investment hedges had a carrying value and fair value as follows:

| | Carrying amounts 2021 | Fair value 2021 | Carrying amounts 2020 | Fair value 2020 | Carrying amounts 2019 | Fair value 2019 |
|---|---|---|---|---|---|---|
| | €m | | | | | |
| US Dollars | (15.7) | (15.9) | (516.1) | (525.0) | (2,019.6) | (2,039.7) |
| Sterling | (2.1) | (2.1) | (2.0) | (2.0) | (3.2) | (3.2) |
| | **(17.8)** | **(18.0)** | **(518.1)** | **(527.0)** | **(2,022.8)** | **(2,042.9)** |

For the year ended December 31, 2021 gains net of tax of €479.2 million were taken directly to reserves and reported in the Statement of Comprehensive Income for the year then ended (2020: losses €527.4 million, 2019: gains €88.0 million). There was no ineffectiveness recognised in the income statement for the year ended December 31, 2021 (2020: €nil, 2019: €nil). The cumulative net investment hedge reserve amount as at December 31, 2021 was €442.7 million (2020: €(36.5) million, 2019: €490.9 million).

### 25f Market risk

***Financial risk management***

Market risk reflects the possibility that changes in market prices, such as crude oil, feedstock refined products, chemicals or currency exchange rates or changes in interest rates will adversely affect the value of the Group's assets, liabilities or expected future cash flows. The Group holds commodity and interest rate swap contracts in order to manage market risk. The use of derivative instruments is confined to specialist teams that have the appropriate skills, experience, supervision, control and reporting systems.

**25. FINANCIAL INSTRUMENTS (continued)**

***Market risk—Foreign currency risk***

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. Dollar and Sterling.

Foreign exchange risk arises from net investments in foreign operations, future commercial transactions, and recognised assets and liabilities.

The Group applies hedge accounting to foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation. When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item is considered to form part of a net investment in a foreign operation and changes in the fair value are recognised directly within equity.

A substantial portion of the Group's revenue is generated in, or linked to, the U.S. dollar and the euro. In the European petrochemical business, product prices, certain feedstock costs and most other costs are denominated in euro and sterling. In the U.S. petrochemical and specialty chemicals businesses, product prices, raw materials costs and most other costs are primarily denominated in U.S. dollars.

The Group generally does not enter into foreign currency exchange instruments to hedge foreign currency transaction exposure, although the Group has done so in the past and may do so in the future.

The Group benefits from natural hedging, to the extent that currencies in which net cash flows are generated from the Group's operations, are matched against long-term indebtedness.

The foreign currency exposure where the Group's external financial assets/(liabilities) are not denominated in the functional currency of the operating unit involved is shown below. Foreign exchange differences on retranslation of these assets and liabilities are taken to the other comprehensive income of the Group.

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| Euros | 4.5 | 26.9 | — |
| US Dollars | (126.1) | (609.8) | (589.7) |
| Sterling | 3.4 | (9.0) | (12.9) |
| Other | (211.4) | (247.0) | (247.4) |
| | **(329.6)** | **(838.9)** | **(850.0)** |

***Sensitivity analysis***

A ten percent weakening of the following currencies at December 31, would have increased/(decreased) equity and profit or (loss) by the amounts shown below. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for the comparative years.

| | Equity | | | Profit or loss | | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 |
| | | | €m | | | |
| Euro | — | — | — | (0.5) | (2.7) | — |
| US Dollars | 1.6 | 51.6 | 57.1 | 11.0 | 9.4 | 1.8 |
| Sterling | 0.2 | 0.2 | 0.3 | (0.6) | 0.7 | 1.0 |
| Other | 20.9 | 24.4 | 24.6 | 0.3 | 0.3 | 0.1 |

**25. FINANCIAL INSTRUMENTS (continued)**

A ten percent strengthening of the above currencies against the euro at December 31, would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

**Market risk—Interest rate risk**

***Profile***

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| **Carrying amount—asset/(liability)** | | | |
| **Fixed rate instruments** | | | |
| Financial assets | 1,108.6 | 761.5 | 859.6 |
| Financial liabilities | (3,014.3) | (3,829.4) | (3,699.4) |
| | **(1,905.7)** | **(3,067.9)** | **(2,839.8)** |
| **Variable rate instruments** | | | |
| Financial assets | 2,106.1 | 1,342.2 | 982.9 |
| Financial liabilities | (5,702.6) | (4,645.7) | (4,143.2) |
| | **(3,596.5)** | **(3,303.5)** | **(3,160.3)** |

***Sensitivity analysis***

A change of 1% in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates, financial instrument at fair value through profit or loss or available for sale with fixed interest rates and the fixed rate element of interest rate caps. The analysis is performed on the same basis for 2021, 2020 and 2019.

***Sensitivity analysis (continued)***

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| **Profit or loss** | | | |
| Loss on increase in interest rates by 1% | (36.0) | (33.0) | (31.6) |

A 1% change in the opposite direction of the above interest rates at December 31, would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

***Market risk—Commodity price risk***

This section discusses the Group's exposure to the commodity contracts which are not covered under the own use exemption and are recognised as derivative instruments.

The Group and its Refining joint venture are exposed to commodity price risk through fluctuations in raw material prices and sales of products. The raw material exposures result primarily from the price of crude oil and base chemicals linked to the price of crude. The sales price exposures are primarily related to petrochemicals where prices are in general linked to the market price of crude oil.

The Group enters into contracts to supply or acquire physical volumes of commodities at future dates during the normal course of business that may be considered derivative contracts. Where such

## 25. FINANCIAL INSTRUMENTS (continued)

contracts exist and are in respect of the normal purchase or sale of products to fulfil the Group's requirements, the own use exemption from derivative accounting is applied.

The Group manages commodity price exposures through trading refined products and chemical feedstock and using commodity swaps, options and futures as a means of managing price and timing risks. In 2021 there was a net mark to market derivative asset in respect of commodity contracts of €20.0 million entered into by the Group to manage such risk (2020: net derivative liability of €57.6 million, 2019: net derivative liability of €44.2 million).

The Group operates within procedures and policies designed to ensure that risks, including those relating to the default of counterparties, are minimised.

### *Market risk—Equity price risk*

The Group's exposure to equity price risk arises from its investment in equity securities which are classified as financial assets at fair value through other comprehensive income. These financial assets are accounted for at fair value based on the present value of future cash flows where such information is readily available.

For the financial assets at fair value through other comprehensive income a 10 percent increase and decrease in transaction prices at the reporting date would have decreased and increased the loss for the year by €2.8 million (2020: €2.8 million, 2019: €2.8 million). Management consider that a change of 10 percent gives an appropriate benchmark to assess the risks that the Group is expected to be exposed to. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

### Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group defines its capital employed of €8,986.2 million (2020: €7,701.2 million, 2019: €7,326.3 million) as shareholders' equity of €3,353.0 million (2020: €1,461.6 million, 2019: €1,456.4 million) and net debt (net of debt issue costs) of €5,633.2 million (2020: €6,239.6 million, 2019: €5,869.9 million).

The principal sources of debt available to the Group at December 31, 2021 include the Senior Secured Term Loans, Senior Secured Notes due March 2026, Senior Secured Notes due May 2026, Senior Secured Notes due 2025, Receivables Securitisation Facility, Inventory Financing Facility, Schuldschein Loan, Rafnes Facility, Köln CoGen Facility and the Gemini Facility and are described in Note 19 along with the key operating and financial covenants that apply to these facilities.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, raise new debt or sell assets to reduce debt. The ability of the Group to pay dividends and provide appropriate facilities to the Group is restricted by the terms of principal financing agreements to which members of the Group are party.

## 26. LEASE OBLIGATIONS

*Analysed as:*

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | €m | €m | €m |
| Current lease liabilities | 146.8 | 120.5 | 125.4 |
| Non-current lease liabilities | 830.8 | 772.8 | 864.4 |
| | **977.6** | **893.3** | **989.8** |

## 26. LEASE OBLIGATIONS (continued)

*Maturity analysis—contractual undiscounted cash flows:*

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | €m | €m | €m |
| Less than one year | 185.3 | 174.7 | 187.0 |
| Between one and five years | 580.3 | 464.2 | 459.0 |
| More than five years | 486.0 | 422.3 | 485.1 |
| **Total undiscounted lease liabilities at 31 December** | **1,251.6** | **1,061.2** | **1,131.1** |

*Amounts recognized in the statement of cash flows:*

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | €m | €m | €m |
| **Total cash outflow for leases** | **208.2** | **243.3** | **207.1** |

The Group has entered into a number of significant lease arrangements relating to shipping capacity in respect of the supply chain activities for the European cracker assets. These leases typically run for a period of between 10 and 15 years with options to extend after that date.

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

## 27. CAPITAL COMMITMENTS

Outstanding capital expenditure authorised by the Board and for which contracts had been placed as at December 31, 2021 by the Group amounted to approximately €273.0 million (2020: €308.8 million, 2019: €616.3 million).

## 28. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| | | €m | |
| Increase/(decrease) in cash and cash equivalents in the year | 633.7 | 428.9 | (1,104.6) |
| Cash outflow/(inflow) from change in debt financing | 46.1 | (636.4) | (514.4) |
| Change in net debt before issue costs resulting from cash flows | 679.8 | (207.5) | (1,619.0) |
| Debt acquired with acquisition of business | — | (301.0) | — |
| Foreign exchange and other net non-cash transactions | (70.5) | 124.5 | (26.0) |
| Movement in net debt before issue costs in year | **609.3** | **(384.0)** | **(1,645.0)** |

An analysis of changes in the Group's liabilities arising from financing activities is as follows:

| | 1 Jan 2021 | Cash Flow | Acquisitions (Note 3) | Foreign Exchange and Other Non Cash Changes | 31 Dec 2021 |
|---|---|---|---|---|---|
| | €m | €m | €m | €m | €m |
| Interest-bearing loans and borrowings | (7,581.8) | 57.2 | — | (214.7) | (7,739.3) |
| Lease liabilities | (893.3) | 141.9 | — | (226.2) | (977.6) |
| **Total** | **(8,475.1)** | **199.1*** | **—** | **(440.9)** | **(8,716.9)** |

* Represents net cash used in financing activities excluding cash flows from dividends and interest paid.

## 28. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (continued)

| | 1 Jan 2020 | Cash Flow | Acquisitions (Note 3) | Foreign Exchange and Other Non Cash Changes | 31 Dec 2020 |
|---|---|---|---|---|---|
| | €m | €m | €m | €m | €m |
| Interest-bearing loans and borrowings | (6,852.8) | (613.7) | (301.0) | 185.7 | (7,581.8) |
| Lease liabilities | (989.8) | 168.2 | — | (71.7) | (893.3) |
| **Total** | **(7,842.6)** | **(445.5)*** | **(301.0)** | **114.0** | **(8,475.1)** |

* Represents net cash used in financing activities excluding cash flows from dividends and interest paid.

| | 1 Jan 2019 | Cash Flow | Foreign IFRS 16 First-time Adoption (Note 1) | Exchange and Other Non Cash Changes | 31 Dec 2019 |
|---|---|---|---|---|---|
| | €m | €m | €m | €m | €m |
| Interest-bearing loans and borrowings | (6,301.4) | (531.3) | — | (20.1) | (6,852.8) |
| Lease liabilities | (1.2) | 128.4 | (899.4) | (217.6) | (989.8) |
| **Total** | **(6,302.6)** | **(402.9)*** | **(899.4)** | **(237.7)** | **(7,842.6)** |

* Represents net cash used in financing activities excluding cash flows from dividends and interest paid.

An analysis of net debt before issue costs is as follows:

| | 1 Jan 2021 | Cash Flow | Acquisitions (Note 3) | Foreign Exchange and Other Non Cash Changes | 31 Dec 2021 |
|---|---|---|---|---|---|
| | €m | €m | €m | €m | €m |
| Cash at bank and in hand | 1,342.2 | 633.7 | — | 130.2 | 2,106.1 |
| Debt due within one year | (243.9) | (113.6) | — | (57.2) | (414.7) |
| Debt due after more than one year | (7,386.7) | 159.7 | — | (143.5) | (7,370.5) |
| Total external borrowings | (7,630.6) | 46.1 | — | (200.7) | (7,785.2) |
| **Net debt before issue costs** | **(6,288.4)** | **679.8** | **—** | **(70.5)** | **(5,679.1)** |

| | 1 Jan 2020 | Cash Flow | Acquisitions (Note 3)* | Foreign Exchange and Other Non Cash Changes | 31 Dec 2020 |
|---|---|---|---|---|---|
| | €m | €m | €m | €m | €m |
| Cash at bank and in hand | 982.9 | 428.9 | — | (69.6) | 1,342.2 |
| Debt due within one year | (250.6) | 76.2 | (14.9) | (54.6) | (243.9) |
| Debt due after more than one year | (6,636.7) | (712.6) | (286.1) | 248.7 | (7,386.7) |
| Total external borrowings | (6,887.3) | (636.4) | (301.0) | 194.1 | (7,630.6) |
| **Net debt before issue costs** | **(5,904.4)** | **(207.5)** | **(301.0)** | **124.5** | **(6,288.4)** |

* Excludes cash.

## 28. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (continued)

| | 1 Jan 2019 | Cash Flow | Acquisitions (Note 3) | Foreign Exchange and Other Non Cash Changes | 31 Dec 2019 |
|---|---|---|---|---|---|
| | €m | €m | €m | €m | €m |
| Cash at bank and in hand | 2,071.3 | (1,104.6) | — | 16.2 | 982.9 |
| Debt due within one year | (63.7) | (163.2) | — | (23.7) | (250.6) |
| Debt due after more than one year | (6,267.0) | (351.2) | — | (18.5) | (6,636.7) |
| Total external borrowings | (6,330.7) | (514.4) | — | (42.2) | (6,887.3) |
| **Net debt before issue costs** | **(4,259.4)** | **(1,619.0)** | **—** | **(26.0)** | **(5,904.4)** |

## 29. RELATED PARTIES

***Identity of related parties with which the Group has transacted***

Related parties comprise:

- Parent entities and their subsidiaries not included within the INEOS Group Holdings S.A. group;
- Entities controlled by the shareholders of INEOS Limited, the ultimate parent company of INEOS Group Holdings S.A.;
- Key management personnel; and
- Joint ventures.

Mr JA Ratcliffe, Mr AC Currie and Mr J Reece are shareholders in INEOS Limited.

INEOS Limited (previously also INEOS AG, a subsidiary of INEOS Limited), provides operational management services to the Group through a management services agreement. During the year ended December 31, 2021 management fees of €91.6 million (2020: €90.5 million, 2019: €88.0 million) were charged to the income statement. As at December 31, 2021 amounts owed to INEOS Limited were €23.3 million (2020: €23.1 million, 2019: nil). As at December 31, 2021 there were no amounts owed to INEOS AG (2020: nil, 2019: €23.1 million). As at December 31, 2021 there were no amounts owed to INEOS Holdings AG, a wholly owned subsidiary of INEOS AG (2020: nil, 2019: €0.9 million). As at December 31, 2021 amounts owed by INEOS Holdings AG were €94.5 million (2020: €28.3 million, 2019: nil). As at December 31, 2021 amounts owed by INEOS Holdings Luxembourg S.A., a wholly owned subsidiary of INEOS Holdings AG were €15.6 million (2020: €0.3 million, 2019: €0.1 million).

In March 2019 the Group received €260.5 million of proceeds in relation to the repayment of the Group's preferential interest in INEOS Investments Partnership following the sale by INEOS Investments Partnership of its assets (shares in PQ Corporation) to INEOS Limited. The Group paid the proceeds received as part of a dividend of €296.3 million to its parent company, INEOS Holdings Luxembourg S.A..

INEOS Limited owns and controls a number of operating subsidiaries that are not included in the INEOS Group Holdings S.A. group, including INEOS Industries Limited, INEOS Enterprises Holdings Limited and the Lavéra petrochemical assets and businesses together with other French and Italian assets of INEOS O&P South.

During the year ended December 31, 2021 the Group has made sales to these subsidiaries of €1,727.1 million (2020: €1,044.7 million, 2019: €1,316.1 million), recovered net costs of €180.1 million (2020: €141.4 million, 2019: €77.9 million) and made purchases of €2,100.5 million (2020: €1,031.3 million, 2019: €1,315.2 million). As at December 31, 2021, €690.4 million (2020: €374.2 million, 2019: €471.1 million) was owed by and €288.5 million (2020: €177.4 million, 2019: €154.0 million) was owed to these subsidiaries (excluding the INEOS Upstream Limited loan).

**29. RELATED PARTIES (continued)**

During 2015 the Group provided a loan of $623.7 million to INEOS Upstream Limited, a related party, in connection with its acquisition of natural gas assets in the North Sea. The loan facility is unsecured and matures in June 2024 and bears interest at 7% per annum. On September 29, 2017, INEOS Upstream Limited, a related party, acquired further natural gas assets in the North Sea through its acquisition of the entire oil and gas business of DONG Energy A/S. In connection with the DONG Acquisition, the Group advanced a loan of $376.2 million (€315.7 million) to INEOS Upstream Limited, the proceeds of which were on lent to certain of its subsidiaries. The loan is unsecured and matures in June 2024 and bears interest at 7% per annum. There were no loan repayments during 2021 (2020: nil, 2019: nil). As at December 31, 2021 $617.1 million (€544.6 million) (2020: $617.1 million (€501.7 million), 2019: $617.1 million (€550.8 million)) was outstanding under the facility.

INEOS Limited owns interests in a number of joint ventures that are not included in the INEOS Group Holdings S.A. group, including the French joint ventures associated with the Lavera petrochemical assets and businesses which were divested by the Group on July 1, 2014 and the refining joint ventures between PetroChina and INEOS Investments (Jersey) Limited, a related party. Previous to becoming a fully owned subsidiary on December 31, 2020 (see Note 3) the Group had a joint venture with Sasol Limited to build and operate a HDPE plant at Battleground site in Texas, USA which became operational at the end of 2017.

During the year ended December 31, 2021 the Group made no sales (2020: €0.1 million, 2019: €0.1 million), recovered net costs of €12.4 million (2020: €0.2 million, 2019: €0.5 million) and made no purchases (2020: €0.2 million, 2019: €0.2 million) from the French joint ventures. As at December 31, 2021 €0.3 million (2020: €0.1 million, 2019: €0.3 million) was owed by the French joint ventures and €0.1 million (2020: nil, 2019: €0.2 million) was owed to the French joint ventures.

The Refining joint ventures are between PetroChina and INEOS Investments (Jersey) Limited, a related party. During the year ended December 31, 2021 the Group made sales to the Refining joint ventures of €2.5 million (2020: €1.4 million, 2019: nil), recovered costs of €35.1 million (2020: €8.4 million, 2019: €8.6 million) and made purchases of €80.1 million (2020: €145.7 million, 2019: €221.4 million). As at December 31, 2021, €1.5 million (2020: €1.2 million, 2019: €0.8 million) was owed by the Refining joint ventures and €1.3 million (2020: €2.0 million, 2019: €25.5 million) was owed to the Refining joint ventures.

Before the HDPE joint venture became a fully owned subsidiary of the Group on December 31, 2020 (see Note 3) the Group recovered costs of €60.5 million (2019: €59.1 million) and made purchases of €43.6 million (2019: €47.9 million) from the HDPE joint venture. As at December 31, 2019, €5.6 million was owed by and €5.1 million was owed to the HDPE joint venture.

The Group has entered into a number of derivative contracts with INEOS UK SNS Limited and INEOS Energy Trading Limited, both related parties. The net fair value loss on these derivatives during the year ended December 31, 2021 was €109.5 million (2020: €126.2 million, 2019: €80.3 million). As at December 31, 2021, the mark to market derivative asset was €173.8 million (2020: €17.8 million, 2019: €15.3 million) and the mark to market liability was €193.2 million (2020: €88.0 million, 2019: €54.5 million) in respect of these related party derivative financial instruments (see Note 15).

In general, any trading balances with related parties are priced based on contractual arrangements and are to be settled in cash. The transactions are made on terms equivalent to those that prevail in arm's length transactions.

None (2020: none, 2019: none) of the related party balances are secured and no guarantees have been given or received. There were no provisions for doubtful debt related to any related parties as at December 31, 2021 (2020: nil, 2019: nil).

***Compensation to key management personnel (including directors)***

The Group defines key management as the directors of the Company. Details of Directors' remuneration are given in Note 7.

## 30. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is INEOS Holdings Luxembourg S.A.. The ultimate parent undertaking at December 31, 2021 was INEOS Limited, a company registered in the Isle of Man. The ultimate controlling party is Mr JA Ratcliffe, director and majority shareholder of the ultimate parent undertaking. INEOS Group Holdings S.A. and its subsidiaries are not included within any other consolidated financial statements.

## 31. ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group prepares its consolidated financial statements in accordance with IFRSs, which require management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates change and in any future periods.

### Key sources of estimated uncertainty

Estimates and associated assumptions are based on historical experience and other factors that the Group believe are reasonable, including assets and expected economic conditions, and in certain cases actuarial assumption. Although these estimates are based on the Group's knowledge of current events and circumstances, actual numbers may differ.

***Post-retirement benefits***

The Group operates a number of defined benefit post-employment schemes. Under IAS 19 Revised Employee Benefits, management is required to estimate the present value of the future defined benefit obligation of each of the defined benefit schemes. The costs and year end obligations under defined benefit schemes are determined using actuarial valuations. The actuarial valuations involve making numerous assumptions, including:

- Future rate of increase in salaries;
- Inflation rate projections;
- Discount rate for scheme liabilities; and
- Expected rates of return on the scheme assets.

Details of post-retirement benefits are set out in Note 21.

## 32. SUBSEQUENT EVENTS

The Group does not have operations in Belarus, Russia or Ukraine. During 2021 revenue generated in these countries was not material to the Group. The Group is not currently experiencing any material disruption to its operations and does not foresee any direct impact as a result of the conflict, but will continue to monitor the evolving situation closely. The conflict has led to a significant increase in energy prices; however the Group is currently successfully managing these increases by passing them onto customers through higher prices. Therefore the Group is not expecting any material indirect impact on its operations or performance as a result of the conflict, but is monitoring this closely.

# INEOS GROUP HOLDINGS S.A.

**Consolidated Financials Statements**
**for the year ended 31 December 2020**

## INDEX TO THE FINANCIAL STATEMENTS

To the Shareholders of
Ineos Group Holdings S.A.

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

### Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Ineos Group Holdings S.A. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at December 31, 2020, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "*Commission de Surveillance du Secteur Financier*" (CSSF). Our responsibilities under the Law of July 23, 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "*réviseur d'entreprises agréé*" for the Audit of the Consolidated Financial Statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated annual report including *the* management report but does not include the consolidated financial statements and our report of the "*réviseur d'entreprises agréé"* thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Responsibilities of the "*réviseur d'entreprises agréé*" for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *"réviseur d'entreprises agréé"* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors'use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "*réviseur d'entreprises agréé*" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "*réviseur d'entreprises agréé*". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

**Other matter**

As part of our audit of the 2020 consolidated financial statements, we also audited the adjustments described in Note 1, paragraph "Restatement of comparatives" that were applied to amend the 2018 consolidated financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2018 consolidated financial statements of the Group other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2018 consolidated financial statements taken as a whole.

For Deloitte Audit, *Cabinet de révision agréé*

Ludovic Mosca, *Réviseur d'entreprises agréé*
Partner

March 19, 2021

## INEOS Group Holdings S.A.

## CONSOLIDATED INCOME STATEMENT
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | 2020 | 2019 | 2018 |
|---|---|---|---|---|
| | | | €m | |
| **Revenue** | 2 | **11,303.7** | **13,705.0** | **16,091.5** |
| Cost of sales before exceptional items | | (9,921.5) | (11,774.4) | (13,665.8) |
| Exceptional impairment charge | 4 | (118.5) | — | — |
| Total cost of sales | | (10,040.0) | (11,774.4) | (13,665.8) |
| **Gross profit** | | **1,263.7** | **1,930.6** | **2,425.7** |
| Distribution costs | | (207.4) | (229.7) | (215.0) |
| Administrative expenses before exceptional items | | (387.5) | (441.0) | (392.1) |
| Exceptional administrative expenses | 4 | (8.9) | (48.1) | — |
| Total administrative expenses | | (396.4) | (489.1) | (392.1) |
| **Operating profit** | 5 | **659.9** | **1,211.8** | **1,818.6** |
| Share of (loss)/profit of associates and joint ventures using the equity accounting method | 12a | (210.0) | 67.0 | (66.6) |
| Profit on disposal of investments | 3, 12, 13 | 78.3 | 2.6 | — |
| Profit on disposal of fixed assets | | 1.1 | — | — |
| **Profit before net finance costs** | | **529.3** | **1,281.4** | **1,752.0** |
| Finance income | 8 | 318.3 | 91.0 | 117.3 |
| Finance costs before exceptional item | 8 | (296.2) | (421.1) | (395.1) |
| Exceptional finance cost | 4 | — | (11.7) | — |
| Total finance costs | | (296.2) | (432.8) | (395.1) |
| Net finance income/(costs) | | 22.1 | (341.8) | (277.8) |
| **Profit before tax** | | **551.4** | **939.6** | **1,474.2** |
| Tax credit/(charge) | 9 | 24.8 | (216.3) | (278.9) |
| **Profit for the year** | | **576.2** | **723.3** | **1,195.3** |

## INEOS Group Holdings S.A.

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
### FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | 2020 | 2019 | 2018 |
|---|---|---|---|---|
| | | | €m | |
| **Profit for the year** | | 576.2 | 723.3 | 1,195.3 |
| **Other comprehensive (expense)/income:** | | | | |
| **Items that will not be reclassified to profit or loss:** | | | | |
| Remeasurements of post employment benefit obligations net of tax | 9, 21 | (74.4) | (132.3) | (22.7) |
| | | **(74.4)** | **(132.3)** | **(22.7)** |
| **Items that may subsequently be reclassified to profit or loss:** | | | | |
| Foreign exchange translation differences | | 30.8 | (1.9) | (23.3) |
| Net (loss)/gain on translation of foreign operations and hedge of net investment in foreign operations net of tax | 9, 25.e | (527.4) | 88.0 | 271.3 |
| | | **(496.6)** | **86.1** | **248.0** |
| **Other comprehensive (expense)/income for the year net of tax** | | **(571.0)** | **(46.2)** | **225.3** |
| **Total comprehensive income for the year** | | **5.2** | **677.1** | **1,420.6** |

The notes on pages F-198 to F-269 are an integral part of these consolidated financial statements.

