UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K
☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 2016

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

For the transition period from to
Commission File Number: 001-36473

Trinseo S.A.
(Exact name of registrant as specified in its charter)

Luxembourg
(State or other jurisdiction of incorporation or organization)

N/A
(I.R.S. Employer Identification Number)

1000 Chesterbrook Boulevard, Suite 300
Berwyn, PA 19312
(Address of Principal Executive Offices)

(610) 240-3200
(Registrant’s telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class
Ordinary Shares, par value $0.01 per share

Name of Each Exchange on Which Registered
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer,” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the Company is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of February 24, 2017, there were 43,958,209 shares of the registrant’s ordinary shares outstanding.

The aggregate market value of the voting and non-voting shares of the registrant held by non-affiliates of Trinseo S.A. computed by reference to the closing price of the registrant’s common stock on the New York Stock Exchange as of December 31, 2016 was approximately $1,181,459,401.

Documents Incorporated by Reference
Portions of the registrant’s definitive Proxy Statement for the 2017 Annual General Meeting of Shareholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Form 10-K are incorporated by reference in Part III, Items 10-14 of this Form 10-K.
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K (“Annual Report”) contains forward-looking statements including, without limitation, statements concerning plans, objectives, goals, projections, strategies, future events or performance, and underlying assumptions and other statements, which are not statements of historical facts. Forward looking statements may be identified by the use of words like “expect,” “anticipate,” “intend,” “forecast,” “outlook,” “will,” “may,” “might,” “potential,” “likely,” “target,” “plan,” “contemplate,” “seek,” “attempt,” “should,” “could,” “would” or expressions of similar meaning. Forward-looking statements reflect management’s evaluation of information currently available and are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Specific factors that may impact performance or other predictions of future actions have, in many but not all cases, been identified in connection with specific forward-looking statements. Our actual results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements include economic, business, competitive, market and regulatory conditions and the following:

- our current level of indebtedness;
- the restrictions on our operations due to our indebtedness;
- the stability of our joint ventures;
- any disruptions in production at our manufacturing facilities;
- volatility in costs or disruption in the supply of the raw materials or energy utilized for our products;
- the execution of capital projects in accordance with the Company's plan, budget and forecasts;
- strategic acquisitions or divestitures affecting current operations;
- liabilities and lawsuits resulting from our products or operations;
- conditions in the global economy and capital markets;
- our continued reliance on our relationship with The Dow Chemical Company;
- changes to and our compliance with environmental, health and safety laws;
- failure to maintain an effective system of internal controls;
- changes to our tax rates or exposure to additional tax liabilities;
- changes in laws and regulations applicable to our business;
- fluctuations in currency exchange rates;
- our ability to receive distributions from our subsidiaries and joint ventures;
- the outcome of the ongoing investigation involving one of our joint ventures;
- the loss of customers;
- any inability to continue technological innovation and successful introduction of new products;
- any inability to protect our trademarks, patents or other intellectual property rights;
- our infringement on the intellectual property rights of others;
- data security breaches;
- restrictive labor laws, strikes, work stoppages or slowdowns;
- local business risks in different countries in which we operate;
- risks associated with our incorporation in Luxembourg;
- other risks described in the “Risk Factors” section of this Annual Report.

We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, it is impossible for us to anticipate all factors that could affect our
actual results. Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and “Quantitative and Qualitative Disclosures About Market Risk” in this Annual Report. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements as well as other cautionary statements that are made from time to time in our other public communications. You should evaluate all forward-looking statements made in this Annual Report in the context of these risks and uncertainties.

We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements included in this Annual Report are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.
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 Unless otherwise indicated or required by context, as used in this Annual Report, the term “Trinseo” refers to Trinseo S.A. (NYSE: TSE), a public limited liability company (société anonyme) existing under the laws of Luxembourg, and not its subsidiaries. The terms “Company,” “we,” “us” and “our” refer to Trinseo and its consolidated subsidiaries, taken as a consolidated entity and as required by context, may also include our business as owned by our predecessor, The Dow Chemical Company, for any dates prior to June 17, 2010. The terms “Trinseo Materials Operating S.C.A.” and “Trinseo Materials Finance, Inc.” refer to Trinseo’s indirect subsidiaries, Trinseo Materials Operating S.C.A., a Luxembourg partnership limited by shares incorporated under the laws of Luxembourg, and Trinseo Materials Finance, Inc., a Delaware corporation, and not their subsidiaries. All financial data provided in this Annual Report is the financial data of the Company, unless otherwise indicated.

 Prior to our formation, our business was wholly owned by The Dow Chemical Company. We refer to our predecessor business as “the Styron business.” On June 17, 2010, investment funds advised or managed by affiliates of Bain Capital Partners, LP (“Bain Capital”) acquired the Styron business and Dow Europe Holding B.V., which we refer to as “Dow Europe,” or, together with other affiliates of The Dow Chemical Company, “Dow,” retained an ownership interest in the Styron business through an indirect ownership interest in us. We refer to our acquisition by Bain Capital as the “Acquisition”. During 2016, Bain Capital divested its entire ownership in the Company in a series of secondary offerings to the market.

 Definitions of capitalized terms not defined herein appear in the notes to our consolidated financial statements. Specifically, refer to Note 10 in the consolidated financial statements for definitions of the Company’s debt facilities.

 In the first quarter of 2015, we completed a rebranding process to change our operating name and legal entities from “Styron” to “Trinseo,” a name that we believe reflects our breadth as a company with broad global reach and a diverse portfolio of materials and technologies.
PART I

Item 1. Business

BUSINESS

The Company

Trinseo S.A. (NYSE: TSE) is a public limited liability company (société anonyme) formed in 2010 and existing under the laws of Luxembourg. Prior to our formation, our business was wholly owned by Dow. On June 17, 2010, investment funds advised or managed by affiliates of Bain Capital acquired our business and Dow Europe. During 2016, Bain Capital divested its entire ownership in the Company in a series of secondary offerings to the market.

We are a leading global materials company engaged in the manufacture and marketing of synthetic rubber, latex binders, and plastics, including various specialty and technologically differentiated products. We have leading market positions in many of the markets in which we compete. Our products that are incorporated into a wide range of our customers’ products throughout the world, including tires and other products for automotive applications, carpet and artificial turf backing, coated paper, specialty paper and packaging board, food packaging, appliances, medical devices, consumer electronics and construction applications, among others. We have long-standing relationships with a diverse base of global customers, many of whom are leaders in their markets and rely on us for formulation, technological differentiation, and compounding expertise to find sustainable solutions for their businesses. Many of our products represent only a small portion of a finished product’s production costs, but provide critical functionality to the finished product and are often specifically developed to customer specifications. Therefore, we seek to regularly develop new and improved products and processes, supported by our intellectual property portfolio, designed to enhance our customers‘ product offerings. We believe these product traits result in substantial customer loyalty for our products.

We have significant manufacturing and production operations around the world, which allow us to serve our global customer base. As of December 31, 2016, our production facilities included 30 manufacturing plants (which included a total of 75 production units) at 23 sites across 12 countries, including joint ventures and contract manufacturers. Additionally, as of December 31, 2016, we operated 10 research and development ("R&D") facilities globally, including mini plants, development centers and pilot coaters, which we believe are critical to our global presence and innovation capabilities. Our significant global operations provide geographic revenue diversity, and diversity in end markets for our products.
Our Business Strategy

We believe that there are significant opportunities to improve our business globally and enhance our position as a leading global materials company engaged in the manufacture and marketing of standard, specialty and technologically differentiated emulsion polymers and plastics.

For 2016, the Company progressed on its initiatives for improvement by:

- Making strategic divestures or closures in non-performing segments and geographies, including the divesture of our performance plastics and latex binders operations in Brazil and the cessation of manufacturing activities at our latex binders plant in Livorno, Italy.
- Initiating further expansion of our solution styrene-butadiene rubber, or SSBR, production capacity at our Schkopau, Germany facility, which is expected to provide 50 kMT of new capacity by January 2018.
- Providing sustained cash generation that has allowed the Company to return cash to its shareholders through quarterly cash distributions and the repurchase of approximately 4.5 million ordinary shares during 2016.
- The introduction of ENLITE™ PP LGF 1851 and 1852, an 85% Long Glass Fiber (“LGF”) Polypropylene (“PP”) concentrate product for automotive semi-structural applications by our Performance Plastics segment. This innovation in glass concentration allows customers to achieve cost savings of up to 10% through significantly reduced compounding costs, and other efficiencies such as outstanding pellet robustness combined with good dispersion properties.

For 2017, in addition to continuing initiatives launched in 2016, the Company’s strategy will include:

- Making strategic capital investments to extend our leadership position in select market segments and meet expected growing demand for our products.
- Opportunistically pursuing strategic acquisitions and joint ventures that have attractive risk-adjusted returns to extend our leadership positions in what we believe are the more attractive markets and geographies for us, including emerging markets.
- Continuing to innovate and provide technological differentiation by addressing our customers’ critical materials needs with our technological expertise and development capabilities to create specialty grades, new and sustainable products and technologically differentiated formulations.

Our Financial Strategy

In addition to managing our business and growth initiatives, we remain committed to maintaining a strong financial position with appropriate financial flexibility and liquidity. The Company employs a disciplined approach to capital allocation and deployment of cash that strives to balance the growth of our business and continued cash generation while providing attractive returns to our shareholders. The priorities for uses of available cash include the servicing of our debt, the continued payment of quarterly cash distributions to our shareholders, the funding of targeted growth initiatives, and the repurchase of our ordinary shares. Management expects that the combination of strong cash flow generation, continued profitability, and spending discipline will continue to provide the Company with flexibility to pursue organic and inorganic growth.

Business Segments and Products

We operate our business in two divisions: Performance Materials and Basic Plastics & Feedstocks. Our two divisions are of similar size in terms of sales, but have different margin profiles, different strategic focus, different value drivers and different operating requirements. By organizing in this way, we believe that we can best manage and operate the Company, focusing on accelerating the growth of our Performance Materials division and improving the profitability of our Basic Plastics & Feedstocks division.
Our chief executive officer, who is our chief operating decision maker, previously managed our operations under four reporting segments: Latex, Synthetic Rubber, Performance Plastics, and Basic Plastics & Feedstocks. Effective October 1, 2016, the Company realigned its reporting segments in order to provide increased clarity and understanding around the drivers of profitability and cash flow in our business. First, the previous Basic Plastics & Feedstocks segment was split into three new segments: Basic Plastics, which includes polystyrene, copolymers, and polycarbonate; Feedstocks, which represents our styrene monomer business; and Americas Styrenics, which reflects the equity earnings from our 50%-owned styrenics joint venture. In addition, certain highly differentiated acrylonitrile-butadiene-styrene (or ABS) supplied into Performance Plastics markets, which was previously included in the results of Basic Plastics & Feedstocks, is now included in Performance Plastics. Finally, the Latex segment was renamed to Latex Binders.

Prior period financial information included within this Annual Report has been recast from its previous presentation to reflect the Company’s new organizational structure.

The following chart provides an overview of this organizational structure:

The major products in our Performance Materials division include: styrene-butadiene latex, or SB latex, and styrene-acrylate latex, or SA latex, in our Latex Binders segment; SSBR, lithium polybutadiene rubber, or Li-PBR, emulsion styrene-butadiene rubber, or ESBR, nickel polybutadiene rubber, or Ni-PBR, and neodymium polybutadiene rubber, or Nd-PBR, in our Synthetic Rubber segment; highly engineered compounds and blends products for automotive end markets, as well as consumer electronics, medical, electrical and lighting, which we collectively call consumer essential markets, or CEM, in our Performance Plastics segment. The major products in our Basic Plastics & Feedstocks division include: polystyrene, polycarbonate, or PC, acrylonitrile-butadiene-styrene, or ABS, and styrene-acrylonitrile, or SAN, in our Basic Plastics reporting segment; styrene monomer in our Feedstocks segment; and styrene and polystyrene in our Americas Styrenics reporting segment.

Refer to Note 19 in the consolidated financial statements for information regarding sales and Adjusted EBITDA by segment, which is the performance metric used by management to evaluate our segments’ performance, as well as sales and long-lived assets by geographic area.

Latex Binders Segment

Overview

We are a global leader in SB latex, holding a strong market position across the geographies and applications in which we compete, including the #1 position in SB latex capacity in Europe and the #1 position in capacity in North America. In 2016 approximately 42% of our Latex Binders segment’s sales were generated in Europe, 28% were generated in the United States, and the majority of the remaining net sales were generated in Asia.

Products and End Uses

We hold the #1 position for supplying SB latex for the coated paper market globally. SB latex is widely used as a binder for mineral pigments as it allows high coating speeds, improved smoothness, higher gloss level, opacity and water resistance that is valued in the product’s end use in advertising, magazines, and packaging board coatings.

We are also a leading supplier of latex polymers and binders to the carpet and artificial turf industries and offer a diverse range of products for use in residential and commercial broadloom, needlefelt, and woven carpet backings. We produce high solids SB latex, SA latex, vinylidene chloride, and butadiene-methacrylate latex products for the
commercial and niche carpet markets. We incorporate vinyl acrylic latex in our formulations for its ignition resistant properties, with the sourcing of vinyl acrylic latex readily available from a number of industry suppliers. SB latex is also used in flooring as an adhesive for carpet and artificial turf fibers.

We also offer a broad range of performance latex products, including SB latex, SA latex, and vinylidene chloride latex primarily for the adhesive, building and construction as well as the technical textile paper market, and have begun to implement the use of starch and associated new chemistries in paper coatings and carpet backing.

**Competition and Customers**

Our principal competitors in our Latex Binders segment include BASF Group, Omnova Solutions Inc., and Synthomer plc. In our Latex Binders segment, we compete primarily based on our ability to offer differentiated and reliable products, the quality of our customer service and the length and depth of our relationships. We also believe our growth prospects could be enhanced if the recent trend of industry capacity reduction and consolidation continues.

We believe our Latex Binders segment is able to differentiate itself by offering customers value-added formulation and product development expertise. Our R&D team and Technical Services and Development team, which we refer to as TS&D, are able to use our two pilot coating facilities in Switzerland and the United States, three paper fabrication and testing labs in China, Switzerland and the United States, three carpet technology centers located near carpet producers in China, the United States and Switzerland, and two product development and process research centers, one each in Germany and the United States, to assist customers in designing new products and enhancing the manufacturing process. Many of our major customers rely on our dedicated R&D and TS&D teams to complement their limited in-house resources for formulation and reformulation tests and trials. We believe that this capability allows us to capture new business, strengthen our existing customer relationships and broaden our technological expertise.

Additionally, our global manufacturing capabilities are key in serving customers cost-effectively, as latex binders are costly to ship over long distances due to their high water content. We believe that our global network of service and manufacturing facilities is highly valued by our customers. We seek to capture the value of our R&D and TS&D services and manufacturing capabilities through our pricing strategy. In 2016, we estimate that approximately one half of net sales in this segment related to contracts that include raw material pass-through clauses.

**Synthetic Rubber Segment**

**Overview**

We are a significant producer of styrene-butadiene and polybutadiene-based rubber products and we have a leading European market position, providing approximately 52% of Western Europe’s SSBR capacity available for sale. While substantially all of our sales were generated in Europe in 2016, approximately 25% of these net sales were exported to Asia, 8% to North America, and 6% to Latin America.

**Products and End Uses**

Our Synthetic Rubber segment produces synthetic rubber products used in high-performance tires, impact modifiers and technical rubber products, such as conveyor belts, hoses, seals and gaskets. We participate significantly in the European synthetic rubber industry, where tire producers focus on high-performance and ultra high-performance tires and rely heavily on rubber suppliers to provide their supply of rubber, in contrast to North America where tire manufacturers produce most of their required rubber. We have a broad synthetic rubber technology and product portfolio, focusing on specialty products, such as SSBR, Li-PBR, and Nd-PBR, while also producing core products, such as ESBR. Our synthetic rubber products are extensively used in tires, with approximately 85% of our net sales from this segment in 2016 attributable to the tire market. We estimate that 75% of these sales relate to replacement tires. We have strong relationships with many of the top global tire manufacturers and believe we have remained a supplier of choice as a result of our broad rubber portfolio and ability to offer technologically differentiated product and product customization capabilities. Other applications for our synthetic rubber products include polymer modification and technical rubber goods.

**SSBR** We sell SSBR products for high-performance and ultra high-performance tire applications. We produce both clear and oil extended SSBR through batch polymerization in our three SSBR production lines. We believe these processes provide leading and technologically differentiated solutions to tire manufacturers.
During the last six years, we have been working closely with major tire producers around the world to develop multiple new SSBR grades, addressing key marketplace needs for improved tire fuel economy, grip, and abrasion characteristics, which we believe will lead to significant demand growth for our rubber products in Europe and around the world. We expect our synthetic rubber product mix to continue to shift to more advanced SSBR grades (from approximately 8% of total Synthetic Rubber volume sold in 2011 to 28% in 2016) in order to meet expected demand growth. In 2016, SSBR represented approximately 60% of total segment net sales.

Performance tires represent an especially attractive market to rubber producers because they provide substantial value to end customers and the market for performance tires is expected to grow at a rate that is 2 to 3 times that of the standard tire market. Tire manufacturers are expected to continually seek improvements in advanced rubber, which optimizes the combination of fuel economy and wet grip in order to meet EU regulations which set minimum requirements and are being phased in through 2020. Other jurisdictions have adopted or are considering similar legislation and are also beginning to adopt the tire labeling requirements that have become mandatory in Europe. We believe our growth prospects are enhanced by increasing demand for high performance tires, which are now more commonly used by automakers as original equipment manufacturer specified tires in their vehicles as a result of regulatory reforms in the EU, Japan and Korea that are aimed at improving fuel efficiency and reducing carbon dioxide emissions.

**ESBR**. Our ESBR products are used in standard tires, technical goods, and footwear. Our ESBR product portfolio offers tire producers a comprehensive suite of synthetic rubber capabilities. For example, ESBR provides enhanced wet grip to tire treads and strength to the inner liner of tires, allowing the tires to be more easily processed. In 2016, ESBR represented approximately 33% of total segment net sales.

**Ni-PBR and Nd-PBR**. Throughout much of 2016, we sold Ni-PBR products for use in standard tires, performance tires, technical goods and footwear. In 2016, Ni-PBR represented approximately 5% of total segment net sales. In November 2015, we completed the conversion of our Ni-PBR production capacity at our Schkopau, Germany facility to a swing line, allowing for the production of Ni-PBR as well Nd-PBR, a more advanced, higher margin polybutadiene rubber that is a key material in the latest generation of performance tires, and is also sold for use in industrial rubber goods and polymer modification. In 2016, we began trials of Nd-PBR production, and expect to increase sales in this area in the future.

**Li-PBR**. Our Li-PBR is used primarily for our own internal polymer modification applications. Polymer modification is the use of synthetic rubber to improve the impact resistance quality of plastic products. In 2016, approximately 85% of our Li-PBR products were consumed within our Basic Plastics segment for high impact polystyrene, or HIPS, and ABS production. We make two grades of Li-PBR exclusively for our polymer modification uses. In addition to impact resistance, Li-PBR provides visual surface gloss. In 2016, Li-PBR represented approximately 2% of total segment net sales.

**Competition and Customers**

Our principal competitors in our Synthetic Rubber segment include Asahi Kasei Corporation, JSR Corporation, ARLANXEO, Zeon Corporation, Versalis S.p.A and Synthos S.A. In our Synthetic Rubber segment, we compete primarily based on our ability to offer differentiated and reliable products, the quality of our customer service and the length and depth of our relationships. We maintain deep and long-standing relationships with a large number of multinational customers, including many of the top global tire manufacturers, as well as fast growing Asian tire manufacturers. Our relationships with our top customers, including with our predecessor business operated by Dow prior to the Acquisition (as defined in Note 1 in the consolidated financial statements), exceed 10 years on average. Our top three customers in this segment accounted for 54% of our net sales in this reporting segment. The loss of one or more of these customers could have a material adverse effect on the performance of the Synthetic Rubber segment.

We believe we have remained a supplier of choice given our broad rubber portfolio, including technologically differentiated grades, and our product customization capabilities. Our R&D and TS&D teams use our broad rubber portfolio to develop differentiated specialty products for customers. Once implemented with a customer, these newly-developed specialty products cannot be easily replaced with a competitor’s product. As a result, we believe customers are likely to buy from us throughout the life cycle of specific tire models to avoid high switching costs and prevent repetition of the expensive development process.
Enhanced SSBR, which includes later generations of SSBR and functionalized SSBR and is used in the new generation of performance tires, is expected to approach 50% of the total SSBR market by 2018. We believe the Company is well-positioned to capture additional market share in the high-growth, high-performance tire application markets. We expect that demand for enhanced SSBR will grow at a rate in excess of supply, resulting in an expected increase in industry utilization rates.

