

Particulars of a mortgage or charge

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge

**395**

CHFP025

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

*insert full name of Company

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number



3870678

Name of company

* VANTICO HOLDING LIMITED (THE "CHARGOR")

Date of creation of the charge

30th JUNE 2003

Description of the instrument (if any) creating or evidencing the charge (note 2)

GUARANTEE AND DEBENTURE BETWEEN THE CHARGOR AND THE SECURITY TRUSTEE DATED 30th JUNE 2003 (THE "GUARANTEE AND DEBENTURE")

Amount secured by the mortgage or charge

THE SECURED OBLIGATIONS AS DEFINED IN THE ATTACHED CONTINUATION SHEETS

Names and addresses of the mortgagees or persons entitled to the charge

DEUTSCHE BANK AG, NEW YORK BRANCH, 31 WEST 52nd STREET, NEW YORK, NY, 10019-6160 UNITED STATES OF AMERICA AS AGENT AND TRUSTEE FOR THE SECURED CREDITORS (AS DEFINED BELOW) (THE "SECURITY TRUSTEE")

Postcode

Presentor's name address and reference (if any):

Herbert Smith
Exchange House
Primrose Street
London
EC2A 2HS

30837843/2836/299937

Time critical reference

For official Use
Mortgage Section

Post room



A42
COMPANIES HOUSE

AY1ZSMG2

0727
08/07/03

Short particulars of all the property mortgaged or charged

SEE ATTACHED CONTINUATION SHEET

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold block
lettering

Particulars as to commission allowance or discount (note 3)

N/A

Signed *Herbert Smith*

Date 07 JULY 2003

On behalf of ~~[company]~~ ~~[mortgagee/chargee]~~ †

A fee of £10 is
payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

† delete as
appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
(a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
(b) procuring or agreeing to procure subscriptions, whether absolute or conditional,
for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF14 3UZ

Short Particulars of all the property mortgaged or charged**1. MORTGAGES, FIXED CHARGES AND FLOATING CHARGE**

1.1 The Chargor, with full title guarantee, as continuing security for the payment and discharge of the Secured Obligations charges in favour of the Security Trustee (as agent and trustee for the Secured Creditors):

1.1.1 by way of legal mortgage all estates or interests in the freehold, leasehold and other immovable property described in Schedule 2 (The Legally Mortgaged Property) and the proceeds of sale thereof and all buildings and trade and other fixtures on any such property belonging to or charged to the Chargor provided that where in the case of any leasehold property the consent of any third party is required before any such mortgage should be granted, the legal mortgage created by this sub-Clause shall not take effect until such consent is obtained;

1.1.2 by way of fixed charge all estates or interests in any freehold, leasehold and other immovable property belonging to the Chargor (other than the Legally Mortgaged Property) and the proceeds of sale thereof and all buildings and trade and other fixtures from time to time on any such property belonging to or charged to the Chargor provided that where in the case of any leasehold property the consent of any third party is required before any such charge should be granted, the fixed charge created by this sub-Clause shall not take effect until such consent is obtained;

1.1.3 by way of fixed charge all plant, machinery, vehicles, computers and office and other equipment owned by the Chargor both present and future;

1.1.4 by way of fixed charge all book debts and other debts now and from time to time due or owing to the Chargor (the "**Debts**") and (subject to the provisions of Clause 6.2 of the Guarantee and Debenture) all moneys which the Chargor receives in respect thereof;

1.1.5 by way of fixed charge (but subject to the provisions of Clause 6.2 of the Guarantee and Debenture) all balances standing to the credit of any current, deposit or other account of the Chargor with the Security Trustee or any other Secured Creditor (including *inter alia* any account designated a realisations account for the proceeds of disposals of any of the assets of the Chargor) or with other bankers, financial institutions or similar third parties (the "**Credit Balances**");

1.1.6 by way of fixed charge all stocks, shares, debentures, bonds, notes and loan capital of:

(A) any Subsidiary; and

(B) any other body corporate;

and all rights to subscribe for, redeem, convert other securities into or otherwise acquire any of the same which may now or hereafter belong to the

Chargor, together with all dividends, interest and other income and all other rights of whatsoever kind deriving from or incidental to any of the foregoing;

- 1.1.7 by way of fixed charge the goodwill of the Chargor and its uncalled capital now or at any time hereafter in existence;
 - 1.1.8 by way of fixed charge all copyrights, patents, patent applications, licences, trade marks, tradenames, know-how and inventions or other rights of every kind deriving therefrom now or at any time hereafter belonging to the Chargor and all fees, royalties and other rights of every kind deriving from such copyrights, patents, trade marks, tradenames, know-how and inventions; and
 - 1.1.9 by way of floating charge the whole of the Chargor's undertaking and all its property, assets and rights, whatsoever and wheresoever, present and future, other than any property or assets from time to time or for the time being effectively mortgaged, assigned or charged to the Security Trustee by way of fixed charge by Clause 3.1 of the Guarantee and Debenture provided that where in the case of any leasehold property the consent of any third party is required before any such charge should be granted, the floating charge created by this sub-Clause shall not take effect until such consent is obtained (collectively referred to as the "**Floating Charge Property**").
- 1.2 The security constituted by or pursuant to the Guarantee and Debenture shall be in addition to and shall be independent of every bill, note, guarantee, mortgage, pledge or other security which the Security Trustee or any other Secured Creditor may at any time hold in respect of any of the Secured Obligations and it is hereby declared that no prior security held by the Security Trustee or any other Secured Creditor over the Charged Property or any part thereof shall merge in the security or pursuant to the Guarantee and Debenture.