**INEOS Group Holdings S.A.**

**CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2020**

| | Note | 2020 | 2019 (Restated) | 2018 (Restated) |
|---|---|---|---|---|
| | | | €m | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 10 | 7,636.2 | 6,964.8 | 5,046.3 |
| Intangible assets | 11 | 927.2 | 799.0 | 744.8 |
| Investments in equity-accounted investees | 12.a | 86.4 | 371.4 | 302.0 |
| Financial assets at fair value through profit or loss | 13 | — | — | 251.2 |
| Financial assets at fair value through other comprehensive income | 14 | 28.3 | 28.3 | 28.3 |
| Employee benefits | 21 | 82.7 | 48.5 | 45.3 |
| Trade and other receivables | 18 | 656.2 | 742.4 | 729.7 |
| Deferred tax assets | 16 | 183.2 | 113.2 | 130.0 |
| | | 9,600.2 | 9,067.6 | 7,277.6 |
| **Current assets** | | | | |
| Inventories | 17 | 1,059.7 | 1,227.0 | 1,407.7 |
| Trade and other receivables | 18 | 1,394.0 | 1,544.9 | 1,748.2 |
| Tax receivable | | 281.5 | — | — |
| Derivative financial instruments | 15 | 154.5 | 15.3 | 10.1 |
| Cash and cash equivalents | 28 | 1,342.2 | 982.9 | 2,071.3 |
| | | 4,231.9 | 3,770.1 | 5,237.3 |
| **Total assets** | | **13,832.1** | **12,837.7** | **12,514.9** |
| **Equity attributable to owners of the parent** | | | | |
| Share capital | 23 | 0.9 | 0.9 | 0.9 |
| Share premium | | 585.6 | 585.6 | 779.4 |
| Other reserves | | (2,646.7) | (2,075.7) | (2,029.5) |
| Retained earnings | | 3,521.8 | 2,945.6 | 4,095.1 |
| **Total equity** | | **1,461.6** | **1,456.4** | **2,845.9** |
| **Non-current liabilities** | | | | |
| Interest-bearing loans and borrowings | 19 | 7,343.2 | 6,604.8 | 6,241.5 |
| Lease liabilities | 26 | 772.8 | 864.4 | — |
| Trade and other payables | 20 | 112.9 | 79.7 | 112.1 |
| Employee benefits | 21 | 1,100.4 | 984.2 | 789.8 |
| Provisions | 22 | 52.3 | 46.5 | 27.6 |
| Deferred tax liabilities | 16 | 577.6 | 291.2 | 206.4 |
| Derivative financial instruments | 15 | 4.2 | — | 0.4 |
| | | 9,963.4 | 8,870.8 | 7,377.8 |
| **Current liabilities** | | | | |
| Interest-bearing loans and borrowings | 19 | 238.6 | 248.0 | 61.1 |
| Lease liabilities | 26 | 120.5 | 125.4 | — |
| Trade and other payables | 20 | 1,634.0 | 1,772.0 | 1,841.6 |
| Tax payable | | 307.4 | 278.0 | 377.6 |
| Derivative financial instruments | 15 | 96.9 | 59.5 | — |
| Provisions | 22 | 9.7 | 27.6 | 10.9 |
| | | 2,407.1 | 2,510.5 | 2,291.2 |
| **Total liabilities** | | **12,370.5** | **11,381.3** | **9,669.0** |
| **Total equity and liabilities** | | **13,832.1** | **12,837.7** | **12,514.9** |

These financial statements were approved by the board of directors on 19 March 2021 and were signed on its behalf by:

Natalina Arena — *Director*

Florence Bardot — *Director*

The notes on pages F-198 to F-269 are an integral part of these consolidated financial statements.

## INEOS Group Holdings S.A.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

| | Share capital | Share premium | Other reserves | Retained earnings | Total equity |
|---|---|---|---|---|---|
| | | | €m | | |
| **Balance at 1 January 2018** | **0.9** | **779.4** | **(2,183.2)** | **3,093.6** | **1,690.7** |
| Prior year adjustment (see Note 1) | — | — | (71.6) | — | (71.6) |
| **Balance at 1 January 2018** (restated) | **0.9** | **779.4** | **(2,254.8)** | **3,093.6** | **1,619.1** |
| Profit for the year | — | — | — | 1,195.3 | 1,195.3 |
| **Other comprehensive income/(expense):** | | | | | |
| Foreign exchange translation differences | — | — | (23.3) | — | (23.3) |
| Net gain on translation of foreign operations and hedge of net investment in foreign operations net of tax (see Note 9, 25.e) | — | — | 271.3 | — | 271.3 |
| Remeasurements of post employment benefit obligations (see Note 9, 21) | — | — | (22.7) | — | (22.7) |
| **Transactions with owners, recorded directly in equity:** | | | | | |
| Dividend | — | — | — | (193.8) | (193.8) |
| **Balance at 31 December 2018** | **0.9** | **779.4** | **(2,029.5)** | **4,095.1** | **2,845.9** |
| Profit for the year | — | — | — | 723.3 | 723.3 |
| **Other comprehensive income/(expense):** | | | | | |
| Foreign exchange translation differences | — | — | (1.9) | — | (1.9) |
| Net gain on translation of foreign operations and hedge of net investment in foreign operations net of tax (see Note 9, 25.e) | — | — | 88.0 | — | 88.0 |
| Remeasurements of post employment benefit obligations (see Note 9, 21) | — | — | (132.3) | — | (132.3) |
| **Transactions with owners, recorded directly in equity:** | | | | | |
| Capital reduction | — | (193.8) | — | 193.8 | — |
| Dividend | — | — | — | (2,066.6) | (2,066.6) |
| **Balance at 31 December 2019** | **0.9** | **585.6** | **(2,075.7)** | **2,945.6** | **1,456.4** |
| Profit for the year | — | — | — | 576.2 | 576.2 |
| **Other comprehensive income/(expense):** | | | | | |
| Foreign exchange translation differences | — | — | 30.8 | — | 30.8 |
| Net loss on translation of foreign operations and hedge of net investment in foreign operations net of tax (see Note 9, 25.e) | — | — | (527.4) | — | (527.4) |
| Remeasurements of post employment benefit obligations (see Note 9, 21) | — | — | (74.4) | — | (74.4) |
| **Balance at 31 December 2020** | **0.9** | **585.6** | **(2,646.7)** | **3,521.8** | **1,461.6** |

The notes on pages F-198 to F-269 are an integral part of these consolidated financial statements.

**INEOS Group Holdings S.A.**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

**Analysis of other reserves**

| | Translation reserve | Employee benefits | Merger reserve | Total other reserves |
|---|---|---|---|---|
| | | | €m | |
| **Balance at 1 January 2018** | **(842.8)** | **(539.7)** | **(800.7)** | **(2,183.2)** |
| Prior year adjustment (see Note 1) | — | (71.6) | — | (71.6) |
| **Balance at 1 January 2018** (restated) | **(842.8)** | **(611.3)** | **(800.7)** | **(2,254.8)** |
| Foreign exchange translation differences | (23.3) | — | — | (23.3) |
| Net gain on hedge of net investment in foreign operations | 271.3 | — | — | 271.3 |
| Remeasurements of post employment benefit obligations | — | (22.7) | — | (22.7) |
| **Balance at 31 December 2018** | **(594.8)** | **(634.0)** | **(800.7)** | **(2,029.5)** |
| Foreign exchange translation differences | (1.9) | — | — | (1.9) |
| Net gain on hedge of net investment in foreign operations | 88.0 | — | — | 88.0 |
| Remeasurements of post employment benefit obligations | — | (132.3) | — | (132.3) |
| **Balance at 31 December 2019** | **(508.7)** | **(766.3)** | **(800.7)** | **(2,075.7)** |
| Foreign exchange translation differences | 30.8 | — | — | 30.8 |
| Net loss on hedge of net investment in foreign operations | (527.4) | — | — | (527.4) |
| Remeasurements of post employment benefit obligations | — | (74.4) | — | (74.4) |
| **Balance at 31 December 2020** | **(1,005.3)** | **(840.7)** | **(800.7)** | **(2,646.7)** |

INEOS Group Holdings S.A.

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | 2020 | 2019 | 2018 |
|---|---|---|---|---|
| | | | €m | |
| **Cash flows from operating activities** | | | | |
| Profit before tax | | 551.4 | 939.6 | 1,474.2 |
| Adjustments for: | | | | |
| Depreciation and impairment | 10 | 861.5 | 681.8 | 456.0 |
| Amortisation and impairment | 11 | 4.7 | 3.4 | 13.2 |
| Net finance (income)/costs | 4,8 | (22.1) | 341.8 | 277.8 |
| Share of loss/(profit) of equity-accounted investees | 12a | 210.0 | (67.0) | 66.6 |
| Profit on disposal of investments | 3,13 | (78.3) | (2.6) | — |
| Profit on sale of property, plant and equipment | | (1.1) | — | — |
| Decrease in trade and other receivables | | 140.2 | 247.5 | 155.8 |
| Decrease/(increase) in inventories | | 121.6 | 195.3 | (138.3) |
| Increase/(decrease) in trade and other payables | | 57.2 | (105.4) | (45.3) |
| (Decrease)/increase in provisions and employee benefits | | (27.1) | 23.5 | (7.5) |
| Tax received/(paid) | | 68.2 | (172.4) | (202.1) |
| **Net cash generated from operating activities** | | **1,886.2** | **2,085.5** | **2,050.4** |
| **Cash flows from investing activities** | | | | |
| Proceeds from sale of property, plant and equipment | | 2.1 | 0.4 | — |
| Proceeds from sales of investments | | 0.2 | 260.9 | 0.6 |
| Interest and other finance income received | | 3.7 | 65.0 | 62.5 |
| Dividends received | | 2.4 | 6.0 | 5.0 |
| Acquisition of businesses, net of cash acquired | 3 | (196.7) | (70.7) | (7.4) |
| Loan repayments from related parties | | — | — | 105.4 |
| Acquisition of intangible assets | | (53.6) | (44.5) | (20.2) |
| Acquisition of property, plant and equipment | | (1,311.0) | (1,380.0) | (1,173.5) |
| Acquisition of other investments | | (0.8) | — | (12.9) |
| **Net cash used in investing activities** | | **(1,553.7)** | **(1,162.9)** | **(1,040.5)** |
| **Cash flows from financing activities** | | | | |
| Securitisation Facility | | (172.1) | 6.4 | (1.2) |
| Inventory Financing Facility | | (62.1) | 190.9 | — |
| Proceeds from new Senior Secured Notes | | 325.0 | 770.0 | — |
| Redemption of Senior Secured Notes | | — | (770.0) | — |
| Proceeds from new Senior Secured Term Loans | | 375.0 | — | — |
| Net proceeds from Gemini Term Loan | | 201.1 | — | — |
| Issue costs paid | | (22.7) | (16.9) | (0.4) |
| Interest paid | | (349.1) | (329.7) | (227.8) |
| Proceeds from other loans | | 29.3 | 392.0 | 120.0 |
| Repayment of loans | | (59.8) | (74.9) | (64.6) |
| Dividends paid | 24 | — | (2,066.6) | (193.8) |
| Capital element of finance lease payments | | — | — | (0.1) |
| Capital element of lease payments | | (168.2) | (128.4) | — |
| **Net cash used in financing activities** | | **96.4** | **(2,027.2)** | **(367.9)** |
| Net increase/(decrease) in cash and cash equivalents | 28 | 428.9 | (1,104.6) | 642.0 |
| Cash and cash equivalents at 1 January | 28 | 982.9 | 2,071.3 | 1,366.3 |
| Effect of exchange rate fluctuations on cash held | | (69.6) | 16.2 | 63.0 |
| **Cash and cash equivalents at 31 December** | 28 | **1,342.2** | **982.9** | **2,071.3** |

The notes on pages F-198 to F-269 are an integral part of these consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2020

*(forming part of the financial statements)*

### 1. ACCOUNTING POLICIES

#### Overview

INEOS Group Holdings S.A. (the "Company") is a company incorporated and domiciled in the form of a société anonyme under the laws of the Grand-Duchy of Luxembourg, having its registered office at 58, rue Charles Martel, L-2134 Luxembourg, Grand-Duchy of Luxembourg. The nature of the operations and principal activities of the Company and its subsidiaries are the manufacture and sale of a range of petrochemical products used in a variety of applications.

#### Basis of accounting

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group") and equity account the Group's interest in associates and joint ventures.

In early March 2020, the Group developed contingency plans for the COVID-19 pandemic, with the primary objectives of maintaining the safety of personnel and the reliable operation of the Group's plants. This resulted in a number of changes to standard working practices and shift patterns to reduce personnel on site to those defined as operationally critical in order to adhere to social distancing rules in line with local government advice. Any safety critical activity was formally risk assessed to take cognizance of additional controls necessary to protect core personnel from COVID-19, hence safeguarding safety critical work at all times.

The chemical industry is deemed as essential, critical infrastructure by governments across the world. Throughout the pandemic all of the Group's plants have continued to operate fully and supply chains have operated without significant disruption. Protecting employees and ensuring that they remain healthy has been the first priority of the Group. All plants have sufficient resources and have implemented measures to ensure that this remains the case throughout the pandemic.

Whilst there is uncertainty due to the COVID-19 crisis the Directors have undertaken a rigorous assessment of the potential impact of COVID-19 on demand for its products and services and the impact on margins for the next 12 months. In addition, the Directors have implemented a series of programmes to preserve cash including the review of timing of turnarounds, reductions in the levels of non-essential capital expenditure and reductions in non-essential fixed cost expenditure. On the basis of this assessment together with cash balances of €1,342.2 million as at December 31, 2020 and access to the Receivables Securitisation Facility and the Inventory Financing Facility (see Note 19), the Directors have concluded that the Group can operate within its current facilities without the need to obtain new ones for a period of at least 12 months from the date of this report and have therefore prepared these consolidated financial statements on a going concern basis.

The Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union in response to the IAS regulation (EC 1606/2002) effective as of December 31, 2020 and have been approved for issuance by the Board of Directors on March 19, 2021.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

#### Measurement convention

The financial statements are prepared on the historical cost basis except for derivative financial instruments, financial instruments classified as fair value through the profit or loss or fair value through other comprehensive income which are stated at their fair value.

#### Functional and presentation currency

These Group financial statements are presented in euro, which is the functional currency of the majority of operations, with other significant currencies being USD and Sterling. The Group's primary products are sold in an international commodities market which is priced and invoiced primarily in euros.

All financial information presented in euro has been rounded to the nearest €0.1 million.

## 1. ACCOUNTING POLICIES (continued)

### Changes in accounting policies

The Group financial statements have been prepared using consistent accounting policies with the those of the previous financial year. The Group has adopted the following amendments to accounting standards for the first time in 2020 with effect from 1 January 2020, although there has been no material effect on the Group's financial statements.

- Amendments to IFRS 3: Definition of a Business has been adopted from 1 January 2020. The Group has applied this amendment to business combinations whose acquisition dates are on or after 1 January 2020 in assessing whether it had acquired a business of a group of assets. The details of accounting policies are set out in Note 1—"Business combinations, goodwill and intangible assets."
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform has been adopted from 1 January 2020. This has been applied retrospectively to hedging relationships that existed at 1 January 2020 or were designated thereafter and that are directly affected by interest rate benchmark reform. These amendments also apply to any gain or loss accumulated in the cash flow hedging reserve that existed at 1 January 2020. The details of the accounting policies are disclosed in Note 1—"Derivative financial instruments and hedging."
- Amendments to References to the Conceptual Framework in IFRS Standards: The Conceptual Framework for Financial Reporting is the foundation on which the IASB develops new accounting standards. The revised Framework is more comprehensive than the old one—its aim is to provide the Board with the full set of tools for standard setting. It covers all aspects of standard setting from the objective of financial reporting, to presentation and disclosures.
- Amendments to IAS 1 and IAS 8: Definition of Material: The IASB refined its definition of material to make it easier to understand. "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

### Basis of consolidation

*Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations, except acquisitions under common control which are outside the scope of IFRS 3. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination of a subsidiary or joint venture is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

**1. ACCOUNTING POLICIES (continued)**

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in the profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions—that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

*Special purpose entities ("SPE")*

An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPE's risks and rewards, the Group concludes that it controls the SPE. The Group has established an SPE, INEOS Finance Ireland Limited, for a debt securitisation programme. The Group does not have any direct or indirect shareholdings in this SPE. INEOS Finance Ireland Limited is controlled by the Group as it was established under terms that impose strict limitations on the decision-making powers of the SPE's management that result in the Group receiving the majority of the benefits related to the SPE's operations and net assets, being exposed to the majority of risks arising from the SPE's activities, and retaining the majority of the residual or ownership risks related to the SPE and its assets. INEOS Finance Ireland Limited is therefore regarded as an SPE and has been consolidated in these financial statements.

*Associates*

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates' in the income statement.

**1. ACCOUNTING POLICIES (continued)**

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

*Joint arrangements*

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

**Foreign exchange**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated income statement except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign exchange are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, euros, at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at exchange rates prevailing at the dates of the transactions. The Group applies an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are taken directly to the translation reserve. They are recycled into the consolidated income statement upon disposal.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve. Foreign exchange differences arising on the retranslation of a borrowing designated as a hedge of a net investment in a foreign operation are recognised directly in OCI, in the translation reserve, to the extent that the hedge is effective. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss on disposal.

## 1. ACCOUNTING POLICIES (continued)

**Classification of financial instruments issued by the Group**

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) They include no contractual obligation upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

**Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

*Trade and other receivables*

Trade and other receivables are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are tested for classification as per IFRS 9. If the trade receivables satisfy the criteria for cash flow characteristics test and business model test as per IFRS 9, then they are recognised at amortised cost. If they do not qualify for being recognised at amortised cost they are recognised at fair value through profit or loss or at fair value through other comprehensive income.

*Trade and other payables*

Trade and other payables are recognised initially at fair value less transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

*Investments in debt and equity securities*

Investments in debt securities are measured at amortised cost if they meet both of the following conditions and are not designated as a fair value through profit and loss:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income only if it meets both of the following conditions and is not designated as a fair value through profit and loss:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**1. ACCOUNTING POLICIES (continued)**

For investment in equity securities that are not held for trading, the Group may irrevocably elect to present subsequent changes to fair value in other comprehensive income. The Group makes this election on an investment-by-investment basis.

All other financial assets, including derivatives, are classified as measured at fair value through profit and loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the income statement. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the income statement. Where no reliable measurement of fair value is available, investments are stated at historic acquisition cost.

*Cash and cash equivalents*

Cash and cash equivalents comprise of cash balances and call deposits.

*Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

*Debt restructuring*

The Group derecognises financial liabilities in accordance with the provisions in IFRS 9. When debt is modified, the Group analyses the modifications from both a quantitative and qualitative perspective to determine if the modifications are substantial and meet the IFRS requirements for de-recognition, in which case the debt is treated as extinguished. All fees paid in connection with a debt extinguishment are expensed immediately. When a modification is accounted for as a non-substantial modification, associated fees incurred are deferred as an adjustment to the carrying value of the liability and amortised using the original effective interest rate.

**Derivative financial instruments and hedging**

*Derivative financial instruments*

Derivative financial instruments are initially recognised at fair value. The gain or loss on subsequent re-measurement to fair value is recognised immediately in the consolidated income statement as finance income or expense. Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

**Hedge of net investment of foreign operation**

The Group applied hedge accounting to foreign exchange differences arising on the retranslation of a foreign currency loan where the loan is designated as a hedge of a net investment in a foreign operation in accordance with IFRS 9.

Most commonly this means that exchange differences arising on retranslation of foreign currency loans designated as a net investment hedge are recognised in the consolidated statement of comprehensive income. Gains and losses accumulated in the translation reserve will be recycled to the statement of comprehensive income when the foreign operation is sold.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in the income statement. The amount recognised in OCI is reclassified to the income statement as a reclassification adjustment on disposal of the foreign operation.

## 1. ACCOUNTING POLICIES (continued)

### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Cost may include the cost of materials, labour and other costs directly attributable to bringing the assets to a working condition for their intended use. Cost may also include the cost of dismantling and removing items and restoring the site on which they are located.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation commences from the date an asset is brought into service. Land and assets in the course of construction are not depreciated. The estimated useful lives are as follows:

- Buildings 10 - 40 years
- Plant and equipment and fixtures and fittings 3 - 40 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, the Group makes an estimate of the recoverable amount, which is the higher of the asset's fair value less cost to sell and value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated income statement in the period in which the item is derecognised.

### Business combinations, goodwill and intangible assets

All business combinations are accounted for by applying the Acquisition method, except acquisitions under common control which are outside the scope of IFRS 3. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures.

Acquisitions under common control are accounted for at book value. The difference in the book value of the assets acquired and consideration paid is recognised in a distributable merger reserve.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to groups of cash-generating units and is not amortised but is tested annually for impairment. The cash generating units within the Group are predominately business units. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Negative goodwill arising on an acquisition is recognised immediately in the consolidated income statement.

*Intangible assets*

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses. These intangible assets principally comprise intellectual property rights, customer relationships, non-compete agreements and license fees.

Intangible assets acquired separately from a business are carried initially at cost. The initial cost is the aggregate amount paid and the fair value of other consideration given to acquire the assets. An intangible

**1. ACCOUNTING POLICIES (continued)**

asset acquired as part of a business combination is recognised separately from goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

*Amortisation*

Amortisation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each reporting date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Customer relationships 3 - 12 years
- Intellectual property rights 10 - 15 years
- Non-compete agreements life of the agreement
- Licenses up to 15 years

These intangible assets are tested for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying value may not be recoverable. Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

*Research and development*

Expenditure on research activities is recognised in the consolidated income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Where regulatory and other uncertainties are such that the criteria are not met, the expenditure is recognised in the income statement. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

**Impairment of financial assets**

*Trade and other receivables*

The Group applies the simplified approach when providing for expected credit losses prescribed by IFRS 9 for its trade receivables and contract assets. This approach requires the Group to recognise the lifetime expected loss provision for all trade receivables taking in consideration historical as well as forward-looking information.

Where the Group has assessed the probability of default of a financial asset to be low, the loss allowance is considered immaterial.

The Group assesses on a forward looking basis the expected credit losses associated with the financial assets classified at amortised cost at each balance sheet date and adjusts the allowance accordingly.

*Investments in debt and equity securities*

Impairment of equity securities classified as FVOCI are not tested for impairment under IFRS 9. If the fair value of a debt instrument classified as FVOCI increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through profit or loss.

**1. ACCOUNTING POLICIES (continued)**

**Impairment of non-financial assets excluding inventories and deferred tax assets**

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are assessed at the end of the reporting period to determine whether there is any indication of impairment.

For goodwill and other intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at the end of the reporting period.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

*Calculation of recoverable amount*

The recoverable amount is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversals of impairment*

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**Inventories**

Inventories are stated at the lower of cost, using the first-in first-out or average cost method, and net realisable value which is defined as the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale. Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Provision is made for obsolete, slow-moving or defective items where appropriate.

Items owned by the Group that are held on consignment at another entity's premises are included as part of the Group's inventory.

**Commodities**

Contracts that are entered into and continue to be held for the purpose of receipt or delivery of non-financial items in accordance with the Group's expected purchase, sale or usage requirements (own-use contracts) are not accounted for as derivative financial instruments, but rather as executory contracts.

## 1. ACCOUNTING POLICIES (continued)

### IFRS 16 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

***Group as a lessee***

*Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right- of-use assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

*Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease payments include fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or a rate (initially measured using the index or rate as at the commencement date), amounts expected to be paid under residual value guarantees less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are expensed in the period in which the event or condition that triggers the payment occurs.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments a change in the assessment of whether the Group is reasonably certain to exercise an option to purchase the underlying asset, a change in future lease payments arising from a change in an index or rate, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee.

When the lease liability is remeasured in this way and there has been no change in the scope of the lease, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to all leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group also

**1. ACCOUNTING POLICIES (continued)**

applies the lease of low-value assets recognition exemption to leases of assets that are valued below €10,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

***Lease policies applicable prior to 1 January 2019***

*Operating lease payments*

Payments made under operating leases are recognised in the consolidated income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the consolidated income statement as an integral part of the total lease expense.

*Finance lease payments*

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**Employee benefits**

The Group operates a number of defined contribution plans and funded and unfunded defined benefit pension schemes. The Group also provides unfunded early retirement benefits, long service awards and an incentive plan for certain employees.

The Group provides health care insurance to eligible retired employees and their dependants, primarily in the United States.

*Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated income statement as incurred.

*Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The liability discount rate is the yield at the reporting date on AA credit rated bonds denominated in the currency of, and that have maturity dates approximating to the terms of, the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are amended or curtailed, the portion of the increased or decreased benefit relating to past service by employees is recognised as an expense immediately in the consolidated income statement.

Where the calculation results in a benefit to the Group, the asset recognised is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full.

The movement in the scheme surplus/deficit is split between:

- cost of sales and administrative expenses,
- net finance costs and,

**1. ACCOUNTING POLICIES (continued)**

- in net expense recognised directly in equity, the remeasurements of post employment benefit obligations.

*Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Provisions**

A provision is recognised in the consolidated balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**Revenue**

Revenue represents the invoiced value of products and services sold or services provided to third parties net of sales discounts, value added taxes and duties. Contracts for goods and services are analysed to determine the distinct performance obligations against which revenue should be recognised. The amount to be recognised is determined from the standalone selling prices for goods and services, allocated to the performance obligations. Revenue is recognised when (or as) the performance obligations are satisfied by transferring a promised good or service to a customer.

The pricing for products sold is determined by market prices (market contracts and arrangements) or is linked by a formula to published raw material prices plus an agreed additional amount (formula contracts). Revenue arising from the sale of goods is recognised when the goods are dispatched or delivered depending on the relevant delivery terms and point at which the control of the good or service is transferred to the customer.

Services provided to third parties include administrative and operational services provided to other chemical companies with facilities on our sites and services under tolling arrangements. Under tolling arrangements, customers pay for or provide raw materials to be converted into certain specified products, for which the Group charges a toll fee. The Group only recognises toll fee as revenue earned under such arrangements upon shipment of the converted product to the customer as this is the point at which the control of the service is transferred to the buyer. For all other services, revenue is recognised at a point in time. There are no arrangements of significance which transfer goods or services over time.

**Government grants**

Government grants are shown in the consolidated balance sheet as deferred income. This income is amortised on a straight line basis over the same period as the tangible fixed asset to which it relates or the life of the related project.

**Finance income and expenses**

Interest income and interest expense are recognised in the consolidated income statement as it accrues, using the effective interest method. Dividend income is recognised in the consolidated income statement on the date the entity's right to receive payments is established. Foreign exchange gains and losses are reported on a gross basis.

**1. ACCOUNTING POLICIES (continued)**

Finance costs comprise interest payable, finance charges on leases, unwinding of the discount on provisions, net fair value losses on derivatives, net interest on employee benefit liabilities and foreign exchange losses that are recognised in the consolidated income statement (see foreign exchange accounting policy).