In order to address this anticipated demand, the Company has added 75 kMT of SSBR capacity since 2012 and plans to have an additional 50kT in SSBR capacity come online in January 2018 at our Schkopau, Germany facility. By the end of 2017, we also expect to have operational a new SSBR rubber pilot plant that will expedite the product development process from lab sample to commercialization by delivering sufficient quantities of new formulations without the need to interrupt production in our industrial lines.

While we export our rubber products worldwide, our production facilities currently are solely in Europe. Therefore, we may face competitive challenges with rubber customers who would prefer local rubber manufacturers.

We seek to capture the value of our R&D and TS&D services through our pricing strategy. We estimate that approximately 80% of net sales in this segment relate to contracts that include raw material pass-through clauses.

Performance Plastics Segment

Overview

We are a producer of highly engineered compounds and blends for automotive end markets, as well as consumer electronics, medical, electrical, and lighting, or CEM. In 2016, approximately 41% of our Performance Plastics segment’s net sales were generated in Europe, approximately 28% were generated in the United States, and approximately 18% were generated in Asia, with the remainder in other geographic regions, including Latin America and Canada.

Products and End Uses

Our Performance Plastics segment consists of compounds and blends and some specialized ABS grades. We have a significant position in PC/ABS blends, which combine the heat resistance and impact strength of PC with the easy to process qualities and resilience of ABS. Our Performance Plastics segment also compounds and blends our PC and ABS plastics into differentiated products for customers within these sectors, as well as compounds of polypropylene. We have also developed compounds containing post-consumer recycled polymers to respond to what we believe is a growing need for some customers to include recycled content in their products. We believe our ability to offer technologically differentiated products to meet customer needs sets us apart from our competitors, and with our history as a leading innovator in compounds and blends, we have established ourselves as a leading supplier of PC-based products.

For the automotive industry, we manufacture PC blends under the PULSE™ brand, and we innovate collaboratively with our customers to develop performance solutions to meet the industry’s needs, such as reducing the weight of vehicles. As a result, we are a key supplier of these products to leading automotive companies in North America and Europe, who tend to specify these products on a per car program platform basis, making it difficult to be displaced as a supplier once selected and providing us with relatively stable and predictable cash flows for several years during the production lifecycle. We are also accelerating our development of similar supply capabilities in growing areas such as China.

For the consumer electronics, electrical and lighting and medical device industries, we manufacture our products under the EMERGE™ brand, among others, and we believe that we have substantial growth opportunities in tablets, notebooks, smart phones and other handheld devices, and electrical and lighting and medical device components. In serving these markets, we leverage our polymer and compound technologies to meet increasingly stringent performance requirements along with the aesthetic and color-matching requirements which are crucial characteristics for the products involved.

Competition and Customers

Our principal competitors in our Performance Plastics segment are Covestro AG, LG Chem Ltd., Mitsubishi Chemical Corporation, Saudi Basic Industries Corporation, Teijin Limited, Borealis AG, Celanese Corporation,
Styrolution Group, and LyondellBasell Industries. In our Performance Plastics segment, we compete primarily based on our ability to offer differentiated and reliable products, the quality of our customer service and the length and depth of our customer relationships.

We believe growth in the Performance Plastic segment is driven by a number of factors, including consumer preference for lighter weight and impact-resistant products and the development of new consumer electronics, increases in LED lighting applications and continuing growth in medical device applications. Additionally, we believe growth is bolstered by sustainability trends, such as the substitution of lighter-weight plastics for metal in automobiles. Therefore, we believe our history of innovation and our focus on differentiated products enhances our growth prospects in this segment. Our innovation has contributed to long-standing relationships with customers who are recognized leaders in their respective end-markets. We also believe our global facilities are a competitive advantage that allows us to provide customers with consistent grades across markets and positions us to strategically serve emerging markets.

**Basic Plastics Segment**

**Overview**

Basic Plastics consists of styrenic polymers, including polystyrene, ABS, and SAN products, as well as PC. We do not anticipate investing in strategic growth initiatives in this segment in the near term. In 2016, approximately 69% of sales from our Basic Plastics segment were generated in Europe and an additional 25% of sales were generated in Asia.

**Products and End Uses**

**Polystyrene**. We are a leading producer of polystyrene and focus on sales to injection molding and thermoforming customers. Our product offerings include a variety of general purpose polystyrenes, or GPPS, and HIPS, which is polystyrene that has been modified with polybutadiene rubber to increase its impact resistant properties. These products provide customers with performance and aesthetics at a low cost across applications, including appliances, packaging, including food packaging and food service disposables, consumer electronics and building and construction materials.

We believe our STYRON™ brand is one of the longest established brands in the industry and is widely recognized in the global marketplace. We believe our R&D efforts have resulted in valuable, differentiated solutions for our customers. For instance, during the early 2000s, we developed an innovative STYRON A-TECH™ family of resins that is an advanced polystyrene product allowing customers to balance key properties such as toughness, gloss, stiffness, flow and cost, and provide combinations of properties that were previously not available with standard HIPS. We believe that over the past decade, this product family has become the industry standard for this application. In 2016, polystyrene represented approximately 62% of total segment net sales.

**Acrylonitrile-Butadiene-Styrene (ABS)**. We are a leading producer of ABS in Europe and are one of the few producers with a presence in North America. We produce mass ABS, or mABS, a variation of ABS that has lower conversion and capital costs compared to the more common emulsion ABS, or eABS, process, marketed under our MAGNUM™ brand. mABS has similar properties to eABS but has greater colorability, thermal stability and lower gloss. mABS products can be manufactured to stricter specifications because it is produced in a continuous process as opposed to the batch process used in eABS. mABS also has environmental benefits such as waste reduction and higher yields. In addition to our own mABS production capacity, we have licensed our proprietary mABS technology to other producers.

Primary end uses for our ABS products include automotive and construction sheet applications. We maintain a significant share of ABS sales into these markets, which we believe is driven by the differentiating attributes of our mABS products, our reputation as a knowledgeable supplier, our broad product mix and our customer collaboration and design capabilities. In 2016, ABS products represented approximately 21% of total segment net sales.

**Styrene-Acrylonitrile**. SAN is composed of styrene and acrylonitrile, which together provide clarity, stiffness, enhanced ability to be processed, mechanical strength, barrier properties, chemical resistance and heat resistance. SAN is used mainly in appliances, consumer goods and construction sheets, due to its low-cost, clarity and chemical resistance properties. Within our Basic Plastics segment, we manufacture SAN under the TYRIL™ brand name for use in housewares, appliances, automotive, construction sheets, battery cases and lighting applications. In addition, TYRIL™ is suitable for self-coloring which adds value in many of these uses. In 2016, SAN represented approximately 4% of total segment net sales.
Polycarbonate. PC has high levels of clarity, impact resistance and temperature resistance. PC can be used in its neat form (prior to any compounding or blending) for markets such as construction sheet, optical media and LED lighting. Additionally, PC can be compounded or blended with other polymers, such as ABS, which imparts specific performance attributes tailored to the product’s end-use.

Our products for glazing and construction sheets are marketed under the CALIBRE™ brand name and offer customers a combination of clarity, heat resistance and impact performance. Glazing and construction sheet represents our largest PC application, and is a key growth focus for us. Key end-markets include the construction industry, with additional opportunities for growth with compounded products in the medical device market, consumer electronics and other applications such as smart meter casings that require plastics with enhanced weatherability, ignition resistance and impact performance. In 2016, PC represented approximately 13% of total segment net sales.

Competition and Customers

Our principal competitors in our Basic Plastics segment are Styrolution Group GmbH, Versalis S.p.A., Total S.p.A., Covestro AG, LG Chem Ltd., Mitsubishi Chemical Corporation, Formosa Plastics Corporation, Saudi Basic Industries Corporation, Shanghai SECCO Petrochemical Company Limited, and Chi Mei Corporation. In our Basic Plastics segment, we compete primarily based on our ability to offer differentiated and reliable products, the quality of our customer service and the length and depth of our relationships.

Our customer centric model focuses on understanding customers’ needs and developing tailored solutions that create value for both parties. For durable applications, we focus our TS&D, R&D and marketing teams on product design engineering initiatives for developing and specifying plastics in the next generation of construction applications, appliances, automotive, and consumer electronics. In non-durable applications, we focus on innovative products that provide clear cost advantages to our customers, serving customers with our cost-advantaged technology and operating excellence. We have leveraged industry-leading product development and technology capabilities in many of our basic plastics product lines to develop long-standing customer relationships with many of our customers, including a number who have purchased from us, including our predecessor business operated by Dow prior to the Acquisition, for more than 20 years. We believe that our global presence is an advantage, allowing us to provide customers with consistent product grades and positioning us to strategically serve growth economies.

We have a leading competitive position in many of the products in our basic plastics segment. However, for PC, we have a lower competitive position than those of our peers, which may ultimately impact our ability to implement an effective pricing strategy. The ABS market has also experienced a number of capacity rationalizations since 2006. These rationalizations, combined with improved end-market demand, have resulted in a substantial improvement in operating rates since the most recent global economic downturn. We believe the Company’s global footprint make the Basic Plastics segment well-positioned to compete in this market.

Feedstocks Segment

Overview

Our Feedstocks segment is primarily focused on the revenue and profitability related to the Company’s production and procurement of styrene monomer outside of North America. The Feedstocks segment supplied 15% of the styrene monomer capacity out of Europe in 2016. Annually, the Company produces nearly 700 kilotons of styrene in Western Europe and purchases approximately 300 kilotons of styrene in Asia on a raw material cost basis. With all other inputs remaining equal, a $50 per metric ton change in styrene margin over raw materials would be expected to impact our Feedstock reporting segment’s annual Adjusted EBITDA by approximately $35 million and $15 million in Europe and Asia, respectively.

Products and End Uses

Styrene monomer is a basic building block of plastics and a key input to many of the Company’s products. Styrene monomer is a key raw material for the production of polystyrene, expandable polystyrene, SB latex, ABS resins, unsaturated polyethylene resins, and styrene-butadiene rubber.
Competition and Customers

Our principal competitors in our Feedstocks segment are: Styrolution Group GmbH, Versalis S.p.A., Total S.p.A., BASF SE, Saudi Basic Industries Corporation, LyondellBasell, Repsol S.A., Shanghai SECCO Petrochemical Company Limited, and Royal Dutch Shell plc. The majority of styrene monomer produced within the Feedstocks segment is consumed by the Company in its own manufacturing activities.

Within styrene monomer, we believe there is a current and longer term trend towards higher styrene margins, due to demand growth, an aging industry asset base, and limited new capacity expected over the next several years that will allow the Company to remain competitive. Global styrene operating rates were approximately 85% in 2016 and are forecasted to remain flat through 2020. These relatively high operating rates can result in periods of elevated margins due to planned or unplanned production outages.

Americas Styrenics Segment

Overview

This segment solely consists of the operations of our 50%-owned joint venture with Chevron Phillips Chemical Company, Americas Styrenics LLC (“Americas Styrenics”), which continues to be a leading producer in North America of both styrene and polystyrene. Specifically, Americas Styrenics is the #1 producer of polystyrene in North America. In 2016, Americas Styrenics supplied 17% of the styrene monomer capacity in North America. Additionally, we received $130.0 million in cash dividends from Americas Styrenics during 2016.

Products and End Uses

Styrene monomer is a basic building block of plastics and a key input to many of the Company’s products. Styrene monomer is a key raw material for the production of polystyrene, and in 2016 approximately 63% of the styrene monomer produced by Americas Styrenics is consumed in its own production of polystyrene. The remainder of Americas Styrenics’ product is sold as a key raw material to other manufacturers of polystyrene, expandable polystyrene, SB latex, ABS resins, unsaturated polyethylene resins, and styrene-butadiene rubber.

Americas Styrenics also produces GPPS, high heat, high impact resin, and STYRON A-TECH™ polystyrene products. Major applications for these polystyrene products include appliances, food packaging, food service disposables, consumer electronics and building and construction materials.

Competition and Customers

Americas Styrenics’ principal competitors are Styrolution Group GmbH, Total S.p.A. and LyondellBasell. In our Americas Styrenics segment, we compete primarily based on our ability to offer differentiated and reliable products, the quality of our customer service and the length and depth of our relationships.

As a leading styrenics producer in North America, this segment is well-positioned to benefit from the recent consolidation dynamics in the styrene and polystyrene industries within the region. With global utilization rates expected to steadily improve as demand grows in end-markets, we believe opportunities will be created for us, given our scale and geographic reach that will benefit the Americas Styrenics segment. However, like many of competitors in the styrenics market, the aged assets associated with this segment may result in unplanned outages that may adversely impact our service levels and competitive position.

Our Relationship with Dow

We have entered into certain agreements with Dow, including the Second Amended and Restated Master Outsourcing Services Agreement, which was modified on June 1, 2013 (“SAR MOSA”), the Amended and Restated MOD5 Computerized Process Control Software, Licenses and Services Agreement, with Rofan Services, Inc. which was modified June 1, 2013 (“AR MOD5 Agreement”), site and operating services agreements (“SAR SSAs”), and supply agreements.

The SAR MOSA provides for ongoing worldwide services from Dow, in areas such as information technology, enterprise resource planning, finance, environmental health and safety, training, customer service, marketing and sales.
support, supply chain and certain sourcing and transactional procurement services. The term of this agreement runs through December 2020 and which automatically renews for two year periods unless either party provides six months’ notice of non-renewal to the other party. The services provided pursuant to the SAR MOSA generally are priced per function, and we have the ability to terminate the services or any portion thereof, for convenience any time after June 1, 2015, subject to payment of termination charges. Services which are “highly integrated” follow a different process for evaluation and termination. In addition, either party may terminate for cause, which includes a bankruptcy, liquidation or similar proceeding by the other party, for material breach which is not cured, or by Dow in the event of our failure to pay for the services thereunder. In the event of a change of control, as defined in the agreement, Dow has the right to terminate the SAR MOSA.

We use SAP’s Enterprise Resource Planning (“ERP”) software systems to support our operations worldwide and to manage our day-to-day business processes and relationships with customers and suppliers. Under the SAR MOSA, Dow provides us with ERP systems support, global data/voice network and server infrastructure for desktop computing, email, file sharing, intranet and internet website access, and mainframe and midrange computer access.

Under the AR MOD5 Agreement, Dow provides worldwide process control technology, including hardware, software licenses and support services, and related enterprise resource planning services. The AR MOD5 Agreement, with a term through December 2020, may be terminated by either party for cause, which includes a bankruptcy, liquidation or similar proceeding by the other party, or by material breach at any time if we fail to make payments when due and the default is not corrected within 30 days from notice, or upon two years written notice, if Dow has made the decision not to support the software systems, provided that Dow will use commercially reasonable efforts to assist us in locating and transitioning to an alternate service provider. While we are not permitted to use this automation technology for new plants or to substantially expand existing plants, we can use other technology solutions for those situations. We have started to move our plants off the AR MOD5 process control technology through a strategic external relationship with ABB Ltd. and expect to convert all of our plants by 2020.

In addition, we entered into various site services agreements with Dow, which were modified as of June 1, 2013, (“Amendment Date”) where at Dow owned sites, Dow provides site services to Company. Conversely, we entered into similar agreements with Dow in June 2010, where at Company owned sites, we provide such services to Dow. These SAR SSAs cover general services that are provided at specific facilities co-located with Dow, rather than organization-wide services, and include utilities, site administration, environmental health and safety, site maintenance and supply chain. In certain circumstances, the parties may adjust certain prices and volumes. These agreements generally have 25-year terms from the Amendment Date, with options to renew. These agreements may be terminated at any time by agreement of the parties, or, by either party, for cause, including a bankruptcy, liquidation or similar proceeding by the other party, or under certain circumstances for a material breach which is not cured. In addition, we may terminate for convenience any services that Dow has agreed to provide to us that are identified in any site services agreement as “terminable” with 12 months prior notice to Dow, dependent upon whether the service is highly integrated into Dow operations. Highly integrated services are agreed to be nonterminable. With respect to “nonterminable” services that Dow has agreed to provide to us, such as electricity and steam, we generally cannot terminate such services prior to the termination date unless we experience a production unit shut down for which we provide Dow with 15-months prior notice, or upon payment of a shutdown fee. Upon expiration or termination, we would be obligated to pay a monthly fee to Dow, which obligation extends for a period of 45 (in the case of expiration) to 60 months (in the case of termination) following the respective event of each site services agreement. The agreements under which Dow receives services from us may be terminated under the same circumstances and conditions.

For the years ended December 31, 2016, 2015, and 2014, we incurred a total of $224.7 million, $244.8 million, and $285.2 million in expenses under the SAR MOSA, AR MOD5 Agreement, and site services agreements (which include utilities), including $174.8 million, $194.1 million, and $233.7 million, respectively, for both the variable and fixed cost components of the site service agreements and $49.9 million, $50.7 million, $51.5 million, respectively, covering all other agreements.

In addition, upon Acquisition, we entered into a contract manufacturing agreement pursuant to which we operate and maintain our SAN facility in Midland, Michigan to produce products for Dow. This agreement has a 25-year term, with automatic renewals for five-year terms unless one party gives notice at least 18 months prior to the end of the period. We may terminate any operational service under the agreement in the event that we experience a production unit

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shutdown, with 15-months prior notice to Dow. Furthermore, the agreement may be terminated by mutual agreement between the parties, by either party on notice that the other party fails to cure non-performance or if the other party is in material breach of a material obligation under the agreement within certain parameters, or because of either party’s insolvency.

We have also entered into certain license agreements pursuant to which we have obtained exclusive licenses to use certain of Dow’s intellectual property in connection with the Styron business as it was conducted by Dow and non-exclusive licenses to use certain Dow intellectual property, other than patents, with respect to products outside of the Styron business as it was conducted by Dow prior to the Acquisition, subject to certain limitations. While our license rights are sufficient to allow us to operate our current business, new growth opportunities in latex binders and, to a lesser extent, plastics involving new products may fall outside of our license rights with Dow. Therefore, our ability to develop new products may be adversely impacted by intellectual property rights that have been retained by Dow.

For the years ended December 31, 2016, 2015, and 2014, purchases and other charges from Dow and its affiliated companies (excluding the SAR MOSA, AR MOD5 Agreement, and site services agreements) were approximately $865.7 million, $999.4 million, and $1,910.8 million, respectively. For the years ended December 31, 2016, 2015, and 2014, sales to Dow and its affiliated companies were approximately $203.5 million, $227.0 million, and $343.8 million, respectively.

We continue to leverage Dow’s scale and operational capabilities by procuring certain raw materials, utilities, site services, and other information technology and business services from Dow. In connection with the Acquisition, we entered into several agreements with Dow relating to the provision of certain products and services and other operational arrangements. Dow provides significant operating and other services, and certain raw materials used in the production of our products, under agreements that are important to our business. The failure of Dow to perform their obligations, or the termination of these agreements, could adversely affect our operations. See Item 1A—Risk Factors.

Sources and Availability of Raw Materials

The prices of our key raw materials are volatile and can fluctuate significantly over time. While the predominant driver of this volatility is the impact of market imbalances in supply and demand from time to time, energy prices may also impact the volatility of some of our raw materials. The table below shows our key raw materials by reporting segment.

<table>
<thead>
<tr>
<th>Performance Materials</th>
<th>Basic Plastics &amp; Feedstocks</th>
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<tr>
<td></td>
<td>Latex Binders</td>
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<tr>
<td>Benzene</td>
<td>X</td>
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<tr>
<td>Bisphenol A</td>
<td>X</td>
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<tr>
<td>Butadiene</td>
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<td>Ethylene</td>
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<tr>
<td>Polycarbonate</td>
<td>X</td>
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<tr>
<td>Styrenic resins</td>
<td>X</td>
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<tr>
<td>Styrene</td>
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We have supply contracts in place to help maintain our supply of raw materials at competitive market prices and seek to implement the most efficient and reliable raw material strategy for each of our segments, including maintaining a balance between contracted and spot purchases of raw materials. We also produce raw materials for use by our businesses, such as styrene monomer.

In 2016, we obtained approximately 31% of our raw materials from Dow (based on aggregate purchase price). While Dow provides a significant portion of our raw materials to us pursuant to supply agreements, we have developed a comprehensive strategy for obtaining additional sources of supply where needed. Our 2010 agreements with Dow for ethylene, benzene, and butadiene, have 10-year terms with automatic 2-year renewal provisions. Minimum and maximum monthly contract quantities were established based on historical consumption rates, and our pricing terms are based on commodity indices in the relevant geography.
In 2016, Dow supplied us with approximately 98% of our benzene requirements and 100% of our ethylene requirements through 10-year contracts that commenced in 2010 and include automatic 2-year renewal provisions. Dow is our largest supplier for these materials in Europe, where we purchase directly from Dow’s existing butadiene extraction facilities pursuant to the terms of a 10-year contract that commenced in 2010 and includes an automatic 2-year renewal term. Other supply sources in Europe include major producers with contract terms of up to five years at competitive market prices. Supply to North America and Asia are exclusively from other major third party producers via supply contracts.