2. **NEGATIVE PLEDGE**

The Chargor covenants that without the prior written consent of the Security Trustee it shall not nor shall it agree or purport to:

- 2.1.1 create or permit to subsist any Lien whether in any such case ranking in priority to or pari passu with or after the security created by the Guarantee and Debenture save to the extent permitted or required under the Credit Agreement and the Second Priority Notes Indenture; or
- 2.1.2 sell, discount, factor, transfer, lease, lend or otherwise dispose of, whether by means of one or a number of transactions related or not and whether at one time or over a period of time, the whole or any part of its undertaking or assets except as permitted under the Credit Agreement and the Second Priority Notes Indenture.

3. DEFINITIONS

"Additional First Priority Indebtedness Documents" has the meaning ascribed to that term in the Intercreditor Agreement.

"Additional First Priority Indebtedness Representatives" has the meaning ascribed to that term in the Intercreditor Agreement.

"Bank Related Hedging Documents" has the meaning ascribed to that term in the Intercreditor Agreement.

"Bank Related Hedging Exchangers" has the meaning ascribed to that term in the Intercreditor Agreement.

"Bank Related Overdraft Agreements" has the meaning ascribed to that term in the Intercreditor Agreement.

"Bank Related Overdraft Exchangers" has the meaning ascribed to that term in the Intercreditor Agreement.

"Charged Property" means the property, assets and income of the Chargor mortgaged, assigned or charged to the Security Trustee (whether by way of legal mortgage, assignment, fixed or floating charge) by or pursuant to the Guarantee and Debenture and each and every part thereof, including for the avoidance of doubt the Legally Mortgaged Property.

"Credit Agreement" means a credit agreement dated 30 June, 2003 made between (1) Hunstman Advanced Materials LLC (a Delaware corporation) as borrower (the **"Company"**), (2) certain subsidiaries of the Company, (3) various lending institutions named therein and (4) Deutsche Bank AG, New York Branch as Administrative Agent under which the Lenders have agreed to make available certain facilities on the terms and conditions contained in the Credit Agreement.

"Intercreditor Agreement" means the intercreditor and collateral agency agreement dated on or around the date of the Guarantee and Debenture, between, inter alia, the Administrative Agent, the Security Trustee (as collateral agent) and the Company.

"Lien" has the meaning ascribed to that term in the Credit Agreement.

"Legally Mortgaged Property" means none at the date hereof.

"Lenders" has the meaning ascribed to that term in the Credit Agreement.

"Loan Documents" has the meaning ascribed to that term in the Credit Agreement.

"Second Priority Notes Documents" means the Second Priority Notes, the Second Priority Notes Indenture and all other documents evidencing, guaranteeing or otherwise governing the terms of the Second Priority Notes.

"Second Priority Notes Indenture" means a note indenture issued by the Company on 30 June, 2003 under which the Company has issued or agreed to issue up to an aggregate of US\$350million of 11% secured notes due 2010 and secured floating rate notes due 2008 (the **"Second Priority Notes"**).

"Second Priority Notes Trustee" means Wells Fargo Bank Minnesota, National Association as trustee for the holders of the Second Priority Notes.

"Second Priority Secured Creditors" means the Security Trustee, the Second Priority Notes Trustee and **"Second Priority Secured Creditor"** shall be construed accordingly.

"Second Priority Secured Obligations" means the actual, contingent, present and/or future obligations and liabilities of the Chargor to any of the Second Priority Secured Creditors under or pursuant to all or any of the Second Priority Notes Documents, including the Guarantee and Debenture PROVIDED THAT no obligation or liability shall be included within the definition of **"Second Priority Secured Obligations"** to the extent that, if it were so included the Guarantee and Debenture (or any part thereof) would constitute unlawful financial assistance within the meaning of sections 151 and 152 of the Companies Act 1985 or any equivalent provision of any applicable law.

"Secured Creditors" means the Second Priority Secured Creditors and the Senior Secured Creditors and **"Secured Creditor"** shall mean any one of them.

"Secured Obligations" means the Second Priority Secured Obligations and the Senior Secured Obligations.

"Senior Secured Creditors" means all and each of the Security Trustee, the Administrative Agent, the Collateral Agent, the Syndication Agent, the Additional First Priority Indebtedness Representatives (if any), the Bank Related Hedging Exchangers (if any) the Bank Related Overdraft Exchangers (if any) and the Lenders and **"Secured Creditor"** shall be construed accordingly.

"Senior Secured Obligations" means the actual, contingent, present and/or future obligations and liabilities of the Chargor to any of the Senior Secured Creditors under or pursuant to all or any of the Loan Documents, the Additional First Priority Indebtedness Documents (if any), the Bank Related Hedging Documents (if any) and the Bank Related Overdraft Agreements (if any) including the Guarantee and Debenture PROVIDED THAT no obligation or liability shall be included within the definition of **"Senior Secured Obligations"** to the extent that, if it were so included the Guarantee and Debenture (or any part thereof) would constitute unlawful financial assistance within the meaning of sections 151 and 152 of the Companies Act 1985 or any equivalent provision of any applicable law.

"Subsidiary" has the meaning ascribed to that term in the Credit Agreement.

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 03870678

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT GUARANTEE & DEBENTURE DATED THE 30th JUNE 2003 AND CREATED BY VANTICO HOLDING LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO DEUTSCHE BANK AG, NEW YORK BRANCH AS AGENT AND TRUSTEE FOR THE SECURED CREDITORS (THE SECURITY TRUSTEE) UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 8th JULY 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 10th JULY 2003.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

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