Finance income comprises interest receivable on funds invested and from related party loans, net fair value gains on derivatives and foreign exchange gains.

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are offset if it is possible that there is a legally enforceable right to offset current tax liabilities and assets because they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

**Segmental analysis**

The Group determines its operating segments in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments. The chief operating decision-makers are the members of the Executive Committee of the ultimate parent undertaking, INEOS Limited.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the chief operating decision-makers to make decisions about resources to be allocated to the segment and assess its performance.

The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure and the aggregation criteria set out in IFRS 8.

Segment results that are reported to the chief operating decision-makers include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total payments made during the period to acquire property, plant and equipment and intangible assets other than as acquired through business combinations.

**Emission trading scheme**

The Group participates in the EU Emissions Trading Scheme. The Scheme encourages companies to reduce carbon emissions by offering financial incentives if they achieve their annual reduction targets. If a company reduces emissions beyond their target then the surplus may be traded in the form of emissions permits.

**1. ACCOUNTING POLICIES (continued)**

The incentive money due from the EU Emissions Trading Scheme is recognised in the consolidated income statement once the reduction targets have been met. The emissions permits allocated under the Scheme are at nil cost. The Group recognises the revenue from such permits upon their sale to third parties.

The Group recognises a provision for emissions produced. The provision is measured at the carrying amount of the emission rights held (nil if granted, otherwise at cost) or, in the case of a shortfall, at the current fair value of the emission rights needed.

**Exceptional items**

In order to provide readers with a clear and consistent presentation of the underlying operating performance of the Group's ongoing business it separately identifies those profits and losses which because of their size or nature, are outside the normal course of business so are expected to be non-recurring. This may include the disposal of businesses, the impairment of non-current assets, the cost of restructuring acquired or existing businesses, the impact of one off events such as legal settlements or finance costs relating to call premia and write-off of unamortised debt issue costs following substantial modification or redemption of debt as exceptional items.

**Accounting standards not applied**

A number of new standards and amendments are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The impact of their adoption is being assessed and is not expected to have a material impact on the Group's financial statements in the period of initial application unless otherwise indicated:

- Amendment to IFRS 16- COVID-19- Related Rent Concessions (effective date 1 June 2020).
- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16: Interest Rate Benchmark Reform—Phase 2 (effective date 1 January 2021).
- Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract (effective date 1 January 2022).
- Amendments to References to the Conceptual Framework in IFRS 3 (effective date 1 January 2022).
- Amendments to IAS 16: Property, Plant and Equipment—Proceeds before Intended Use (effective date 1 January 2022).
- Annual Improvements to IFRS Standards 2018-2020 (effective date 1 January 2022).
- IFRS 17 Insurance Contracts (effective date 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective date 1 January 2023).

**Restatement of comparatives**

The Group has revised its calculation of deferred tax assets in relation to unfunded defined benefit pension plan liabilities in Germany to comply with the requirements of IAS 12. The revised calculations have resulted in a restatement of prior year comparatives for deferred tax assets and other reserves included in equity. The restatement has led to a decrease in deferred tax assets and an increase in other reserves deficit of €71.6m as at January 1, 2018. The effect of this restatement is summarised in the table below:

## 1. ACCOUNTING POLICIES (continued)

| | As previously stated | Restatement | As restated |
|---|---|---|---|
| | €m | €m | €m |
| **As at January 1, 2018** | | | |
| Deferred tax assets | 160.2 | (71.6) | 88.6 |
| Other reserves | (2,183.2) | (71.6) | (2,254.8) |
| **As at December 31, 2018** | | | |
| Deferred tax assets | 201.6 | (71.6) | 130.0 |
| Other reserves | (1,957.9) | (71.6) | (2,029.5) |
| **As at December 31, 2019** | | | |
| Deferred tax assets | 184.8 | (71.6) | 113.2 |
| Other reserves | (2,004.1) | (71.6) | (2,075.7) |

## 2. OPERATING SEGMENTS

The determination of the Group's operating segments is based on the business units for which information is reported to the Group's Chief Operating Decision Maker. The Group has three reportable segments, as described below.

The Group's Olefins and Polymers business units produce olefins and related products and a broad range of polymers. The Group's olefins businesses are focused on ethylene and propylene, which are the two largest volume olefins globally and are key building blocks for polymers. These olefins are primarily used as feedstock for the Group's polymers business. In addition, the Group sells olefins to third party customers for a variety of industrial and consumer applications, including plastics, rubber and fibre.

- O&P North America segment—In North America, the group's Olefins and Polymers business comprises five sites including major facilities in Chocolate Bayou, Texas, and Battleground, Texas.
- O&P Europe segment—In Europe, the Group owns and operates two major cracker complexes, in Köln, Germany and Rafnes, Norway. This includes polymers and derivatives units.
- Chemical Intermediates—This reportable segment is the aggregation, in compliance with IFRS 8, of a number of different business units with similar economic and other characteristics. Chemical Intermediates are high-value added chemical products used as key components in a variety of consumer and industrial products. The Group's chemical intermediates businesses are exposed to similar key commodities, namely oil and gas. They produce a range of products including phenol, alpha olefins, solvents, industrial chemicals and nitriles. The Chemical Intermediates processes are similar in that they are all capital intensive and based upon processing and mixing chemical raw materials to produce chemical products for the next stage along the value chain. The Chemical Intermediates products are distributed on a business-to-business basis across the world. This is performed using similar conventional methods of pipeline, truck, rail or ship container depending on the customer location and size of the order. The Chemical Intermediates customer base is similar in that the customers are generally manufacturers of consumer and industrial products in developed markets and mature industrial economies.

The accounting policies of all of the reportable segments are as described in Note 1.

Information regarding the operations of each reportable segment is included in the following tables. Performance is measured based on earnings before interest, tax, depreciation and amortisation and exceptional items, measured under IFRS ("Segment EBITDA"). A reconciliation to IFRS profit before tax is presented in the following tables. Segment EBITDA is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis. Information regarding segments reviewed by management includes management accounts comprising the profit or loss, cash flows and other financial and non-financial information used to manage the business.

## 2. OPERATING SEGMENTS (continued)

Adjustments in the following tables comprise the following items:

- Elimination of inter-segmental transactions and balances; and
- The Group's share of (loss)/profit in respect of the Refining joint venture.

### Segment information—2020

| | Reportable segments | | | | | |
|---|---|---|---|---|---|---|
| | O&P North America | O&P Europe | Chemical Inter-mediates | Total of reportable segments | Adjust-ments | Amounts in financial statements |
| | | | | €m | | |
| Reportable segment revenue | 2,785.0 | 4,658.3 | 5,352.9 | 12,796.2 | (1,492.5) | 11,303.7 |
| Reportable segment EBITDA | 554.2 | 395.3 | 585.5 | 1,535.0 | — | 1,535.0 |
| Depreciation and impairment of property, plant and equipment and amortisation of intangible assets | (210.4) | (317.2) | (338.6) | (866.2) | — | (866.2) |
| Exceptional administrative expenses | — | (8.9) | — | (8.9) | — | (8.9) |
| Share of loss of associates and joint ventures | (4.3) | — | (0.1) | (4.4) | (205.6) | (210.0) |
| Profit on disposal of investments | | | | | | 78.3 |
| Profit on disposal of fixed assets | | | | | | 1.1 |
| Net finance income | | | | | | 22.1 |
| Profit before tax from continuing operations | | | | | | 551.4 |
| Payments for capital expenditure | 547.0 | 407.6 | 356.4 | 1,311.0 | — | 1,311.0 |

Major items in the adjustments column include:

- Reportable segment revenues: the elimination of inter-segmental revenues: 2020: €1,492.5 million (2019: €1,844.5 million, 2018: €2,196.4 million).
- Share of (loss)/profit of associates and joint ventures: Refining joint venture: 2020: €(205.6) million (2019: €63.0 million, 2018: €(56.9) million).

## 2. OPERATING SEGMENTS (continued)

### Segment information—2019

| | Reportable segments | | | | | |
|---|---|---|---|---|---|---|
| | O&P North America | O&P Europe | Chemical Inter-mediates | Total of reportable segments | Adjust-ments | Amounts in financial statements |
| | | | | €m | | |
| Reportable segment revenue | 3,200.8 | 5,861.9 | 6,486.8 | 15,549.5 | (1,844.5) | 13,705.0 |
| Reportable segment EBITDA | 726.8 | 591.4 | 626.9 | 1,945.1 | — | 1,945.1 |
| Depreciation and impairment of property, plant and equipment and amortisation of intangible assets | (194.8) | (191.9) | (299.1) | (685.8) | 0.6 | (685.2) |
| Exceptional administrative expenses | — | — | (48.1) | (48.1) | — | (48.1) |
| Share of profit of associates and joint ventures | 4.0 | — | — | 4.0 | 63.0 | 67.0 |
| Profit on disposal of investments | | | | | | 2.6 |
| Net finance expense | | | | | | (341.8) |
| Profit before tax from continuing operations | | | | | | 939.6 |
| Payments for capital expenditure | 590.3 | 276.9 | 512.8 | 1,380.0 | — | 1,380.0 |

### Segment information—2018

| | Reportable segments | | | | | |
|---|---|---|---|---|---|---|
| | O&P North America | O&P Europe | Chemical Inter-mediates | Total of reportable segments | Adjust-ments | Amounts in financial statements |
| | | | | €m | | |
| Reportable segment revenue | 4,044.1 | 6,388.8 | 7,855.0 | 18,287.9 | (2,196.4) | 16,091.5 |
| Reportable segment EBITDA | 798.0 | 671.7 | 818.1 | 2,287.8 | — | 2,287.8 |
| Depreciation of property, plant and equipment and amortisation of intangible assets | (143.6) | (139.6) | (185.3) | (468.5) | (0.7) | (469.2) |
| Share of loss of associates and joint ventures | (9.7) | — | — | (9.7) | (56.9) | (66.6) |
| Net finance expense | | | | | | (277.8) |
| Profit before tax from continuing operations | | | | | | 1,474.2 |
| Payments for capital expenditure | 389.0 | 210.9 | 573.6 | 1,173.5 | — | 1,173.5 |

## 2. OPERATING SEGMENTS (continued)

**Geographic segments**

| | Revenues | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| | | **€m** | |
| **Geographical information by location of customers:** | | | |
| Europe | 6,137.3 | 7,943.2 | 9,129.3 |
| Americas | 3,605.0 | 4,137.2 | 5,236.2 |
| Rest of World | 1,561.4 | 1,624.6 | 1,726.0 |
| **Total** | **11,303.7** | **13,705.0** | **16,091.5** |
| **Geographical information by location from which the Group derives revenue:** | | | |
| Europe | 7,245.4 | 9,114.7 | 10,718.4 |
| Americas | 3,567.3 | 4,203.3 | 5,106.5 |
| Rest of World | 491.0 | 387.0 | 266.6 |
| **Total** | **11,303.7** | **13,705.0** | **16,091.5** |

In presenting information on the basis of geographic analysis of segments, segment revenue is based on the geographical location of customers and geographical locations from which the Group derives revenues.

Revenues from external customers for each product and service or each group of similar products and services and a geographic analysis of segment assets are not presented as the necessary information is not available and the Directors are of the opinion that the cost to develop it would be excessive.

All businesses within the group typically sell individual cargos based on agreed price with delivery from the plant or at the customer premise. As such, the revenue is recognised as title passes, at a point in time, and there are no arrangements of significance which transfer goods or services over time. No significant contract balances arise. No costs to obtain or fulfil contracts are incurred, and therefore no related assets arise.

## 3. ACQUISITIONS

***Acquisition of subsidiaries in the current year***

**Gemini**

On December 31, 2020, the Group acquired 50% of the ordinary shares in Gemini HDPE LLC (“Gemini”) from Sasol Chemicals North America LLC for cash consideration of $223.8 million (€187.3 million). The principal activity of the company is to produce high density polyethylene in La Porte, Texas, USA under tolling arrangements with its owners who provide the feedstock and pay a fee for this service. The acquisition increased the Group’s interest in Gemini to 100%. Prior to the acquisition the Group reflected its 50% interest in Gemini as a joint venture (see Note 12a).

As Gemini HDPE LLC is a toll manufacturer on behalf of its owners the overall direct impact on the Group revenue and profit and loss had the acquisition occurred at the start of the year is immaterial.

**3. ACQUISITIONS (continued)**

*Effect of the acquisition on individual assets and liabilities*

**Acquiree's provisional net assets at acquisition:**

| | **Provisional fair values recognised on acquisition** |
|---|---|
| | **€m** |
| Property, plant and equipment | 511.6 |
| Intangibles | 27.8 |
| Deferred tax asset | 1.3 |
| Inventories | 1.2 |
| Trade and other receivables | 4.8 |
| Cash and cash equivalents | 6.2 |
| Interest bearing loans and borrowings | (301.0) |
| Trade and other payables | (12.7) |
| Deferred tax liability | (3.4) |
| **Net identifiable assets and liabilities** | 235.8 |
| **Consideration paid:** | |
| Cash | 187.3 |
| Fair value of previously held equity interest | 187.3 |
| **Total consideration** | 374.6 |
| **Difference between consideration and provisional net assets acquired** | **138.8** |

The fair values disclosed are provisional due to the proximity of the acquisition to the preparation of these financial statements so further work may be required to confirm final fair values. The finalisation of the work to determine the fair values of the assets and liabilities acquired will be completed within 12 months of the acquisition date.

The difference between consideration and provisional net assets acquired has been recognised as goodwill within intangible assets (see Note 11) and has arisen because of the expected synergies and the ability of the Group to market the full output of Gemini. The goodwill has been allocated to the O&P North America reporting segment and is deductible for tax purposes over a period of 15 years.

*Settlement of pre-existing contractual relationship*

INEOS and Gemini are parties to four pre-existing agreements namely, a tolling agreement, a ground lease, a licensing agreement and an operating contract. At the acquisition date these pre-existing relationships were effectively settled as part of the acquisition.

The fair value of the agreements at the acquisition date was nil, and consequently there is no adjustment to the consideration paid or income or cost associated with the settlement of the relationship reflected in the Group financial statements.

*Acquisition related costs*

The Group did not incur any acquisition related costs in connection with the transaction.

Prior to the acquisition date, the Group's interest in the Gemini joint venture was accounted for in accordance with the equity method of accounting. As a result of the acquisition the previously held interest of 50% has been disposed of for a fair value of €187.3 million ($223.8 million), being the equivalent of the value paid to Sasol for their 50% shareholding. Therefore, the gain on the previously held equity interest in Gemini has been calculated as follows:

## 3. ACQUISITIONS (continued)

| | Gain on disposal of investment |
|---|---|
| | €m |
| Fair value of previously held equity interest | 187.3 |
| Carrying value of equity accounted investment (see Note 12a) | (109.0) |
| **Profit on previously held interest in Gemini recognised in income statement** | 78.3 |

***Updates to prior years***

**WL Plastics**

On November 1, 2016 the Group acquired 100% of the shares of WLP Holding Corporation, one of the largest high density polyethylene (HDPE) pipe manufacturers in North America for an initial consideration of €162.1 million. The business is headquartered in Fort Worth, Texas with production facilities in Kentucky, South Dakota, Utah, Texas, and Wyoming. WL Plastics has over 500 million pounds of annual production capacity and provides HDPE pipe for use in oil, gas, industrial, mining, conduit, and municipal water and sewer applications. This acquisition forms part of the O&P North America segment.

During the year ended December 31, 2020 the Group paid a further €15.6 million (2019: €15.0 million, 2018: €7.4 million) which was the final instalment of the contingent consideration which was subject to the acquired business achieving certain targets over a three year period.

***Acquisition of subsidiaries in prior years***

**INESCO combined heat and power plant**

On March 1, 2019, the Group acquired 100% of the shares of RWE Generation Belgium NV, the owner of a Cogeneration unit on the Oxide Antwerp site in Belgium for cash consideration of €70.4 million. The business consists of two 50MW units and an additional 35MW steam generator. All the steam and approximately one third of the electricity is consumed by the Group and a number of co-siting companies on the site in Antwerp. The remainder of the electricity is sold to the Belgian electricity grid, through a short term marketing contract with the previous owner RWE. This acquisition forms part of the Chemical Intermediates segment and is defined as a business under IFRS 3.

*Effect of the acquisition on individual assets and liabilities*

**Acquiree's net assets at acquisition:**

| | Final values recognised on acquisition |
|---|---|
| | €m |
| Property, plant and equipment | 34.4 |
| Inventories | 1.0 |
| Trade and other receivables | 0.1 |
| Cash and cash equivalents | 41.9 |
| Trade and other payables | (7.0) |
| **Net identifiable assets and liabilities** | 70.4 |
| **Consideration paid:** | |
| Cash | 70.4 |
| **Difference between consideration and net assets acquired** | — |

For the ten month period since March 1, 2019, the acquired business contributed revenue of €123.5 million and an EBITDA of €14.3 million. If the acquisition had occurred on January 1, 2019, management estimates that the business would have contributed revenues of €148.5 million and EBITDA of €17.1 million.

**3. ACQUISITIONS (continued)**

***Acquisition of assets in prior years***

**Shale oil and gas assets**

In April 2019 the Group purchased 104 active oil and gas wells and three non-active oil and gas wells located in the Giddings Fields in Texas USA. In addition to the purchase of the wells the Group acquired all acreage associated with each well. The total cash consideration for the assets was €27.2 million which included €24.4 million in respect of intangible well rights, €2.6 million relating to property, plant and equipment and €0.2 million relating to inventories.

## 4. EXCEPTIONAL ITEMS

**Exceptional cost of sales:**

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| Property, plant and equipment impairment charge (see Note 10) | 118.5 | — | — |
| Exceptional administrative expenses | 8.9 | 48.1 | — |
| Exceptional finance costs | — | 11.7 | — |

***Exceptional cost of sales***

The Group has recognised an exceptional impairment charge of €118.5 million for the year ended December 31, 2020 in relation to plant and equipment following the Group's decision to terminate work on a propane dehydrogenation unit and associated infrastructure at its site in Antwerp, Belgium (see Note 10).

***Exceptional administrative expenses***

An exceptional administrative charge of €8.9 million has been charged during 2020, which related to a provision for early retirement costs as part of a restructuring of the Köln site within the O&P Europe business.

In December 2019 the Group took the decision to close the Nitriles facility at Seal Sands, United Kingdom. Poor operating performance and uneconomic capital expenditure requirements to meet safety and environmental obligations led to the decision. As a result, an exceptional administrative charge of €35.1 million was incurred in 2019 for closure costs including severance and outplacement expenses, together with decommissioning and demolition costs. In addition, tangible fixed assets at the facility of €33.3 million were impaired during the year ended December 31, 2019 along with a further €26.2 million impairment charge in the year ended December 31, 2020 (see Note 10).

An exceptional administrative charge of €13.0 million was also incurred during 2019 relating to the settlement of an intellectual property dispute in respect of the former Technologies business.

***Exceptional finance costs***

In April 2019 following the early redemption of the Senior Secured Notes due 2023, an exceptional finance cost of €11.7 million was recognised which included an early prepayment premium of €7.7 million and the write-off of deferred issue costs associated with the redeemed Notes of €4.0 million.

## 5. OPERATING PROFIT

Included in operating profit are the following:

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| Exceptional costs—included in administrative expenses | 8.9 | 48.1 | — |
| Research and development expensed as incurred | 34.8 | 40.0 | 29.8 |
| Amortisation of other intangible assets | 4.7 | 3.4 | 13.2 |
| Amortisation of government grants | (2.6) | (9.6) | (2.9) |
| Expenses relating to short-term leases | 28.0 | 31.1 | — |
| Expenses relating to leases of low value assets | 0.8 | 0.6 | — |
| Expenses relating to variable lease payments not included in the measurement of the lease liability | 10.0 | 12.3 | — |
| Income from sub-leasing of right-of-use assets | 13.2 | (0.2) | — |
| **Depreciation and impairment of property, plant and equipment:** | | | |
| Owned assets | 698.6 | 527.5 | 456.0 |
| Right-of-use assets | 162.9 | 154.3 | — |
| Finance leased assets | — | — | 0.1 |
| **Operating lease rental charges:** | | | |
| Plant, machinery and equipment | — | — | 61.2 |
| Other | — | — | 87.0 |

**Auditors' remuneration:**

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| Audit of these financial statements | 0.5 | 0.5 | 0.7 |
| **Amounts receivable by auditors and their associates in respect of:** | | | |
| Audit of financial statements of subsidiaries pursuant to legislation | 2.8 | 3.2 | 2.5 |
| Other services relating to taxation | 0.1 | 0.3 | 2.2 |
| Services relating to corporate finance transactions | — | — | 0.1 |
| All other services | 0.8 | 1.2 | 0.7 |
| | **4.2** | **5.2** | **6.2** |

The total in 2020 and 2019 includes fees paid to Deloitte Luxembourg and its network firms worldwide for the audit of the consolidated financial statements and the audits of the financial statements of the Company and many of its worldwide subsidiaries. Auditors' remuneration for services provided during the year ended December 31, 2018 relates to amounts paid to PricewaterhouseCoopers.

## 6. STAFF NUMBERS AND COSTS

The monthly average number of persons employed by the Group (including any divestitures up to the date of disposal and any acquisitions from the date of acquisition) during the year, analysed by category, was as follows:

| | Number of employees | | |
|---|---|---|---|
| | 2020 | 2019 | 2018 |
| Operations | 5,823 | 5,758 | 5,477 |
| Administration | 1,260 | 1,539 | 1,372 |
| Research and development | 253 | 167 | 360 |
| | **7,336** | **7,464** | **7,209** |

## 6. STAFF NUMBERS AND COSTS (continued)

The aggregate payroll costs of these persons were as follows:

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| Wages and salaries | 750.3 | 774.4 | 699.4 |
| Social security costs | 101.5 | 101.7 | 90.8 |
| Expenses related to defined contribution pension plans | 16.1 | 23.0 | 23.3 |
| Expenses related to defined benefit pension plans | 55.1 | 44.6 | 42.8 |
| | **923.0** | **943.7** | **856.3** |

## 7. DIRECTORS' REMUNERATION

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| Salaries and other short term benefits | **1.5** | **1.6** | **1.5** |

## 8. FINANCE INCOME AND COSTS

**Recognised in income statement**

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| **Finance income** | | | |
| Interest income on bank balances | 2.5 | 11.8 | 17.4 |
| Other interest receivable | 57.4 | 66.4 | 66.8 |
| Total interest income on financial assets not at fair value through profit or loss | 59.9 | 78.2 | 84.2 |
| Exchange movements | 250.2 | 6.8 | 15.3 |
| Net fair value gain on derivatives | 5.8 | — | 12.8 |
| Dividend income | 2.4 | 6.0 | 5.0 |
| **Total finance income** | **318.3** | **91.0** | **117.3** |
| **Finance costs** | | | |
| Interest payable on senior notes | 95.5 | 97.1 | 101.2 |
| Interest payable on bank loans and overdrafts | 107.3 | 123.5 | 111.6 |
| Interest payable on securitisation | 7.9 | 10.3 | 8.9 |
| Amortisation of issue costs | 7.8 | 7.9 | 6.2 |
| Interest payable on lease liabilities | 47.5 | 48.5 | — |
| Other finance charges | 6.2 | 7.4 | 6.5 |
| Exchange movements | 21.8 | 21.1 | 148.3 |
| Net fair value loss on derivatives | — | 95.4 | — |
| Interest on employee benefit liabilities | 10.4 | 14.0 | 13.4 |
| Borrowing costs capitalised in property, plant and equipment | (8.2) | (4.1) | (1.0) |
| Total finance costs before exceptional items | 296.2 | 421.1 | 395.1 |
| Exceptional finance cost (see Note 4) | — | 11.7 | — |
| **Total finance costs** | **296.2** | **432.8** | **395.1** |
| **Net finance (income)/costs** | **(22.1)** | **341.8** | **277.8** |

The exchange movements reflect foreign exchange gains or losses associated with short term intra group funding.

Net gains and losses on financial instruments are included in Note 25.b.

## 9. TAX CHARGE

**Taxation recognised in the consolidated income statement**

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| **Current tax expense** | | | |
| Current year | (137.3) | 191.5 | 268.1 |
| Adjustments in respect of prior years | (117.6) | (128.6) | 38.1 |
| Current tax expense | (254.9) | 62.9 | 306.2 |
| **Deferred tax expense** | | | |
| Origination and reversal of temporary differences | 225.4 | 30.4 | (23.9) |
| Effect of rate change | (7.9) | — | — |
| Adjustments in respect of prior years | 12.6 | 123.0 | (3.4) |
| Deferred tax charge/(credit) (see Note 16) | 230.1 | 153.4 | (27.3) |
| **Total tax (credit)/charge** | **(24.8)** | **216.3** | **278.9** |

**Reconciliation of effective tax rate**

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| Profit before taxation | 551.4 | 939.6 | 1,474.2 |
| Tax on above using the Luxembourg corporation tax rate of 24.94% (2019: 24.94%, 2018: 26.01%) | 137.5 | 234.3 | 383.4 |
| Non-deductible expenses/tax exempt revenue | 33.9 | 66.1 | 19.3 |
| Effect of tax rates in foreign jurisdictions | (35.5) | (83.7) | (158.0) |
| Loss carry back | (55.3) | — | — |
| Deferred tax not recognised | 7.5 | 5.2 | (0.5) |
| Effect of rate change | (7.9) | — | — |
| Adjustments in respect of prior years | (105.0) | (5.6) | 34.7 |
| **Total tax (credit)/charge** | **(24.8)** | **216.3** | **278.9** |

The tax credit of €24.8 million in the year ended December 31, 2020 reflects the recognition of tax refunds due in accordance with the CARES Act in the USA. This Act allows the Group to carry back available net operating losses in the US for the years ended December 31, 2020 and December 31, 2019 for a period of up to five years to obtain retrospective tax refunds at the tax rates applicable for the years the losses are utilised.