In addition to purchasing styrene through long-term strategic contracts and spot market purchases, we produce styrene internally from purchased ethylene and benzene at our own manufacturing sites. These sources provided 41%, 15%, and 44%, respectively, of our supply in 2016. With this mix of purchased and produced styrene, we seek to optimize our overall costs of securing styrene through efficient logistics, manufacturing economics and market dynamics.

BPA is the major raw material associated with PC production. This raw material is produced by a subsidiary of Olin Corporation and is supplied via pipeline to us through a supply contract in Europe that has an initial term expiring in December 2019. We source BPA for Sumika Styron Polycarbonate Limited (“Sumika Styron Polycarbonate”), our Asian joint venture, from other market participants.

**Technology**

Our R&D and TS&D activities across our segments focus on identifying needs in our customers’ end-markets. As part of our customer-centric model, our R&D/TS&D organization interfaces with our sales and marketing teams and directly with customers to determine their product requirements in light of trends in their industries and market segments. This information is used to select R&D/TS&D projects that are value-enhancing for both our customers and us.

Our R&D facilities support our technological capabilities. In addition to our two SB latex pilot coaters and our product development centers, certain of our businesses operate “mini plants” in Stade and Schkopau, Germany. These mini plants are used to make samples of experimental products for testing, which we believe is a critical step in our new product development process.

R&D and TS&D costs are included in expenses as incurred. Our R&D and TS&D costs were $51.0 million, $51.9 million, and $53.4 million for the years ended December 31, 2016, 2015, and 2014, respectively.

**Sales and Marketing**

We have a customer-centric business model that has helped us to develop strong relationships with many customers. Our sales and marketing professionals are primarily located at our facilities or at virtual offices within their respective geographies. We have approximately 126 professionals working in sales and marketing around the world, along with approximately 79 customer service professionals and we sell our products to customers in over 80 countries. We primarily market our products through our direct sales force. Typically our direct sales are made by our employees in the regions closest to the given customer.

**Intellectual Property**

We evaluate on a case-by-case basis how best to utilize patents, trademarks, copyrights, trade secrets and other intellectual property in order to protect our products and our critical investments in research and development, manufacturing and marketing. We focus on securing and maintaining patents for certain inventions, while maintaining other inventions as trade secrets, derived from our customer-centric business model, in an effort to maximize the value of our product portfolio and manufacturing capabilities. Our policy is to seek appropriate protection for significant product and process developments in the major markets where the relevant products are manufactured or sold. Patents may cover products, processes, intermediate products and product uses. Patents extend for varying periods in accordance with the date of patent application filing and the legal life of patents in the various countries. The protection afforded, which may also vary from country to country, depends upon the type of subject matter covered by the patent and the scope of the claims of the patent.
In most industrial countries, patent protection may be available for new substances and formulations, as well as for unique applications and production processes. However, given the geographical scope of our business and our continued growth strategy, there are regions of the world in which we do business or may do business in the future where intellectual property protection may be limited and difficult to enforce. We maintain strict information security policies and procedures wherever we do business. These information security policies and procedures include data encryption, controls over the disclosure and safekeeping of confidential information, as well as employee awareness training. Moreover, we monitor our competitors’ products and, if circumstances were to dictate that we do so, we would vigorously challenge the actions of others that conflict with our patents, trademarks and other intellectual property rights.

The technologies we utilize in some of our business lines have been in use for many years (e.g., SB latex and ABS) and a number of our patents relating to such technologies have expired or will expire in within the next several years. As patents expire, or are allowed to lapse, the products and processes described and claimed in those patents become generally available for use by the public. We believe that the expiration of any single patent or family of patents that is scheduled to expire in the next 3 years would not materially adversely affect our business or financial results. We believe that our trade secrets relating to manufacturing and other processes used in connection with products to which expiring patents relate will continue to provide us with a competitive advantage after the expiration of these patents.

We use trademarks as a means of differentiating our products. We protect our trademarks against infringement where we deem appropriate. We have successfully registered the TRINSEO™ trademark in over 90 countries and have other trademark applications pending.

Dow has either transferred to us or granted perpetual, royalty-free licenses to us to use Dow’s intellectual property that was used by Dow to operate the Styron business prior to the Acquisition. This intellectual property includes certain processes, compositions and apparatus used in the manufacture of our products. In addition to our license rights to use Dow’s intellectual property related to the Styron business, we have obtained licenses to use Dow’s intellectual property to the extent necessary to perform our obligations under the contracts transferred to us in the Acquisition and to use such intellectual property (other than patents) for products outside of the Styron business as it was conducted by Dow prior to the Acquisition, subject to certain limitations. While we believe our license rights with respect to Dow’s intellectual property are sufficient to allow us to operate our current business, new growth opportunities in latex binders and, to a lesser extent, plastics involving new products may fall outside of our license rights with Dow. Therefore, our ability to develop new products may be impacted by intellectual property rights that have not been licensed to us by Dow. We have the right, with Dow’s cooperation, to directly enforce the patents that are exclusively licensed to us by Dow where infringement is primarily within the scope of our business; but nothing obligates Dow to enforce against third parties the intellectual property rights of Dow that are licensed to us on a non-exclusive basis or where the infringement is primarily outside the scope of our business.

Since our formation on June 17, 2010, we have focused our product innovation on the Performance Materials division, including the Synthetic Rubber, Latex Binders and Performance Plastics segments. The intellectual property that we have created since we were a wholly-owned subsidiary of Dow is largely in these segments and covers areas such as material formulations, material process technologies and various end-use industrial applications.
Environmental and Other Regulations

Obtaining, producing and distributing many of our products involve the use, storage, transportation and disposal of toxic and hazardous materials. We are subject to extensive, evolving and increasingly stringent national and local environmental laws and regulations, which address, among other things, the following:

- emissions to the air;
- discharges to soils and surface and subsurface waters;
- other releases into the environment;
- prevention, remediation or abatement of releases of hazardous materials into the indoor or outdoor environment;
- generation, handling, storage, transportation, treatment and disposal of waste materials;
- maintenance of safe conditions in the workplace;
- registration and evaluation of chemicals;
- production, handling, labeling or use of chemicals used or produced by us; and
- stewardship of products after manufacture.

Some of our products are also subject to food contact regulations.

We maintain policies and procedures to monitor and control environmental, health and safety risks, and to monitor compliance with applicable state, national, and international environmental, health and safety requirements. Trinseo’s Supplier Code of Conduct includes our expectations for our suppliers to comply with applicable laws and regulations and encourages them to adhere to the highest principles of environmental responsibility. We have a strong environmental, health and safety organization. We follow the American Chemistry Council Responsible Care® Guiding Principles for our global facilities and last received third party certification of our Responsible Care® Management System in 2016. We have a staff of professionals who are responsible for environmental health, safety and product regulatory compliance in addition to the standards, tools and services purchased from Dow. We have implemented a corporate audit program for all of our facilities. We expect that stringent environmental regulations will continue to be imposed on us and our industry in general.

Following the National Toxicology Program (“NTP”)’s classification of styrene as “reasonably anticipated to be a human carcinogen”, the State of California’s Office of Environmental Health Hazard Assessment (“OEHHHA”) has listed styrene as a substance "known to the State to cause cancer" under Proposition 65. Under Proposition 65, effective in 2017 manufacturers of products containing styrene that is sold in the state of California may have to provide warning if the styrene exposures associated with the use of their products are below the No Significant Risk Level (“NSRL”) for styrene. Polystyrene is excluded from the rule. Trinseo has determined that a warning is not required for its products since it is under the proposed NSRL. Additionally, styrene monomer is considered to have low toxicity and is not classified as a carcinogen or mutagen in the EU Nations. We have not seen a significant shift in customer demand away from styrenics products. We believe that there are no simple substitutes for our products that can deliver the same performance, quality, safety and cost effectiveness as the current set of products our customers buy from us.

There has been controversy for a number of years regarding the safety of BPA. However, we have not seen a material impact on our products or manufacturing operations. After several years of study, the U.S. Food and Drug Administration continues to reaffirm that BPA is safe at the current levels occurring in foods. Similarly, the European Food Safety Authority (“EFSA”) has concluded there is no consumer health risk from Bisphenol A exposure.

Sustainability and Climate Change

Our July 2016 Sustainability and Corporate Social Responsibility Report, which is available on our website, provides our most recent sustainability highlights for our products, performance and operations. The report also profiles how our products help our customers improve their own sustainability in areas such as LED lighting, green tires, building insulation, smart meters, life-saving medical devices, and lighter weight vehicles. Also in this report, the company tracks its greenhouse gas emissions and works to improve its performance at reducing chemical emissions and energy consumption.
Chemical Registration

Trinseo is subject to a growing number of chemical regulation requirements globally. The Frank R. Lautenberg Chemical Safety for the 21st Century Act ("LCSA") was enacted in 2016 and modernized the U.S. Toxic Substances Control Act ("TSCA"). The LCSA provides United States chemical manufacturers, processors importers, and downstream users of the chemistries with multiple opportunities to provide input to the Environmental Protection Agency ("EPA") and allows the EPA to request further information on chemicals. TSCA, as revised by the LCSA, requires EPA to assess chemicals using a risk based approach and requires unreasonable risks to be mitigated. We actively monitor the progress of these and other legislative developments, and anticipate TSCA reforms this year.

Registration, Evaluation, and Authorization of Chemicals ("REACH"), the regulatory system for chemicals management in the EU, requires EU manufacturers and importers to disclose information on the properties of their substances that meet certain volume or toxicological criteria and register the information in a central database to be maintained by the European Chemicals Agency. We have completed the REACH requirements for registration of high-volume and high-hazard substances that we manufacture in or import into Europe and we are currently on track to complete the remaining implementation requirements by the deadline in 2018. Other jurisdictions have enacted legislation similar to REACH, including China, Japan and Korea.

We do not expect that the costs to comply with TSCA, REACH and similar requirements will be material to our operations and consolidated financial position. We currently do not expect to need to register additional chemicals under REACH until 2018, at which time we will be required to register our low volume chemicals.

Environmental Proceedings

Prior to our separation from Dow, the EPA conducted a multimedia investigation at Dow’s Midland, Michigan sites, including the ABS site that we now operate. The investigation uncovered a number of alleged violations, including of the Clean Air Act’s leak detection and repair program ("LDAR"). LDAR requires chemical and petroleum companies to control fugitive (i.e., non-point source) emissions of hazardous air pollutants that occur from valves, pumps, flanges, connectors and other piping components. We, Dow and the United States executed a consent decree, which was approved by the District Court in Michigan in 2011. The decree provides that Dow will implement an enhanced LDAR program at our ABS facility over a five year period, which is intended to further reduce fugitive emissions at the ABS facility. We are not a defendant in the action, but under the decree, we or any future owner of the affected equipment will be responsible for performing an enhanced LDAR program at the ABS facility should Dow fail to perform. The consent decree obligations have been fulfilled and Dow has requested the EPA to terminate the consent decree.

Environmental Remediation

Environmental laws and regulations require mitigation or remediation of the effects of the disposal or release of chemical substances. Under some of these regulations, as the current owner or operator of a property, we could be held liable for the costs of removal or remediation of hazardous substances on or under the property, without regard to whether we knew of or caused the contamination, and regardless of whether the practices that resulted in the contamination were permitted at the time they occurred. At our Allyn’s Point, Connecticut property we lease a portion of the property to our joint venture, Americas Styrenics, for its operations, which includes a regulated hazardous waste boiler. Potential liabilities resulting from our owner status are addressed through financial assurance mechanisms and other agreements. Many of our production sites have an extended history of industrial use, and it is impossible to predict precisely what effect these laws and regulations will have on us in the future. Soil and groundwater contamination has occurred at some of the sites, and might occur or be discovered at other sites. Subject to certain monetary and temporal limitations, Dow is obligated to indemnify and hold us harmless with respect to releases of hazardous material that existed at our sites prior to our separation from Dow in June 2010. However, we cannot be certain that Dow will fully honor the indemnity or that the indemnity will be sufficient to satisfy all claims that we may incur. In addition, we face the risk that future claims might fall outside of the scope of the indemnity, particularly if we experience a release of hazardous materials that occurs in the future or at any time after our separation from Dow. Except for minor monitoring activities that we are performing in Livorno, Italy pursuant to an agreement with Dow, we do not currently have any material obligations to perform environmental remediation on our properties, and any active remedial projects on our properties are being performed by Dow pursuant to its indemnification obligations or for any Superfund sites.
Facility Security

We recognize the importance of security and safety to our employees and the community. Physical security measures have been combined with process safety measures (including the use of technology), and emergency response preparedness into integrated security plans. We have conducted vulnerability assessments at our operating facilities in the U.S. and high priority sites worldwide and identified and implemented appropriate measures to protect these facilities from physical and cyber-attacks. Effort and resources in assessing security vulnerabilities and taking steps to reinforce security at our manufacturing facilities will continue to be required to comply with U.S. Department of Homeland Security ("DHS") and other requirements.

Employees

As of December 31, 2016, we had 2,197 employees worldwide. Nearly 78% of our personnel are located at the various manufacturing sites, research and development, pilot coating, paper fabrication and testing and technology centers. The remaining employees are located at operating centers, virtual locations or geographically dispersed marketing and sales locations. Our Midland, Michigan site is the only U.S. facility with union representation for its approximately 58 hourly operations personnel, and employees at certain of our locations are represented by work councils. We consider relations with our personnel and the various labor organizations to be good. There have been no labor strikes or work stoppages in these locations in recent history.

Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, are available free of charge through the Investor Relations section of our website, www.trinseo.com, as soon as reasonably practicable after the reports are electronically filed or furnished with the U.S. Securities and Exchange Commission. We provide this website and the information contained in or connected to it for informational purposes only. That information is not part of this Annual Report.

Item 1A. Risk Factors

Risks Related to Our Business

Our current and future level of indebtedness of our subsidiaries could adversely affect our financial condition.

As of December 31, 2016, our indebtedness totaled approximately $1,187.4 million. Additionally, as of December 31, 2016, the Company had $309.1 million (net of $15.9 million outstanding letters of credit) of funds available for borrowings under our 2020 Revolving Facility, as well as $126.5 million of funds available for borrowings under our Accounts Receivable Securitization Facility. We are also party to a short-term revolving credit facility through our subsidiary in China that provides uncommitted funds available for borrowing, subject to the availability of collateral. Our level of indebtedness could have important consequences, including:

- increasing our vulnerability to economic downturns and adverse industry conditions;
- compromising our flexibility to capitalize on business opportunities and to react to competitive pressures, as compared to our competitors;
- placing us at a disadvantage compared to other, less leveraged competitors or competitors with comparable debt at more favorable interest rates; and
- increasing our cost of borrowing.

Although the Senior Credit Facility and the Indenture governing our 2022 Senior Notes contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions and the
indebtedness incurred in compliance with these restrictions could be substantial. Also, we are not prevented from incurring obligations that do not constitute “indebtedness” as defined in the Senior Credit Facility or the Indenture, such as operating leases and trade payables. If new debt is added to our subsidiaries’ current debt levels, the risks related to indebtedness that we now face could intensify.

In addition, a substantial portion of our subsidiaries current indebtedness is secured by substantially all of our assets, which may make it more difficult to secure additional borrowings at reasonable costs. If we default or declare bankruptcy, after these obligations are met, there may not be sufficient funds or assets to satisfy our subordinate interests, including those of our shareholders. For more information regarding our indebtedness, please see Item 7—Management’s Discussion and Analysis of Financial Conditions and Results of Operations—Indebtedness.

The terms of our subsidiaries’ indebtedness may restrict our current and future operations, particularly our ability to respond to change or to take certain actions.

The Indenture and the credit agreement governing the Borrowers’ Senior Credit Facility contain a number of covenants imposing certain restrictions on our subsidiaries’ businesses. These restrictions may affect our ability to operate our business and may limit our ability to take advantage of business opportunities. These agreements restrict, among other things, our subsidiaries’ ability to:

- sell assets;
- incur additional indebtedness;
- pay dividends to Trinseo S.A.;
- make investments or acquisitions;
- incur liens;
- repurchase or redeem capital stock;
- engage in mergers or consolidations;
- materially alter the business they conduct;
- engage in transactions with affiliates; and
- consolidate, merge or transfer all or substantially all of their assets.

The ability of our subsidiaries to comply with the covenants and financial ratios and tests contained in the Indenture and Credit Agreement, to pay interest on indebtedness, fund working capital, and make anticipated capital expenditures depends on our future performance, which is subject to general economic conditions and other factors, some of which are beyond our control. There can be no assurance that our business will generate sufficient cash flow from operations or that future borrowings will be available under our Senior Credit Facility to fund liquidity needs in an amount sufficient to enable them to service their indebtedness. Furthermore, if we need additional capital for general corporate purposes or to execute on an expansion strategy, there can be no assurance that this capital will be available on satisfactory terms or at all.

A failure to repay amounts owed under the Senior Credit Facility or 2022 Senior Notes at maturity would result in a default. In addition, a breach of any of the covenants in the Senior Credit Facility or Indenture governing our 2022 Senior Notes or our inability to comply with the required financial ratios or limits could result in a default. If a default occurs, lenders may refuse to lend us additional funds and the lenders or noteholders could declare all of the debt and any accrued interest and fees immediately due and payable. A default under one of our subsidiaries debt agreements may trigger a cross-default under our other debt agreements. For more information regarding our indebtedness, please see Item 7—Management’s Discussion and Analysis of Financial Conditions and Results of Operations—Indebtedness.

Our joint ventures may not operate according to their business plans if we or our partners fail to fulfill our or their obligations, or differences in views among our joint venture partners result in delayed decisions, which may adversely affect our results of operations and may force us to dedicate additional resources to these joint ventures.

For the year ended December 31, 2016, we received dividends of $136.2 million and equity earnings of $144.7 million from two joint ventures. We may enter into additional joint ventures in the future. The nature of a joint venture requires us to share control with unaffiliated third parties. If our joint venture partners do not fulfill their obligations, the affected joint venture may not be able to operate according to its business plan. In that case, our results of operations
may be adversely affected and we may be required to increase the level of our commitment to the joint venture. Differences in views among joint venture participants and our inability to unilaterally implement sales and production strategies or determine cash distributions from our joint ventures may significantly impact short-term and longer term financial results, financial condition and the value of our ordinary shares.

Production at our manufacturing facilities could be disrupted for a variety of reasons. Disruptions could expose us to significant losses or liabilities.

The hazards and risks of disruption associated with chemical manufacturing and the related storage and transportation of raw materials, products and wastes exist in our operations and the operations of other occupants with whom we share manufacturing sites. These potential risks of disruption include, but are not necessarily limited to:

- pipeline and storage tank leaks and ruptures;
- explosions and fires;
- inclement weather and natural disasters;
- terrorist attacks;
- failure of mechanical, process safety and pollution control equipment;
- chemical spills and other discharge or releases of toxic or hazardous substance or gases; and
- exposure to toxic chemicals.

These hazards could expose employees, customers, the community and others to toxic chemicals and other hazards, contaminate the environment, damage property, result in personal injury or death, lead to an interruption or suspension of operations, damage our reputation and adversely affect the productivity and profitability of a particular manufacturing facility or us as a whole, and result in the need for remediation, governmental enforcement, regulatory shutdowns, the imposition of government fines and penalties, and claims brought by governmental entities or third parties. Legal claims and regulatory actions could subject us to both civil and criminal penalties, which could affect our product sales, reputation and profitability. Furthermore, the environmental, health and safety compliance, management systems, and emergency response and crisis management plans we have in place may not address or foresee all potential risks or causes of disruption.

If disruptions occur, alternative facilities with sufficient capacity or capabilities may not be available, may cost substantially more or may take a significant time to start production. Each of these scenarios could negatively affect our business and financial performance. If one of our key manufacturing facilities is unable to produce our products for an extended period of time, our sales may be reduced by the shortfall caused by the disruption and we may not be able to meet our customers’ needs, which could cause them to seek other suppliers. Furthermore, to the extent a production disruption occurs at a manufacturing facility that has been operating at or near full capacity, the resulting shortage of our product could be particularly harmful because the resulting shortage at the manufacturing facility may not be able to reach levels achievable prior to the disruption. Our property, business interruption, comprehensive general liability, environmental impairment liability and other insurance policies may not fully insure against all potential causes of disruption due to limitations and exclusions in those policies. Therefore, incidents that significantly disrupt our operations may expose us to significant losses and/or liabilities.

Volatility in energy and the cost of the raw materials utilized for our products, or disruption in the supply of the raw materials utilized for our products, may adversely affect our financial condition and results of operations.

Our results of operations can be directly affected, positively and negatively, by volatility in the cost of our raw materials, which are subject to global supply and demand and other factors beyond our control. Our principal raw materials (benzene, ethylene, butadiene, BPA and styrene) together represent approximately 54% of our total cost of goods sold. Additionally, we use natural gas and electricity to operate our facilities and generate heat and steam for our various manufacturing processes. Crude oil prices also impact our raw material and energy costs. Generally, higher crude oil prices lead to higher costs of natural gas and raw materials, although some raw materials are impacted less than others. Volatility in the cost of energy or raw materials makes it more challenging to manage pricing and pass the increases on to our customers in a timely manner. We believe that rapid changes in pricing also can affect the volume our customers consume. As a result, our gross profit and margins could also be adversely affected.

We have long-term supply agreements with Dow for ethylene, benzene, and butadiene, which are critical raw materials to our business and expire in June 2020. These raw materials and other less critical materials amount to
approximately 31% of our raw materials (based on aggregate purchase price). The remainder is purchased via other third-party suppliers on a global basis. As our Dow contracts and other third-party contracts expire, we may be unable to renew these contracts or obtain new long-term supply agreements on terms comparable or favorable to us, depending on market conditions, which may significantly impact our operations. See Item 1—Business—Sources and Availability of Raw Materials.

If the availability of any of our principal raw materials is limited, we may be unable to produce some of our products in the quantities demanded by our customers, which could have an adverse effect on plant utilization and our sales of products requiring such raw materials. Suppliers may have temporary limitations preventing them from meeting our requirements, and we may not be able to obtain substitute alternative suppliers in a timely manner or on favorable terms.

Capital projects may have lengthy deadlines during which market conditions may deteriorate between the capital expenditure’s approval date and the conclusion of the project, negatively impacting projected returns. If we are unable to execute on our capital projects within their expected budget and timelines, or if the market conditions assumed in our projections deteriorate, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

Delays or cost increases related to capital spending programs involving engineering, procurement and construction of facilities or manufacturing lines could materially adversely affect our ability to achieve forecasted operating results. Project delays or budget overages may arise as a result of unpredictable events, which may be beyond our control, including:

- denial of or delay in receiving requisite regulatory approvals, licenses and/or permits;
- unanticipated increases in the cost of construction materials or labor;
- disruptions in transportation of components or construction materials;
- adverse weather conditions or natural disasters, equipment malfunctions, explosions, fires or spills affecting our facilities, or those of vendors or suppliers;
- shortages of sufficiently skilled labor, or labor disagreements resulting in unplanned work stoppages; or
- nonperformance by, or disputes with, vendors, partners, suppliers, contractors or subcontractors.

Furthermore, presumed demand for the technologies or product provided by the manufacturing facilities or lines being constructed may deteriorate during the project period. If we were unable to stay within a project’s overall timeline or budget, or if market conditions change, it could materially and adversely affect our business, financial condition, results of operations and cash flows.

We may engage in strategic acquisitions or dispositions of certain assets and/or businesses that could affect our business, results of operations, financial condition and liquidity.

We may selectively pursue complementary acquisitions and joint ventures, each of which inherently involves a number of risks and presents financial, managerial and operational challenges, including:

- potential disruption of our ongoing business and distraction of management;
- difficulty with integration of personnel and financial and other systems;
- hiring additional management and other critical personnel; and
- increasing the scope, geographic diversity and complexity of our operations.

In addition, we may encounter unforeseen obstacles or costs in the integration of acquired businesses. Also, the presence of one or more material liabilities of an acquired company that are unknown to us at the time of acquisition may have a material adverse effect on our business or financial results. Our acquisition and joint venture strategy may not be successfully received by customers, and we may not realize any anticipated benefits from acquisitions or joint ventures.

We may also opportunistically pursue dispositions of certain assets and/or businesses, which may involve material amounts of assets or lines of business, and adversely affect our results of operations, financial condition and liquidity. If any such dispositions were to occur, under the terms of the Credit Agreement governing our Senior Credit Facility and the Indenture, we may be required to apply the proceeds of the sale to repay any borrowings under our Senior Credit Facility or our 2022 Senior Notes. Dispositions may also involve continued financial involvement in the divested business, such as through continuing equity ownership, transition service agreements, guarantees, indemnities or other
current or contingent financial obligations. Under these arrangements, performance by the divested businesses or other conditions outside our control could affect our future financial results.

We may be subject to losses due to liabilities or lawsuits related to contaminated land we own or operate or arising out of environmental damage or personal injuries associated with exposure to chemicals or the release of chemicals.

The Comprehensive Environmental Response, Compensation and Liability Act, or CERCLA, and analogous state and foreign laws are designed to address the problems associated with contaminated land, especially inactive and abandoned hazardous waste sites listed on the “National Priorities List”, or NPL. Under CERCLA and similar statutes, the current or former owner or operator of a property contaminated by hazardous substance releases is subject to strict, unlimited, joint, several and retroactive liability for the investigation and remediation of the property, and also may be liable for natural resource damages associated with the releases. We also face the risk that individuals could seek damages for personal injury due to exposure to chemicals at our facilities, chemicals which have been released from our facilities, chemicals otherwise owned or controlled by us, or chemicals which allegedly migrated from products containing our materials. Legal claims and regulatory actions could subject us to both civil and criminal penalties, which could affect our reputation as well as our results of operations, financial condition, and liquidity.

There are several properties which we now own on which Dow has been conducting remediation to address historical contamination. Those properties include Allyn’s Point, Connecticut; Dalton, Georgia; and Livorno, Italy. There are other properties with historical contamination that are owned by Dow that we lease for our operations, including our facility in Midland, Michigan. While we did not assume the liabilities associated with these properties in the U.S., because CERCLA and similar laws can impose liability for contamination on the current owner or operator of a property, even if it did not create the contamination, there is a possibility that a governmental authority or private party could seek to include us in an action or claim for remediation or damages, even though the contamination may have occurred prior to our ownership or occupancy. While Dow has agreed to indemnify us for liability for releases of hazardous materials that occurred prior to our separation from Dow, the indemnity is subject to monetary and temporal limitations, and we cannot be certain that Dow will fully honor the indemnity or that the indemnity will be sufficient to satisfy all claims that we may incur. In addition, we face the risk that future claims might fall partially or fully outside of the scope of the indemnity, particularly if there is a release of hazardous materials that occurs in the future or at any time after our separation from Dow or if the condition requiring remediation is attributable to a combination of events or operations occurring prior to and after our separation from Dow.

Risks are inherent in the chemical business, particularly risks associated with safety, health and the environment. The U.S. EPA Risk Management Program (“RMP”) 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 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 facility. In addition, we are subject to the Occupational Safety and Health Administration Process Safety Management standard, which requires the development of a program to manage workplace risks associated with highly hazardous chemicals. Similar laws apply to many of our international facilities. Failure to comply with such laws could subject us to both civil and criminal penalties, which could affect our product sales, reputation and profitability. We may be subject to claims with respect to workplace exposure, workers’ compensation and other health and safety matters.

Conditions in the global economy and capital markets may adversely affect our results of operations, financial condition and cash flows.

Our products are sold in markets that are sensitive to changes in general economic conditions, such as sales of automotive and construction products. Downturns in general economic conditions can cause fluctuations in demand for our products, product prices, volumes and margins.

Turbulence in the credit markets, fluctuating commodity prices, volatile exchange rates and other challenges currently affecting the global economy continue to affect us and our customers. Instability in financial and commodity markets throughout the world has caused, among other things, severely diminished liquidity and credit availability,
rating downgrades of certain investments and declining valuations and pricing volatility of others, volatile energy and raw materials costs, geopolitical issues and failure and the potential failure of major financial institutions. Adverse events affecting the health of the economy, including sovereign debt and economic crises, refugee crises, terrorism, Brexit, and rising protectionism, could have a negative impact on the health of the global economy. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions or on the stability of global financial markets. During any period of uncertainty or heightened market volatility, consumer confidence may decline which could lead to a decline in demand for our products or a shift to lower-margin products, which could adversely affect sales of our products and our profitability and could also result in impairments of certain of our assets.

Deterioration in the financial and credit market heightens the risk of customer bankruptcies and delay in payment. We are unable to predict the duration of the current economic conditions or their effects on financial markets, our business and results of operations. If economic conditions deteriorate, our results of operations, financial condition and cash flows could be materially adversely affected.

**Dow provides significant operating and other services, and certain raw materials used in the production of our products, under agreements that are important to our business. The failure of Dow to perform its obligations, or the termination of these agreements, could adversely affect our operations.**

Prior to our inception, we were operated by Dow, which has provided and continues to provide services under certain agreements that are important to our business. We are a party to:

- The SAR MOSA, an outsourcing service agreement pursuant to which Dow provides certain administrative and business services to us for our operations;
- The AR MOD5 agreement, an outsourcing service agreement pursuant to which Dow provides worldwide process control technology and related enterprise resource planning services;
- supply and sales agreements pursuant to which Dow, among other things, provides us with raw materials, including ethylene, benzene, and butadiene; and
- an operating services agreement pursuant to which Dow will operate and maintain certain of our facilities at Rheinmunster, Germany as well as employ and provide almost all of the staff for this facility.

Under the terms of the above agreements, either party is permitted to terminate the applicable agreement in a variety of situations, including in the event of the other party’s uncured material breach, insolvency, change of control or cessation of operations. Should Dow fail to provide these services or raw materials, or should any of the above agreements be terminated, we would be forced to obtain these services and raw materials from third parties or provide them ourselves. Additionally, if Dow terminates agreements pursuant to which we are obligated to provide certain services, we may lose the fees received by us under these agreements. The failure of Dow to perform its obligations under, or the termination of, any of these contracts could adversely affect our operations and, depending on market conditions at the time of any such termination, we may not be able to enter into substitute arrangements in a timely manner, or on terms as favorable to us. For more information regarding our relationship with Dow, please see Item 1— *Business — Our Relationship with Dow*.

**We are party to certain license agreements with Dow relating to intellectual property that is essential to our business. Because of this relationship, we may have limited ability to expand our use of certain intellectual property beyond the field of the license or to police infringement that may be harmful to our business.**

In connection with the Acquisition, we acquired ownership of, or in some cases, a worldwide right and license to use, certain patents, patent applications and other intellectual property of Dow that were used by Dow to operate our business segments or held by Dow primarily for the benefit of our business segments, prior to the Acquisition. Generally, we acquired ownership of the intellectual property that was primarily used in our business segments and acquired a license to a more limited set of intellectual property that had broader application within Dow beyond our core business segments. Our license from Dow is perpetual, irrevocable, fully paid, and royalty-free. Furthermore, our license from Dow is exclusive within our business segments for certain patents and patent applications that were used by Dow primarily in the Styron business prior to the Acquisition, subject to licenses previously granted by Dow, and to certain retained rights of Dow, including Dow’s retained right to use patents and patent applications outside of our business segments and for internal consumption by Dow. Our license from Dow relates to polymeric compositions, manufacturing
processes and end applications for the polymeric compositions; and is limited to use in defined areas corresponding to our current business segments excluding certain products and end-use application technology retained by Dow. Our ability to develop, manufacture or sell products and technology outside of these defined areas may be impeded by the intellectual property rights that have been retained by Dow, which could adversely affect our business, financial condition and results of operations. Additionally, infringement on these intellectual property rights could also impact our business and competitive position. We may not be able to enforce our rights, and Dow may be unwilling to enforce its rights, with respect to this intellectual property that has been licensed by Dow.

**Regulatory and statutory changes applicable to our raw materials and products and our customers’ products could require material expenditures, changes in our operations and could adversely affect our financial condition and results of operations.**

Changes in environmental, health and safety regulations, in jurisdictions where we manufacture and sell our products, could lead to a decrease in demand for our products. In addition to changes in regulations, health and safety concerns could increase the costs incurred by our customers to use our products and otherwise limit the use of these products, which could lead to decreased demand for these products. Such a decrease in demand likely would have an adverse effect on our business and results of operations. Materials such as acrylonitrile, ethylbenzene, styrene, butadiene, BPA and halogenated flame retardant are used in the manufacturing of our products and have come under scrutiny due to potentially significant or perceived health and safety concerns.

Additionally, these regulatory regimes currently require significant compliance expenditures by us, and changes applicable to our raw materials and products or our customers’ products could require significant additional expenditures by us, or changes in our operations.

Our products are also used in a variety of end-uses that have specific regulatory requirements such as those relating to products that have contact with food or medical device end-uses. We and many of the applications for the products in the end markets in which we sell our products are regulated by various national and local rules, laws and regulations, such as the TSCA. Changes in regulations could result in additional compliance costs, seizures, confiscations, recall or monetary fines, any of which could prevent or inhibit the development, distribution and sale of our products. Changes in environmental and safety laws and regulations banning or restricting the use of these residual materials in our products, or our customers’ products, could adversely affect our results of operations and financial condition. Failure to appropriately manage safety, human health, product liability and environmental risks associated with our products, product life cycles and production processes could adversely impact employees, communities, stakeholders, our reputation and the results of our operations.

**Compliance with extensive and evolving environmental, health and safety laws may require substantial expenditures.**

We use large quantities of hazardous substances, generate hazardous wastes and emit wastewater and air pollutants in our manufacturing operations. Consequently, our operations are subject to extensive environmental, health and safety laws and regulations at both the national and local level in multiple jurisdictions. Many of these laws and regulations have become more stringent over time and the costs of compliance with these requirements may increase, including costs associated with any capital investments for pollution control facilities. In addition, our production facilities and operations require operating permits, licenses or other approvals that may be subject to periodic renewal and, in circumstances of noncompliance, may be subject to revocation. The necessary licenses, permits or other approvals may not be issued or continue in effect, and any issued licenses, permits or approvals may contain more stringent limitations that restrict our operations or that require further expenditures to meet the permit requirements.

This continuing focus on climate change in jurisdictions in which we operate could result in new, potentially diverging or inconsistent, environmental regulations that may negatively affect us. Additional future regulation of greenhouse gases in the U.S. could occur pursuant to future international treaty obligations, regulatory changes under the federal Clean Air Act or other existing legislation, federal, state or regional adoption of greenhouse gas regulatory schemes, or any combination of the foregoing or otherwise. This could cause us to incur additional costs in complying with any new regulations, which may adversely impact our operations and financial condition.

Compliance with more stringent environmental requirements would likely increase our costs of transportation and storage of raw materials and finished products, as well as the costs of storage and disposal of wastes. Additionally, we
may incur substantial costs, including penalties, fines, damages, criminal or civil sanctions and remediation costs, or experience interruptions in our operations for failure to comply with these laws or permit requirements.

**We could be subject to changes in our tax rates and the adoption of tax legislation or exposure to additional tax liabilities that may adversely affect our results of operations.**

We are subject to taxes in Luxembourg, the U.S., and numerous other foreign jurisdictions where our subsidiaries are organized. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, and changes in tax laws or their interpretation, such as interpretations as to the legality of tax advantages granted under the EU state aid rules. Our tax returns and other tax matters are subject to examination by local tax authorities and governmental bodies. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations. If our effective tax rates were to increase, or if the ultimate determination of the taxes owed by us is for an amount in excess of amounts previously accrued, our operating results, cash flows, and financial condition could be adversely affected.

**Our business involves risk of exposure to product liability claims.**

Even though we are generally a materials supplier rather than a manufacturer of finished goods, the development, manufacture and sales of specialty emulsion polymers and plastics by us involves inherent risks of exposure to product liability claims, product recalls and related adverse publicity. While we attempt to protect ourselves from such claims and exposures by our adherence to standards and specifications and in our contractual negotiations, there can be no assurance that our efforts in this regard will ultimately protect us from any such claims. For instance, a customer may attempt to seek contribution from us due to a product liability claim brought against them by a consumer, or a consumer may bring a product liability claim directly against us. A product liability claim or judgment against us could result in substantial and unexpected expenditures, affect consumer or customer confidence in our products, and divert management’s attention from other responsibilities. A successful product liability claim or series of claims against us in excess of our insurance coverage payments, for which we are not otherwise indemnified, could have a material adverse effect on our financial condition or results of operations.

**We are subject to customs, international trade, export control, and antitrust laws that could require us to modify our current business practices and incur increased costs.**

We are subject to numerous regulations, including customs and international trade laws, export/import control laws, and associated regulations. These laws and regulations limit the countries in which we can do business; the persons or entities with whom we can do business; the products which we can buy or sell; and the terms under which we can do business, including anti-dumping restrictions. In addition, we are subject to antitrust laws and zoning and occupancy laws that regulate manufacturers generally and/or govern the importation, promotion and sale of our products, the operation of factories and warehouse facilities and our relationship with our customers, suppliers and competitors. If any of these laws or regulations were to change or were violated by our management, employees, suppliers, buying agents or trading companies, the costs of certain goods could increase, or we could experience delays in shipments of our goods, be subject to fines or penalties, or suffer reputational harm, which could reduce demand for our products and hurt our business and negatively impact results of operations. In addition, in some areas we benefit from certain trade protections, including anti-dumping protection and the EU’s Authorized Economic Operator program, which provides expedited customs treatment for materials crossing national borders. If we were to lose these protections, our results of operations could be adversely affected.

**Fluctuations in currency exchange rates may significantly impact our results of operations and may significantly affect the comparability of our results between financial periods.**

Our operations are conducted by subsidiaries in many countries. The results of the operations and the financial position of these subsidiaries are reported in the relevant foreign currencies and then translated into U.S. dollars at the applicable exchange rates for inclusion in our consolidated financial statements. The main currency to which we are exposed is the euro, noting that approximately 60% of our net sales were generated in Europe for the year ended December 31, 2016. To a lesser degree, we are also exposed to other currencies, including the Chinese yuan, Swiss
We understand that Americas Styrenics is fully cooperating with the Government’s investigation and has delivered all requested documents in response to the subpoena. Further, Americas Styrenics has informed us that it has completed its own internal investigation and is unaware of any improper activity. We have reviewed the substance of Americas Styrenics, which is one of our joint ventures, is among the parties subject to an ongoing government antitrust investigation by the United States Postal Service Office of Inspector General, and the United States Department of Justice, involving the polystyrene market in North America, the results of which could have a material adverse effect on our business, financial condition and results of operations.

In May 2015, Americas Styrenics, our 50%-owned joint venture, received a subpoena from the United States Postal Service Office of Inspector General in coordination with the U.S. Department of Justice (collectively the “Government”) requesting documents regarding its involvement and participation in the market for polystyrene. The subpoena received by Americas Styrenics does not seek information regarding the market for styrene monomer. The Government has informed Americas Styrenics that similar subpoenas have been sent to other companies that operate in the polystyrene market.

Under the joint venture agreement, we granted Americas Styrenics the exclusive rights to manufacture and sell polystyrene in North America and South America. Equity earnings attributable to Americas Styrenics was $135.8 million, $135.3 million, and $50.3 million in 2016, 2015, and 2014, respectively. We estimate that the contribution to our equity earnings from Americas Styrenics’ polystyrene business was approximately 51% in 2016, 55% in 2015, and approximately 87% in 2014. This translates to a contribution from Americas Styrenics’ polystyrene business to our Adjusted EBITDA of approximately 11% in 2016, 15% in 2015, and approximately 17% in 2014.

We incur currency translation risk whenever we enter into either a purchase or sale transaction using a currency other than the local currency of the transacting entity. From time to time, we enter into foreign exchange forward contracts to hedge fluctuations associated with certain monetary assets and liabilities, primarily accounts receivable, accounts payable and certain intercompany obligations. However, attempts to hedge against foreign currency fluctuation risk may be unsuccessful and result in an adverse impact to our operating results. Given the volatility of exchange rates, there can be no assurance that we will be able to effectively manage our currency translation risks or that any volatility in currency exchange rates will not have a material adverse effect on our financial condition or results of operations.

Because our business operations are conducted entirely through our subsidiaries and joint ventures, we are largely dependent on our receipt of distributions and dividends or other payments from our subsidiaries and joint ventures for cash to fund all of our operations and expenses.

Trinseo S.A., and its subsidiaries and the issuers of its outstanding debt, Trinseo Materials Operating S.C.A. and Trinseo Materials Finance, Inc., are each holding companies without business operations. Therefore, our revenues are generated through business conducted through other operating subsidiaries and joint ventures. As a result, our subsidiaries’ ability to service their debt or to make future dividend payments or repayments of equity to shareholders is largely dependent on the earnings of our operating subsidiaries and joint ventures and the payment of those earnings to them in the form of dividends, loans or advances and through repayment of loans or advances from us. Payments to us by our operating subsidiaries and joint ventures will be contingent upon our subsidiaries’ or joint ventures’ earnings and other business considerations. Furthermore, the Credit Agreement governing our Senior Credit Facility and the Indenture for the 2022 Senior Notes include certain restrictions on the ability of our operating subsidiaries to pay dividends or otherwise transfer assets to us. In addition, each of our subsidiaries and joint ventures is a distinct legal entity. Therefore, there may be significant tax and other legal or regulatory developments in the future that may impact the ability of foreign subsidiaries or joint ventures to continue to remit money to us.