**Taxation recognised in other comprehensive (expense)/income**

| | 2020 | | | 2019 | | | 2018 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross | Tax | Net | Gross | Tax | Net | Gross | Tax | Net |
| | | | | | €m | | | | |
| Foreign exchange translation differences | 30.8 | — | 30.8 | (1.9) | — | (1.9) | (23.3) | — | (23.3) |
| Net (loss)/gain on hedge of net investment in foreign operations | (577.9) | 50.5 | (527.4) | 93.4 | (5.4) | 88.0 | 297.7 | (26.4) | 271.3 |
| Remeasurement of post employment benefit obligations | (86.2) | 11.8 | (74.4) | (184.1) | 51.8 | (132.3) | (32.7) | 10.0 | (22.7) |
| Total | **(633.3)** | **62.3** | **(571.0)** | **(92.6)** | **46.4** | **(46.2)** | **241.7** | **(16.4)** | **225.3** |

## 10. PROPERTY, PLANT AND EQUIPMENT

| | Land and buildings | Plant & equipment Fixtures and fittings | Under construction | Oil & Gas | Right-of-use assets | Total |
|---|---|---|---|---|---|---|
| | | | €m | | | |
| **Cost** | | | | | | |
| Balance at 1 January 2018 | 643.7 | 8,234.0 | 780.0 | — | — | 9,657.7 |
| Additions | 20.6 | 400.6 | 734.7 | — | — | 1,155.9 |
| Disposals | (2.1) | (52.2) | — | — | — | (54.3) |
| Transfers | 32.7 | 160.1 | (192.8) | — | — | — |
| Effect of movements in foreign exchange | 6.7 | 115.5 | 48.6 | — | — | 170.8 |
| Balance at 31 December 2018 | 701.6 | 8,858.0 | 1,370.5 | — | — | 10,930.1 |
| Impact of adopting IFRS 16 | (11.1) | (56.5) | — | — | 967.0 | 899.4 |
| Business acquisition | — | 30.1 | 4.3 | 2.6 | — | 37.0 |
| Additions | 5.0 | 256.4 | 1,115.5 | 0.1 | 165.5 | 1,542.5 |
| Disposals | (1.9) | (39.3) | — | — | (3.5) | (44.7) |
| Transfers | 54.6 | 711.0 | (762.0) | 3.2 | — | 6.8 |
| Modifications | — | — | — | — | 40.7 | 40.7 |
| Effect of movements in foreign exchange | 11.0 | 98.0 | 39.6 | — | 8.8 | 157.4 |
| Balance at 31 December 2019 | 759.2 | 9,857.7 | 1,767.9 | 5.9 | 1,178.5 | 13,569.2 |
| Business acquisition | 42.1 | 466.1 | 3.4 | — | — | 511.6 |
| Additions | 235.0 | 796.3 | 269.2 | 10.9 | 107.9 | 1,419.3 |
| Disposals | (0.6) | (128.6) | — | — | (37.2) | (166.4) |
| Transfers | 97.4 | 422.7 | (491.8) | — | — | 28.3 |
| Modifications | — | — | — | — | 13.7 | 13.7 |
| Effect of movements in foreign exchange | (50.1) | (510.9) | (127.6) | (1.1) | (50.6) | (740.3) |
| **Balance at 31 December 2020** | **1,083.0** | **10,903.3** | **1,421.1** | **15.7** | **1,212.3** | **14,635.4** |
| **Accumulated depreciation and impairment** | | | | | | |
| Balance at 1 January 2018 | 259.8 | 5,142.5 | — | — | — | 5,402.3 |
| Depreciation charge for the year | 18.3 | 437.7 | — | — | — | 456.0 |
| Disposals | (2.1) | (52.2) | — | — | — | (54.3) |
| Effect of movements in foreign exchange | 2.2 | 77.6 | — | — | — | 79.8 |
| Balance at 31 December 2018 | 278.2 | 5,605.6 | — | — | — | 5,883.8 |
| Impact of adopting IFRS 16 | (7.5) | (56.5) | — | — | 64.0 | — |
| Depreciation charge for the year | 23.2 | 471.0 | — | — | 154.3 | 648.5 |
| Impairment charge for the year | 0.7 | 32.6 | — | — | — | 33.3 |
| Disposals | (1.9) | (38.9) | — | — | (3.5) | (44.3) |
| Effect of movements in foreign exchange | 3.5 | 79.3 | — | — | 0.3 | 83.1 |
| Balance at 31 December 2019 | 296.2 | 6,093.1 | — | — | 215.1 | 6,604.4 |
| Depreciation charge for the year | 30.5 | 524.1 | — | 0.8 | 161.4 | 716.8 |
| Exceptional impairment charge for the year | — | 118.5 | — | — | — | 118.5 |
| Impairment charge for the year | 1.8 | 22.9 | — | — | 1.5 | 26.2 |
| Disposals | (0.6) | (127.6) | — | — | (28.6) | (156.8) |

## 10. PROPERTY, PLANT AND EQUIPMENT (continued)

| | Land and buildings | Plant & equipment Fixtures and fittings | Under construction | Oil & Gas | Right-of-use assets | Total |
|---|---|---|---|---|---|---|
| | | | €m | | | |
| Transfers | — | 20.1 | — | — | — | 20.1 |
| Effect of movements in foreign exchange | (14.4) | (303.0) | — | (0.1) | (12.5) | (330.0) |
| **Balance at 31 December 2020** | **313.5** | **6,348.1** | **—** | **0.7** | **336.9** | **6,999.2** |
| **Net book value** | | | | | | |
| At 31 December 2018 | 423.4 | 3,252.4 | 1,370.5 | — | — | 5,046.3 |
| At 31 December 2019 | 463.0 | 3,764.6 | 1,767.9 | 5.9 | 963.4 | 6,964.8 |
| **At 31 December 2020** | **769.5** | **4,555.2** | **1,421.1** | **15.0** | **875.4** | **7,636.2** |

Included in 2020 is an exceptional impairment charge of €118.5 million of plant and equipment following the Group's decision to terminate work on a propane dehydrogenation unit and associated infrastructure at its site in Antwerp, Belgium (see Note 4).

During the year a further impairment charge of €26.2 million (2019: €33.3 million) was made in respect of tangible fixed assets at the Nitriles facility at Seal Sands, United Kingdom following a decision to close the site in December 2019 due to poor operating performance and uneconomic capital expenditure requirements to meet safety and environmental obligations (see Note 4).

***Leased plant and machinery***

The Group leases many assets including land and buildings, vessels, storage and transportation infrastructure, machinery and IT equipment which are classified as right-of-use assets. Prior to 1 January 2019 net book values of €3.6 million in 2018 were included in land and buildings and plant, equipment, fixture and fittings in respect of assets held under hire purchase and finance leases.

More information regarding the right-of-use are presented below.

## 10. PROPERTY, PLANT AND EQUIPMENT (continued)

### Right-of-use (ROU) assets

| | Land and buildings | Plant & equipment Fixtures and fittings | ROU Total |
|---|---|---|---|
| **Cost** | | | |
| Impact of adopting IFRS 16 | 128.7 | 838.3 | 967.0 |
| Additions | 40.0 | 125.5 | 165.5 |
| Disposals | (0.8) | (2.7) | (3.5) |
| Modifications | — | 40.7 | 40.7 |
| Effect of movements in foreign exchange | 1.3 | 7.5 | 8.8 |
| Balance at 31 December 2019 | 169.2 | 1,009.3 | 1,178.5 |
| Additions | 2.2 | 105.7 | 107.9 |
| Disposals | — | (37.2) | (37.2) |
| Modifications | 5.0 | 8.7 | 13.7 |
| Effect of movements in foreign exchange | (4.9) | (45.7) | (50.6) |
| **Balance at 31 December 2020** | **171.5** | **1,040.8** | **1,212.3** |
| **Accumulated depreciation and impairment** | | | |
| Impact of adopting IFRS 16 | 7.5 | 56.5 | 64.0 |
| Depreciation charge for the year | 8.5 | 145.8 | 154.3 |
| Disposals | (0.8) | (2.7) | (3.5) |
| Effect of movements in foreign exchange | 0.1 | 0.2 | 0.3 |
| Balance at 31 December 2019 | 15.3 | 199.8 | 215.1 |
| Reclassification | 0.8 | (0.8) | — |
| Depreciation charge for the year | 9.4 | 152.0 | 161.4 |
| Impairment charge for the year | — | 1.5 | 1.5 |
| Disposals | — | (28.6) | (28.6) |
| Effect of movements in foreign exchange | (1.0) | (11.5) | (12.5) |
| **Balance at 31 December 2020** | **24.5** | **312.4** | **336.9** |
| **Net book value** | | | |
| At 31 December 2019 | 153.9 | 809.5 | 963.4 |
| **At 31 December 2020** | **147.0** | **728.4** | **875.4** |

See Note 26 for the leased obligations on right-of-use assets.

**10. PROPERTY, PLANT AND EQUIPMENT (continued)**

***Property, plant and equipment under construction***

During 2020, expenditure at the Chocolate Bayou site in the USA on a cracker debottleneck, furnace replacement and expenditure on a cogeneration project was transferred to other classes of property, plant and equipment. Assets under construction relating to a new propane dehydrogenation unit and associated infrastructure at its site in Antwerp, Belgium were also transferred to other classes of property, plant and equipment and fully impaired and disposed of following the Group's decision to terminate work on the project.

Additions to assets under construction during 2020 included further expenditure within the O&P North America segment on a furnace replacement project, a cracker debottleneck and major scheduled turnaround on one of the crackers at Chocolate Bayou, USA, together with expenditure on office building at the site. The O&P Europe segment had further expenditure at the Köln, Germany site on the cogeneration project and further expenditure on the new jetty, together with a major scheduled turnaround on one of the crackers at the site. In addition, there was expenditure on a planned propane dehydrogenation unit and new ethane cracker at the Antwerp, Belgium site. The main additions to assets under construction in the Chemical Intermediates segment was further expenditure by the Oligomers business on the Linear Alpha Olefins (LAO) and High Viscosity Poly Alpha Olefins (PAO) projects as well as on a barge dock at Chocolate Bayou, USA site. The Phenol business also had expenditure on a new cumene unit at the Marl, Germany site.

During 2019, expenditure at the Chocolate Bayou site in the USA on the Linear Alpha Olefins (LAO) project as well as expenditure on a cogeneration project and barge dock was transferred to other classes of property, plant and equipment.

Additions to assets under construction during 2019 included further expenditure at the Chocolate Bayou site in the USA on a furnace replacement project, a cogeneration project, a High Viscosity Poly Alpha Olefins (PAO) project, a barge dock and a debottleneck of one of the crackers. There was also further expenditure at the Köln, Germany site on a cogeneration project.

During 2018, expenditure in the USA on cogeneration equipment and a turnaround on an olefin unit along with expenditure on an EO storage project in Antwerp, Belgium was transferred to other classes of property, plant and equipment.

Additions to assets under construction during 2018 included further expenditure in the USA on the Linear Alpha Olefins (LAO) and High Viscosity Poly Alpha Olefins (PAO) projects as well as additional expenditure at Chocolate Bayou, USA on a cogeneration project, furnace replacement project and cracker debottleneck. There was also further expenditure at the Köln, Germany site on a cogeneration project, new office buildings and a lifecycle project. There was also expenditure at the Antwerp, Belgium site in respect of a new alkox unit.

## 11. INTANGIBLE ASSETS

| | Intellectual property rights | Customer relationships | Other | Goodwill | Total |
|---|---|---|---|---|---|
| **Cost** | | | €m | | |
| Balance at 1 January 2018 | 143.7 | 57.4 | 44.6 | 671.7 | 917.4 |
| Additions | — | — | 18.5 | — | 18.5 |
| Disposals | (51.1) | — | (6.0) | — | (57.1) |
| Effect of movements in foreign exchange | 0.5 | 2.5 | 1.8 | 12.3 | 17.1 |
| Balance at 31 December 2018 | 93.1 | 59.9 | 58.9 | 684.0 | 895.9 |
| Additions | — | — | 37.3 | — | 37.3 |
| Disposals | — | (4.5) | (14.0) | — | (18.5) |
| Business acquisition (see Note 3) | — | — | 24.4 | — | 24.4 |
| Effect of movements in foreign exchange | 0.2 | 1.2 | 7.9 | 6.0 | 15.3 |
| Balance at 31 December 2019 | 93.3 | 56.6 | 114.5 | 690.0 | 954.4 |
| Reclassifications | — | — | 5.9 | — | 5.9 |
| Additions | — | — | 53.6 | — | 53.6 |
| Disposals | — | — | (59.1) | — | (59.1) |
| Business acquisition (see Note 3) | 21.2 | — | 6.6 | 138.8 | 166.6 |
| Effect of movements in foreign exchange | (1.6) | (4.8) | (3.9) | (30.6) | (40.9) |
| **Balance at 31 December 2020** | **112.9** | **51.8** | **117.6** | **798.2** | **1,080.5** |
| **Accumulated amortisation and impairment** | | | | | |
| Balance at 1 January 2018 | 143.3 | 23.4 | 11.0 | 8.1 | 185.8 |
| Amortisation for the year | 0.1 | 12.7 | 0.4 | — | 13.2 |
| Disposals | (51.1) | — | — | — | (51.1) |
| Effect of movements in foreign exchange | 0.5 | 1.5 | 1.2 | — | 3.2 |
| Balance at 31 December 2018 | 92.8 | 37.6 | 12.6 | 8.1 | 151.1 |
| Amortisation for the year | 0.1 | 2.3 | 1.0 | — | 3.4 |
| Effect of movements in foreign exchange | 0.2 | 0.7 | — | — | 0.9 |
| Balance at 31 December 2019 | 93.1 | 40.6 | 13.6 | 8.1 | 155.4 |
| Amortisation for the year | 0.1 | 2.3 | 0.6 | — | 3.0 |
| Impairment charge for the year | — | — | 1.7 | — | 1.7 |
| Disposals | — | — | (1.7) | — | (1.7) |
| Effect of movements in foreign exchange | (1.1) | (3.7) | (0.3) | — | (5.1) |
| **Balance at 31 December 2020** | **92.1** | **39.2** | **13.9** | **8.1** | **153.3** |
| **Net book value** | | | | | |
| At 31 December 2018 | 0.3 | 22.3 | 46.3 | 675.9 | 744.8 |
| At 31 December 2019 | 0.2 | 16.0 | 100.9 | 681.9 | 799.0 |
| **At 31 December 2020** | **20.8** | **12.6** | **103.7** | **790.1** | **927.2** |

Other intangible assets include shale oil and gas licences, non-compete agreements, licence fees and environmental certificates.

### *Amortisation charge*

The amortisation charge is recognised in administrative expenses in the consolidated income statement.

## 11. INTANGIBLE ASSETS (continued)

***Impairment***

Goodwill has been allocated to cash generating units (CGU) or groups of cash generating units as follows:

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| O&P Europe | 246.2 | 246.2 | 246.2 |
| O&P North America | 463.4 | 355.2 | 349.2 |
| Chemical Intermediates | 80.5 | 80.5 | 80.5 |
| **Total** | **790.1** | **681.9** | **675.9** |

The recoverable amount is based on the value in use of each CGU based on the latest board approved five year plan. The forecasts are based on current performance and management's assumptions regarding the future development of individual parameters including raw material prices and profit margins, utilising available market pricing forecasts. Future assumptions regarding market demand are based on external macroeconomic sources and specific data relevant to the petrochemical industry and management's knowledge of the local markets in which it operates.

The cash flows after the plan period are based on an average of each of the years in the five year plan to take account of the cyclical nature of the industry extrapolated using long term growth rates as set out in the table below.

No impairment charge has been recorded in these financial statements as a result of the annual impairment test.

The key assumptions underlying the value in use calculation for all CGUs are shown below:

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Period on which management approved forecasts are based | 5 years | 5 years | 5 years |
| Discount rate | 8.5% | 8.5% | 8.5% |
| Growth rate | 3.0% | 3.0% | 3.0% |

A terminal value is calculated based on the average cash flows over the five year forecasting period assuming compound growth of 3% and is discounted over the expected lives of the assets of 40 years.

When determining the discount rate the pre-tax weighted average cost of capital of the Group is considered at each respective period end.

The growth rate used includes inflationary growth across our various markets.

The estimated recoverable amount exceeded the carrying amount for all cash generating units.

Sensitivity analysis on the recoverable amount was performed based on a 1% change in the discount rate and a 1% change in the growth rate, both of which are considered a reasonable possible change in estimate. Neither of these changes resulted in the recoverable amount being lower than the carrying amount.

## 12. INVESTMENTS

### 12a Investments In Equity—Accounted Investees

| | Joint ventures |
|---|---|
| | €m |
| At 1 January 2018 | 351.1 |
| Additions | 12.9 |
| Share of losses retained | (66.6) |
| Exchange adjustments | 4.6 |
| At 31 December 2018 | 302.0 |
| Share of profits retained | 67.0 |
| Exchange adjustments | 2.4 |
| At 31 December 2019 | 371.4 |
| Additions | 1.6 |
| Reductions | (0.7) |
| Business disposals (see Note 3) | (109.0) |
| Share of losses retained | (210.0) |
| Exchange adjustments | 33.1 |
| **At 31 December 2020** | **86.4** |

***Joint ventures***

On July 1, 2011 the group restructured the Refining business into a new joint venture between PetroChina and INEOS Investments (Jersey) Limited ('II(J)L'), a related party. II(J)L is held under common control by our controlling shareholders. The consideration received by the Group for the disposal consisted of cash consideration of $1.015 billion received from PetroChina for a 50% interest in the business and an investment in non-voting ordinary shares in II(J)L for the other 50% interest in the business.

The Group retains an economic interest in the Refining business by virtue of its investment in II(J)L. The results of the Refining business are reported within the share of profit/(loss) of associates and joint ventures using the equity accounting method by virtue of the Group's effective control of II(J)L. The Group has no ongoing obligations to fund the Refining business.

In July 2014 the Group set up a new joint venture entity (Gemini HDPE LLC) with Sasol to build and operate an HDPE plant at the Battleground site in Texas, USA. The Gemini plant became fully operational in the fourth quarter of 2017. During 2018 €12.9 million was invested into the joint venture. On December 31, 2020 the Group acquired the remaining 50% interest in the joint venture to become the 100% owner of the plant which has resulted in the disposal of the Group's previous 50% equity accounted interest of €109.0 million and a gain on disposal of €78.3 million (see Note 3).

In October 2020 the group invested €1.6 million into a joint venture set up with a Chinese partner to jointly develop Acrylonitrile technology for use within the Chinese market, and to protect against mis-use of technology where appropriate.

**12. INVESTMENTS (continued)**

Details of investments in material joint ventures are set out below:

| Company | Class of shares held | Place of business and country of incorporation | Percentage held | Principal activities |
|---|---|---|---|---|
| Petroineos Refining Limited | Ordinary | Lavéra, France Grangemouth, Scotland | 50.1% | Refining |
| Petroineos Trading Limited | Ordinary | Lavéra, France Grangemouth, Scotland | 49.9% | Refining |
| INEOS Infrastructure (Grangemouth) Limited | Ordinary | Grangemouth, Scotland | 75% | Refining |
| Gemini HDPE LLC | Ordinary | Texas, USA | —* | Chemicals |

Summary aggregated financial information for material equity accounted joint ventures are as follows:

**Refining joint ventures**

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| Current assets | 3,143.0 | 4,224.3 | 2,615.0 |
| Long-term assets | 2,897.8 | 2,960.1 | 2,660.2 |
| Current liabilities | (4,737.3) | (5,526.1) | (3,889.1) |
| Long-term liabilities | (340.0) | (325.0) | (198.5) |
| Cash outflow | (571.0) | (811.5) | (1,287.9) |
| Revenue | 17,102.8 | 27,867.0 | 26,871.4 |
| Expenses | (17,409.5) | (27,722.9) | (26,981.4) |

**Gemini HDPE joint venture**

| | 2020* | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| Current assets | — | 15.4 | 13.4 |
| Long-term assets | — | 561.9 | 564.8 |
| Current liabilities | — | (32.4) | (29.6) |
| Long-term liabilities | — | (307.5) | (323.9) |
| Cash (outflow)/inflow | (1.4) | 0.9 | — |
| Revenue | 56.7 | 58.5 | 49.4 |
| Expenses | (94.1) | (101.7) | (52.2) |

* On December 31, 2020 the Group acquired the remaining 50% interest in the Gemini HDPE LLC joint venture and it became a wholly owned subsidiary.

**12.b Investments in Subsidiary Undertakings**

The directors consider that to give full particulars of all subsidiary undertakings would lead to a statement of excessive length.

The directors believe the carrying value of the investments is supported by the underlying net assets of the subsidiaries.

The following information relates to the principal subsidiary undertakings of the Company.

## 12. INVESTMENTS (continued)

| Company | Country of incorporation and operation | Percentage holding | Principal activity |
|---|---|---|---|
| INEOS Luxembourg I S.A.* | Luxembourg | 100% | Holding Company |
| INEOS Luxembourg II S.A. | Luxembourg | 100% | Holding Company |
| INEOS Group AG | Switzerland | 100% | Holding Company |
| INEOS Holdings Limited | England and Wales | 100% | Holding Company |
| INEOS European Holdings Limited | England and Wales | 100% | Holding Company |
| INEOS Gemini HDPE Holdings Company LLC | USA | 100% | Holding Company |
| INEOS US Finance LLC | USA | 100% | Finance |
| INEOS Finance Plc | England and Wales | 100% | Finance |
| INEOS Treasury (UK) Limited | England and Wales | 100% | Finance |
| INEOS Europe AG | Switzerland | 100% | Chemicals |
| INEOS Oxide Limited | England and Wales | 100% | Chemicals |
| INEOS NV | Belgium | 100% | Chemicals |
| INEOS Belgium NV | Belgium | 100% | Chemicals |
| INEOS Phenol Belgium NV | Belgium | 100% | Chemicals |
| INEOS Italia Srl | Italy | 100% | Chemicals |
| INEOS Phenol GmbH | Germany | 100% | Chemicals |
| INEOS Americas LLC | USA | 100% | Chemicals |
| INEOS Manufacturing Deutschland GmbH | Germany | 100% | Chemicals |
| INEOS Köln GmbH | Germany | 100% | Chemicals |
| INEOS France SAS | France | 100% | Chemicals |
| INEOS Sales (UK) Limited | England and Wales | 100% | Chemicals |
| INEOS Manufacturing Belgium NV | Belgium | 100% | Chemicals |
| INEOS Manufacturing Belgium II NV | Belgium | 100% | Chemicals |
| INEOS Feluy SPRL | Belgium | 100% | Chemicals |
| INEOS Sales Belgium NV | Belgium | 100% | Chemicals |
| INEOS Sales Italia s.r.l. | Italy | 100% | Chemicals |
| INEOS Singapore Pte Limited | Singapore | 100% | Chemicals |
| INEOS USA LLC | USA | 100% | Chemicals |
| INEOS Canada Company | Canada | 100% | Chemicals |
| INEOS Canada Partnership | Canada | 100% | Chemicals |
| INEOS Bamble AS | Norway | 100% | Chemicals |
| INEOS Nitriles (UK) Limited | England and Wales | 100% | Chemicals |
| INEOS Manufacturing (Hull) Limited | England and Wales | 100% | Chemicals |
| INEOS Technologies (Vinyls) Limited | England and Wales | 100% | Chemicals |
| INEOS Technologies France SAS | France | 100% | Chemicals |
| INEOS US Sales Company | USA | 100% | Chemicals |
| INEOS Nitriles USA LLC | USA | 100% | Chemicals |
| INEOS Oligomers USA LLC | USA | 100% | Chemicals |
| INEOS Technologies USA LLC | USA | 100% | Chemicals |
| INEOS Technologies Italia S.r.l | Italy | 100% | Chemicals |
| INEOS Rafnes AS | Norway | 100% | Chemicals |
| Gemini HDPE LLC | USA | 100% | Chemicals |
| WLP Holding Corporation | USA | 100% | Manufacturer |

* Held directly by the Company

## 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| Balance brought forward | — | 251.2 | 238.5 |
| Amount restated in opening retained earnings due to impact of new IFRS 9 accounting standard | — | — | (6.1) |
| At 1 January | — | 251.2 | 232.4 |
| Interest receivable | — | 2.2 | 8.6 |
| Exchange adjustments | — | 4.5 | 10.2 |
| Disposals | — | (257.9) | — |
| **At 31 December** | — | — | **251.2** |

Before being disposed the Group held a non-voting preferred partnership interest in INEOS Investments Partnership, an entity held under common control by the Group's ultimate shareholders, which owned 24% of the share capital of the PQ Corporation, a silicas business incorporated in the USA and listed on the New York stock exchange. The Group previously held this investment at amortised cost under IAS 39; however in 2018 as a result of IFRS 9 it was designated as a financial asset at fair value through profit or loss. The remeasurement of this investment under IFRS 9 resulted in an adjustment to opening equity of €6.1 million as at January 1, 2018.

In 2019 the Group disposed of its preferential interest in INEOS Investments Partnership following the sale by INEOS Investments Partnership of its assets (shares in PQ Corporation) to INEOS Limited, a related party, for €260.5 million ($296.5 million) which resulted in a profit on disposal of €2.6 million.

## 14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| **Non-current** | | | |
| Financial assets at fair value though comprehensive income (see below and Note 25.a) | 28.3 | 28.3 | 28.3 |

***Financial assets at fair value through other comprehensive income (previously other financial assets)***

Financial assets at fair value through other comprehensive income include a 20.0% investment in Aethylen Rohrleitungs Gesellschaft ('ARG') mbH and Co. KG, a company registered in Germany whose principal activity is the transportation of ethylene via pipelines in Northern Europe and other investments.

These investments comprise of shares in private limited companies. The carrying value of these financial assets at fair value through comprehensive income was €28.3 million at December 31, 2020 (2019: €28.3 million). A disposal of these investments is not currently anticipated.