Americas Styrenics, which is one of our joint ventures, is among the parties subject to an ongoing government antitrust investigation by the United States Postal Service Office of Inspector General, and the United States Department of Justice, involving the polystyrene market in North America, the results of which could have a material adverse effect on our business, financial condition and results of operations.
Styrenics’ internal investigation and, based on this information, have no reason to believe any improper activity occurred. Furthermore, we believe that the industry dynamics present in the polystyrene market are consistent with legitimate competitive market activity and not the result of anti-competitive actions or activity.

Notwithstanding our current understanding of the facts, this matter remains open with the Government and there can be no assurance that other facts will not come to light that result in Americas Styrenics being determined to have violated applicable law. As a result, we are unable to make any predictions regarding the ultimate outcome of the investigation. Other than the subpoena, to date there has been no complaint or demand of Americas Styrenics by the Government regarding the matters that are the subject of the investigation. In addition, to date we have not been served with a subpoena in connection with this ongoing investigation nor have we otherwise been contacted by the Government or other enforcement authorities. However, there is no assurance that we won’t be served with a subpoena or otherwise become involved in this investigation in the future.

Based on its findings in the investigation, the Government may (i) close the file, (ii) seek a consent decree to remedy issues it believes violate the antitrust laws, or (iii) file suit against Americas Styrenics for violating the antitrust laws, seeking injunctive or monetary relief. If injunctive and/or monetary relief were granted, depending on its scope, it could affect the manner in which Americas Styrenics’ business is operated and potentially force changes to Americas Styrenics’ business practices or operations. In addition, Americas Styrenics and its executives could be subject to criminal prosecution and if Americas Styrenics is found to have violated one or more laws, it could be subject to a variety of fines, penalties, and related administrative sanctions and private plaintiffs may seek treble damages. Private plaintiffs may emerge and seek recourse against us, merely as a joint venture owner of Americas Styrenics, and if this investigation continues over a long period of time, it could divert the attention of Americas Styrenics and our management from day-to-day operations and impose significant administrative burdens. Any of these consequences could damage Americas Styrenics’ and our reputation and impair Americas Styrenics’ ability to conduct its business, which could have a material adverse effect on our business, financial condition and results of operations.

We generally do not have long-term contracts with our customers, and the loss of customers could adversely affect our sales and profitability.

We generally do not have long-term contracts with our customers, and the loss of customers could adversely affect our sales and profitability.

With some exceptions, our business is based primarily upon individual sales orders with our customers. As such, our customers could cease buying our products from us at any time, for any reason, with little or no recourse. If multiple customers elected not to purchase products from us, our business prospects, financial condition and results of operations could be adversely affected.

If we are not able to continue the technological innovation and successful commercial introduction of new products, our customers may turn to other producers to meet their requirements.

Our industry and the end markets into which we sell our products experience periodic technological changes and ongoing product improvements. Our customers may introduce new generations of their own products or require new technological and increased performance specifications that would require us to develop customized products. Innovation or other changes in our customers’ product performance requirements may also adversely affect the demand for our products. Our future growth will depend on our ability to gauge the direction of the commercial and technological progress in all key end markets, and upon our ability to successfully develop, manufacture and market products in such changing end markets. We need to continue to identify, develop and market innovative products on a timely basis to replace existing products in order to maintain our profit margins and our competitive position. We may not be successful in developing new products and technology that successfully compete with these materials, and our customers may not accept any of our new products. If we fail to keep pace with evolving technological innovations or fail to modify our products in response to our customers’ needs, then our business, financial condition and results of operations could be adversely affected as a result of reduced sales of our products.

Our business relies on intellectual property and other proprietary information and our failure to adequately protect or effectively enforce our rights could harm our competitive advantages with respect to the manufacturing of some of our products.

Our business relies on intellectual property and other proprietary information and our failure to adequately protect or effectively enforce our rights could harm our competitive advantages with respect to the manufacturing of some of our products.

Our success depends to a significant degree upon our ability to protect, preserve and enforce our intellectual property rights, including patents, trademarks, licenses, trade secrets and other proprietary information of our business. However, we may be unable to prevent third parties from using our intellectual property and other proprietary
information without our authorization or independently developing intellectual property and other proprietary information that is similar to or competes with ours, particularly in those countries where the laws do not protect proprietary rights to the same degree as in the United States. Any inability by us to effectively prevent the unauthorized use of our intellectual property and other proprietary information by others could reduce or eliminate any competitive advantage we have developed, cause us to lose sales or otherwise harm our business or goodwill. If it becomes necessary for us to initiate litigation to protect our proprietary rights, any proceedings could be burdensome and costly, and we may not prevail.

We may be unable to determine when third parties are using our intellectual property rights without our authorization, particularly our manufacturing processes. In addition, we cannot be certain that any intellectual property rights that we have licensed to third parties are being used only as authorized by the applicable license agreement. The undetected, unremedied, or unauthorized use of our intellectual property rights or the legitimate development or acquisition of intellectual property that is similar to or competes with ours by third parties could reduce or eliminate the competitive advantage we have as a result of our intellectual property, adversely affecting our financial condition and results of operations.

If we fail to adequately protect our intellectual property and other proprietary information, including our processes, apparatuses, technology, trade secrets, trade names and proprietary manufacturing know how, methods and compounds, through obtaining patent protection, securing trademark registrations and securing our trade secrets through the use of confidentiality agreements of appropriate scope and other means, our competitive advantages over other producers could be materially adversely affected. If we determine to take legal action to protect, defend or enforce our intellectual property rights, any suits or proceedings could result in significant costs and diversion of our resources and our management’s attention. We may not prevail in any such suits or proceedings. A failure to protect, defend or enforce our intellectual property rights could have an adverse effect on our financial condition and results of operations.

Our products may infringe the intellectual property rights of others, which may cause us to incur unexpected costs or prevent us from selling our products.

We continually seek to improve our business processes and develop new products and applications. Many of our competitors have a substantial amount of intellectual property that we must continually strive to avoid infringing. Although it is our policy and intention not to infringe valid patents of which we are aware, we cannot provide assurances that our processes and products and other activities do not and will not infringe issued patents (whether present or future) or other intellectual property rights belonging to others. There nonetheless could be third-party patents that cover our products, processes or technologies, and it is possible that we could be liable for infringement of such patents and could be required to take remedial or curative actions to continue our manufacturing and sales activities with respect to one or more products that are found to be infringing. We may also be subject to indemnity claims by our business partners arising out of claims of their alleged infringement of the patents, trademarks and other intellectual property rights of third parties in connection with their use of our products. Intellectual property litigation often is expensive and time-consuming, regardless of the merits of any claim, and our involvement in such litigation could divert our management’s attention from operating our business. If we were to discover that any of our processes, technologies or products infringe on the valid intellectual property rights of others, we might determine to obtain licenses from the owners of these rights or to modify our processes or technologies or re-engineer our products in order to avoid infringement. We may not be able to obtain the necessary licenses on acceptable terms, or at all, or be able to modify our processes or technologies or re-engineer our products in a manner that is successful in avoiding infringement. Moreover, if we are sued for infringement and lose, we could be required to pay substantial damages and/or be enjoined from using or selling the infringing products or technology. Any of the foregoing could cause us to incur significant costs and prevent us from selling our products and could have an adverse effect on our financial condition and results of operations.

Data security breaches could compromise sensitive information related to our business, which could adversely affect our business and our reputation.

Cyberattacks or data security breaches could compromise confidential, business critical information or cause a disruption in our operations. We have attractive information assets, including intellectual property, trade secrets and other sensitive, business critical information. We face an ever growing risk of attack from outside our organization (including attack by organized crime, so-called “hacktivists,” and state-sponsored actors) using sophisticated technical and non-technical methodologies (including social engineering and “spear phishing” attacks). We also face risks from
internal threats to information security, such as from negligent or dishonest employees or consultants. A successful cyberattack or other breach of security could result in the loss of critical business information and/or could negatively impact operations, which could have a negative impact on our financial results. Furthermore, in addition to using our own systems and infrastructure, we use information systems and infrastructure operated by third-party service providers, including Dow. If our third-party service providers experience an information security breach, depending on the nature of the breach, it could compromise confidential, business critical information or cause a disruption in our operations.

The labor and employment laws in many jurisdictions in which we operate are more restrictive than in the United States. Additionally, we have unionized employees in the United States who may stage work stoppages. Our relationship with our employees could deteriorate, which could have an adverse effect on our operations.

As a manufacturing company, we rely on our employees and good relations with our employees to produce our products and maintain our production processes and productivity. Approximately 85% of our employees are employed outside of the United States. In certain of those countries, such as the member states of the EU, labor and employment laws are more restrictive than in the United States. In many jurisdictions, the laws grant significant job protection to employees, which subject us to employment arrangements that are very similar to collective bargaining agreements.

In addition, as of December 31, 2016, approximately 17% of our employees in the United States are members of a union and subject to a collective bargaining agreement. We are required to consult with and seek the consent or advice of the unions or works’ councils that represent our employees for certain of our activities. This requirement could have a significant impact on our flexibility in managing costs and responding to market changes. Furthermore, there can be no assurance that we will be able to negotiate labor agreements with our unionized employees in the future on satisfactory terms. If those employees were to engage in a strike, work stoppage or other slowdown, or if any of our other employees were to become unionized, we could experience a significant disruption of our operations or higher ongoing labor costs, which could have a material adverse effect on our financial condition and results of operations.

As a global business, we are exposed to local business risks in different countries, which could have a material adverse effect on our financial condition or results of operations.

We have significant operations in foreign countries, including manufacturing facilities, R&D facilities, sales personnel and customer support operations. As of December 31, 2016, we operated, or others operated on our behalf, 30 manufacturing plants (which include a total of 75 production units) at 23 sites around the world, including in Colombia, Germany, The Netherlands, Belgium, Finland, Sweden, China, South Korea, Indonesia, Japan, Taiwan, and the United States. Our international operations are subject to risks inherent in doing business in foreign countries, including, but not necessarily limited to:

- new and different legal and regulatory requirements in local jurisdictions;
- uncertainties regarding interpretation and enforcement of laws and regulations;
- variation in political and economic policy of the local governments and social conditions;
- export duties or import quotas;
- domestic and foreign customs and tariffs or other trade barriers;
- potential staffing difficulties and labor disputes;
- managing and obtaining support and distribution for local operations;
- increased costs of transportation or shipping;
- credit risk and financial conditions of local customers and distributors;
- potential difficulties in protecting intellectual property;
- risk of nationalization of private enterprises by foreign governments;
- potential imposition of restrictions on investments;
- potentially adverse tax consequences, including imposition or increase of withholding and other taxes on remittances and other payments by subsidiaries;
- legal restrictions on doing business in or with certain nations, certain parties and/or certain products;
- foreign currency exchange restrictions and fluctuations; and
- local economic, political and social conditions, including the possibility of hyperinflationary conditions and political instability.
We may not be successful in developing and implementing policies and strategies to address the foregoing factors in a
timely and effective manner at each location where we do business. Consequently, the occurrence of one or more of the foregoing
factors could have a material adverse effect on our international operations or upon our financial condition and results of
operations.

Our operations in developing markets could expose us to political, economic and regulatory risks that are greater than those
we may face in established markets. For example, we operate in some nations that have experienced significant levels of
governmental corruption. Any failure by us to ensure that our employees and agents comply with applicable laws and regulations
in foreign jurisdictions could result in substantial civil and criminal penalties or restrictions on our ability to conduct business in
certain foreign jurisdictions or reputational damage, and our results of operations and financial condition could be materially and
adversely affected.

Risks Related to Our Ordinary Shares

We are a Luxembourg company and, as a result, shareholders may have difficulty effecting service of process or litigation
against us or our officers and directors and will not have the same protections afforded to shareholders of a company
incorporated in Delaware.

We are organized under the laws of the Grand Duchy of Luxembourg. Many of our assets are located outside the United
States and some of our directors and officers reside outside the United States and most of their assets are located outside the
United States. As a result, investors may find it more difficult to effect service of process within the United States upon us or
these persons or to enforce outside the United States judgments obtained against us or these persons in U.S. courts, including
judgments in actions predicated upon the civil liability provisions of the U.S. federal securities laws. Likewise, it may also be
difficult for an investor to enforce in U.S. courts judgments obtained against us or these persons in courts located in jurisdictions
outside the United States, including actions predicated upon the civil liability provisions of the U.S. federal securities laws. It may
also be difficult for an investor to bring an original action in a Luxembourg court predicated upon the civil liability provisions of
the U.S. federal securities laws against us or these persons. Luxembourg law does not recognize a shareholder’s right to bring a
derivative action on behalf of a company.

Our corporate affairs are governed by our articles of association and by the laws of the Grand Duchy of Luxembourg. The
rights of our shareholders and the responsibilities of our directors and officers under Luxembourg law are different from those
applicable to a corporation incorporated in Delaware, or any other state of the United States. Luxembourg law and regulations in
respect of corporate governance matters might not be as protective of minority shareholders as the General Corporation Law of
the State of Delaware or other state corporation laws. Therefore, our shareholders may have more difficulty in protecting their
interests in connection with actions taken by our directors and officers or our principal shareholders than they would as
shareholders of a Delaware corporation or a corporation incorporated in another state of the United States.

Provisions in our organizational documents and Luxembourg law may deter takeover efforts or other actions that could
be beneficial to shareholder value.

Our articles of association and Luxembourg law contain provisions that could make it harder for a third party to acquire us,
even if doing so might be beneficial to our shareholders. These provisions include a staggered board of directors, the ability of the
board of directors to approve a merger or other acquisition and to issue additional ordinary shares without shareholder approval
that could be used to dilute a potential hostile acquirer. As a result, you may lose your ability to sell your ordinary shares for a
price in excess of the prevailing market price due to these protective measures, and efforts by shareholders to change the direction
or management of the company may be unsuccessful.

Pursuant to Luxembourg corporate law, existing shareholders are generally entitled to preemptive subscription rights in the
event of capital increases and issues of shares against cash contributions. However, our board of directors is authorized to waive,
limit or suppress such pre-emptive subscription rights until May 13, 2019. Furthermore, our shareholders may renew, expand or
amend this authorization, which could result in the extension of the waiver beyond the initial five year period, at a future general
meeting of shareholders.
Your percentage ownership in us may be diluted by future equity issuances, which could reduce your influence over matters on which shareholders vote.

Our board of directors has the authority, without action or vote of our shareholders, to issue all or any part of our authorized but unissued ordinary shares, including shares issuable upon the exercise of options. Issuances of ordinary shares would reduce your influence over matters on which our shareholders vote and, in the case of issuances of preferred stock, would likely result in your interest in us being subject to the prior rights of holders of that preferred stock.

The Company has a limited history of distributions to shareholders, and is subject to certain conditions under Luxembourg law that may restrict future distributions to shareholders.

The Company has a limited history of distributions to shareholders. Under Luxembourg law, cash dividends must be paid from statutory accounting profits and approved by shareholders. Trinseo S.A. generally does not have statutory accounting profits as a holding company without operations. Additionally, cash distributions may be made to shareholders through the board of directors’ authorization of repayments of shareholder equity. These repayments of equity are utilizing Trinseo S.A.’s distributable reserves, which is generally its statutory share premium less minimum legal reserves.

Even if statutory requirements are satisfied to pay dividends or make other cash distributions, the Company’s board may choose to retain future earnings, if any, for future operations, expansion and debt repayment. Any decision to declare and pay dividends or make other distributions to shareholders, including the repayment of shareholder equity, in the future will be made at the discretion of our board of directors and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that our board of directors may deem relevant. Even though our board has elected to make quarterly cash distributions to shareholders via repayments of equity, it does not guarantee the board will continue to do so in the future.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We own and operate 59 production units at 15 sites around the world. In addition, we source products from another 16 production units at 8 joint venture sites. We also own or lease other properties, including office buildings, warehouses, research and development facilities, testing facilities and sales offices.
The following table sets forth a list of our principal offices, production sites and other facilities as of December 31, 2016.

<table>
<thead>
<tr>
<th>Site Name</th>
<th>Location</th>
<th>Leased/owned</th>
<th>Products/Functions</th>
<th>Business Segments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate Offices</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Berwyn</td>
<td>USA (PA)</td>
<td>Leased</td>
<td>Global operating headquarters</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>Hong Kong</td>
<td>Leased</td>
<td>Regional operating center</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Horgen</td>
<td>Switzerland</td>
<td>Leased</td>
<td>Regional operating center</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Midland</td>
<td>USA (MI)</td>
<td>Leased</td>
<td>Regional operating center</td>
<td>Not applicable</td>
</tr>
<tr>
<td><strong>Production Sites</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boehlen*</td>
<td>Germany</td>
<td>Leased</td>
<td>Styrene monomer</td>
<td>Feedstocks</td>
</tr>
<tr>
<td>Dalton</td>
<td>USA (GA)</td>
<td>Owned</td>
<td>Latex</td>
<td>Latex Binders</td>
</tr>
<tr>
<td>Haminla</td>
<td>Finland</td>
<td>Owned</td>
<td>Latex</td>
<td>Latex Binders</td>
</tr>
<tr>
<td>Hsinchu</td>
<td>Taiwan</td>
<td>Owned</td>
<td>Compounds and blends</td>
<td>Performance Plastics</td>
</tr>
<tr>
<td>Merak++</td>
<td>Indonesia</td>
<td>Owned</td>
<td>Latex, Polystyrene</td>
<td>Latex Binders, Basic Plastics</td>
</tr>
<tr>
<td>Midland*</td>
<td>USA (MI)</td>
<td>Leased</td>
<td>ABS, Latex, PC, Compounds and blends</td>
<td>Latex Binders, Performance Plastics, Basic Plastics</td>
</tr>
<tr>
<td>Norrkoping</td>
<td>Sweden</td>
<td>Owned</td>
<td>Latex</td>
<td>Latex Binders</td>
</tr>
<tr>
<td>Rheinmunster*</td>
<td>Germany</td>
<td>Leased</td>
<td>Latex</td>
<td>Latex Binders</td>
</tr>
<tr>
<td>Schkopau*</td>
<td>Germany</td>
<td>Leased</td>
<td>ESBR, SSBR, PBR, Polystyrene</td>
<td>Synthetic Rubber, Basic Plastics</td>
</tr>
<tr>
<td>Stade*</td>
<td>Germany</td>
<td>Leased</td>
<td>PC</td>
<td>Basic Plastics</td>
</tr>
<tr>
<td>Terneuzen*</td>
<td>The Netherlands</td>
<td>Leased</td>
<td>Compounds and blends, Latex, Styrene monomer, ABS, Polystyrene</td>
<td>Latex Binders, Performance Plastics, Basic Plastics, Feedstocks</td>
</tr>
<tr>
<td><strong>R&amp;D Facilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dalton</td>
<td>USA (GA)</td>
<td>Owned</td>
<td>Latex</td>
<td>Latex Binders</td>
</tr>
<tr>
<td>Hsinchu</td>
<td>Taiwan</td>
<td>Owned</td>
<td>Performance plastics</td>
<td>Performance Plastics</td>
</tr>
<tr>
<td>Midland 1300</td>
<td>USA (MI)</td>
<td>Leased</td>
<td>Latex</td>
<td>Latex Binders</td>
</tr>
<tr>
<td>Midland 1604</td>
<td>USA (MI)</td>
<td>Leased</td>
<td>Performance plastics and Latex</td>
<td>Performance Plastics, Latex Binders</td>
</tr>
<tr>
<td>Rheinmunster</td>
<td>Germany</td>
<td>Leased</td>
<td>Latex</td>
<td>Latex Binders</td>
</tr>
<tr>
<td>Samstagern</td>
<td>Switzerland</td>
<td>Leased</td>
<td>Latex</td>
<td>Latex Binders</td>
</tr>
<tr>
<td>Schkopau</td>
<td>Germany</td>
<td>Leased</td>
<td>Synthetic rubber</td>
<td>Synthetic Rubber</td>
</tr>
<tr>
<td>Shanghai</td>
<td>China</td>
<td>Leased</td>
<td>Latex</td>
<td>Latex Binders</td>
</tr>
<tr>
<td>Terneuzen</td>
<td>The Netherlands</td>
<td>Leased</td>
<td>Performance plastics</td>
<td>Performance Plastics</td>
</tr>
<tr>
<td>Tsing Yi+</td>
<td>Hong Kong</td>
<td>Leased</td>
<td>Polystyrene</td>
<td>Basic Plastics</td>
</tr>
<tr>
<td><strong>Joint Ventures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Americas Styrenics</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allyn’s Point</td>
<td>USA (CT)</td>
<td>Leased</td>
<td>Polystyrene</td>
<td>Americas Styrenics</td>
</tr>
<tr>
<td>Cartegena</td>
<td>Colombia</td>
<td>Owned</td>
<td>Polystyrene</td>
<td>Americas Styrenics</td>
</tr>
<tr>
<td>Hanging Rock</td>
<td>USA (OH)</td>
<td>Leased</td>
<td>Polystyrene</td>
<td>Americas Styrenics</td>
</tr>
<tr>
<td>Joliet</td>
<td>USA (IL)</td>
<td>Owned</td>
<td>Polystyrene</td>
<td>Americas Styrenics</td>
</tr>
<tr>
<td>Marietta</td>
<td>USA (OH)</td>
<td>Owned</td>
<td>Polystyrene</td>
<td>Americas Styrenics</td>
</tr>
<tr>
<td>St. James</td>
<td>USA (LA)</td>
<td>Owned</td>
<td>Styrene monomer</td>
<td>Americas Styrenics</td>
</tr>
<tr>
<td>Torrance</td>
<td>USA (CA)</td>
<td>Leased</td>
<td>Polystyrene</td>
<td>Americas Styrenics</td>
</tr>
<tr>
<td>Sumika Styron Polycarbonate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nihama</td>
<td>Japan</td>
<td>Owned</td>
<td>Polycarbonate</td>
<td>Basic Plastics</td>
</tr>
</tbody>
</table>

* Facility co-located with Dow facilities under ground lease agreements. Plant facilities are owned by us.
+ Facility located on property owned by the applicable government.
++ Facility located on property under certification with right to build.

We believe that our properties and equipment are generally in good operating condition and are adequate for our present needs. Production capacity at our sites can vary depending upon product mix and operating conditions.
Our global production facilities are certified to ISO 9001 standards. Our manufacturing facilities have established reliability and maintenance programs and leverage production between sites to maximize efficiency.

Our plants have similar layouts, technology and manufacturing processes, depending upon the product being manufactured. We believe this global uniformity creates a key competitive advantage for us, and helps lower overall operating costs.

### Item 3. Legal Proceedings

From time to time we may be subject to various legal claims and proceedings incidental to the normal conduct of business, relating to such matters as product liability, antitrust, competition, waste disposal practices, release of chemicals into the environment and other matters that may arise in the ordinary course of our business. We currently believe that there is no litigation pending that is likely to have a material adverse effect on our business. Regardless of the outcome, legal proceedings can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

### Item 4. Mine Safety Disclosures

Not applicable.

### PART II

**Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities**

The principal market on which our ordinary shares is traded is the New York Stock Exchange, under the ticker symbol “TSE”. As of February 24, 2017, there were two record holders of our ordinary shares and 48,777,934 ordinary shares issued and 43,958,209 ordinary shares outstanding. By including persons holding shares in broker accounts under street names, however, we estimate that we have approximately 19,450 beneficial holders.

The table below sets forth the market prices and cash distributions declared for each quarter of 2016 and 2015.

<table>
<thead>
<tr>
<th>Price Range</th>
<th>Repayments of Equity or Dividends Declared per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>2016</td>
<td></td>
</tr>
<tr>
<td>Quarter ended March 31, 2016</td>
<td>$39.23</td>
</tr>
<tr>
<td>Quarter ended June 30, 2016</td>
<td>$49.72</td>
</tr>
<tr>
<td>Quarter ended September 30, 2016</td>
<td>$60.02</td>
</tr>
<tr>
<td>Quarter ended December 31, 2016</td>
<td>$62.30</td>
</tr>
<tr>
<td>2015</td>
<td></td>
</tr>
<tr>
<td>Quarter ended March 31, 2015</td>
<td>$20.76</td>
</tr>
<tr>
<td>Quarter ended June 30, 2015</td>
<td>$30.44</td>
</tr>
<tr>
<td>Quarter ended September 30, 2015</td>
<td>$33.69</td>
</tr>
<tr>
<td>Quarter ended December 31, 2015</td>
<td>$32.96</td>
</tr>
</tbody>
</table>

Any future determination to pay dividends or make other cash distributions to our shareholders will be at the discretion of our board of directors, subject to compliance with covenants in current and future agreements governing our indebtedness and applicable Luxembourg law, and will depend upon our results of operations, financial condition, capital requirements and other factors that our board of directors deems relevant. Further discussion of these restrictions is included in Item 7—Management’s Discussion and Analysis of Financial Conditions and Results of Operations.
Performance Graph

The following performance graph reflects the comparative changes in the value from June 12, 2014, the first trading day of our ordinary shares on the NYSE, through December 31, 2016, assuming an initial investment of $100 and the reinvestment of dividends or other cash distributions, if any, in (1) our ordinary shares, (2) the S&P 500 Index, and (3) the S&P Small Cap 600 Chemicals Index. The share price performance shown in the graph is not necessarily indicative of future price performance.

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Purchases of equity securities by the Company and affiliated purchasers

<table>
<thead>
<tr>
<th>Period</th>
<th>Total number of shares purchased as part of publicly announced plans or programs</th>
<th>Approximate number of shares that may yet be purchased under the plans or programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1 - October 31, 2016</td>
<td>$100.00</td>
<td>100.00</td>
</tr>
<tr>
<td>November 1 - November 30, 2016</td>
<td>$50.00</td>
<td>50.00</td>
</tr>
<tr>
<td>December 1 - December 31, 2016</td>
<td>$75.00</td>
<td>75.00</td>
</tr>
<tr>
<td>Total</td>
<td>$300.00</td>
<td>300.00</td>
</tr>
</tbody>
</table>

(1) The general meeting of our shareholders on June 21, 2016 authorized the Company to repurchase up to 4.5 million ordinary shares at a price per share of not less $1.00 and not more than $1,000. This authorization ends on June 21, 2018 or on the date of its renewal by a subsequent general meeting of shareholders. On November 1, 2016 the Company announced that the board of directors had authorized the Company to repurchase, subject to market and other conditions, the remaining shares left under the 2016 share repurchase authorization.
**Luxembourg Tax Considerations**

**Tax Regime Applicable to Capital Gains Realized Upon Disposal of Shares**

The following is a summary discussion of the material Luxembourg tax considerations of the acquisition, ownership and disposition of your ordinary shares that may be applicable to you. It is not intended to be, nor should it be construed to be, legal or tax advice. This discussion is based on Luxembourg laws and regulations as they stand on the date of this report and is subject to any change in law or regulations or changes in interpretation or application thereof (and which may possibly have a retroactive effect). Investors should therefore consult their own professional advisers as to the effects of state, local or foreign laws and regulations, including Luxembourg tax law and regulations, to which they may be subject. As used herein, a “Luxembourg individual” means an individual resident in Luxembourg who is subject to personal income tax (impôt sur le revenu) on his or her worldwide income from Luxembourg or foreign sources, and a “Luxembourg corporate holder” means a company (that is, a fully taxable collectivité within the meaning of Article 159 of the Luxembourg Income Tax Law) resident in Luxembourg subject to corporate income tax (impôt sur le revenu des collectivités) on its worldwide income from Luxembourg or foreign sources. For purposes of this discussion, Luxembourg individuals and Luxembourg corporate holders of our ordinary shares are collectively referred to as “Luxembourg Holders.” A “non-Luxembourg Holder” means any investor in our ordinary shares other than a Luxembourg Holder.

**Luxembourg individual holders.** For Luxembourg individuals holding (together, directly or indirectly, with his or her spouse or civil partner or minor children) 10% or less of the share capital of Trinseo, capital gains will only be taxable if they are realized on a sale of shares, which takes place before their acquisition or within the first six months following their acquisition. The capital gain or liquidation proceeds will be taxed at progressive income tax rates.

For Luxembourg individuals holding (together with his/her spouse or civil partner and minor children) more than 10% of the capital of Trinseo, capital gains will be taxable at a special rate, if the disposal or liquidation takes place:

- within six months from the acquisition, the capital gain or liquidation proceeds will be taxed at progressive income tax rates (ranging from 0 to 42.0% for 2017).
- after six months from the acquisition, the capital gain or the liquidation proceeds will be taxed at a reduced tax rate corresponding to half of the investor’s global tax rate and EUR 50,000 (doubled for taxpayers filing jointly) of gains realized over a ten-year period are exempt from taxation.

**Luxembourg corporate holders.** Capital gains realized upon the disposal of shares by a Luxembourg corporate holder will in principle be subject to corporate income tax and municipal business tax. The combined applicable rate (including an unemployment fund contribution) will be 27.08% for the fiscal year ending 2017 for a Luxembourg corporate holder established in Luxembourg-City. An exemption from such taxes may be available to the Luxembourg corporate holder pursuant to Article 166 of the Luxembourg Income Tax law subject to the fulfillment of the conditions set forth therein. The scope of the capital gains exemption may be limited in the cases provided by the Grand Ducal Decree of December 21, 2001.

**Non-Luxembourg Holders**

An individual non-Luxembourg Holder of shares will only be subject to Luxembourg taxation on capital gains arising upon disposal of such shares if such holder has (together with his or her spouse or civil partner and underage children) directly or indirectly held more than 10% of the capital of Trinseo, at any time during the five years preceding the disposal, and either (i) such holder has been a resident of Luxembourg for tax purposes for at least 15 years and has become a non-resident within the five years preceding the realization of the gain, subject to any applicable tax treaty, or (ii) the disposal of shares occurs within six months from their acquisition (or prior to their actual acquisition), subject to any applicable tax treaty. If we and a U.S. relevant holder are eligible for the benefits of the Convention Between the Government of the Grand Duchy of Luxembourg and the Government of the United States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital (the “Luxembourg-U.S. Treaty”), such U.S. relevant holder generally should not be subject to Luxembourg tax on the gain from the disposal of such shares unless such gain is attributable to a permanent establishment of such U.S. relevant holder in Luxembourg.

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Subject to any restrictions imposed by the substantially and regularly traded clause in the limitation on benefits article of the Luxembourg-U.S. treaty, we expect to be eligible for the benefits of the Luxembourg-U.S. Treaty.

A corporate non-Luxembourg Holder (that is, a collectivité within the meaning of Article 159 of the Luxembourg Income Tax Law), which has a permanent establishment, a permanent representative or fixed place of business in Luxembourg to which shares would be attributable, will bear corporate income tax and municipal business tax on a gain realized on a disposal of such shares as set forth above for a Luxembourg corporate holder. However, gains realized on the sale of the shares may benefit from the full exemption provided for by Article 166 of the Luxembourg Income Tax Law and by the Grand Ducal Decree of December 21, 2001 subject in each case to fulfillment of the conditions set out therein.

A corporate non-Luxembourg Holder, which has a permanent establishment, permanent representative or fixed place of business in Luxembourg to which the shares would be attributable will not be subject to any Luxembourg tax on a gain realized on a disposal of such shares unless such holder holds, directly or through tax transparent entities, more than 10% of the share capital of Trinseo, and the disposal of shares occurs within six months from their acquisition (or prior to their actual acquisition), subject to any applicable tax treaty. If we and a U.S. corporate holder without a permanent establishment in Luxembourg are eligible for the benefits of the Luxembourg-U.S. Treaty, such U.S. corporate holder generally should not be subject to Luxembourg tax on the gain from the disposal of such shares.

**Tax Regime Applicable to Distributions**

**Withholding Tax.** Dividend distributions by Trinseo are subject to a withholding tax of 15%. Distributions by the Company sourced from a reduction of capital as defined in Article 97 (3) of the Luxembourg Income Tax Law including, among others, share premium should not be subject to withholding tax provided that such reduction of capital is motivated by serious business reasons as meant in said provision. We or the applicable paying agent will withhold on a distribution if required by applicable law.

Where a withholding needs to be applied, the rate of the withholding tax may be reduced pursuant to the double tax treaty existing between Luxembourg and the country of residence of the relevant holder, subject to the fulfillment of the conditions set forth therein. If we and a U.S. relevant holder are eligible for the benefits of the Luxembourg-U.S. Treaty, the rate of withholding on distributions generally is 15% or 5% if the U.S. relevant holder is a beneficial owner that owns at least 10% of our voting stock.

No withholding tax applies if the distribution is made to (i) a Luxembourg resident corporate holder (that is, a fully taxable collectivité within the meaning of Article 159 of the Luxembourg Income Tax Law), (ii) a corporation which is resident of a Member State of the European Union and is referred to by article 2 of the Council Directive of July 23, 1990 concerning the common fiscal regime applicable to parent and subsidiary companies of different member states (90/435/EEC), (iii) a corporation or a cooperative resident in Norway, Iceland or Liechtenstein and subject to a tax comparable to corporate income tax as provided by Luxembourg Income Tax Law, (iv) a corporation resident in Switzerland which is subject to corporate income tax in Switzerland without benefiting from an exemption, (v) a corporation subject to a tax comparable to corporate income tax as provided by Luxembourg Income Tax Law which is resident in a country that has concluded a tax treaty with Luxembourg and (vi) a Luxembourg permanent establishment of one of the above-mentioned categories, provided each time that at the date of payment, the holder has held or commits itself to continue to hold directly or through a tax transparent vehicle, during an uninterrupted period of at least twelve months, shares representing at least 10% of the share capital of Trinseo or which had an acquisition price of at least EUR 1,200,000.

**Equity Repayment.** The repayment of equity, by the Company is not treated as a dividend distribution under Luxembourg law, and therefore is not subject to any withholding tax, provided: (i) the Company has no statutory reserves or profits at the Company level, and (ii) the capital decrease is motivated by sound business reasons. The Company did not have any statutory profits or reserves as of December 31, 2015. In case the Company does not have sound business reasons to provide a repayment of equity, the entire amount repaid will be subject to a 15% withholding tax, unless the conditions for an exemption or a reduction from the withholding tax on dividends set forth above are met.

**Luxembourg Holders**

Dividend and liquidation proceeds are in principle taxable at the general income tax rates indicated above. A partial dividend exemption may be available to Luxembourg Holders pursuant to Article 115.15a of the Luxembourg
Income Tax law or a full dividend exemption may be available to a Luxembourg corporate holder pursuant to Article 166 of the Luxembourg Income Tax law, subject to the fulfillment of the conditions set forth therein.

**Non-Luxembourg Holders**

Non-Luxembourg holders of the shares who have neither a permanent establishment, permanent representative nor a fixed place of business in Luxembourg to which the shares would be attributable are not liable for any Luxembourg tax on dividends paid on the shares, other than a potential withholding tax as described above.

**Net Wealth Tax**

**Luxembourg Holders**

Luxembourg net wealth tax will not be levied on a Luxembourg Holder with respect to the shares held unless the Luxembourg Holder is an entity subject to net wealth tax in Luxembourg.

Net wealth tax is levied annually at the rate of 0.5% on the net wealth of enterprises resident in Luxembourg, as determined for net wealth tax purposes. The shares may be exempt from net wealth tax subject to the conditions set forth by Article 60 of the Law of October 16, 1934 on the valuation of assets (Bewertungsgesetz), as amended.

**Non-Luxembourg Holders**

Luxembourg net wealth tax will not be levied on a non-Luxembourg Holder with respect to the shares held unless the shares are attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg.

**Stamp and Registration Taxes**

No registration tax or stamp duty will be payable by a holder of shares in Luxembourg solely upon the disposal of shares or by sale or exchange.

**Item 6. Selected Financial Data**

The following table sets forth our selected historical financial and operating data and other information. The historical results of operations data for the years ended December 31, 2016, 2015, and 2014, and the historical balance sheet data as of December 31, 2016 and 2015 presented below were derived from our audited consolidated financial statements and the related notes thereto included elsewhere within this Annual Report. The historical results of operations data for the years ended December 31, 2013 and 2012 and the historical balance sheet data as of December 31, 2014, 2013, and 2012 were derived from our audited financial statements and the related notes thereto not included within this Annual Report. Our historical results are not necessarily indicative of the results to be expected for any future periods.

You should read the information contained in this table in conjunction with Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations and the audited financial statements and the related notes thereto included elsewhere in this Annual Report.

Definitions of capitalized terms not defined herein appear in the notes to our consolidated financial statements.
(in millions, except per share data)  

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (1)</td>
<td>$3,716.6</td>
<td>$3,971.9</td>
<td>$5,128.0</td>
<td>$5,307.4</td>
<td>$5,451.9</td>
</tr>
<tr>
<td>Cost of sales (1)</td>
<td>3,129.0</td>
<td>3,502.8</td>
<td>4,830.6</td>
<td>4,949.4</td>
<td>5,115.2</td>
</tr>
<tr>
<td>Gross profit</td>
<td>587.6</td>
<td>469.1</td>
<td>297.4</td>
<td>358.0</td>
<td>336.7</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>241.5</td>
<td>208.0</td>
<td>232.6</td>
<td>216.9</td>
<td>182.0</td>
</tr>
<tr>
<td>Equity in earnings of unconsolidated affiliates</td>
<td>144.7</td>
<td>140.2</td>
<td>47.7</td>
<td>39.1</td>
<td>27.1</td>
</tr>
<tr>
<td>Operating income</td>
<td>490.8</td>
<td>401.3</td>
<td>112.5</td>
<td>180.2</td>
<td>181.8</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>75.0</td>
<td>93.2</td>
<td>124.9</td>
<td>132.0</td>
<td>110.0</td>
</tr>
<tr>
<td>Loss on extinguishment of long-term debt (2)</td>
<td>—</td>
<td>95.2</td>
<td>7.4</td>
<td>20.7</td>
<td>—</td>
</tr>
<tr>
<td>Other expense (income), net</td>
<td>10.5</td>
<td>9.1</td>
<td>27.8</td>
<td>27.9</td>
<td>24.0</td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>405.3</td>
<td>203.8</td>
<td>(47.6)</td>
<td>(0.4)</td>
<td>47.8</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>87.0</td>
<td>70.2</td>
<td>19.7</td>
<td>21.8</td>
<td>17.5</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$318.3</td>
<td>$133.6</td>
<td>$(67.3)</td>
<td>$(22.2)</td>
<td>$30.3</td>
</tr>
<tr>
<td>Weighted average shares— basic</td>
<td>46.5</td>
<td>48.8</td>
<td>43.5</td>
<td>37.3</td>
<td>16.1</td>
</tr>
<tr>
<td>Net income (loss) per share— basic</td>
<td>$6.84</td>
<td>$2.74</td>
<td>$(1.55)</td>
<td>$(0.60)</td>
<td>$1.88</td>
</tr>
<tr>
<td>Weighted average shares— diluted</td>
<td>47.5</td>
<td>49.0</td>
<td>43.5</td>
<td>37.3</td>
<td>16.1</td>
</tr>
<tr>
<td>Net income (loss) per share— diluted</td>
<td>$6.70</td>
<td>$2.73</td>
<td>$(1.55)</td>
<td>$(0.60)</td>
<td>$1.88</td>
</tr>
<tr>
<td>Repayments of equity per share</td>
<td>$0.90</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

(2) For the year ended December 31, 2015, the loss on extinguishment of debt of $95.2 million related to the Company’s debt refinancing in May 2015, and was comprised of both a call premium and the write-off of unamortized deferred financing fees. For the year ended December 31, 2014, the loss on extinguishment of debt related to the July 2014 redemption of $132.5 million in aggregate principal amount of the 2019 Senior Notes, using a portion of the proceeds from our initial public offering. For the year ended December 31, 2013, the loss on extinguishment of debt related to the January 2013 amendment of our 2018 Senior Secured Credit Facility and the repayment of $1,239.0 million of outstanding term loans.

(3) Represents capital expenditures, net of government subsidies received for SSBR expansion of $2.2 million, $18.8 million and $6.1 million for the years ended December 31, 2015, 2013 and 2012, respectively. No government subsidies were received in the years ended December 31, 2016 and 2014. During the year ended December 31, 2016, the Company completed the upgrade of its legacy enterprise resource planning (“ERP”) environment to the latest version of SAP, resulting in capitalized software of $57.4 million. The majority of the capital spending for this project occurred in 2016. For the year ended December 31, 2014, capital expenditures included approximately $26.1 millon.
million for the reacquisition of production capacity rights at the Company’s rubber production facility in Schkopau, Germany.

(4) Working capital is defined as current assets minus current liabilities.