## 15. DERIVATIVE FINANCIAL INSTRUMENTS

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| **Current asset** | | | |
| Derivative commodity contracts classified as fair value through profit or loss (see Note 25.a) | 154.5 | 15.3 | 10.1 |

## 15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| **Non-current liabilities** | | | |
| Derivative commodity contracts classified as fair value through profit or loss (see Note 25.a) | — | — | 0.4 |
| Interest rate swap contracts classified as fair value through profit or loss (see Note 25.a) | 4.2 | — | — |
| | **4.2** | **—** | **0.4** |

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| **Current liabilities** | | | |
| Derivative commodity contracts classified as fair value through profit or loss (see Note 25.a) | 96.9 | 59.5 | — |

## 16. DEFERRED TAX ASSETS AND LIABILITIES

***Recognised deferred tax assets and liabilities***

Deferred tax assets and liabilities are attributable to the following:

| | 2020 | | |
|---|---|---|---|
| | Assets | Liabilities | Total |
| | | €m | |
| Property, plant and equipment | — | 813.9 | 813.9 |
| Employee benefits | (197.8) | — | (197.8) |
| Tax value of loss carry-forwards | (71.6) | — | (71.6) |
| Other | (150.1) | — | (150.1) |
| Tax (assets)/liabilities | (419.5) | 813.9 | 394.4 |
| Set off of tax | 236.3 | (236.3) | — |
| **Net tax (assets)/liabilities** | **(183.2)** | **577.6** | **394.4** |

| | 2019 | | |
|---|---|---|---|
| | Assets | Liabilities | Total |
| | | €m | |
| Property, plant and equipment | — | 512.4 | 512.4 |
| Employee benefits | (191.2) | — | (191.2) |
| Tax value of loss carry-forwards | (70.5) | — | (70.5) |
| Other | (72.7) | — | (72.7) |
| Tax (assets)/liabilities | (334.4) | 512.4 | 178.0 |
| Set off of tax | 221.2 | (221.2) | — |
| **Net tax (assets)/liabilities** | **(113.2)** | **291.2** | **178.0** |

## 16. DEFERRED TAX ASSETS AND LIABILITIES (continued)

| | 2018 | | |
|---|---|---|---|
| | Assets | Liabilities | Total |
| | | €m | |
| Property, plant and equipment | — | 249.6 | 249.6 |
| Employee benefits | (135.0) | — | (135.0) |
| Tax value of loss carry-forwards | (51.1) | — | (51.1) |
| Other | — | 12.9 | 12.9 |
| Tax (assets)/liabilities | (186.1) | 262.5 | 76.4 |
| Set off of tax | 56.1 | (56.1) | — |
| **Net tax (assets)/liabilities** | **(130.0)** | **206.4** | **76.4** |

**Movement in deferred tax**

| | Property, plant and equipment | Employee benefits | Tax value of loss carry-forward utilised | Other | Total |
|---|---|---|---|---|---|
| | | | €m | | |
| At 1 January 2018 | **254.8** | **(189.8)** | **(50.6)** | **27.7** | **42.1** |
| Prior year adjustment (see Note 1) | — | 71.6 | — | — | 71.6 |
| At 1 January 2018 (restated) | **254.8** | **(118.2)** | **(50.6)** | **27.7** | **113.7** |
| Recognised in profit or loss | (5.2) | (6.8) | (0.5) | (14.8) | (27.3) |
| Recognised in other comprehensive income | — | (10.0) | — | — | (10.0) |
| **At 31 December 2018** | 249.6 | (186.1) | (51.1) | 12.9 | 76.4 |
| Recognised in profit or loss | 262.8 | (4.4) | (19.4) | (85.6) | 153.4 |
| Recognised in other comprehensive income | — | (51.8) | — | — | (51.8) |
| **At 31 December 2019** | **512.4** | **(191.2)** | **(70.5)** | **(72.7)** | **178.0** |
| Recognised in profit or loss | 303.4 | 5.2 | (1.1) | (77.4) | 230.1 |
| Recognised in other comprehensive income | — | (11.8) | — | — | (11.8) |
| Business acquisitions (See Note 3) | 2.1 | — | — | — | 2.1 |
| Exchange adjustments | (4.0) | — | — | — | (4.0) |
| **At 31 December 2020** | **813.9** | **(197.8)** | **(71.6)** | **(150.1)** | **394.4** |

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable based on an assessment of expected future profits modelled against the gross tax losses. The Group did not recognise gross deductible temporary or tax losses of €123.8 million (2019: €95.9 million, 2018: €12.0 million) due to uncertainty in respect of the timing realisation. As at 31 December 2020 there are also unprovided foreign tax credits of €32.7 million.

The Group has not provided deferred tax in relation to temporary differences on its overseas subsidiaries or joint ventures as the Group can control the timing and realisation of these temporary differences, and it is probable that no material unprovided tax liability would arise.

## 17. INVENTORIES

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| Raw materials and consumables | 392.7 | 430.4 | 444.4 |
| Work in progress | 17.8 | 19.5 | 22.1 |
| Finished goods | 649.2 | 777.1 | 941.2 |
| | **1,059.7** | **1,227.0** | **1,407.7** |

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to €5,554.3 million (2019: €7,175.0 million 2018: €8,605.6 million). The net write-down of inventories to net realisable value amounted to €2.3 million (2019: €0.5 million, €2018: €2.6 million)

## 17. INVENTORIES (continued)

after the reversal of previous write downs of €nil (2019: €0.2 million, 2018: €nil).

## 18. TRADE AND OTHER RECEIVABLES

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| **Current** | | | |
| Trade receivables | 955.1 | 1,008.6 | 1,177.5 |
| Amounts due from related parties (see Note 29) | 264.2 | 300.8 | 309.5 |
| Other receivables | 100.6 | 150.7 | 143.8 |
| Prepayments | 74.1 | 84.8 | 117.4 |
| | **1,394.0** | **1,544.9** | **1,748.2** |
| **Non-current** | | | |
| Amounts due from related parties (see Note 29) | 641.3 | 727.8 | 702.2 |
| Other receivables | 1.9 | 2.1 | 1.0 |
| Prepayments | 13.0 | 12.5 | 26.5 |
| | **656.2** | **742.4** | **729.7** |

***Credit quality of financial assets and impairment losses***

The ageing of trade and other receivables at the end of the reporting period and the expected credit loss rate (ECLR) was:

| | Trade receivables | | | Amounts due from related parties | | | Other receivables | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross 2020 | Impairment 2020 | ECLR 2020 | Gross 2020 | Impairment 2020 | ECLR 2020 | Gross 2020 | Impairment 2020 | ECLR 2020 |
| | €m | €m | % | €m | €m | % | €m | €m | % |
| Not past due | 799.8 | (1.1) | 0.1 | 905.5 | — | 0.0 | 101.6 | — | 0.0 |
| Past due 0-30 days | 116.8 | (0.2) | 0.2 | — | — | — | 0.1 | — | 0.0 |
| Past due 31-90 days | 34.3 | (0.4) | 1.2 | — | — | — | 0.3 | — | 0.0 |
| More than 90 days | 15.1 | (9.2) | 60.9 | — | — | — | 0.5 | — | 0.0 |
| | 966.0 | (10.9) | 1.1 | 905.5 | — | 0.0 | 102.5 | — | 0.0 |

| | Trade receivables | | | Amounts due from related parties | | | Other receivables | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross 2019 | Impairment 2019 | ECLR 2019 | Gross 2019 | Impairment 2019 | ECLR 2019 | Gross 2019 | Impairment 2019 | ECLR 2019 |
| | €m | €m | % | €m | €m | % | €m | €m | % |
| Not past due | 868.0 | — | 0.0 | 1,028.6 | — | 0.0 | 151.2 | — | 0.0 |
| Past due 0-30 days | 126.2 | (1.4) | 1.1 | — | — | — | 0.6 | — | 0.0 |
| Past due 31-90 days | 17.2 | (2.5) | 14.5 | — | — | — | — | — | — |
| More than 90 days | 10.7 | (9.6) | 89.7 | — | — | — | 1.0 | — | 0.0 |
| | 1,022.1 | (13.5) | 1.3 | 1,028.6 | — | 0.0 | 152.8 | — | 0.0 |

| | Trade receivables | | | Amounts due from related parties | | | Other receivables | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross 2018 | Impairment 2018 | ECLR 2018 | Gross 2018 | Impairment 2018 | ECLR 2018 | Gross 2018 | Impairment 2018 | ECLR 2018 |
| | €m | €m | % | €m | €m | % | €m | €m | % |
| Not past due | 1,055.6 | (4.7) | 0.4 | 1,011.7 | — | 0.0 | 139.5 | — | 0.0 |
| Past due 0-30 days | 87.1 | (0.6) | 0.7 | — | — | — | 2.6 | — | 0.0 |
| Past due 31-90 days | 39.7 | (0.2) | 0.5 | — | — | — | 0.3 | — | 0.0 |
| More than 90 days | 12.0 | (11.4) | 95.0 | — | — | — | 2.4 | — | 0.0 |
| | 1,194.4 | (16.9) | 1.4 | 1,011.7 | — | 0.0 | 144.8 | — | 0.0 |

## 18. TRADE AND OTHER RECEIVABLES (continued)

The accounts receivable not yet due after impairment losses as of the end of the reporting period are deemed to be collectible on the basis of established credit management processes such as regular analyses of the credit worthiness of our customers and external credit checks where appropriate for new customers (see Note 25.c). At December 31, 2018, 2019 and 2020 there were no significant trade, related party or other receivable balances not past due that were subsequently impaired.

Due to the global activities and diversified customer structure of the Group, there is no significant concentration of credit risk (2019: nil, 2018: nil).

During 2018, 2019 and 2020 there were no significant trade, related party or other receivable balances that were subject to renegotiation of terms. Credit enhancements are held in respect of trade and other receivables in the form of €nil (2019: €nil, 2018: €9.0 million) of assets pledged as security against amounts owed to the Group of which €nil (2019: €nil, 2018: €3.9 million) is in respect of amounts falling overdue.

Trade receivable balances totalling €776.4 million (2019: €770.0 million, 2018: €921.2 million) have been pledged as security against amounts drawn down under the Receivables Securitisation Facility, described in Note 19, totalling €114.2 million (2019: €297.1 million, 2018: €287.8 million). In accordance with IFRS 9 ‘Financial Instruments’ the trade receivable balances pledged as security do not qualify for derecognition and are included within the trade receivable balances above.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| Balance at 1 January | 13.5 | 16.9 | 37.9 |
| Additions/(released) | 1.0 | (3.4) | (21.5) |
| Utilised | (2.6) | — | — |
| Exchange | (1.0) | — | 0.5 |
| Balance at 31 December | **10.9** | **13.5** | **16.9** |

The allowance account for trade receivables is used to record any impairment losses unless the Group is satisfied that no recovery of the amount owing is probable; at that point the amounts considered irrecoverable are written off against the trade receivables directly. As of January 1, 2018, IFRS 9 replaced the ‘incurred loss’ model in IAS 39 with a forward-looking ‘expected credit loss’ (ECL) model in assessing the recoverability of trade receivables. Due to the quality of the Group’s trade receivables, and its low history of bad debts the application of IFRS 9 did not result in a material change to the allowance for impairment in respect of trade receivables. The impact was calculated considering past experience and management’s estimate of future developments including the assessment of probability of default being relatively low. Management expects no considerable change in the future market situation. Consequently, the future credit losses in the ECL model are in the same range as the credit losses experienced in the past years. This is regarded as the future expectation of the inherent credit risk of the not impaired trade and other receivables outstanding. The Group reviews the assumptions of the ECL model on a yearly basis.

### *Credit risk of trade receivables*

| | 2020 |
|---|---|
| | €m |
| Low | 909.9 |
| Medium | 51.4 |
| High | 4.7 |
| Impairment allowance | (10.9) |
| | **955.1** |

## 18. TRADE AND OTHER RECEIVABLES (continued)

The credit risk grade is based on the analysis on both the quantitative and qualitative factors as detailed below:

- High: Customers under significant financial difficulty and customers for whom there is an uncertainty of payment based on knowledge of factors like insolvency, dispute. Any receivable more than 180 days past due should also be classified in this category.
- Medium: Any receivable between 90 and 180 days past due should be classified as medium risk unless qualitative factors indicate a higher credit risk.
- Low: Any receivable less than 90 days past due should be classified as low risk unless qualitative factors indicate a higher credit risk.

During the year the Group has not experienced a significant deterioration in the quality of receivable balances due to the current economic conditions.

There were no allowances made against amounts due from other receivables during the year (2019: €nil, 2018: €nil).

There were no allowances made against amounts due from related parties during the year (2019: €nil, 2018: €nil).

## 19. INTEREST-BEARING LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk, see Note 25.f.

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| **Non-current liabilities** | | | |
| Senior Secured Term Loans | 3,633.1 | 3,428.6 | 3,432.6 |
| Senior Secured Notes due May 2026 | 763.3 | 762.1 | — |
| Senior Secured Notes due March 2026 | 320.7 | — | — |
| Senior Secured Notes due 2025 | 546.4 | 545.6 | 544.9 |
| Senior Secured Notes due 2023 | — | — | 765.8 |
| Senior Notes due 2020 | — | — | 1,080.2 |
| Senior Notes due 2024 | 1,051.9 | 1,090.4 | — |
| Gemini Facility | 463.2 | — | — |
| Receivables Securitisation Facility | 113.4 | 295.9 | 286.6 |
| Köln CoGen Facility | 72.0 | 96.0 | 120.0 |
| Rafnes Facility | 212.3 | 246.5 | — |
| Schuldschein Facility | 139.4 | 138.9 | — |
| Finance lease liabilities | — | — | 1.1 |
| Other loans | 27.5 | 0.8 | 10.3 |
| | **7,343.2** | **6,604.8** | **6,241.5** |

## 19. INTEREST-BEARING LOANS AND BORROWINGS (continued)

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| **Current liabilities** | | | |
| Current portion of borrowings under Senior Secured Term Loans | 34.6 | 33.3 | 33.0 |
| Gemini Facility | 14.7 | — | — |
| Rafnes Facility | 35.0 | — | — |
| Noretyl Facility | — | — | 26.9 |
| Köln CoGen Facility | 24.0 | 24.0 | — |
| Inventory Financing Facility | 128.8 | 190.4 | — |
| Other loans | 1.5 | 0.3 | 1.1 |
| Current portion of finance lease liabilities | — | — | 0.1 |
| | **238.6** | **248.0** | **61.1** |

| | Gross loans and borrowings 2020 | Issue costs 2020 | Net loans and borrowings 2020 |
|---|---|---|---|
| | | €m | |
| **Gross debt and issue costs** | | | |
| Senior Secured Term Loans | 3,682.3 | (14.6) | 3,667.7 |
| Senior Secured Notes due May 2026 | 770.0 | (6.7) | 763.3 |
| Senior Secured Notes due March 2026 | 325.0 | (4.3) | 320.7 |
| Senior Secured Notes due 2025 | 550.0 | (3.6) | 546.4 |
| Senior Notes due 2024 | 1,056.5 | (4.6) | 1,051.9 |
| Receivables Securitisation Facility | 114.2 | (0.8) | 113.4 |
| Köln CoGen Facility | 96.0 | — | 96.0 |
| Rafnes Facility | 250.0 | (2.7) | 247.3 |
| Schuldschein Facility | 141.0 | (1.6) | 139.4 |
| Inventory Financing Facility | 128.8 | — | 128.8 |
| Other loans | 29.0 | — | 29.0 |
| | **7,142.8** | **(38.9)** | **7,103.9** |
| Gemini Facility | 487.8 | (9.9) | 477.9 |
| **Total** | **7,630.6** | **(48.8)** | **7,581.8** |

The Gemini Facility is an obligation of Gemini HDPE LLC. Gemini HDPE LLC is designated as an unrestricted subsidiary in accordance with the Group's Senior Secured Term Loans, Schuldschein Facility and Senior Secured Notes and the Gemini Facility does not benefit from the security or collateral of those facilities.

## 19. INTEREST-BEARING LOANS AND BORROWINGS (continued)

| | Gross loans and borrowings 2019 | Issue costs 2019 | Net loans and borrowings 2019 |
|---|---|---|---|
| | | €m | |
| **Gross debt and issue costs** | | | |
| Senior Secured Term Loans | 3,470.9 | (9.0) | 3,461.9 |
| Senior Secured Notes due May 2026 | 770.0 | (7.9) | 762.1 |
| Senior Secured Notes due 2025 | 550.0 | (4.4) | 545.6 |
| Senior Notes due 2024 | 1,096.3 | (5.9) | 1,090.4 |
| Receivables Securitisation Facility | 297.1 | (1.2) | 295.9 |
| Köln CoGen Facility | 120.0 | — | 120.0 |
| Rafnes Facility | 250.0 | (3.5) | 246.5 |
| Schuldschein Facility | 141.0 | (2.1) | 138.9 |
| Inventory Financing Facility | 190.9 | (0.5) | 190.4 |
| Other loans | 1.1 | — | 1.1 |
| **Total** | **6,887.3** | **(34.5)** | **6,852.8** |

| | Gross loans and borrowings 2018 | Issue costs 2018 | Net loans and borrowings 2018 |
|---|---|---|---|
| | | €m | |
| Senior Secured Term Loans | 3,476.7 | (11.1) | 3,465.6 |
| Senior Secured Notes due 2023 | 770.0 | (4.2) | 765.8 |
| Senior Secured Notes due 2025 | 550.0 | (5.1) | 544.9 |
| Senior Notes due 2024 | 1,087.3 | (7.1) | 1,080.2 |
| Receivables Securitisation Facility | 287.8 | (1.2) | 286.6 |
| Köln CoGen Facility | 120.0 | — | 120.0 |
| Noretyl Facility | 27.5 | (0.6) | 26.9 |
| Other loans | 12.6 | — | 12.6 |
| **Total** | **6,331.9** | **(29.3)** | **6,302.6** |

| Terms and debt repayment schedule | Currency | Nominal interest rate | Year of maturity |
|---|---|---|---|
| Senior Secured Term Loans | $/€ | LIBOR/ EURIBOR plus 2.00% - 3.00% | 2024 - 2027 |
| Senior Secured Notes | € | 2.125% - 3.375% | 2025 - 2026 |
| Gemini Facility | $ | LIBOR plus 3.00% | 2027 |
| Schuldschein Facility | € | EURIBOR plus 2.00% | 2024 |
| Senior Notes | $/€ | 5.375% - 5.625% | 2024 |
| Receivables Securitisation Facility | $/€/£ | Variable | 2022 |
| Köln CoGen Facility | € | 2.85% | 2024 |
| Rafnes Facility | € | EURIBOR plus 2.10% | 2024 |
| Other loans | €/$ | 2.20% - 3.50% | 2021 - 2027 |

***Senior Secured Term Loans***

The Group has outstanding borrowings under a senior credit facilities agreement dated April 27, 2012 (as amended and restated) which consist of Euro and US dollar denominated Term Loans maturing on March 31,2024 and new euro denominated Senior Secured Term Loans issued in October 2020 of €375 million which mature on October 27, 2027 (together referred to as the 'Senior Secured Term Loans' or 'Term Loans').

**19. INTEREST-BEARING LOANS AND BORROWINGS (continued)**

The Senior Secured Term Loans outstanding at December 31, 2020 before issue costs were €3,682.3 million (2019: €3,470.9 million, 2018: €3,476.7 million) of which €37.8 million (2019: €35.4 million, 2018: €35.1 million) is due within one year. The total amounts outstanding on the Euro denominated Term Loans were €2,373.2 million and the US dollar denominated Term Loans were €1,309.1 million.

The Term Loans are to be repaid in equal quarterly instalments, in aggregate annual amounts equal to 1% of the original principal amount of the Term Loans. The new euro denominated Senior Secured Term Loans issued in October 2020 of €375 million mature on October 27, 2027 with the remaining Term Loans maturing on March 31, 2024.

The outstanding Term Loans denominated in US dollars bear interest at a rate per annum equal to LIBOR plus the Applicable Margin. The Term Loans denominated in Euros bear interest at a rate per annum equal to EURIBOR (subject to a floor of 0.50% per annum) plus the Applicable Margin.

As at December 31, 2020 the Applicable Margin for the Euro denominated Term Loans and the US dollar denominated Term Loans maturing March 2024 was 2.00% and for the Euro denominated Term Loans maturing October 2027 was 3.00%.

The Senior Secured Term Loans rank pari passu with the Senior Secured Notes due May 2026, Senior Secured Notes due March 2026, Senior Secured Notes due 2025 and the Schuldschein Loan and are structurally senior to the Senior Notes due 2024. The Term Loans are guaranteed by INEOS Group Holdings S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The Term Loans and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the senior secured notes.

The Term Loans have numerous customary operating and financial incurrence covenants all of which have been complied with during the year, including covenants relating to, among other things, limitations on indebtedness, ability to give guarantees, creation of security interests, making acquisitions and investments, disposing of assets and paying dividends. The Term Loans have no financial maintenance covenants.

The Senior Secured Term Loans are stated net of debt issue costs of €14.6 million (2019: €9.0 million, 2018: €11.1 million). These costs are allocated to the profit and loss account over the term of the Term Loans.

***Senior Secured Notes due 2023***

In April 2019 the Group redeemed in full the Senior Secured Notes due 2023 with the proceeds from the issuance of the Senior Secured Notes due May 2026 along with cash on hand. Before redemption the Senior Secured Notes due 2023 were listed on the Euro MTF—Luxembourg Stock Exchange. The Senior Secured Notes due 2023 bore interest at 4.0% per annum, payable semi-annually in arrears on May 1 and November 1 of each year.

Following the full redemption of the Senior Secured Notes due 2023, unamortised debt issue costs of €4.0 million and an early prepayment premium of €7.7 million were charged to exceptional finance costs in April 2019 (see Note 4).

***Senior Secured Notes due 2025***

In November 2017 the Group issued €550 million of Senior Secured Notes due 2025. The proceeds from the new Notes were used to partially repay the Senior Secured Term Loans. The Senior Secured Notes due 2025 are listed on the Euro MTF—Luxembourg Stock Exchange. The Senior Secured Notes due 2025 bear interest at 2.125% per annum, payable semi-annually in arrears on May 15 and November 15 of each year. Unless previously redeemed as noted below, the Senior Secured Notes due 2025 will be redeemed by the Group at their principal amount on November 15, 2025.

The Senior Secured Notes due 2025 can be subject to redemption at any time on or after November 15, 2020, at the option of the Issuer, in whole or in part, on not less than 10 nor more than

## 19. INTEREST-BEARING LOANS AND BORROWINGS (continued)

60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning November 15 of the year indicated below:

| Year | Redemption Price |
|---|---|
| 2020 | 100.0625% |
| 2021 | 100.53125% |
| 2022 and thereafter | 100.000% |

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due 2025 rank pari passu with the Senior Secured Term Loans and Senior Secured Notes due May 2026, Senior Secured Notes due March 2026 and the Schuldschein Loan and are structurally senior to the Senior Notes due 2024. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due 2025 are stated net of debt issue costs of €3.6 million (2019: €4.4 million, 2018: €5.1 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due 2025.

### *Senior Secured Notes due May 2026*

In April 2019, the Group issued €770 million of Senior Secured Notes due May 2026. The Senior Secured Notes due May 2026 are listed on the Euro MTF—Luxembourg Stock Exchange. The Senior Secured Notes due May 2026 bear interest at 2.875% per annum, payable semi-annually in arrears on May 1 and November 1 of each year, beginning November 1, 2020. Unless previously redeemed as noted below, the Senior Secured Notes due May 2026 will be redeemed by the Group at their principal amount on May 1, 2026.

The Senior Secured Notes due May 2026 can be subject to redemption at any time on or after May 1, 2022, at the option of the Issuer, in whole or in part, on not less than 10 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning May 1 of the year indicated below:

| Year | Redemption Price |
|---|---|
| 2022 | 101.4375% |
| 2023 | 100.71875% |
| 2024 and thereafter | 100.000% |

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due May 2026 rank pari passu with the Senior Secured Term Loans, Senior Secured Notes due March 2026, Senior Secured Notes due 2025 and the Schuldschein Loan and are structurally senior to the Senior Notes due 2024. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior

**19. INTEREST-BEARING LOANS AND BORROWINGS (continued)**

secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due May 2026 are stated net of debt issue costs of €6.7 million (2019: €7.9 million). These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due May 2026.

***Senior Secured Notes due March 2026***

In October 2020, the Group issued €325 million of Senior Secured Notes due March 2026. The Senior Secured Notes due March 2026 are listed on the Euro MTF—Luxembourg Stock Exchange. The Senior Secured Notes due March 2026 bear interest at 3.375% per annum, payable semi-annually in arrears on May 15 and November 15 of each year, beginning May 15, 2021. Unless previously redeemed as noted below, the Senior Secured Notes due March 2026 will be redeemed by the Group at their principal amount on March 31, 2026.

The Senior Secured Notes due March 2026 can be subject to redemption at any time on or after November 15, 2022, at the option of the Issuer, in whole or in part, on not less than 10 nor more than 60 days' prior notice at the following redemption prices (expressed as percentages of the aggregate principal amount), if redeemed during the 12-month period beginning November 15 of the year indicated below:

| Year | Redemption Price |
|---|---|
| 2022 | 101.688% |
| 2023 | 100.844% |
| 2024 and thereafter | 100.000% |

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Secured Notes due March 2026 rank pari passu with the Senior Secured Term Loans, Senior Secured Notes due May 2026, Senior Secured Notes due 2025 and the Schuldschein Loan and are structurally senior to the Senior Notes due 2024. The notes are guaranteed by INEOS Group Holdings S.A., INEOS Luxembourg I S.A., INEOS Holdings Limited and certain of their subsidiaries on a senior secured basis. The notes and the guarantees are secured by first ranking liens on the same assets (subject to certain exceptions) that secure INEOS Holdings Limited's obligations under the Senior Secured Term Loans.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Secured Notes due March 2026 are stated net of debt issue costs of €4.3 million. These costs are allocated to the profit and loss account over the term of the Senior Secured Notes due March 2026.

***Senior Notes due 2024***

The Senior Notes due 2024 are listed on the Euro MTF—Luxembourg Stock Exchange and comprise €650 million Senior Notes due 2024 (the "Euro Notes") and $500 million Senior Notes due 2024 (the "Dollar Notes"). The Senior Notes due 2024 bear interest at 5.375% per annum for the Euro Notes and 5.625% for the Dollar Notes, payable semi-annually in arrears on 1 February and 1 August of each year.

Unless previously redeemed as noted below, the Senior Notes due 2024 will be redeemed by the Group at their principal amount on 1 August 2024.

**19. INTEREST-BEARING LOANS AND BORROWINGS (continued)**

The Senior Notes due 2024 are subject to redemption at the option of the Group, in whole or in part, at the following redemption prices (expressed as percentages of the principal amount), if redeemed during the 12-month period beginning 1 August of the years indicated below:

| Year | Euro Notes redemption price | Dollar Notes redemption price |
|---|---|---|
| 2020 | 101.344% | 101.406% |
| 2021 and thereafter | 100.000% | 100.000% |

In each case, the redemption premium will be in addition to accrued and unpaid interest, if any, to the redemption date (subject to the rights of holders of record on relevant record dates to receive interest due on an interest payment date).

The Senior Notes due 2024 are secured by junior pledges of all of the shares of INEOS Holdings Limited. The Senior Notes due 2024 are guaranteed by INEOS Luxembourg I S.A., INEOS Holdings Limited and their material operating subsidiaries on an unsecured senior subordinated basis. Such guarantees only become due 179 days after an event of default on the Senior Notes due 2024 has occurred or earlier under certain circumstances.

The Indenture contains a number of operating and financial covenants including limitations on indebtedness, restricted payments, transactions with affiliates, liens, sale of assets and dividend payments.

The Senior Notes due 2024 are stated net of debt issue costs of €4.6 million (2019: €5.9 million, 2018: €7.1 million). These costs are allocated to the profit and loss account over the term of the Senior Notes due 2024.

***Receivables Securitisation Facility***

The Group has entered into a €800 million receivables securitisation facilities agreement ("Receivables Securitisation Facility") which matures on December 31, 2022. The total amount outstanding at December 31, 2020 before issue costs was €114.2 million (2019: €297.1 million, 2018: €287.8 million). The facility is secured by pledges over the trade receivables sold into the programme. Interest is charged on the facility at a rate per annum of either EURIBOR or short term commercial paper rates plus a margin.

The Receivables Securitisation Facility is stated net of debt issue costs of €0.8 million (2019: €1.2 million, 2018: €1.2 million).