(5) In April 2015, the Financial Accounting Standards Board (“FASB”) issued guidance that requires deferred financing fees related to a recognized debt liability be presented on the consolidated balance sheets as a direct reduction of the carrying value of that debt liability, consistent with debt discounts. The recognition and measurement guidance for deferred financing fees are not affected. The Company adopted this guidance effective January 1, 2016. Balances as of December 31, 2015 presented herein have been retrospectively adjusted to reflect this adoption, with resulting impacts to the captions “Total assets” and “Total liabilities”. Balances presented for all periods within the “Debt” caption above reflect gross debt balances outstanding at each period end, and do not reflect a reduction for the reclassification of unamortized deferred financing fees noted above.
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion summarizes the significant factors affecting the operating results, financial condition, liquidity and cash flows of our Company as of and for the periods presented below. The following discussion and analysis should be read in conjunction with Item 6 — “Selected Financial Data” and the audited consolidated financial statements and the accompanying notes thereto, included elsewhere within this Annual Report. The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and all other non-historical statements in this discussion are forward-looking statements and are based on the beliefs of our management, as well as assumptions made by, and information currently available to, our management. Actual results could differ materially from those discussed in or implied by forward-looking statements as a result of various factors, including those discussed below and elsewhere within this Annual Report, particularly in Item 1A—“Risk Factors.” Definitions of capitalized terms not defined herein appear in the notes to our consolidated financial statements.

2016 Highlights

We had strong performance in fiscal year 2016, with record net income of $318.3 million and Adjusted EBITDA of $610.9 million. This included continued steady improvement within our Performance Materials division, as well as record results from our Basic Plastics & Feedstocks division. We continued to focus efforts on investing in growth areas, reducing costs through streamlining of our portfolio and asset footprint, generating cash, and improving our net leverage and reducing interest expense. Refer to “Non-GAAP Performance Measures” below for further discussion of our use of non-GAAP measures in evaluating our performance. Other highlights of 2016 are described below.

New Segmentation

Effective October 1, 2016, the Company realigned its reporting segments to reflect the new model under which the business will be managed and results will be reviewed by the chief executive officer, who is the Company’s chief operating decision maker. This change in segments is being made to provide increased clarity and understanding around the drivers of profitability and cash flow of the Company. The previous Basic Plastics & Feedstocks segment was split into three new segments: Basic Plastics, which includes polystyrene, copolymers, and polycarbonate; Feedstocks, which represents the Company’s styrene monomer business; and Americas Styrenics, which reflects the equity earnings from its 50%-owned styrenics joint venture. In addition, certain highly differentiated ABS supplied into Performance Plastics markets, which was previously included in the results of Basic Plastics & Feedstocks, is now included in Performance Plastics. Finally, the Latex segment was renamed to Latex Binders.

Secondary Offerings

During the year ended December 31, 2016, Bain Capital Everest Manager Holding SCA (the “former Parent”) sold a combined 37,269,567 ordinary shares by means of several secondary offerings pursuant to the Company’s shelf registration statement filed with the SEC. As a result, as of December 31, 2016, the former Parent no longer holds any ownership interest in the Company. Concurrently with the completion of the first of these offerings in March 2016, the Company repurchased 1,600,000 of the ordinary shares that were sold by the former Parent, resulting in an aggregate purchase price of $57.0 million.

Additional Share Repurchases and Repayments of Equity

During the year ended December 31, 2016, under existing authority from the Company’s board of directors, the Company purchased 2,864,870 ordinary shares from its shareholders through a combination of open market transactions for an aggregate purchase price of $156.7 million (with $3.4 million of additional repurchases not yet settled accrued on the consolidated balance sheet as of December 31, 2016). Additionally, beginning in June 2016, the Company’s board of directors began declaring quarterly repayments of equity of $0.30 per ordinary share to its shareholders. During the year ended December 31, 2016, the declarations for repayments of equity had an aggregate value of $40.6 million.

Livorno Plant Restructuring

In August 2016, the Company announced its plan to cease manufacturing activities at its latex binders manufacturing facility in Livorno, Italy. This is a result of declining demand for graphical paper and is expected to
provide improved asset utilization, as well as cost reductions within the Company’s European latex binders business. Production at the facility ceased in October 2016, with decommissioning activities beginning in 2016 and expected to occur throughout 2017. Total charges of $20.0 million were incurred during the year ended December 31, 2016 related to this restructuring.

**Divestiture of Brazil Businesses**

During the second quarter of 2016, the Company signed a definitive agreement to sell its primary operating entity in Brazil, which includes both a latex binders and automotive business. The sale closed on October 1, 2016. As a result, during the year ended December 31, 2016, the Company recorded an impairment charge for the estimated loss on sale of approximately $15.1 million as well as $0.7 million of restructuring charges. Refer to Notes 3 and 20 in the consolidated financial statements for further information. We do not expect this divestiture to have a material impact on the Company’s ongoing financial position or results of operations.

**Appointment of Chief Financial Officer**

In May 2016, the Company announced the appointment of Barry Niziolek as Executive Vice President and Chief Financial Officer of Trinseo, effective June 13, 2016.

**Factors Affecting Our Operating Results**

The following discussion sets forth certain components of our statements of operations as well as factors that impact those items.

**Net sales**

We generate revenue from the sale of our products across all major geographic areas. Our net sales include total sales less estimates for returns and price allowances. Price allowances include discounts for prompt payment as well as volume-based incentives.

Our overall net sales are generally impacted by the following factors:

- fluctuations in overall economic activity within the geographic markets in which we operate;
- fluctuations in raw material input costs, noting that the selling prices of our products are generally derived, in part, from the current or forecasted costs of our key raw materials, based on either spot pricing or a predetermined lag period, which are then passed through to our customers;
- underlying growth in one or more of our core end markets, either worldwide or in particular geographies in which we operate;
- changes in the level of competition faced by our products, including the substitution by customers of alternative products to ours and the launch of new products by competitors;
- the type of products used within existing customer applications, or the development of new applications requiring products similar to ours;
- the “mix” of products sold, including the proportion of new or improved products and their pricing relative to existing products;
- changes in product sales prices (including volume discounts and cash discounts for prompt payment);
- our ability to successfully develop and launch new products and applications; and
- fluctuations in foreign exchange rates.

While the factors described above impact net sales in each of our segments, the impact of these factors can differ for each segment, as described below. For more information about risks relating to our business refer to Item 1A—Risk Factors.
Cost of sales

Our cost of sales consists principally of the following:

- **Production Materials Costs.** The costs of the materials we use in production are the largest element of our overall cost of sales. We seek to use our substantial volumes and global geographic scope to obtain the most favorable terms we can, but our production material costs are affected by global and local market conditions.

- **Employee Costs.** These employee costs include the salary costs and benefit charges for employees involved in our manufacturing operations. These costs generally increase on an aggregate basis as production volumes increase, but may decline as a percent of net sales as a result of economies of scale associated with higher production volumes.

- **Sustaining Engineering Activity Costs.** These costs relate to modifications of existing products for use by new customers in familiar applications.

- **Depreciation and Amortization Expense.** Property, plant, equipment and definite-lived intangible assets are stated at cost and depreciated on a straight-line basis over their estimated useful lives.

- **Other.** Our remaining cost of sales consists of:
  - customer-related development costs;
  - freight costs;
  - warehousing expenses;
  - purchasing costs; and
  - other general manufacturing expenses, such as expenses for utilities and energy consumption.

The main factors that influence our cost of sales as a percent of net sales include:

- changes in the price of raw materials, and timing of corresponding price changes to our customers, which impact our sales margins;
- production volumes;
- the implementation of cost control measures aimed at improving productivity, reductions of fixed production costs, refinements in inventory management and purchasing cost of raw materials; and
- the impact of FIFO method inventory treatment.

Selling, general and administrative expenses

Our selling, general and administrative (“SG&A”) expenses consist of all expenditures incurred in connection with the sale and marketing of our products, as well as administrative overhead costs, including:

- salary and benefit costs for sales personnel and administrative staff, including stock-based compensation expense. Expenses relating to our sales personnel generally increase or decrease principally with changes in sales volume due to the need to increase or decrease sales personnel to meet changes in demand. Expenses relating to administrative personnel generally do not increase or decrease directly with changes in sales volume;
- other administrative expenses, including expenses related to logistics, information systems and legal and accounting services;
- general advertising expenses;
- research and development expenses; and
- other selling expenses, such as expenses incurred in connection with travel and communications.
Changes in SG&A expense as a percent of net sales have historically been impacted by a number of factors, including:

- changes in sales volume, as higher volumes enable us to spread the fixed portion of our administrative expense over higher sales;
- changes in the mix of products we sell, as some products may require more customer support and sales effort than others;
- changes in our customer base, as new customers may require different levels of sales and marketing attention;
- new product launches in existing and new markets, as these launches typically involve more intense sales activity before they are integrated into customer applications;
- customer credit issues requiring increases to the allowance for doubtful accounts; and
- the implementation of cost control measures, including costs incurred in conjunction with restructuring activities, aimed at improving productivity and overall profitability (refer to Note 20 in the consolidated financial statements for details of restructuring activities in the periods presented herein).

**Interest expense, net**

Interest expense, net consists primarily of interest expense on institutional borrowings and other financing obligations. Interest expense, net also includes the amortization of deferred financing fees and debt discount associated with our financing agreements offset by interest income primarily associated with cash-on-hand. Factors affecting interest expense include fluctuations in the market interest rate, our borrowing activities and our outstanding debt balances.

**Provision for income taxes**

We and our subsidiaries are subject to income tax in the various jurisdictions in which we operate. While the extent of our future tax liability is uncertain, changes to the debt and equity capitalization of our subsidiaries and the realignment of the functions performed and risks assumed by the various subsidiaries are among the factors that will determine the future book and taxable income of the respective subsidiary and the Company as a whole.
## Results of Operations

**Results of Operations for the Years Ended December 31, 2016, 2015 and 2014**

The table below sets forth our historical results of operations, and these results as a percentage of net sales for the periods indicated:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>2016</th>
<th>Percentage</th>
<th>2015</th>
<th>Percentage</th>
<th>2014</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>$3,716.6</td>
<td>100.0 %</td>
<td>$3,971.9</td>
<td>100.0 %</td>
<td>$5,128.0</td>
<td>100.0 %</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>3,129.0</td>
<td>84.2 %</td>
<td>3,502.8</td>
<td>88.2 %</td>
<td>4,830.6</td>
<td>94.2 %</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>587.6</td>
<td>15.8 %</td>
<td>469.1</td>
<td>11.8 %</td>
<td>297.4</td>
<td>5.8 %</td>
</tr>
<tr>
<td><strong>Selling, general and administrative expenses</strong></td>
<td>241.5</td>
<td>6.5 %</td>
<td>208.0</td>
<td>5.2 %</td>
<td>232.6</td>
<td>4.5 %</td>
</tr>
<tr>
<td><strong>Equity in earnings of unconsolidated affiliates</strong></td>
<td>144.7</td>
<td>3.9 %</td>
<td>140.2</td>
<td>3.5 %</td>
<td>47.7</td>
<td>0.9 %</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>490.8</td>
<td>13.2 %</td>
<td>401.3</td>
<td>10.1 %</td>
<td>112.5</td>
<td>2.2 %</td>
</tr>
<tr>
<td><strong>Interest expense, net</strong></td>
<td>75.0</td>
<td>2.0 %</td>
<td>93.2</td>
<td>2.3 %</td>
<td>124.9</td>
<td>2.4 %</td>
</tr>
<tr>
<td><strong>Loss on extinguishment of long-term debt</strong></td>
<td>—</td>
<td>— %</td>
<td>95.2</td>
<td>2.4 %</td>
<td>7.4</td>
<td>0.1 %</td>
</tr>
<tr>
<td><strong>Other expense, net</strong></td>
<td>10.5</td>
<td>0.3 %</td>
<td>9.1</td>
<td>0.2 %</td>
<td>27.8</td>
<td>0.5 %</td>
</tr>
<tr>
<td><strong>Income (loss) before income taxes</strong></td>
<td>405.3</td>
<td>10.9 %</td>
<td>203.8</td>
<td>5.2 %</td>
<td>(47.6)</td>
<td>(0.8) %</td>
</tr>
<tr>
<td><strong>Provision for income taxes</strong></td>
<td>87.0</td>
<td>2.3 %</td>
<td>70.2</td>
<td>1.8 %</td>
<td>19.7</td>
<td>0.4 %</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>$318.3</td>
<td>8.6 %</td>
<td>$133.6</td>
<td>3.4 %</td>
<td>$(67.3)</td>
<td>(1.2) %</td>
</tr>
</tbody>
</table>

### 2016 vs. 2015

**Net Sales**

Of the 6.4% decrease in net sales, 5.0% was due to lower selling prices primarily due to the pass through of lower raw material costs, particularly lower styrene and butadiene costs to customers across our segments. Also driving this reduction in net sales was a decrease of 1.0% due to sales volume, primarily within Performance Plastics and Basic Plastics, and a decrease of 0.4% due to an unfavorable currency impact across our segments, as the euro weakened in comparison to the U.S. dollar on a year-to-date basis.

**Cost of Sales**

Of the 10.7% decrease in cost of sales, 8.6% was attributable to lower prices for raw materials, primarily butadiene and styrene monomer, while an additional 1.0% of the decrease was due to lower sales volume primarily within Performance Plastics and Basic Plastics. Also contributing to the decrease was a 0.6% impact from the reduction in fixed costs due to prior year plant maintenance activities and a 0.4% decrease due to a favorable currency impact across our segments, as the euro weakened in comparison to the U.S. dollar on a year-to-date basis.

**Gross Profit**

The increase in gross profit was primarily attributable to higher margins across our segments, especially in styrene, styrenic polymers, and PC within Feedstocks and Basic Plastics. Partially offsetting this increase was an unfavorable volume impact, primarily within Performance Plastics and Basic Plastics, as well as an unfavorable currency impact as the euro weakened in comparison to the U.S. dollar on a year-to-date basis.

**Selling, General and Administrative Expenses**

The majority of the increase in SG&A expenses was driven by $15.8 million of increased restructuring charges, primarily related to the Company’s decision to cease manufacturing activities at our latex binders facility in Livorno, Italy. In addition, $8.4 million of the increase was related to an increase in stock-based compensation expense, which included $2.9 million of one-time accelerated expense as a result of the complete liquidation of the former Parent’s
ownership interest in the Company through secondary offerings. Refer to Notes 20 and 17, respectively, in the consolidated financial statements for further information. Also driving this change were increased employee benefit costs, costs from additional resources supporting growth initiatives, and certain costs incurred to support secondary offerings of the former Parent (refer to Note 18 in the consolidated financial statements).

Equity in Earnings of Unconsolidated Affiliates

Equity earnings increased slightly in 2016, as equity earnings from Americas Styrenics increased by $0.5 million, from $135.3 million in 2015 to $135.8 million in 2016, and equity earnings from Sumika Styron Polycarbonate increased by $4.0 million, from $4.9 million in 2015 to $8.9 million in 2016. The improvement in results from Sumika Styron Polycarbonate was driven primarily by improved PC market conditions.

On January 31, 2017, the Company completed the sale of its 50% share in Sumika Styron Polycarbonate to Sumitomo Chemical Company Limited. Refer to Note 24 in the consolidated financial statements for further information.

Interest Expense, Net

The decrease in interest expense, net was primarily attributable to the impact of the debt refinancing executed in May 2015, which reduced applicable interest rates. Refer to Note 10 in the consolidated financial statements for further information.

Loss on Extinguishment of Long-Term Debt

Loss on extinguishment of long-term debt was $95.2 million for the year ended December 31, 2015 related to the Company’s debt refinancing in May 2015. This amount was comprised of a $68.6 million call premium paid to retire the Company’s 2019 Senior Notes and a $25.9 million write-off of unamortized deferred financing fees related to these notes, as well as the write-off of $0.7 million of unamortized deferred financing fees related to the termination of the Company’s 2018 Revolving Facility.

Other Expense, net

Other expense, net for the year ended December 31, 2016 was $10.5 million, driven by an impairment charge for the estimated loss on sale of its latex binders and automotive businesses in Brazil of approximately $15.1 million. Refer to Note 3 in the consolidated financial statements for further information. Additionally, net foreign exchange transaction losses for the period were $1.8 million. Included in these net losses of $1.8 million were foreign exchange transaction losses of $5.5 million, primarily driven by the remeasurement of our euro denominated payables due to the relative changes in rates between the U.S. dollar and the euro during the period, offset by $3.7 million in gains from our foreign exchange forward contracts. Partially offsetting these net losses was $6.4 million of other income, which primarily related to the effective settlement of certain value-added tax positions during the period.

Other expense, net for the year ended December 31, 2015 was $9.1 million, which consisted primarily of net foreign exchange transaction losses of approximately $10.4 million. These net foreign exchange transactions losses were comprised of foreign exchange transaction gains of $6.1 million primarily driven by the remeasurement of our euro denominated payables due to the relative changes in rates between the U.S. dollar and the euro during the period, more than offset by losses of $16.5 million recorded during the period related to the Company’s foreign exchange forward contracts. Partially offsetting these net foreign exchange transactions losses was other miscellaneous income of $1.3 million.

Provision for Income Taxes

Provision for income taxes for 2016 totaled $87.0 million resulting in an effective tax rate of 21.5%. Provision for income taxes for 2015 totaled $70.2 million resulting in an effective tax rate of 34.4%. The increase in provision for income taxes was primarily driven by the $201.5 million increase in income before income taxes, from $203.8 million for the year ended December 31, 2015 to $405.3 million for the year ended December 31, 2016.
This increase in the provision for income taxes was partially offset by the impact of a higher proportion of income before taxes in 2016 being attributable to non-U.S. jurisdictions, particularly in Europe, where the statutory income tax rates are lower than the U.S. statutory income tax rate.

Additionally, this increase in the provision for income taxes in 2016 was offset by a net reduction of losses generated within companies which are not anticipated to provide a tax benefit to the Company in the future. These losses are primarily generated within our holding companies incorporated in Luxembourg and our former primary operating company incorporated in Brazil. For the year ended December 31, 2016, these losses totaled approximately $65.1 million and included an impairment charge of $15.1 million for the estimated loss on the sale of Trinseo Brazil. Refer to Note 3 in the consolidated financial statements for further information.

For the year ended December 31, 2015, these losses totaled approximately $84.7 million and included payments made in our Luxembourg entities of $19.0 million related to a portion of the fees associated with the call premium paid to retire the Company’s 2019 Senior Notes and $5.6 million related to the write off of the related unamortized deferred financing fees (see Note 10 in the consolidated financial statements for further discussion). Also included in these losses was non-deductible interest of $28.1 million and stock-based compensation expense.

In addition, for the year ended December 31, 2015, the provision for income taxes was unfavorably impacted by the recognition of a valuation allowance of $7.3 million on the net deferred tax asset of one of its China subsidiaries during the fourth quarter, as this entity was in a three year cumulative loss position as of December 31, 2015.

2015 vs. 2014

Net Sales

Of the 22.5% decrease in net sales, 17.3% was due to lower selling prices primarily due to the pass through of lower butadiene costs to our customers in Latex Binders and Synthetic Rubber and lower styrene monomer costs to our customers in Latex Binders, Feedstocks, and Basic Plastics. In addition, 7.6% of the decrease was related to an unfavorable currency impact across our segments, as the euro weakened in comparison to the U.S. dollar on a year-to-date basis. Partially offsetting these decreases was a 2.4% increase due to higher sales volumes in Feedstocks, Latex Binders, Synthetic Rubber, and Performance Plastics.

Cost of Sales

Of the 27.5% decrease in cost of sales, 22.5% was attributable to lower prices for raw materials, primarily butadiene and styrene monomer, while an additional 7.1% of the decrease was due to a favorable currency impact across our segments, as the euro weakened in comparison to the U.S. dollar on a year-to-date basis. Partially offsetting these decreases was a 2.1% increase due to higher sales volumes in Feedstocks, Latex Binders, Synthetic Rubber, and Performance Plastics.

Gross Profit

The increase in gross profit was primarily attributable to higher styrene monomer and styrenic polymer margins as well as higher polycarbonate margins due to improved market dynamics in addition to our polycarbonate restructuring efforts. These impacts were partially offset by an unfavorable currency impact, as the euro weakened in comparison to the U.S. dollar on a year-to-date basis.

Selling, General and Administrative Expenses

The decrease in SG&A expenses was primarily related to $23.3 million in termination fees incurred in the second quarter of 2014 related to the advisory agreement with Bain Capital (the “Advisory Agreement”) which we terminated upon consummation of the initial public offering (the “IPO”) in June 2014. In addition, the Company incurred lower restructuring charges during the year ended December 31, 2015 of $8.2 million, compared to charges of $14.1 million during the year ended December 31, 2014. Refer to Note 20 in the consolidated financial statements for further information. These decreases were partially offset by increased costs related to other employee benefit costs.
Equity in Earnings of Unconsolidated Affiliates

The increase in equity earnings was primarily attributable to the equity earnings from Americas Styrenics, which increased to $135.3 million in 2015 from $50.3 million in 2014, due to stronger operating performance driven by higher styrene and polystyrene margins as well as higher volumes of styrene monomer sold. Sumika Styron Polycarbonate noted equity earnings of $4.9 million for 2015 compared to equity losses of $2.5 million in 2014.