***Köln CoGen Facility***

As part of a project at the Group's Köln site to replace part of its incineration or cogeneration unit, the Group has entered into a €120 million loan facility ("Köln CoGen Facility"). The facility matures in December 2024. There were no scheduled interest or amortization payments during the first two years of the facility. The total amount outstanding at December 31, 2020 was €96.0 million (2019: €120.0 million.)

The Köln CoGen Facility is to be repaid in equal quarterly instalments of €6.0 million, starting from March 2020. The facility is secured by pledges over the plant and equipment of INEOS Manufacturing Deutschland GmbH's new cogeneration assets. The outstanding Köln CoGen Facility bears a fixed interest rate of 2.85% per annum.

***Rafnes Facility (previously Noretyl Facility)***

As part of the Group's purchase of the remaining 50% interest in the Noretyl ethylene cracker at Rafnes, Norway from the Kerling group on July 1, 2015, the Group also assumed the obligations of a €140 million loan facility ("Noretyl Facility") that Noretyl had in place. In November 2019 following the repayment of the initial loan the term loan facility was amended and restated with a new facility amount ("Rafnes Facility") of €250.0 million. The total amount outstanding at December 31, 2020 before issue costs was €250.0 million (2019: €250.0 million, 2018: €27.5 million) of which €35.7 million (2019: nil) is due within one year.

## 19. INTEREST-BEARING LOANS AND BORROWINGS (continued)

The Rafnes Facility is to be repaid in equal semi-annual instalments of €35.7 million commencing on December 15, 2021. The facility matures in November 2024. The facility is secured by pledges over the property, plant and equipment of INEOS Rafnes AS (previously Noretyl AS). The Rafnes Facility bears interest at a rate per annum equal to EURIBOR (subject to a floor of 0% per annum) plus a margin of 2.10%.

The Rafnes Facility is stated net of debt issue costs of €2.7 million (2019: €3.5 million, 2018: €0.6 million).

***Schuldschein Loan***

In March 2019 the Group entered into a €141 million floating rate loan facility ("Schuldschein Loan"). The facility matures in March 2024. The Schuldschein Loan bears interest at a rate per annum equal to EURIBOR for an interest period of six months (subject to a floor of 0.50% per annum) plus a margin of 2.00%. Interest on the Schuldschein Loan is payable semi-annually in arrears in September and March of each year.

The Schuldschein Loan ranks pari passu with the Senior Secured Term Loans, Senior Secured Notes due 2025, Senior Secured Notes due March 2026 and the Senior Secured Notes due May 2026. The Schuldschein Loan is stated net of debt issue costs of €1.6 million (2019: €2.1 million).

***Inventory Financing Facility***

In June 2019 the Group entered into an inventory monetisation agreement with J Aron & Company LLC ("J Aron"), for an initial term of one year. In June 2020 the Group and J Aron agreed an extension of the term to June 2021, and a further extension option may be exercised by mutual agreement. Under this arrangement, the Group sold certain inventory to J Aron and agreed to buy-back equivalent inventory at the end of the term at the same price. During the term, and subject to certain covenants and rights of J Aron, J Aron provides the Group with a just-in-time service for use of the inventory, and the ability to substitute used inventory with equivalent inventory, in return for a transaction fee. The arrangement is supported by a Group parent company guarantee and a cash collateral mechanism.

The total amount outstanding at December 31, 2020 before issue costs was €128.8 million (2019: €190.9 million). The Inventory Financing Facility is stated net of debt issue costs of nil (2019: €0.5 million).

***Gemini Facility***

As part of the Group's purchase of the remaining 50% interest in the Gemini HDPE plant in Texas, USA, from Sasol Chemicals on December 31, 2020, the Group amended and upsized the existing Term Loan facility within the acquired Gemini HDPE LLC legal entity. The amended loan facility was upsized to $600.0 million ("Gemini Facility") and the maturity was extended to October 31, 2027. The total amount outstanding at December 31, 2020 before issue costs was €487.8 million ($600.0 million) of which €16.0 million ($19.7 million) is due within one year.

The Gemini Facility is to be repaid in quarterly instalments starting on April 30, 2021 with a final payment of $420.0 million on October 31, 2027 when the facility matures. The facility is secured by pledges over the plant and equipment of Gemini HDPE LLC. The outstanding Gemini Facility will bear interest at a rate per annum equal to LIBOR (subject to a floor of 0.5% per annum) plus a margin of 3.0%. Gemini HDPE LLC has been designated as an unrestricted subsidiary in accordance with the Group's Senior Secured Term Loans, Schuldschein Facility and Senior Secured Notes.

The Gemini Facility is stated net of debt issue costs of €9.9 million.

## 20. TRADE AND OTHER PAYABLES

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| **Current** | | | |
| Trade payables | 329.7 | 353.7 | 538.6 |
| Amounts due to related parties (see Note 29) | 179.4 | 208.8 | 157.9 |
| Other payables | 593.6 | 609.9 | 598.7 |
| Deferred consideration | 13.2 | 30.9 | 31.5 |
| Accruals and deferred income | 518.1 | 568.7 | 514.9 |
| | 1,634.0 | 1,772.0 | 1,841.6 |
| **Non-current** | | | |
| Other payables | 89.0 | 65.7 | 77.4 |
| Deferred consideration | — | — | 14.7 |
| Accruals and deferred income | 23.9 | 14.0 | 20.0 |
| | 112.9 | 79.7 | 112.1 |

## 21. EMPLOYEE BENEFITS

### *Pension plans*

The Group operates a number of pension plans throughout the world, devised in accordance with local conditions and practices. The plans are generally of the defined benefit type and are funded by payments to separately administered funds or insurance companies. The principal funded plans are in the United Kingdom, North America, Belgium, Norway and Switzerland.

The Group also operates a number of unfunded defined benefit pension schemes in Germany and France.

The most recent full valuations of the significant defined benefit plans were carried out as follows:

| Plan | Country | Valuation date |
|---|---|---|
| All Plans | United Kingdom | 5 April 2019 and 31 December 2019 |
| All Plans | North America | 1 January 2020 |
| All Plans | Belgium | 31 December 2020 |
| All Plans | Norway | 31 December 2020 |
| All Plans | France | 31 December 2020 |
| All Plans | Germany | 31 December 2020 |
| All Plans | Switzerland | 31 December 2020 |

These valuations have been updated where appropriate to December 31, 2020 by independent qualified actuaries.

The Group's pension schemes have been disclosed on a geographical basis as those schemes in the United Kingdom, North America and Other European. Other European principally includes the Group's pension plans in Germany, Belgium, Norway, France and Switzerland.

The UK defined benefit pension plans were historically final salary in nature, with a normal retirement age of 60. The majority of the UK plans are either closed to new entrants, or frozen to future accrual. The plans operate under trust law and are managed and administered by Trustees in accordance with the terms of each plan's Trust Deed and Rules and relevant legislation. The contributions paid to the UK plans are set every three years based on a funding agreement between the company and Trustee after taking actuarial advice.

The North American pension arrangements consist of two funded plans, both closed to new entrants and future accrual. Both plans were final salary defined benefit in nature, and the plans' liabilities

**21. EMPLOYEE BENEFITS (continued)**

are valued regularly in line with US statutory funding requirements. Around 90% of both plans' assets are invested in bond instruments, to closely match the profile of each plan's liabilities.

The Other European pension arrangements are primarily final salary in nature, the majority of which remain open to new entrants. The Norwegian and Swiss benefits are insured, the Belgian plan assets are held in trust, and the remaining schemes are unfunded with associated provisions held on the Group's balance sheet.

***Pension plan assumptions***

The principal actuarial assumptions (expressed as weighted averages or ranges) at the year end were as follows:

| | United Kingdom | | | North America | | | Other European | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2020 | 2019 | 2018 | 2020 | 2019 | 2018 |
| | | | | | % | | | | |
| **Major assumptions** | | | | | | | | | |
| Rate of general increase in salaries | 2.8 | 3.2 | 3.2 | 3.5 | 3.5 | 3.5 | 2.0-4.3 | 2.0-4.5 | 2.0-4.3 |
| Rate of increase to pensions in payment | 3.0-5.0 | 3.0-5.0 | 3.0-5.0 | 0.0 | 0.0 | 0.0 | 0.0-1.8 | 0.0-1.8 | 0.0-1.8 |
| Discount rate for scheme liabilities | 1.6 | 2.1 | 2.9 | 2.5 | 3.3 | 3.5 | 0.0-2.0 | 0.8-2.5 | 0.8-2.8 |
| Inflation | 2.8 | 2.9 | 3.2 | N/A | 2.5 | 2.5 | 1.0-1.8 | 1.0-2.0 | 1.0-1.8 |

The assumptions relating to longevity underlying the pension liabilities at the reporting date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

| | United Kingdom | | | North America | | | Other European | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2020 | 2019 o | 2018 | 2020 | 2019 | 2018 |
| | | | | | Years | | | | |
| Longevity at age 65 for current pensioners | 22.0-24.2 | 22.2-24.4 | 22.4-24.6 | 21.2-22.6 | 21.5-22.9 | 21.6-23.2 | 20.3-28.0 | 22.3-28.0 | 20.0-28.0 |

The following table presents the sensitivity of the defined benefit obligation to each significant actuarial assumption:

| | United Kingdom | North America | Other European |
|---|---|---|---|
| | | 2020 | |
| | | % | |
| **Major assumptions** | | | |
| Discount rate: 1.0% decrease | 21.1 | 14.3 | 20.9 |
| Rate of inflation: 0.5% increase(1) | 7.1 | N/A | 4.8 |
| One year increase in longevity for a member currently aged 65 | 4.2 | 0.7 | 3.0 |

(1) The sensitivity to the inflation assumption change includes corresponding changes to the future salary increase and future pension increase assumptions where these assumptions are set to be linked to the inflation assumption.

***Post-retirement health care plans***

The Group also operates a number of post-retirement healthcare plans in the United States, which provide employees with other post-employment benefits in respect of health care. The plans are unfunded and

the liability in respect of these benefits is included in provisions. The liability is assessed by qualified independent actuaries under the projected unit method, assuming the following rates:

## 21. EMPLOYEE BENEFITS (continued)

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | % | |
| **Rates** | | | |
| Liability discount rate | 2.5 | 3.3 | 4.3 |
| Long-term healthcare trend rate | 5.0 | 5.0 | 5.0 |

***History of plans***

The history of the plans for the current and prior years is as follows:

**Consolidated balance sheet**

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| Present value of the defined benefit obligation in respect of pension plan | 2,014.9 | 1,838.2 | 1,533.7 |
| Present value of obligations in respect of post-retirement health care plan | 25.4 | 26.5 | 23.9 |
| Fair value of plan assets | (1,022.6) | (929.0) | (813.1) |
| **Net deficit** | **1,017.7** | **935.7** | **744.5** |

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| Non-current assets | (82.7) | (48.5) | (45.3) |
| Non-current liabilities | 1,100.4 | 984.2 | 789.8 |
| **Net deficit** | **1,017.7** | **935.7** | **744.5** |

The Group's net liability in respect of defined benefit obligations (DBO) is as follows:

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| Obligations in respect of pension plans: | | | |
| United Kingdom | (53.9) | (48.1) | (35.8) |
| North America | (28.5) | (22.6) | (9.5) |
| Other European | 1,074.7 | 979.9 | 765.9 |
| | 992.3 | 909.2 | 720.6 |
| Obligations in respect of post-retirement health care plans | 25.4 | 26.5 | 23.9 |
| **Recognised liability for defined benefit obligations** | **1,017.7** | **935.7** | **744.5** |

The Group expects to contribute approximately €54.4 million to its funded defined benefit plans in the next financial year. This excludes direct company benefit payments and payments in relation to unfunded defined benefit plan schemes.

***Expense recognised in the consolidated income statement***

| | United Kingdom | North America | Other European | Post retirement health care plans | Total |
|---|---|---|---|---|---|
| | | | €m | | |
| **Year ended 31 December 2020** | | | | | |
| Current service cost | 0.6 | 0.9 | 49.3 | 0.4 | 51.2 |
| Cost of termination benefits | — | — | 3.9 | — | 3.9 |
| Interest cost on DBO | 6.6 | 7.7 | 13.7 | 0.8 | 28.8 |
| Interest income on assets | (7.7) | (8.5) | (2.2) | — | (18.4) |
| | **(0.5)** | **0.1** | **64.7** | **1.2** | **65.5** |

## 21. EMPLOYEE BENEFITS (continued)

| | United Kingdom | North America | Other European | Post retirement health care plans | Total |
|---|---|---|---|---|---|
| | | | €m | | |
| **Year ended 31 December 2019** | | | | | |
| Current service cost | 0.7 | 1.0 | 41.3 | 0.4 | 43.4 |
| Past service cost | — | — | (1.7) | — | (1.7) |
| Cost of termination benefits | — | — | 2.9 | — | 2.9 |
| Interest cost on DBO | 8.9 | 9.6 | 18.9 | 1.0 | 38.4 |
| Interest income on assets | (10.1) | (10.1) | (4.2) | — | (24.4) |
| | **(0.5)** | **0.5** | **57.2** | **1.4** | **58.6** |

| | United Kingdom | North America | Other European | Post retirement health care plans | Total |
|---|---|---|---|---|---|
| | | | €m | | |
| **Year ended 31 December 2018** | | | | | |
| Current service cost | 0.9 | 0.6 | 40.5 | 0.5 | 42.5 |
| Past service cost | — | (0.3) | — | — | (0.3) |
| Cost of termination benefits | — | — | 0.6 | — | 0.6 |
| Interest cost on DBO | 8.9 | 8.6 | 17.1 | 0.8 | 35.4 |
| Interest income on assets | (9.7) | (8.8) | (3.5) | — | (22.0) |
| | **0.1** | **0.1** | **54.7** | **1.3** | **56.2** |

The expense is recognised in the following line items in the consolidated income statement:

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| Cost of sales and administrative expenses | 55.1 | 44.6 | 42.8 |
| Finance cost | 10.4 | 14.0 | 13.4 |
| | **65.5** | **58.6** | **56.2** |

***Pension plans***

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | €m | | |
| **As at 31 December 2020** | | | | |
| Present value of funded obligations | 346.8 | 238.4 | 1,140.1 | 1,725.3 |
| Present value of unfunded obligations | — | — | 289.6 | 289.6 |
| | 346.8 | 238.4 | 1,429.7 | 2,014.9 |
| Fair value of plan assets | (400.7) | (266.9) | (355.0) | (1,022.6) |
| | **(53.9)** | **(28.5)** | **1,074.7** | **992.3** |

## 21. EMPLOYEE BENEFITS (continued)

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | €m | | |
| **As at 31 December 2019** | | | | |
| Present value of funded obligations | 337.7 | 252.6 | 360.5 | 950.8 |
| Present value of unfunded obligations | — | — | 887.4 | 887.4 |
| | 337.7 | 252.6 | 1,247.9 | 1,838.2 |
| Fair value of plan assets | (385.8) | (275.2) | (268.0) | (929.0) |
| | **(48.1)** | **(22.6)** | **979.9** | **909.2** |

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| **As at 31 December 2018** | | | | |
| Present value of funded obligations | 302.5 | 230.1 | 289.8 | 822.4 |
| Present value of unfunded obligations | — | — | 711.3 | 711.3 |
| | 302.5 | 230.1 | 1,001.1 | 1,533.7 |
| Fair value of plan assets | (338.3) | (239.6) | (235.2) | (813.1) |
| | **(35.8)** | **(9.5)** | **765.9** | **720.6** |

Included within the Other European deficits are amounts relating to German plans of €1,035.2 million (2019: €877.7 million, 2018: €702.1 million).

**21. EMPLOYEE BENEFITS (continued)**

The pension plan surplus is recognised on the balance sheet on the basis that the Group is entitled to a refund of any remaining assets once all members have left the plan.

Movements in present value of defined benefit obligation:

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | €m | | |
| At 1 January 2018 | **329.8** | **252.0** | **909.2** | **1,491.0** |
| Current service cost | 0.9 | 0.6 | 40.5 | 42.0 |
| Past service cost | — | (0.3) | — | (0.3) |
| Interest cost on DBO | 8.9 | 8.6 | 17.1 | 34.6 |
| Member contributions | — | — | 1.5 | 1.5 |
| Actuarial loss—experience | 0.6 | 0.8 | 17.5 | 18.9 |
| Actuarial (gain)/loss—demographic assumptions | (2.3) | (1.6) | 8.9 | 5.0 |
| Actuarial (gain)—financial assumptions | (13.1) | (20.9) | (2.8) | (36.8) |
| Disbursements from plan assets | (17.7) | (18.7) | (4.5) | (40.9) |
| Disbursements paid directly by the employer | (0.1) | (0.3) | (12.3) | (12.7) |
| Termination benefits | — | — | 0.6 | 0.6 |
| Reclassifications | — | — | 24.1 | 24.1 |
| Exchange | (4.5) | 9.9 | 1.3 | 6.7 |
| **At 31 December 2018** | **302.5** | **230.1** | **1,001.1** | **1,533.7** |
| Current service cost | 0.7 | 1.0 | 41.3 | 43.0 |
| Past service cost | — | — | (1.7) | (1.7) |
| Interest cost on DBO | 8.9 | 9.6 | 18.9 | 37.4 |
| Member contributions | — | — | 1.7 | 1.7 |
| Actuarial (gain)/loss—experience | (5.5) | 1.2 | 9.1 | 4.8 |
| Actuarial (gain)—demographic assumptions | (3.2) | (0.6) | (3.7) | (7.5) |
| Actuarial loss—financial assumptions | 39.5 | 28.0 | 196.2 | 263.7 |
| Disbursements from plan assets | (22.3) | (22.5) | (7.6) | (52.4) |
| Disbursements paid directly by the employer | — | (0.2) | (13.0) | (13.2) |
| Termination benefits | — | — | 2.9 | 2.9 |
| New material plans | — | 1.3 | — | 1.3 |
| Exchange | 17.1 | 4.7 | 2.7 | 24.5 |
| **At 31 December 2019** | **337.7** | **252.6** | **1,247.9** | **1,838.2** |
| Current service cost | 0.6 | 0.9 | 49.3 | 50.8 |
| Interest cost on DBO | 6.6 | 7.8 | 13.6 | 28.0 |
| Member contributions | — | — | 1.8 | 1.8 |
| Actuarial loss—experience | 0.6 | 0.9 | 9.2 | 10.7 |
| Actuarial loss/(gain)—demographic assumptions | 2.3 | (0.6) | — | 1.7 |
| Actuarial loss—financial assumptions | 33.5 | 22.6 | 128.0 | 184.1 |
| Disbursements from plan assets | (15.4) | (22.4) | (9.4) | (47.2) |
| Disbursements paid directly by the employer | — | (0.2) | (13.3) | (13.5) |
| Termination benefits | — | — | 3.9 | 3.9 |
| Exchange | (19.1) | (23.2) | (1.3) | (43.6) |
| **At 31 December 2020** | **346.8** | **238.4** | **1,429.7** | **2,014.9** |

**21. EMPLOYEE BENEFITS (continued)**

Movements in fair value of plan assets:

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | €m | | |
| At 1 January 2018 | **355.0** | **255.4** | **202.7** | **813.1** |
| Interest income on plan assets | 9.7 | 8.8 | 3.5 | 22.0 |
| Return on plan assets less than discount rate | (16.6) | (21.1) | 0.2 | (37.5) |
| Employer contributions | 13.0 | 5.3 | 26.7 | 45.0 |
| Member contributions | — | — | 1.5 | 1.5 |
| Disbursements | (17.8) | (19.0) | (16.8) | (53.6) |
| New material plans | — | — | 15.1 | 15.1 |
| Reclassifications | — | — | 1.4 | 1.4 |
| Exchange | (5.0) | 10.2 | 0.9 | 6.1 |
| **At 31 December 2018** | **338.3** | **239.6** | **235.2** | **813.1** |
| Interest income on plan assets | 10.1 | 10.1 | 4.2 | 24.4 |
| Return on plan assets greater than discount rate | 27.2 | 36.6 | 16.2 | 80.0 |
| Employer contributions | 13.1 | 5.4 | 29.5 | 48.0 |
| Member contributions | — | — | 1.7 | 1.7 |
| Disbursements | (22.3) | (22.7) | (20.6) | (65.6) |
| Reclassifications | — | 1.3 | — | 1.3 |
| Exchange | 19.4 | 4.9 | 1.8 | 26.1 |
| **At 31 December 2019** | **385.8** | **275.2** | **268.0** | **929.0** |
| Interest income on plan assets | 7.7 | 8.5 | 2.2 | 18.4 |
| Return on plan assets greater than discount rate | 36.4 | 31.5 | 45.4 | 113.3 |
| Employer contributions | 8.0 | 0.2 | 61.8 | 70.0 |
| Member contributions | — | — | 1.8 | 1.8 |
| Disbursements | (15.4) | (22.6) | (22.7) | (60.7) |
| Reclassifications | — | — | — | — |
| Exchange | (21.8) | (25.9) | (1.5) | (49.2) |
| **At 31 December 2020** | **400.7** | **266.9** | **355.0** | **1,022.6** |

The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

The fair value of the plan assets were as follows:

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | €m | | |
| **At 31 December 2020** | | | | |
| Equities | 24.1 | 27.8 | 168.6 | 220.5 |
| Bonds | 311.7 | 236.9 | 68.0 | 616.6 |
| Property | 12.9 | — | 49.9 | 62.8 |
| Other | 52.0 | 2.2 | 68.5 | 122.7 |
| **Total plan assets** | **400.7** | **266.9** | **355.0** | **1,022.6** |

**21. EMPLOYEE BENEFITS (continued)**

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | €m | | |
| **At 31 December 2019** | | | | |
| Equities | 30.9 | 27.3 | 114.8 | 173.0 |
| Bonds | 284.3 | 244.9 | 52.3 | 581.5 |
| Property | 12.2 | — | 19.7 | 31.9 |
| Other | 58.4 | 3.0 | 81.2 | 142.6 |
| **Total plan assets** | **385.8** | **275.2** | **268.0** | **929.0** |

| | United Kingdom | North America | Other European | Total |
|---|---|---|---|---|
| | | €m | | |
| **At 31 December 2018** | | | | |
| Equities | 21.9 | 23.8 | 100.5 | 146.2 |
| Bonds | 244.9 | 211.9 | 41.6 | 498.4 |
| Property | 9.2 | — | 16.3 | 25.5 |
| Other | 62.3 | 3.9 | 76.8 | 143.0 |
| **Total plan assets** | **338.3** | **239.6** | **235.2** | **813.1** |

There are no plans which hold investments in the Group's own financial instruments, or hold assets or property which are used by the Group.

***Post-retirement health care plans***

Reconciliation of present value of scheme liabilities:

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| At 1 January | 26.5 | 23.9 | 23.1 |
| Current service cost | 0.4 | 0.4 | 0.5 |
| Interest cost on DBO | 0.8 | 1.0 | 0.8 |
| Actuarial loss—experience | 1.1 | 0.9 | 2.4 |
| Actuarial gain—demographic assumptions | (0.1) | (0.3) | (0.1) |
| Actuarial loss/(gain)—financial assumptions | 2.0 | 2.5 | (1.8) |
| Disbursements directly paid by the employer | (2.8) | (2.6) | (2.1) |
| Exchange adjustments | (2.5) | 0.7 | 1.1 |
| **At 31 December** | **25.4** | **26.5** | **23.9** |

The post-retirement healthcare plans do not hold any assets.

The following table presents the sensitivity of the defined benefit obligation to each significant actuarial assumption:

| | 2020 |
|---|---|
| | % |
| **Major assumptions** | |
| Discount rate: 1.0% decrease | 11.3% |
| 1 year increase in longevity for a member currently aged 65 | 2.0% |

## 22. PROVISIONS

| | Severance and restructuring costs | Remediation | Other | Total |
|---|---|---|---|---|
| | | €m | | |
| At 1 January 2020 | **38.0** | **32.1** | **4.0** | **74.1** |
| Credited to the income statement | (3.9) | (3.4) | (0.5) | (7.8) |
| Utilised in the year | (0.3) | (0.1) | (0.6) | (1.0) |
| Reclassifications | (0.7) | (0.9) | 1.6 | — |
| Effects of movements in foreign exchange | (1.5) | (1.4) | (0.4) | (3.3) |
| **At 31 December 2020** | **31.6** | **26.3** | **4.1** | **62.0** |
| Non-current | 20.1 | 7.1 | 0.4 | 27.6 |
| Current | 8.1 | 0.2 | 2.6 | 10.9 |
| Balance at 31 December 2018 | **28.2** | **7.3** | **3.0** | **38.5** |
| Non-current | 20.1 | 25.9 | 0.5 | 46.5 |
| Current | 17.9 | 6.2 | 3.5 | 27.6 |
| Balance at 31 December 2019 | **38.0** | **32.1** | **4.0** | **74.1** |
| Non-current | 25.7 | 25.3 | 1.3 | 52.3 |
| Current | 5.9 | 1.0 | 2.8 | 9.7 |
| **Balance at 31 December 2020** | **31.6** | **26.3** | **4.1** | **62.0** |

***Severance and restructuring costs***

The severance and restructuring costs provision includes €22.1 million relating to the Köln site following a reorganisation within the O&P North business in 2015 and is expected to be fully utilised by 2027.

In December 2019 the Group took the decision to close the Nitriles facility at Seal Sands, United Kingdom. The severance and restructuring costs provision includes €6.1 million in respect of remaining closure costs including severance and outplacement expenses. The provision is expected to be fully utilised within the next two years.

***Remediation costs***

The Group has provided for the cost of remediation works of €13.5 million where there is a legal or constructive obligation for such work to be carried out. Provisions are established to meet the clean-up costs of contaminated soil and groundwater, the removal of potentially hazardous substances and rectification work required to ensure compliance with license to operate obligations. These costs relate mainly to the Group's production facilities at the Köln, Chocolate Bayou, Green Lake and Lima sites and a pilot plant at the Lavera site. The provision only covers items of specific work for which a reasonable estimate can be determined. By their nature the amounts and timing of any outflows in respect of remediation costs are difficult to predict.

In December 2019 the Group took the decision to close the Nitriles facility at Seal Sands, United Kingdom. The remediation provision includes €12.8 million in respect of decommissioning and demolition costs. The provision is expected to be fully utilised within the next two years.

***Other provisions***

Other provisions primarily relates to a commercial disputes in respect of a licencing agreement and are expected to be fully utilised within the next three years.

## 23. SHARE CAPITAL

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| **Fully paid** | | | |
| 924,803 (2019: 924,803, 2018: 924,803) Ordinary shares of €1 each | 0.9 | 0.9 | 0.9 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

## 24. DIVIDENDS

The following dividends were recognised during the year:

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| Dividend paid (2020: nil per share, 2019: €2,234.6 per share, 2018: €209.56 per share) | — | 2,066.6 | 193.8 |

## 25. FINANCIAL INSTRUMENTS

### 25a Fair value of financial instruments

***Investments in debt and equity securities***

The fair value of financial assets at fair value through profit or loss (previously other investments) is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Financial assets at fair value through other comprehensive income are accounted for at fair value based on the present value of future cash flows where such information is readily available based on the present value of future cash flows estimated from financial information made available during the year as a result of a recent transaction in the investment. However, as explained in Note 14, the Group's financial assets at fair value through other comprehensive income include certain equity interests which are not quoted and for which there is no active market. The Group considers that the acquisition cost to be a reasonable approximation for fair value.

***Trade and other receivables***

The carrying amount of trade and other receivables generally approximates to fair value due to their short maturities. Where settlement is not due in the short term and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

***Trade and other payables***

The carrying amount of trade and other payables generally approximates to fair value due to their short maturities. Where settlement is not due in the short term and where the effect is material, fair value is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date.

***Cash and cash equivalents***

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date.

***Interest-bearing borrowings***

The fair value of the Senior Secured Term Loans, Senior Secured Notes and Senior Notes, which after initial recognition is determined for disclosure purposes only are based on the market yields derived

**25. FINANCIAL INSTRUMENTS (continued)**

from quotes obtained at the year end from leading financial institutions. The fair value of the Receivables and Inventory Securitisation, Rafnes Facility, Schuldschein Loan, Köln CoGen Facility, Gemini Facility and Other loans is the same as the carrying value before unamortised debt issue costs.

***Derivative financial instruments***

The fair value of interest rate swaps and commodity contracts are based on market or broker quotes.

***Fair values***

The fair values for each class of financial assets and financial liabilities together with their carrying amounts shown in the consolidated balance sheet are as follows:

| | Carrying amount | Fair value | Carrying amount | Fair value | Carrying amount | Fair value |
|---|---|---|---|---|---|---|
| | 2020 | | 2019 | | 2018 | |
| | | | €m | | | |
| **Financial assets held at fair value through profit or loss:** | | | | | | |
| Investments | — | — | — | — | 251.2 | 251.2 |
| Derivative commodity contracts | 154.5 | 154.5 | 15.3 | 15.3 | 10.1 | 10.1 |
| **Financial assets held at fair value through other comprehensive income:** | | | | | | |
| Equity investments | 28.3 | 28.3 | 28.3 | 28.3 | 28.3 | 28.3 |
| **Financial assets held at amortised cost (previously loans and receivables):** | | | | | | |
| Trade receivables | 955.1 | 955.1 | 1,008.6 | 1,008.6 | 1,177.5 | 1,177.5 |
| Amounts due from related parties | 905.5 | 905.5 | 1,028.6 | 1,028.6 | 1,011.7 | 1,011.7 |
| Other receivables | 102.5 | 102.5 | 152.8 | 152.8 | 144.8 | 144.8 |
| Cash and cash equivalents | 1,342.2 | 1,342.2 | 982.9 | 982.9 | 2,071.3 | 2,071.3 |
| **Total financial assets** | **3,488.1** | **3,488.1** | **3,216.5** | **3,216.5** | **4,694.9** | **4,694.9** |

## 25. FINANCIAL INSTRUMENTS (continued)

| | Carrying amount | Fair value | Carrying amount | Fair value | Carrying amount | Fair value |
|---|---|---|---|---|---|---|
| | 2020 | | 2019 | | 2018 | |
| | | | €m | | | |
| **Financial liabilities held at fair value through profit and loss:** | | | | | | |
| Derivative commodity contracts | 96.9 | 96.9 | 59.5 | 59.5 | 0.4 | 0.4 |
| Interest rate swap contracts | 4.2 | 4.2 | — | — | — | — |
| **Financial liabilities carried at amortised cost:** | | | | | | |
| Senior Secured Term Loans | 3,667.7 | 3,653.4 | 3,461.9 | 3,478.5 | 3,465.6 | 3,333.3 |
| Senior Secured Notes | 1,630.4 | 1,662.2 | 1,307.7 | 1,352.5 | 1,310.7 | 1,276.7 |
| Senior Notes | 1,051.9 | 1,072.2 | 1,090.4 | 1,138.1 | 1,080.2 | 1,024.6 |
| Securitisation Facility | 113.4 | 114.2 | 295.9 | 297.1 | 286.6 | 287.8 |
| Inventory Financing Facility | 128.8 | 128.8 | 190.4 | 190.9 | — | — |
| Rafnes Facility | 247.3 | 250.0 | 246.5 | 250.0 | 26.9 | 27.5 |
| Köln CoGen Facility | 96.0 | 96.0 | 120.0 | 120.0 | 120.0 | 120.0 |
| Schuldschein Loan | 139.4 | 141.0 | 138.9 | 141.0 | — | — |
| Other loans | 29.0 | 29.0 | 1.1 | 1.1 | 11.4 | 11.4 |
| Gemini Facility | 477.9 | 487.8 | — | — | — | — |
| Lease liabilities | 893.3 | 893.3 | 989.8 | 989.8 | — | — |
| Finance lease liabilities | — | — | — | — | 1.2 | 1.2 |
| Trade payables | 329.7 | 329.7 | 353.7 | 353.7 | 538.6 | 538.6 |
| Amounts due to related parties | 179.4 | 179.4 | 208.8 | 208.8 | 157.9 | 157.9 |
| Other payables | 682.6 | 682.6 | 675.6 | 675.6 | 676.1 | 676.1 |
| **Total financial liabilities** | **9,767.9** | **9,820.7** | **9,140.2** | **9,256.6** | **7,675.6** | **7,455.5** |

The table below analyses financial instruments carried at fair value, by valuation method. The different levels, determined in accordance with IFRS 13 "Fair Value Measurement", have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**25. FINANCIAL INSTRUMENTS (continued)**

| | 2020 Fair value | 2020 Level 1 | 2020 Level 2 | 2020 Level 3 | 2019 Fair value | 2019 Level 1 | 2019 Level 2 | 2019 Level 3 | 2018 Fair value | 2018 Level 1 | 2018 Level 2 | 2018 Level 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | €m | | | | | | | | | | | |
| **Financial assets held at fair value through profit or loss:** | | | | | | | | | | | | |
| Investments | — | — | — | — | — | — | — | — | 251.2 | — | — | 251.2 |
| Derivative commodity contracts | 154.5 | — | 154.5 | — | 15.3 | — | 15.3 | — | 10.1 | — | 10.1 | — |
| **Financial assets held at fair value through other comprehensive income:** | | | | | | | | | | | | |
| Equity investments | 28.3 | — | — | 28.3 | 28.3 | — | — | 28.3 | 28.3 | — | — | 28.3 |
| **Financial liabilities held at fair value through profit and loss:** | | | | | | | | | | | | |
| Derivative commodity contracts | (96.9) | — | (96.9) | — | (59.5) | — | (59.5) | — | (0.4) | — | (0.4) | — |
| Interest rate swap contracts | (4.2) | — | (4.2) | — | — | — | — | — | — | — | — | — |
| **Total financial assets and liabilities held at fair value** | **81.7** | **—** | **53.4** | **28.3** | **(15.9)** | **—** | **(44.2)** | **28.3** | **289.2** | **—** | **9.7** | **279.5** |

The commodity derivatives are fair valued using rates in a quoted market. There have been no transfers between any levels in 2020 (2019 and 2018: no transfers between levels).

**25b Net gains and losses from financial instruments**

Net gains and losses from financial instruments comprise the results of valuations, the amortisation of discounts, the recognition and derecognition of impairment losses, results from the translation of foreign currencies, interest, dividends and all effects on profit or loss of financial instruments.

Net gains from financial assets measured at amortised cost relate primarily to recognition and derecognition of impairment losses, results from the translation of foreign currencies and interest income.

Net losses from financial liabilities measured at amortised cost relate primarily to amortisation of discounts, results from the translation of foreign currencies, interest expense and other financing related expenses.

The item 'financial instruments at fair value through profit or loss' comprise valuation gains and losses, and only includes gains and losses from instruments which are not designated as hedging instruments as defined by IFRS 9.

| | Assets measured at amortised cost | | | Fair value through OCI | | |
|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2020 | 2019 | 2018 |
| | | | €m | | | |
| Interest income | 59.9 | 76.0 | 75.6 | — | — | — |
| Dividend income | — | — | — | 2.4 | 6.0 | 5.0 |
| Foreign exchange gains/(losses) | 17.3 | 61.1 | (26.5) | — | — | — |
| **Net result** | **77.2** | **137.1** | **49.1** | **2.4** | **6.0** | **5.0** |
| **Carrying value at 31 December** | **3,305.3** | **3,172.9** | **4,405.3** | **28.3** | **28.3** | **28.3** |

**25. FINANCIAL INSTRUMENTS (continued)**

| | Liabilities measured at amortised cost | | | Financial instruments at fair value through profit or loss | | |
|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2020 | 2019 | 2018 |
| | | | €m | | | |
| Interest cost | (266.0) | (287.3) | (227.9) | — | — | — |
| Other finance cost | (6.2) | (7.4) | (6.5) | — | — | — |
| Net fair value gains/(losses) on derivatives | — | — | — | 5.8 | (95.4) | 12.8 |
| Foreign exchange gains | 163.4 | (27.7) | 173.5 | 1.5 | — | 10.2 |
| **Net result** | **(108.8)** | **(322.4)** | **(60.9)** | **7.3** | **(95.4)** | **23.0** |
| **Carrying value at 31 December** | **(9,666.8)** | **(9,080.7)** | **(7,675.2)** | **53.4** | **(44.2)** | **260.9** |

### 25c Credit risk

***Financial risk management***

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, deposits with financial institutions and derivatives.

Group Treasury policy and objectives in relation to credit risk is to minimize the likelihood that the Group will experience financial loss due to counterparty failure and to ensure that in the event of a single loss, the failure of any single counterparty would not materially impact the financial wellbeing of the Group.

***Trade and other receivables***

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Management considers that there is no geographical concentration of credit risk. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered or are adjusted accordingly. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

***Investments, cash and cash equivalent***

Surplus cash investments are only made with banks with which the Group has a relationship.

***Guarantees***

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. At December 31, 2020 no guarantees were outstanding (2019: none, 2018: none).

***Exposure to credit risk***

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the reporting date was the carrying amount of financial assets. Further details on the Group's exposure to credit risk are given in Note 18.

### 25d Liquidity risk

***Financial risk management***

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have

**25. FINANCIAL INSTRUMENTS (continued)**

sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group. The Group's exposure to liquidity risk is limited by the fact that it operates with significant cash resources, and it maintains the most appropriate mix of short, medium and long-term borrowings from the Group's lenders.

The Group is reliant on committed funding from a variety of sources at Group and subsidiary company level to meet the anticipated needs of the Group for the period covered by the Group's budget.

The Group forecasts on a regular basis the expected cash flows that will occur on a weekly and monthly basis. This information is used in conjunction with the weekly reporting of actual cash balances at bank in order to calculate the level of funding that will be required in the short and medium term. On a monthly basis the level of headroom on existing facilities is reported and forecast forward until the end of the financial period.

In addition, the Group maintains various lines of credits in the form of Senior Notes, Senior Secured Notes, Senior Secured Term Loans, Securitisation, Rafnes Facility, Köln CoGen Facility, Gemini Facility and Other loans. (See Note 19—"Interest-Bearing Loans and Borrowings" for more information).

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

| | 2020 | | | | | |
|---|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flows | 1 year or less | 1 to<2 years | 2 to<5 years | 5 years and over |
| | | | €m | | | |
| **Non-derivative financial liabilities** | | | | | | |
| Senior Secured Term Loans | 3,667.7 | (4,006.7) | (129.6) | (128.4) | (3,376.1) | (372.6) |
| Senior Secured Notes | 1,630.4 | (1,884.7) | (45.3) | (44.8) | (684.4) | (1,110.2) |
| Senior Notes | 1,051.9 | (1,287.7) | (57.8) | (57.8) | (1,172.1) | — |
| Securitisation Facility | 113.4 | (125.6) | (5.7) | (119.9) | — | — |
| Inventory Financing Facility | 128.8 | (130.3) | (130.3) | — | — | — |
| Rafnes Facility | 247.3 | (271.1) | (41.0) | (79.7) | (150.4) | — |
| Köln CoGen Facility | 96.0 | (101.8) | (26.5) | (25.8) | (49.5) | — |
| Schuldschein loan | 139.4 | (155.1) | (3.5) | (3.5) | (148.1) | — |
| Other loans | 29.0 | (33.2) | (2.9) | (10.5) | (5.0) | (14.8) |
| Gemini Facility | 477.9 | (587.6) | (30.0) | (36.1) | (108.1) | (413.4) |
| Lease liabilities | 893.3 | (1,061.2) | (174.7) | (174.7) | (289.5) | (422.3) |
| Trade payables | 329.7 | (329.7) | (329.7) | — | — | — |
| Amounts due to related parties | 179.4 | (179.4) | (179.4) | — | — | — |
| Other payables | 682.6 | (682.6) | (593.6) | (89.0) | — | — |
| **Derivative financial liabilities** | | | | | | |
| Commodity contracts | 96.9 | (96.9) | (96.9) | — | — | — |
| Interest rate swap contracts | 4.2 | (18.1) | (3.1) | (3.1) | (11.9) | — |
| | **9,767.9** | **(10,951.7)** | **(1,850.0)** | **(773.3)** | **(5,995.1)** | **(2,333.3)** |

**25. FINANCIAL INSTRUMENTS (continued)**

| | 2019 | | | | | |
|---|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flows | 1 year or less | 1 to<2 years | 2 to<5 years | 5 years and over |
| | | | €m | | | |
| **Non-derivative financial liabilities** | | | | | | |
| Senior Secured Term Loans | 3,461.9 | (3,905.3) | (139.8) | (138.2) | (3,627.3) | — |
| Senior Secured Notes | 1,307.7 | (1,534.0) | (33.8) | (33.8) | (101.5) | (1,364.9) |
| Senior Notes | 1,090.4 | (1,396.4) | (60.0) | (60.0) | (1,276.4) | — |
| Securitisation Facility | 295.9 | (322.9) | (8.6) | (8.6) | (305.7) | — |
| Inventory Financing Facility | 190.4 | (192.7) | (192.7) | — | — | — |
| Noretyl Facility | 246.5 | (271.0) | — | (41.0) | (230.0) | — |
| Köln CoGen Facility | 120.0 | (129.0) | (27.2) | (26.5) | (75.3) | — |
| Schuldschein loan | 138.9 | (158.6) | (3.5) | (3.5) | (151.6) | — |
| Other loans | 1.1 | (1.1) | (0.5) | (0.6) | — | — |
| Lease liabilities | 989.8 | (1,131.1) | (187.0) | (187.0) | (272.0) | (485.1) |
| Trade payables | 353.7 | (353.7) | (353.7) | — | — | — |
| Amounts due to related parties | 208.8 | (208.8) | (208.8) | — | — | — |
| Other payables | 675.6 | (675.6) | (609.9) | (65.7) | — | — |
| **Derivative financial liabilities** | | | | | | |
| Commodity contracts | 59.5 | (59.5) | (59.5) | — | — | — |
| | **9,140.2** | **(10,339.7)** | **(1,885.0)** | **(564.9)** | **(6,039.8)** | **(1,850.0)** |

| | 2018 | | | | | |
|---|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flows | 1 year or less | 1 to<2 years | 2 to<5 years | 5 years and over |
| | | | €m | | | |
| **Non-derivative financial liabilities** | | | | | | |
| Senior Secured Term Loans | 3,465.6 | (4,078.7) | (152.3) | (151.4) | (445.5) | (3,329.5) |
| Senior Secured Notes | 1,310.7 | (1,525.6) | (42.5) | (27.0) | (882.7) | (573.4) |
| Senior Notes | 1,080.2 | (1,439.4) | (58.7) | (58.7) | (176.0) | (1,146.0) |
| Securitisation Facility | 286.6 | (306.4) | (9.3) | (297.1) | — | — |
| Noretyl Facility | 26.9 | (28.0) | (28.0) | — | — | — |
| Köln CoGen Facility | 120.0 | (132.4) | (3.4) | (27.2) | (77.4) | (24.4) |
| Other loans | 11.4 | (13.5) | (1.1) | (1.1) | (11.3) | — |
| Finance lease liabilities | 1.2 | (7.5) | (0.2) | (0.1) | (0.3) | (6.9) |
| Trade payables | 538.6 | (538.6) | (538.6) | — | — | — |
| Amounts due to related parties | 157.9 | (157.9) | (157.9) | — | — | — |
| Other payables | 676.1 | (676.1) | (598.7) | (77.4) | — | — |
| **Derivative financial liabilities** | | | | | | |
| Commodity contracts | 0.4 | (0.4) | (0.4) | — | — | — |
| | **7,675.6** | **(8,904.5)** | **(1,591.1)** | **(640.0)** | **(1,593.2)** | **(5,080.2)** |

**25e Net investment and cash flow hedges**

The Group does not have derivative commodity contracts that qualify as cash flow hedges at December 31, 2020.

The Group has U.S. Dollar and Sterling financial liabilities in respect of the Senior Notes and Securitisation Facility that are designated net investment hedges of U.S. Dollar and Sterling operations in accordance with the requirements of IFRS 9. The U.S. Dollar and Sterling net investment hedges had a carrying value and fair value as follows:

## 25. FINANCIAL INSTRUMENTS (continued)

| | Carrying amounts 2020 | Fair value 2020 | Carrying amounts 2019 | Fair value 2019 | Carrying amounts 2018 | Fair value 2018 |
|---|---|---|---|---|---|---|
| | | | | €m | | |
| US Dollars | (516.1) | (525.0) | (2,019.6) | (2,039.7) | (1,981.2) | (1,851.2) |
| Sterling | (2.0) | (2.0) | (3.2) | (3.2) | (4.2) | (4.2) |
| | **(518.1)** | **(527.0)** | **(2,022.8)** | **(2,042.9)** | **(1,985.4)** | **(1,855.4)** |

For the year ended December 31, 2020 losses net of tax of €527.4 million were taken directly to reserves and reported in the Statement of Comprehensive Income for the year then ended (2019: gains €88.0 million, 2018: gains €271.3 million). There was no ineffectiveness recognised in the income statement for the year ended December 31, 2020 (2019: €nil, 2018: €nil). The cumulative net investment hedge reserve amount as at December 31, 2020 was €(36.5) million (2019: €490.9 million, 2018: €402.9 million).

### 25f Market risk

***Financial risk management***

Market risk reflects the possibility that changes in market prices, such as crude oil, feedstock refined products, chemicals or currency exchange rates or changes in interest rates will adversely affect the value of the Group's assets, liabilities or expected future cash flows. The Group holds commodity contracts in order to manage market risk. The use of derivative instruments is confined to specialist teams that have the appropriate skills, experience, supervision, control and reporting systems.

***Market risk—Foreign currency risk***

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. Dollar and Sterling.

Foreign exchange risk arises from net investments in foreign operations, future commercial transactions, and recognised assets and liabilities.

The Group applies hedge accounting to foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation. When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item is considered to form part of a net investment in a foreign operation and changes in the fair value are recognised directly within equity.

A substantial portion of the Group's revenue is generated in, or linked to, the U.S. dollar and the euro. In the European petrochemical business, product prices, certain feedstock costs and most other costs are denominated in euro and sterling. In the U.S. petrochemical and specialty chemicals businesses, product prices, raw materials costs and most other costs are primarily denominated in U.S. dollars.

The Group generally does not enter into foreign currency exchange instruments to hedge foreign currency transaction exposure, although the Group has done so in the past and may do so in the future.

The Group benefits from natural hedging, to the extent that currencies in which net cash flows are generated from the Group's operations, are matched against long-term indebtedness.

The foreign currency exposure where the Group's external financial assets/(liabilities) are not denominated in the functional currency of the operating unit involved is shown below. Foreign exchange differences on retranslation of these assets and liabilities are taken to the other comprehensive income of the Group.

## 25. FINANCIAL INSTRUMENTS (continued)

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| Euros | 26.9 | — | 22.4 |
| US Dollars | (609.8) | (589.7) | (396.8) |
| Sterling | (9.0) | (12.9) | (10.5) |
| Other | (247.0) | (247.4) | (25.9) |
| | **(838.9)** | **(850.0)** | **(410.8)** |

### *Sensitivity analysis*

A ten percent weakening of the following currencies at December 31, would have increased/(decreased) equity and profit or (loss) by the amounts shown below. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for the comparative years.

| | Equity | | | Profit or loss | | |
|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2018 | 2020 | 2019 | 2018 |
| | | | €m | | | |
| Euro | — | — | — | (2.7) | — | (2.2) |
| US Dollars | 51.6 | 57.1 | 29.7 | 9.4 | 1.8 | 9.9 |
| Sterling | 0.2 | 0.3 | 0.4 | 0.7 | 1.0 | 0.6 |
| Other | 24.4 | 24.6 | 2.3 | 0.3 | 0.1 | 0.3 |

A ten percent strengthening of the above currencies against the euro at December 31, would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

### Market risk—Interest rate risk

### *Profile*

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

### Carrying amount—asset/(liability)

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| **Fixed rate instruments** | | | |
| Financial assets | 761.5 | 859.6 | 1,078.0 |
| Financial liabilities | (3,829.4) | (3,699.4) | (2,523.5) |
| | **(3,067.9)** | **(2,839.8)** | **(1,445.5)** |
| **Variable rate instruments** | | | |
| Financial assets | 1,342.2 | 982.9 | 2,071.3 |
| Financial liabilities | (4,645.7) | (4,143.2) | (3,779.1) |
| | **(3,303.5)** | **(3,160.3)** | **(1,707.8)** |

### *Sensitivity analysis*

A change of 1% in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date.

**25. FINANCIAL INSTRUMENTS (continued)**

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates, financial instrument at fair value through profit or loss or available for sale with fixed interest rates and the fixed rate element of interest rate caps. The analysis is performed on the same basis for 2020, 2019 and 2018.

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| **Profit or loss** | | | |
| Loss on increase in interest rates by 1% | (33.0) | (31.6) | (17.1) |

A 1% change in the opposite direction of the above interest rates at December 31, would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

**Market risk—Commodity price risk**

This section discusses the Group's exposure to the commodity contracts which are not covered under the own use exemption and are recognised as derivative instruments.

The Group and its Refining joint venture are exposed to commodity price risk through fluctuations in raw material prices and sales of products. The raw material exposures result primarily from the price of crude oil and base chemicals linked to the price of crude. The sales price exposures are primarily related to petrochemicals where prices are in general linked to the market price of crude oil.

The Group enters into contracts to supply or acquire physical volumes of commodities at future dates during the normal course of business that may be considered derivative contracts. Where such contracts exist and are in respect of the normal purchase or sale of products to fulfil the Group's requirements, the own use exemption from derivative accounting is applied.

The Group manages commodity price exposures through trading refined products and chemical feedstock and using commodity swaps, options and futures as a means of managing price and timing risks. In 2020 there was a net mark to market derivative liability in respect of commodity contracts of €57.6 million entered into by the Group to manage such risk (2019: net derivative liability of €44.2 million, 2018: net derivative asset of €9.7 million).

The Group operates within procedures and policies designed to ensure that risks, including those relating to the default of counterparties, are minimised.

***Market risk—Equity price risk***

The Group's exposure to equity price risk arises from its investment in equity securities which are classified as financial assets at fair value through other comprehensive income. These financial assets are accounted for at fair value based on the present value of future cash flows where such information is readily available.

For the financial assets at fair value through other comprehensive income a 10 percent increase and decrease in transaction prices at the reporting date would have decreased and increased the loss for the year by €2.8 million (2019: €2.8 million, 2018: €2.8 million). Management consider that a change of 10 percent gives an appropriate benchmark to assess the risks that the Group is expected to be exposed to. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

**Capital management**

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

## 25. FINANCIAL INSTRUMENTS (continued)

The Group defines its capital employed of €7,701.2 million (2019: €7,326.3 million, 2018: €7,077.2 million) as shareholders' equity of €1,461.6 million (2019: €1,456.4 million, 2018: €2,845.9 million) and net debt (net of debt issue costs) of €6,239.6 million (2019: €5,869.9 million, 2018: €4,231.3 million).

The principal sources of debt available to the Group at December 31, 2020 include the Senior Secured Term Loans, Senior Secured Notes due March 2026, Senior Secured Notes due May 2026, Senior Secured Notes due 2025, Senior Notes due 2024, Receivables Securitisation Facility, Inventory Financing Facility, Schuldschein Loan, Rafnes Facility, Köln CoGen Facility and the Gemini Facility and are described in Note 19 along with the key operating and financial covenants that apply to these facilities.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, raise new debt or sell assets to reduce debt. The ability of the Group to pay dividends and provide appropriate facilities to the Group is restricted by the terms of principal financing agreements to which members of the Group are party.

## 26. LEASE OBLIGATIONS

**Analysed as:**

| | 2020 €m | 2019 €m |
|---|---|---|
| Current lease liabilities | 120.5 | 125.4 |
| Non-current lease liabilities | 772.8 | 864.4 |
| | **893.3** | **989.8** |

**Maturity analysis—contractual undiscounted cash flows:**

| | 2020 €m | 2019 €m |
|---|---|---|
| Less than one year | 174.7 | 187.0 |
| Between one and five years | 464.2 | 459.0 |
| More than five years | 422.3 | 485.1 |
| **Total undiscounted lease liabilities at 31 December** | **1,061.2** | **1,131.1** |

**Amounts recognized in the statement of cash flows:**

| | 2020 €m | 2019 €m |
|---|---|---|
| **Total cash outflow for leases** | **243.3** | **207.1** |

The Group has entered into a number of significant lease arrangements relating to shipping capacity in respect of the supply chain activities for the European cracker assets. These leases typically run for a period of between 10 and 15 years with options to extend after that date.

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

## 26. LEASE OBLIGATIONS (continued)

### Prior to 1 January 2019

***Finance lease liabilities***

Finance lease liabilities are payable as follows:

| | Minimum lease payments | Interest | Principal |
|---|---|---|---|
| | | 2018 | |
| | | €m | |
| Less than one year | 0.2 | (0.1) | 0.1 |
| Between one and five years | 0.4 | (0.3) | 0.1 |
| More than five years | 6.9 | (5.9) | 1.0 |
| | **7.5** | **(6.3)** | **1.2** |

***Operating lease liabilities***

Future aggregate minimum lease payments are as follows:

| | 2019 | 2018 |
|---|---|---|
| | €m | |
| Less than one year | 187.0 | 168.4 |
| Between one and five years | 459.0 | 445.5 |
| More than five years | 485.1 | 423.4 |
| | **1,131.1** | **1,037.3** |

## 27. CAPITAL COMMITMENTS

Outstanding capital expenditure authorised by the Board and for which contracts had been placed as at December 31, 2020 by the Group amounted to approximately €308.8 million (2019: €616.3 million, 2018: €662.3 million).

## 28. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| | | €m | |
| Increase/(decrease) in cash and cash equivalents in the year | 428.9 | (1,104.6) | 642.0 |
| Cash (inflow)/outflow from change in debt financing | (636.4) | (514.4) | (54.1) |
| Change in net debt before issue costs resulting from cash flows | (207.5) | (1,619.0) | 587.9 |
| Debt acquired with acquisition of business | (301.0) | — | — |
| Foreign exchange and other net non-cash transactions | 124.5 | (26.0) | (21.8) |
| Movement in net debt before issue costs in year | **(384.0)** | **(1,645.0)** | **566.1** |

An analysis of changes in the Group's liabilities arising from financing activities is as follows:

| | 1 Jan 2020 | Cash Flow | Acquisitions (Note 3) | Foreign Exchange and Other Non Cash Changes | 31 Dec 2020 |
|---|---|---|---|---|---|
| | €m | €m | €m | €m | €m |
| Interest-bearing loans and borrowings | (6,852.8) | (613.7) | (301.0) | 185.7 | (7,581.8) |
| Lease liabilities | (989.8) | 168.2 | — | (71.7) | (893.3) |
| **Total** | **(7,842.6)** | **(445.5)***| **(301.0)** | **114.0** | **(8,475.1)** |

* Represents net cash used in financing activities excluding cash flows from dividends and interest paid.

## 28. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (continued)

| | 1 Jan 2019 | Cash Flow | IFRS 16 First-time Adoption (Note 1) | Foreign Exchange and Other Non Cash Changes | 31 Dec 2019 |
|---|---|---|---|---|---|
| | €m | €m | €m | €m | €m |
| Interest-bearing loans and borrowings | (6,301.4) | (531.3) | — | (20.1) | (6,852.8) |
| Lease liabilities | (1.2) | 128.4 | (899.4) | (217.6) | (989.8) |
| **Total** | **(6,302.6)** | **(402.9)*** | **(899.4)** | **(237.7)** | **(7,842.6)** |

* Represents net cash used in financing activities excluding cash flows from dividends and interest paid.

An analysis of net debt before issue costs is as follows:

| | 1 Jan 2020 | Cash Flow | Acquisitions (Note 3)* | Foreign Exchange and Other Non Cash Changes | 31 Dec 2020 |
|---|---|---|---|---|---|
| | €m | €m | €m | €m | €m |
| Cash at bank and in hand | 982.9 | 428.9 | — | (69.6) | 1,342.2 |
| Debt due within one year | (250.6) | 76.2 | (14.9) | (54.6) | (243.9) |
| Debt due after more than one year | (6,636.7) | (712.6) | (286.1) | 248.7 | (7,386.7) |
| Total external borrowings | (6,887.3) | (636.4) | (301.0) | 194.1 | (7,630.6) |
| **Net debt before issue costs** | **(5,904.4)** | **(207.5)** | **(301.0)** | **124.5** | **(6,288.4)** |

* Excludes cash.

| | 1 Jan 2019 | Cash Flow | Foreign Exchange and Other Non Cash Changes | 31 Dec 2019 |
|---|---|---|---|---|
| | €m | €m | €m | €m |
| Cash at bank and in hand | 2,071.3 | (1,104.6) | 16.2 | 982.9 |
| Debt due within one year | (63.7) | (163.2) | (23.7) | (250.6) |
| Debt due after more than one year | (6,267.0) | (351.2) | (18.5) | (6,636.7) |
| Total external borrowings | (6,330.7) | (514.4) | (42.2) | (6,887.3) |
| **Net debt before issue costs** | **(4,259.4)** | **(1,619.0)** | **(26.0)** | **(5,904.4)** |

| | 1 Jan 2018 | Cash Flow | Foreign Exchange and Other Non Cash Changes | 31 Dec 2018 |
|---|---|---|---|---|
| | €m | €m | €m | €m |
| Cash at bank and in hand | 1,366.3 | 642.0 | 63.0 | 2,071.3 |
| Debt due within one year | (64.8) | 29.2 | (28.1) | (63.7) |
| Debt due after more than one year | (6,126.9) | (83.4) | (56.7) | (6,267.0) |
| Finance leases | (1.3) | 0.1 | — | (1.2) |
| Total external borrowings | (6,193.0) | (54.1) | (84.8) | (6,331.9) |
| **Net debt before issue costs** | **(4,826.7)** | **587.9** | **(21.8)** | **(4,260.6)** |

## 29. RELATED PARTIES

***Identity of related parties with which the Group has transacted***

Related parties comprise:

- Parent entities and their subsidiaries not included within the INEOS Group Holdings S.A. group;
- Entities controlled by the shareholders of INEOS Limited, the ultimate parent company of INEOS Group Holdings S.A.;
- Key management personnel; and
- Joint ventures.

Mr JA Ratcliffe, Mr AC Currie and Mr J Reece are shareholders in INEOS Limited.

INEOS Limited and INEOS AG, a subsidiary of INEOS Limited, provide operational management services to the Group through a management services agreement. Management fees of €90.5 million (2019: €88.0 million, 2018: €85.7 million) were charged to the income statement. As at December 31, 2020 there were no amounts owed to INEOS AG (2019: €23.1 million, 2018: €22.0 million). As at December 31, 2020 there were no amounts owed to INEOS Holdings AG, a wholly owned subsidiary of INEOS AG (2019: €0.9 million, 2018: nil). As at December 31, 2020 amounts owed by INEOS Holdings AG were €28.3 million (2019: nil, 2018: €0.4 million).

In March 2019 the Group received €260.5 million of proceeds in relation to the repayment of the Group's preferential interest in INEOS Investments Partnership following the sale by INEOS Investments Partnership of its assets (shares in PQ Corporation) to INEOS Limited. The Group paid the proceeds received as part of a dividend of €296.3 million to its parent company, INEOS Holdings Luxembourg S.A..

INEOS Limited owns and controls a number of operating subsidiaries that are not included in the INEOS Group Holdings S.A. group, including INEOS Industries Limited (which from December 31, 2020 includes INOVYN Limited and from September 1, 2017 includes the Grangemouth petrochemical subsidiaries), INEOS Enterprises Holdings Limited and the Lavéra petrochemical assets and businesses together with other French and Italian assets of INEOS O&P South.

During the year ended December 31, 2020 the Group has made sales to these subsidiaries of €1,044.7 million (2019: €1,316.1 million, 2018: €1,528.9 million), recovered net costs of €141.4 million (2019: €77.9 million, 2018: €115.0 million) and made purchases of €1,031.3 million (2019: €1,315.2 million, 2018: €1,489.1 million). As at December 31, 2020, €374.2 million (2019: €471.1 million, 2018: €465.0 million) was owed by and €177.4 million (2019: €154.0 million, 2018: €115.1 million) was owed to these subsidiaries (excluding the Grangemouth shareholder loan and the INEOS Upstream Limited loan).

During 2015 the Group provided a loan of $623.7 million to INEOS Upstream Limited, a related party, in connection with its acquisition of natural gas assets in the North Sea. The loan facility is unsecured and matures in June 2024 and bears interest at 7% per annum. On September 29, 2017, INEOS Upstream Limited, a related party, acquired further natural gas assets in the North Sea through its acquisition of the entire oil and gas business of DONG Energy A/S. In connection with the DONG Acquisition, the Group advanced a loan of $376.2 million (€315.7 million) to INEOS Upstream Limited, the proceeds of which were on lent to certain of its subsidiaries. The loan is unsecured and matures in June 2024 and bears interest at 7% per annum. There were no loan repayments during 2020 (2019: nil, 2018: net loan repayments of $122.5 million (€105.4 million)). As at December 31, 2020 $617.1 million (€501.7 million) (2019: $617.1 million (€550.8 million), (2018: $617.1 million (€539.7 million)) was outstanding under the facility.

Following the divestment of the Grangemouth petrochemical business in 2013 the Group put in place a €200 million shareholder loan facility to fund the ongoing operations and investments required at the site. In July 2019 INEOS Grangemouth plc entered in to a new €350.0 million Senior Term Loan and Revolving Credit facility and the shareholder loan facility was cancelled in full.

INEOS Limited owns interests in a number of joint ventures that are not included in the INEOS Group Holdings S.A. group, including the French joint ventures associated with the Lavera petrochemical

## 29. RELATED PARTIES (continued)

assets and businesses which were divested by the Group on July 1, 2014 and the refining joint ventures between PetroChina and INEOS Investments (Jersey) Limited, a related party. Previous to becoming a fully owned subsidiary on December 31, 2020 (see Note 3) the Group had a joint venture with Sasol Limited to build and operate a HDPE plant at Battleground site in Texas, USA which became operational at the end of 2017.

During the year ended December 31, 2020 the Group made sales of €0.1 million (2019: €0.1 million, 2018: €0.1 million), recovered costs of €0.2 million (2019: €0.5 million, 2018: nil) and made purchases of €0.2 million (2019: €0.2 million, 2018: nil) from the French joint ventures. As at December 31, 2020 €0.1 million (2019: €0.3 million, 2018: €0.1 million) was owed by the French joint ventures and no amount (2019: €0.2 million, 2018: nil) was owed to the French joint ventures.

The Refining joint ventures are between PetroChina and INEOS Investments (Jersey) Limited, a related party. During the year ended December 31, 2020 the Group made sales to the Refining joint ventures of €1.4 million (2019: nil, 2018: €0.6 million), recovered costs of €8.4 million (2019: €8.6 million, 2018: €5.4 million) and made purchases of €145.7 million (2019: €221.4 million, 2018: €379.3 million). As at December 31, 2020, €1.2 million (2019: €0.8 million, 2018: €1.4 million) was owed by the Refining joint ventures and €2.0 million (2019: €25.5 million, 2018: €21.2 million) was owed to the Refining joint ventures.

During 2020 before the HDPE joint venture became a fully owned subsidiary of the Group on December 31, 2020 (see Note 3) the Group made no sales to the HDPE joint venture (2019: nil, 2018: €5.6 million), recovered costs of €60.5 million (2019: €59.1 million, 2018: €58.4 million) and made purchases of €43.6 million (2019: €47.9 million, 2018: nil) from the HDPE joint venture. As at December 31, 2019, €5.6 million was owed by and €5.1 million was owed to (2018: €5.1 million was owed by) the HDPE joint venture.

The Group has entered into a number of derivative contracts with INEOS UK SNS Limited and INEOS Energy Trading Limited, both related parties. The net fair value loss on these derivatives during the year ended December 31, 2020 was €126.2 million (2019: €80.3 million). As at December 31, 2020, the mark to market derivative asset was €17.8 million (2019: €15.3 million) and the mark to market liability was €88.0 million (2019: €54.5 million) in respect of these related party derivative financial instruments (see Note 15).

***Compensation to key management personnel (including directors)***

The Group defines key management as the directors of the Company. Details of Directors' remuneration are given in Note 7.

## 30. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is INEOS Holdings Luxembourg S.A.. The ultimate parent undertaking at December 31, 2020 was INEOS Limited, a company registered in the Isle of Man. The ultimate controlling party is Mr JA Ratcliffe, director and majority shareholder of the ultimate parent undertaking. INEOS Group Holdings S.A. and its subsidiaries are not included within any other consolidated financial statements.

## 31. ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group prepares its consolidated financial statements in accordance with IFRSs, which require management to make judgements, estimates and assumptions which affect the application of the accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates change and in any future periods.

**Critical accounting judgements in applying the Group's accounting policies**

The key accounting judgement taken in the preparation of these financial statements relates to our interest in the refining business formerly owned by Group (see Note 12). The refining business is now

**31. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**

owned by PetroChina and INEOS Investments (Jersey) Limited ("II(J)L"), which in turn is held under common control by the Group's controlling Shareholders. The Group has an economic interest in II(J)L via non-voting ordinary shares in II(J)L.

The Group has evaluated its interest in II(J)L and in the refining business, and has concluded that it has effective control over II(J)L by virtue of the facts that the Group is subject to exposure and rights to the variable returns from II(J)L, II(J)L is held under common control with the Group's controlling shareholder and has the same directors as the Group. As a result, II(J)L is treated as a subsidiary of the Group, and therefore the refining business is treated as a joint venture under the equity accounting method, and the company reflects its 50% share in the profits and losses of the refining business in its income statement. (see also Note 1, Accounting policies).

**Key sources of estimated uncertainty**

Estimates and associated assumptions are based on historical experience and other factors that the Group believe are reasonable, including assets and expected economic conditions, and in certain cases actuarial assumption. Although these estimates are based on the Group's knowledge of current events and circumstances, actual numbers may differ.

***Taxation***

Management is required to estimate the tax payable in each of the jurisdictions in which the Group operates. This involves estimating the actual current tax charge or credit together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. The calculation of the Group's total tax charge necessarily involves a significant degree of estimation in respect of certain items

whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority, or, as appropriate, through a formal legal process.

The Group has, from time to time, contingent tax liabilities arising from trading and corporate transactions in the countries in which it operates. After appropriate consideration, management makes provision for these liabilities based on the probable level of economic loss that may be incurred and which is reliably measurable.

The breadth of the Group's structure with operations in many geographic locations makes the use of estimates and assumptions more challenging. The resolution of issues is not always within the control of the Group and can be reliant upon the efficiency of the legal processes in the relevant jurisdictions in which the Group operates, and as a result, issues can, and often do take many years to resolve.

Details of amounts recognised with regard to taxation are disclosed in Notes 9 and 16. Note 9 shows tax adjustments in respect of prior years of €105.0 million which primarily relates to the carry back of losses, although material adjustments may arise in future years.

***Defined benefit obligations***

The Group operates a number of defined benefit post employment schemes. Under IAS 19 Revised Employee Benefits, management is required to estimate the present value of the future defined benefit obligation of each of the defined benefit schemes. The costs and year end obligations under defined benefit schemes are determined using actuarial valuations. The actuarial valuations involve making numerous assumptions, with the most significant being:

- Inflation rate projections;
- Discount rate for scheme liabilities; and
- Mortality levels.

The assumptions are based on the environment in each country and vary year to year, with changes impacting net income and net assets. Changes to some of these assumptions, in particular the

## 31. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

discount rate and inflation rate, could result in material changes to the carrying amounts of the Group's post-retirement benefit obligations within the next financial year. Any differences between these assumptions and the actual outcome will impact future net income and net assets.

Details of post-retirement benefits and sensitivity to each significant assumption are set out in Note 21.

## GLOSSARY OF SELECTED TERMS

| Term | Definition |
|---|---|
| Acetone | Byproduct of the production of phenol. Used in the production of methylmethacrylate, polymethylmethacrylate, acrylate and Bisphenol A and acetone-based solvents. |
| Acetonitrile | Co-produced in the manufacture of acrylonitrile and largely used in solvents. |
| Acrylic acid | Produced from propylene and used in manufacturing absorbent polymers, coatings and adhesives/sealants. |
| Acrylonitrile (ACN) | A commodity used in a wide variety of consumer applications. Used in the production of acrylic fiber, acrylonitrile butadiene styrene and styrene acrylonitrile. Manufactured from propylene, ammonia and air with the use of a catalyst. |
| Acrylonitrile-butadiene styrene (ABS) | A tough thermoplastic that has a variety of consumer appliance and automotive component uses. Made from acrylonitrile, butadiene and styrene. |
| Additive | An ingredient added to a chemical reaction, usually in polymerization reactions, to impart additional performance properties on the resulting product. |
| Alkoxylate (Alkox) | The addition of an epoxide to an alcohol, or other reactive OH group. Typical industrially important epoxides are ethylene oxide and propylene oxide. Alkoxylates are used in a variety of applications including cosmetics, industrial cleaners and oil and gas processing chemicals. |
| Alpha olefins (AO) | See "Linear alpha olefins" and "Poly alpha olefins." |
| Ammonia | Used in the manufacture of acrylonitrile, although its largest end use is in the manufacture of fertilizers. Made from nitrogen and hydrogen with the use of a catalyst. |
| Aromatics | Hydrocarbons that are in a ring formation instead of a linear formation. The major products comprising this group are: benzene, toluene, mixed xylenes, ortho-xylene and para-xylene. |
| Barrel or bbl | Barrel of crude oil, 159 liters by volume. |
| Benzene | A building block for styrene and also used to make cumene and nylon. Mainly produced from refinery processes or as a co-product of steam cracker operations. |
| Bisphenol A | An intermediate product produced from acetone and phenol used to produce polycarbonate and epoxy-resins. |
| Butadiene (BD) | Butadiene is one of the co products of the steam cracking process and used primarily in the production of polymers, for example synthetic rubbers used to manufacture tires and other rubber products. |
| Catalyst | An ingredient added to facilitate a chemical reaction, but which does not itself get consumed during the reaction process. |
| Comonomer | An additional monomer used in a polymerization reaction to offer additional properties to a polymer. |
| Copolymer | A polymer created by the polymerization of one or more additional monomers (comonomers) to offer additional properties to the resulting polymer. |
| Cracker | See "Olefins cracker." |

| Term | Definition |
|---|---|
| Cracking | The conversion of large hydrocarbon molecules into smaller ones. Carried out either at high temperatures (thermal cracking), or with the aid of a catalyst and high pressure (catalytic cracking and hydrocracking). The cracking process enables greater quantities of saturated hydrocarbons suitable for gasoline and other light hydrocarbon fractions to be recovered from crude oil. |
| Cumene | Produced from benzene and propylene and is used as a feedstock for producing phenol/acetone, which have a large number of uses in the manufacture of plastics and resins. |
| Cyclopentane (CP) | The lightest non-polar cycloalkane solvent used by the chemical industry. Cyclopentane is a non-ozone depleting substitute for chlorofluorocarbons (CFCs) principally used as a blowing agent in foam manufacture. |
| Ethane | A colorless, odorless gas which is a byproduct of petroleum refining. Primarily used as a petrochemical feedstock for ethylene production. |
| Ethanolamine | An ethylene oxide derivative. Major applications are herbicides, surfactants (used in personal care products and detergent formulations), cement additives, textile chemicals and pigments. |
| Ethylbenzene | An intermediate made from benzene and ethylene and used to make styrene. Virtually all worldwide ethylbenzene production is consumed in the manufacture of styrene. |
| Ethylene | A flammable gas obtained in a process called steam cracking. Itself has no consumer applications, but is the basic feedstock for a large number of industrial uses, including the manufacture of polyethylene. A key building block for polyethylene, polystyrene, ethylene oxide and other derivatives. |
| Ethylene glycol (EG) | An industrial chemical primarily used in the manufacture of polyesters and antifreeze/coolants. Produced from ethylene oxide. |
| Ethylene oxide (EO) | A commodity monomer used as a building block for the manufacture of a wide range of products and intermediates in the chemical industry. Mainly used to produce ethylene glycol and industrial detergents. The products derived from ethylene oxide have many familiar applications such as coolants for auto engines, polyester fibers and film. Manufactured from ethylene and oxygen. |
| Ethylene propylene diene monomer | Made from a combination of ethylene, propylene and another monomer containing two double bonds. Key end use applications after further processing and reaction, include roofing materials and automotive seals. |
| Ethylidene norbornene (ENB) monomer | Made by reacting butadiene with cyclopentadiene and used as a monomer in the production of rubbers ethylene propylene diene monomer (EPDM) rubbers, used for example applications such as roofing. |
| Feedstocks | Crude oil and other hydrocarbons used as basic materials in a refining or manufacturing process. |
| Forties Pipeline System | The pipeline that carries crude oil from a variety of oil fields in the North Sea to the mainland. |
| Fractionator | Splits gas into its components ethane, propane, butane and other natural gas liquids. |
| Gas | Includes methane, ethane, butane and propane. |

| Term | Definition |
|---|---|
| Glycol ethers | Used as solvents in paints, inks and cleaning fluids and are derivatives of ethylene oxide. |
| High-density polyethylene | A type of polyethylene and a relatively tough thermoplastic. Most common household use is container plastics. Also commonly used for molding, pipe and thin film applications. |
| Homopolymers | Polymers that are created by the polymerization of a single monomer. |
| Hydrocarbons | All compounds that consist of hydrogen and carbon. These include crude oil, natural gas, gas, olefins and their derivatives. |
| Hydrogen cyanide | Manufactured as a co-product of acrylonitrile. An extremely hazardous gas used mainly to produce polymers, coatings and nylon, and for chemicals used in gold extraction. |
| Isoamylene (IA) | Used in the synthesis of many chemicals and chemical intermediates, with numerous applications including, flavors, fragrances, pesticides and pharmaceuticals |
| kta | Kilotonnes per annum. |
| Linear alpha olefins (LAO) | Hydrocarbons in a straight chain formation which have physical characteristics and commercial uses that vary according to the length of the hydrocarbon chain. They are co-monomers for certain types of polyethylene. They also have applications as surfactant intermediates, base oil for synthetic lubricants and drilling fluids. They are made from ethylene. |
| Linear low-density polyethylene | A type of polyethylene and has basic properties similar to low- density polyethylene. Low-density polyethylene and linear low-density polyethylene are to a certain extent substitutes. The most significant end use for linear low-density polyethylene is film. |
| Liquefied petroleum gas (LPG) | A mixture of gases, usually propane and butane, used as fuel in heating appliances and vehicles and also as a petrochemical feedstock. |
| Low-density polyethylene (LDPE) | The first type of polyethylene invented. Its most common household use is in plastic bags. |
| Methylmethacrylate | Produced from acetone and is used to manufacture polymethylmethacrylate resins. |
| Monomer | Feedstock material for the manufacture of polymers and derivative products. |
| Naphtha | A refinery product that is used as a gasoline component, but also serves as feedstock for petrochemical plants. |
| Natural gas liquids | Generally comprise a mixture of ethane, propane, butanes and smaller amounts of other lighter hydrocarbons. |
| Nitriles | Used to describe acrylonitrile, its co-products and other products produced from ammonia feedstock. |
| Olefins | Including ethylene and propylene, are the key building blocks of the petrochemical industry and produce a large range of derivative products. |
| Olefins cracker | Breaks down naphtha or other gas feedstocks into olefins, principally ethylene and propylene. |
| Oxo-alcohols | A feedstock for intermediates which are used in many soft plastic products and solvent applications. They are largely produced from propylene feedstock. |
| Ppm | Parts per million. |

| Term | Definition |
| --- | --- |
| Phenol | Produced from cumene and used in the production of Bisphenol A, as well as phenolic resins and capralactam. |
| Poly alpha olefins (PAO) | Made by polymerizing, or merging, several linear alpha olefins together and are used in a large number of automotive and industrial applications (mainly as synthetic lubricants). |
| Polybutene (PIB) | Made by polymerizing iso-butylene into molecules of various molecular weight ranging from around 60 to 18,000 and used in a wide range of industrial applications in lubricants, adhesives, sealants, agricultural film, tire manufacturing, and a number of smaller specialty applications including cosmetics. |
| Polycarbonate | An engineering thermoplastic polymer which, due to its superior optical qualities, structural strength and weight, has a wide range of uses, including CDs and DVDs, optic-fibers, optical lenses, structural parts in cars and trucks and housings for electrical household appliances and office equipment. |
| Polyethylene | The world's most used thermoplastic (including high-density polyethylene, low-density polyethylene and linear low-density polyethylene). Manufactured by the polymerization of ethylene and co- monomers. Used primarily to produce films for packaging, agricultural applications, molded products, pipes and coatings. |
| Polyethylene terephthalate (PET) | Made by the combination of ethylene glycol and terephthalic acid. Typical end uses include films for packaging and fibers. |
| Polymer | A chemical compound usually made up of a large number of identical components linked together into long molecular chains. |
| Polymethylmethacrylate resins | Used in a wide range of architectural and industrial applications, ranging from point of sale retail displays to glazing and decorative light panels, and compounds for molding and extrusion. |
| Polyolefin elastomer (POE) | Made by polymerizing ethylene and linear alpha olefins together and are used in applications where a combination of strength and flexibility is required. The linear alpha olefin content is higher than the level needed for LLDPE. |
| Polypropylene (PP) | The world's second most widely used thermoplastic after polyethylene. Manufactured by the polymerization of propylene. Used mainly for molding, filaments, fibers and films and is the most significant thermoplastic material used in molded containers and automotive applications. |
| Polyvinyl chloride (PVC) | The world's third most widely used thermoplastic after polyethylene and polypropylene. Produced by the polymerization of the vinyl chloride monomer. Used mainly in the construction industry in the form of pipes and insulation on electric cables. |
| Propane | A gaseous hydrocarbon in its natural state but can be easily liquefied. Its major end uses are as a fuel and as a feedstock for petrochemicals. |
| Propane dehydrogenation (PDH) | Used to produce polymer-grade propylene from propane independent of a steam cracker or fluid catalytic cracking unit. |

| Term | Definition |
|---|---|
| Propylene | A flammable gas which is largely derived either as a co-product of the refinery fluid catalytic cracker process used to make gasoline or as a co-product of the steam cracking process used to make ethylene. Has virtually no independent end use, but is an important input for a significant number of industrial products, and is the main feedstock used to make polypropylene and acrylonitrile. |
| Propylene glycols | An industrial chemical, mainly used to produce polyester, paints and coatings, airplane de-icers, antifreeze and industrial coolants, made from propylene oxide. |
| Propylene oxide | Used in the manufacture of polyurethane foams and to make propylene glycols. Primarily made from propylene feedstock. |
| Solvents | Used to dissolve solids and keep them in liquid form. |
| Specialty Oligomers (SO) | Specialty Oligomers consist of two distinct ranges of products: first, oligomers of iso-butylene, ranging from dimers to tetramers going into production of tackifiers for tire manufacture, compressor oils, reference fuels, solvents, cosmetics and some other specialties. Second, iso-amylene, iso-pentane and cyclopentane, all extracted from a crude C5 stream and going into production of fragrances, anti-oxidants, hydrocarbon resins, catalysts, fungicides and blowing agents. |
| Spot market | A term used to describe the international trade in one-off cargoes or shipments of commodities, such as crude oil, in which prices closely follow demand and availability. |
| Thermoplastic | A plastic which softens when heated and hardens again when cooled. Includes polyethylene, polypropylene and polystyrene. |
| Turnaround | Temporary shutdown of a refinery or petrochemical production facility for required maintenance. Can be scheduled (planned, routine maintenance, inspections and tests to comply with industry regulations) or unscheduled (in response to an unexpected outage or plant failure). |
| Ultra high molecular weight polyethylene (UHMWPE) | Made by polymerising ethylene to form very long chains. They are useful, for example, in applications in which high resistance to chemicals or abrasion is required. |

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# INEOS Finance plc

## € % Senior Secured Notes due 2029
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**, 2024**