Interest Expense, Net

The decrease in interest expense, net was primarily attributable to the debt refinancing in May 2015. Refer to Note 10 in the consolidated financial statements for further information.

Loss on Extinguishment of Long-Term Debt

Loss on extinguishment of long-term debt was $95.2 million for the year ended December 31, 2015, related to the debt refinancing in May 2015. This amount was comprised of a $68.6 million call premium paid to retire the Company’s 2019 Senior Notes and a $25.9 million write-off of unamortized deferred financing fees related to these notes, as well as the write-off of $0.7 million of unamortized deferred financing fees related to the termination of the Company’s 2018 Revolving Facility.

Loss on extinguishment of long-term debt was $7.4 million for the year ended December 31, 2014, related to the redemption of $132.5 million in aggregate principal amount of the 2019 Senior Notes in July 2014, using proceeds from the Company’s IPO. This loss was comprised of a $4.0 million call premium and a $3.4 million write-off of related unamortized deferred financing fees.

Other Expense, net

Other expense, net for the year ended December 31, 2015 was $9.1 million, which consisted primarily of net foreign exchange transaction losses of approximately $10.4 million. These net foreign exchange transactions losses were comprised of foreign exchange transaction gains of $6.1 million primarily driven by the remeasurement of our euro denominated payables due to the strengthening of the U.S. dollar against the euro during the period, more than offset by losses of $16.5 million recorded during the period related to the Company’s foreign exchange forward contracts. Partially offsetting these net foreign exchange transactions losses was other miscellaneous income of $1.3 million.

Other expense, net for the year ended December 31, 2014 was $27.8 million, which included a $32.5 million payment made to Dow in connection with the termination of an option agreement between certain of the Company’s affiliates and Dow pursuant to which Dow was granted an option to purchase 50% of the issued and outstanding interests in a joint venture to be formed by Dow and the Company’s affiliates with respect to the SB Latex business (“Latex JV Option Agreement”) in May of 2014. Refer to Note 18 in the consolidated financial statements for further information. This was slightly offset by net foreign exchange transaction gains of $4.2 million and other income. These net foreign exchange transaction gains were comprised of foreign exchange transaction gains of $32.4 million primarily driven by the remeasurement of our euro denominated payables due to the strengthening of the U.S. dollar against the euro during the period. Separately, beginning in the third quarter of 2014, the Company entered into foreign exchange forward contracts and recorded related losses of approximately $28.2 million, largely offsetting the above described gains.

Provision for Income Taxes

Provision for income taxes for 2015 totaled $70.2 million resulting in an effective tax rate of 34.4%. Provision for income taxes for 2014 totaled $19.7 million resulting in a negative effective tax rate of 41.4%. The increase in provision for income taxes was primarily driven by the $251.5 million increase in income before income taxes, from a loss of $47.6 million for the year ended December 31, 2014 to $203.9 million of income for the year ended December 31, 2015.

These increases in the provision for income taxes in 2015 were offset by a reduction of losses generated within our holding companies incorporated in Luxembourg, which are not anticipated to provide a tax benefit to the Company in the future. For the year ended December 31, 2015, these losses totaled approximately $84.7 million. Included in these losses were payments made during the year ended December 31, 2015 of $19.0 million related to a portion of the fees associated with the call premium paid to retire the Company’s 2019 Senior Notes and $5.6 million related to the write-off of the related unamortized deferred financing fees (refer to Note 10 in the consolidated financial statements). Also
included in these losses was non-deductible interest expense of $28.1 million and stock-based compensation expense. Additionally, the overall increase in the provision for income taxes during the year was offset by the impact of a higher proportion of income in 2015 being attributable to non-U.S. jurisdictions, particularly in Europe, where the statutory income tax rates are lower than the U.S. statutory income tax rate.

For the year ended December 31, 2014, losses primarily within our holding companies incorporated in Luxembourg, which were not anticipated to provide a tax benefit to the Company in the future, were approximately $134.1 million. Included in these losses were payments made during the year ended December 31, 2014 of $32.5 million related to an agreement with Dow to terminate the Latex JV Option Agreement and a portion of the fees related to the termination of the Advisory Agreement with Bain Capital of approximately $18.6 million (refer to Note 18 in the consolidated financial statements). Also included in these losses was non-deductible interest of $38.6 million and stock-based compensation expense.

In addition to the above, there were certain other one-time items impacting the provision for income taxes for the years ended December 31, 2015 and 2014, respectively.

For the year ended December 31, 2015, the provision for income taxes was also unfavorably impacted by the recognition of a valuation allowance of $7.3 million on the net deferred tax asset of one of its China subsidiaries during the fourth quarter, as this entity was in a three year cumulative loss position as of December 31, 2015. While the Company intends to realize the net operating loss carryforward before expiration due to forecasted profitability in this subsidiary in future years, it was unable to overcome the negative evidence of recent cumulative operating losses. Therefore, the Company could not assert it would more likely than not be able to realize its deferred tax asset as of December 31, 2015. If in the future, this subsidiary generates sufficient profitability such that the evaluation of recoverability of the deferred tax asset changes, the valuation allowance could be reversed.

For the year ended December 31, 2014, a tax benefit was recognized, as the Company effectively settled its 2010 and 2011 audits with the IRS and received a refund of $3.2 million in July 2014. As a result, the Company recorded a previously unrecognized tax benefit in the amount of $2.7 million, including penalties and interest, relating to its 2011 tax return filing. No similar benefits were recorded for the year ended December 31, 2015.

Selected Segment Information

Effective October 1, 2016, the Company realigned its reporting segments to reflect the new model under which the business will be managed and results will be reviewed by the chief executive officer, who is the Company’s chief operating decision maker. The Company’s reportable segments are as follows: Latex Binders, Synthetic Rubber, Performance Plastics, Basic Plastics, Feedstocks, and Americas Styrenics. In conjunction with the segment realignment, the Company also changed its primary measure of segment operating performance to Adjusted EBITDA. Refer to Item 1—Business for a description of our segments, including a detailed overview, products and end uses, and competition and customers.

The following sections describe net sales, Adjusted EBITDA, and Adjusted EBITDA margin by segment for the years ended December 31, 2016, 2015, and 2014, which have been recast to reflect the above changes. Inter-segment sales have been eliminated. Refer to Note 19 in the consolidated financial statements for further information regarding the segment realignment and change in segment operating performance measure, as well as for a detailed definition of Adjusted EBITDA and a reconciliation of income (loss) before income taxes to segment Adjusted EBITDA.

Latex Binders Segment

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$ 925.3</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$ 94.3</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>10.2%</td>
</tr>
</tbody>
</table>
2016 vs. 2015

Of the 4.2% decrease in net sales, 4.1% was due to lower selling prices, primarily due to the pass through of lower butadiene and styrene costs to our customers, and 0.3% was due to an unfavorable currency impact as the euro weakened in comparison to the U.S. dollar on a year-to-date basis. These decreases were partially offset by a 0.2% increase due to higher sales volume to the Asia paper and carpet markets.

The increase in Adjusted EBITDA was driven by margin improvements of $12.2 million during the period, primarily due to price increases in North America and freight and utility savings, particularly in Asia. Additionally, fixed cost improvements contributed to 3.3% of the increase, which includes the impact of the sale of our business in Brazil. Refer to Note 3 in the consolidated financial statements for further information.

2015 vs. 2014

Of the 23.4% decrease in net sales, 21.0% was due lower selling prices primarily due to the pass through of lower butadiene and styrene costs to our customers and 5.6% was due to an unfavorable currency impact as the euro weakened in comparison to the U.S. dollar on a year-to-date basis. These decreases were slightly offset by a 3.3% increase from higher sales volume driven by higher sales to the Europe paper and carpet markets.

The decrease in Adjusted EBITDA was driven by a 13.5% decrease due to lower margins, primarily in Europe and Asia, and a 3.8% decrease due to unfavorable currency impact as the euro weakened in comparison to the U.S. dollar on a year-to-date basis. In addition, 9.1% of the decrease was due to increased fixed costs. Partially offsetting these decreases was a 7.8% increase in sales volume primarily related to increased sales to the Europe paper and carpet markets.

Synthetic Rubber Segment

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>December 31,</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$ 450.7</td>
<td>$ 474.6</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$ 110.9</td>
<td>$ 93.0</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>24.6 %</td>
<td>19.6 %</td>
</tr>
</tbody>
</table>

2016 vs. 2015

Of the 5.0% decrease in net sales, 5.1% was due to lower selling prices, primarily resulting from the pass through of lower butadiene and styrene costs to customers, and 0.6% of the decrease was driven by an unfavorable currency impact as the euro weakened in comparison to the U.S. dollar on a year-to-date basis. Partially offsetting these decreases was a 0.7% increase due to increased sales volume, as higher customer demand for SSBR and other products was partially offset by lower sales of Ni-PBR, as production decreased due to Nd-PBR plant trials.

The increase in Adjusted EBITDA was primarily driven by improved fixed costs, which resulted in 11.1% of the increase, as the prior year included lower fixed cost absorption and higher maintenance costs due primarily to a planned turnaround. Additionally, improved margins contributed to 3.4% of the increase and higher sales volume contributed to 5.1% of the increase, which was primarily related to higher demand and availability of SSBR.

2015 vs. 2014

Of the 25.1% decrease in net sales, 19.7% was due to lower selling prices primarily resulting from the pass through of lower butadiene and styrene costs to customers and 11.6% was due to an unfavorable currency impact as the euro weakened in comparison to the U.S. dollar on a year-to-date basis. These decreases were slightly offset by a 6.2% increase from higher sales volume resulting from higher sales of SSBR to tire producers.

The decrease in Adjusted EBITDA was driven by a 25.6% decrease due to lower margins, including impacts from the timing of raw material costs, and an unfavorable currency impact of 7.7% as the euro weakened in comparison to the U.S. dollar on a year-to-date basis. In addition, 8.4% of the decrease was driven by higher fixed costs due primarily to
higher planned maintenance expense in the current year as well as higher employee benefit costs. Partially offsetting these decreases was a 9.5% increase due to sales volume driven by higher SSBR sales.

### Performance Plastics Segment

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Year Ended December 31,</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td></td>
<td>2016 vs. 2015</td>
<td>2015 vs. 2014</td>
</tr>
<tr>
<td>Net sales</td>
<td>$ 693.4</td>
<td>$ 742.8</td>
</tr>
<tr>
<td></td>
<td>(6.7)%</td>
<td>(9.5)%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$ 136.2</td>
<td>$ 107.6</td>
</tr>
<tr>
<td></td>
<td>26.6%</td>
<td>26.0%</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>19.6 %</td>
<td>14.5 %</td>
</tr>
</tbody>
</table>

**2016 vs. 2015**

Of the 6.7% decrease in net sales, 3.7% was due to lower selling prices, primarily related to the pass through of lower raw material costs to our customers, and 2.7% was due to decreased sales volume, driven by lower sales to the consumer electronics market in Asia. In addition, 0.3% of the decrease was driven by an unfavorable currency impact as the euro weakened in comparison to the U.S. dollar on a year-to-date basis.

The increase in Adjusted EBITDA was driven by a 25.0% increase due to higher margins, including favorable raw material timing, and a 6.4% increase due to improved fixed costs, which includes the impact of the sale of our business in Brazil (refer to Note 3 in the consolidated financial statements for further information). These increases were partially offset by a 4.6% decrease driven by lower sales volume, primarily caused by lower sales to the consumer electronics market in Asia, which were partially offset by higher sales to the automotive market.

**2015 vs. 2014**

Of the 9.5% decrease in net sales, 6.2% was due to lower selling prices primarily related to the pass through of lower raw material costs to our customers and 5.6% was due to an unfavorable currency impact as the euro weakened in comparison to the U.S. dollar on a year-to-date basis. These decreases were partially offset by a 2.2% increase in sales volume, primarily related to the consumer electronics market in Asia as well as the automotive market in North America.

The increase in Adjusted EBITDA was driven by an increase in sales volume, primarily related to the consumer electronics market in Asia and the automotive market in North America, as well as higher margins due to lower raw material costs, which contributed to 43.1% of the increase. Slightly offsetting this increase was an 11.2% decrease due to increased fixed costs, including higher employee benefit costs.

### Basic Plastics Segment

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Year Ended December 31,</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td></td>
<td>2016 vs. 2015</td>
<td>2015 vs. 2014</td>
</tr>
<tr>
<td>Net sales</td>
<td>$ 1,352.7</td>
<td>$ 1,478.1</td>
</tr>
<tr>
<td></td>
<td>(8.5)%</td>
<td>(25.3)%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$ 148.2</td>
<td>$ 115.6</td>
</tr>
<tr>
<td></td>
<td>28.2%</td>
<td>860.5%</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>11.0 %</td>
<td>7.8 %</td>
</tr>
</tbody>
</table>

**2016 vs. 2015**

Of the 8.5% decrease in net sales, 6.3% was due to lower selling prices driven by the pass through of lower styrene costs to customers, and 1.8% of the decrease was due lower sales volume, primarily related to lower polystyrene sales in Europe and Asia. In addition, 0.4% of the decrease was driven by an unfavorable currency impact as the euro weakened in comparison to the U.S. dollar on a year-to-date basis.
The increase in Adjusted EBITDA was driven by a 27.9% increase due to higher margins in styrenic polymers and PC, and a 3.5% increase related to equity earnings from our joint venture, Sumika Styron Polycarbonate, driven primarily by improved PC market conditions as well as favorable raw material timing. Partially offsetting these increases was a 3.7% decrease due to lower sales volume, primarily related to Europe and Asia polystyrene sales.

On January 31, 2017, the Company completed the sale of its 50% share in Sumika Styron Polycarbonate to Sumitomo Chemical Company Limited for total sales proceeds of ¥4.9 billion (approximately $43.2 million). As a result, the Company will record an estimated gain on sale of approximately $9.0 million in the first quarter of 2017. In addition, the parties have agreed to continue long-term supply of polycarbonate resin from Sumika Styron Polycarbonate to the Company’s Performance Plastics businesses.

2015 vs. 2014

Of the 25.3% decrease in net sales, 16.4% was driven by decreases in selling prices due primarily to the pass through of lower styrene costs to customers and 8.3% was due to unfavorable currency impact as the euro weakened in comparison to the U.S. dollar on a year-to-date basis.

The increase in Adjusted EBITDA was due primarily to higher margins in styrenic polymers as well as in polycarbonate as a result of our restructuring efforts and improved market conditions. In addition, increased equity earnings from our polycarbonate joint venture Sumika Styron Polycarbonate of $7.4 million contributed to 48.7% of the increase, primarily driven by improved polycarbonate market conditions. Partially offsetting these increases was a 107.9% unfavorable currency impact as the euro weakened in comparison to the U.S. dollar on a year-to-date basis.

Feedstocks Segment

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$ 294.5</td>
<td>$ 310.2</td>
<td>$ 433.7</td>
<td>(5.1)%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$ 80.2</td>
<td>$ 51.3</td>
<td>$ (20.5)</td>
<td>56.3 %</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>27.2 %</td>
<td>16.5 %</td>
<td>(4.7)%</td>
<td></td>
</tr>
</tbody>
</table>

2016 vs. 2015

Of the 5.1% decrease in net sales, 5.1% of the decrease was due to lower selling prices, primarily driven by the pass through of lower styrene costs to customers, and 0.4% of the decrease was driven by an unfavorable currency impact as the euro weakened in comparison to the U.S. dollar on a year-to-date basis. Partially offsetting these decreases was a 0.5% increase in sales volume.

The increase in Adjusted EBITDA was driven by a 50.3% increase due to higher margins in styrene, and a 6.0% increase due to improved fixed costs.

2015 vs. 2014

Of the 28.5% decrease in net sales, 29.0% was driven by decreases in selling prices due primarily to the pass through of lower styrene costs to customers and 8.4% was due to unfavorable currency impact as the euro weakened in comparison to the U.S. dollar on a year-to-date basis. Partially offsetting these decreases was a 9.0% increase in sales volume primarily related to higher sales of styrene monomer.

The increase in Adjusted EBITDA was primarily due to higher styrene monomer margins as a result of improved market conditions, including some unplanned styrene production outages across the industry. Partially offsetting this
increase were decreases due to higher fixed costs and an unfavorable currency impact as the euro weakened in comparison to the U.S. dollar on a year-to-date basis.

**Americas Styrenics Segment**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA*</td>
<td>$135.8</td>
<td>$135.3</td>
<td>$50.3</td>
<td>0.4 %</td>
<td>169.0 %</td>
</tr>
</tbody>
</table>

* The results of this segment are comprised entirely of earnings from Americas Styrenics, our equity method investment. As such, Adjusted EBITDA related to this segment is included within “Equity in earnings of unconsolidated affiliates” in the consolidated statements of operations.

**2016 vs. 2015**

The slight increase in Adjusted EBITDA was due to increased equity earnings from our styrenics joint venture Americas Styrenics, as higher styrene margins and polystyrene volume were offset by lower polystyrene margins and the impacts of the second quarter planned styrene production outage.

In February 2017, Americas Styrenics announced that it expects a planned first quarter styrene outage at its St. James, LA, facility to extend into the second quarter of 2017 in order to complete repairs on critical equipment. This outage extension is expected to result in an unfavorable first quarter 2017 impact of $15.0 million to the Adjusted EBITDA of our Americas Styrenics segment, as compared to the fourth quarter of 2016, and it is not expected to significantly impact Americas Styrenics’ downstream polystyrene production.

**2015 vs. 2014**

The increase in Adjusted EBITDA was due to increased equity earnings from our styrenics joint venture Americas Styrenics, primarily driven by higher styrene margins, in part due to unplanned styrene production outages across the industry, and polystyrene margins as well as higher volumes of styrene monomer sold.

**Non-GAAP Performance Measures**

We present Adjusted EBITDA as a non-GAAP financial performance measure, which we define as income from continuing operations before interest expense, net; provision for income taxes; depreciation and amortization expense; loss on extinguishment of long-term debt; asset impairment charges; gains or losses on the dispositions of businesses and assets; restructuring and other items. In doing so, we are providing management, investors, and credit rating agencies with a stronger indicator of our ongoing performance and business trends, removing the impact of transactions and events that we would not consider a part of our core operations.

There are limitations to using the financial performance measures such as Adjusted EBITDA. This performance measure is not intended to represent net income or other measures of financial performance. As such, it should not be used as an alternative to net income as an indicator of operating performance. Other companies in our industry may define Adjusted EBITDA differently than we do. As a result, it may be difficult to use this or similarly-named financial measures that other companies may use, to compare the performance of those companies to our performance. We compensate for these limitations by providing a reconciliation of this performance measure to our net income, which is determined in accordance with GAAP.
Adjusted EBITDA is calculated as follows for the years ended December 31, 2016, 2015, and 2014, respectively:

<table>
<thead>
<tr>
<th>Adjusted EBITDA Item</th>
<th>2016 (in millions)</th>
<th>2015 (in millions)</th>
<th>2014 (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss)</td>
<td>$318.3</td>
<td>$133.6</td>
<td>$(67.3)</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>75.0</td>
<td>93.2</td>
<td>124.9</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>87.0</td>
<td>70.2</td>
<td>19.7</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>96.4</td>
<td>96.8</td>
<td>103.7</td>
</tr>
<tr>
<td>EBITDA (a)</td>
<td>$576.7</td>
<td>$393.8</td>
<td>$181.0</td>
</tr>
<tr>
<td>Loss on extinguishment of long-term debt (b)</td>
<td>—</td>
<td>95.2</td>
<td>7.4</td>
</tr>
<tr>
<td>Net loss (gain) on disposition of businesses and assets (b)</td>
<td>15.1</td>
<td>—</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Restructuring and other charges (c)</td>
<td>23.5</td>
<td>0.8</td>
<td>10.0</td>
</tr>
<tr>
<td>Fees paid pursuant to advisory agreement (d)</td>
<td>—</td>
<td>—</td>
<td>25.4</td>
</tr>
<tr>
<td>Other items (e)</td>
<td>(4.4)</td>
<td>2.2</td>
<td>38.4</td>
</tr>
<tr>
<td>Adjusted EBITDA (f)</td>
<td>$610.9</td>
<td>$492.0</td>
<td>$261.6</td>
</tr>
</tbody>
</table>

(a) EBITDA is a non-GAAP financial performance measure that we refer to in making operating decisions because we believe it provides our management as well as our investors and credit agencies with meaningful information regarding the Company’s operational performance. We believe the use of EBITDA as a metric assists our board of directors, management and investors in comparing our operating performance on a consistent basis. Other companies in our industry may define EBITDA differently than we do. As a result, it may be difficult to use EBITDA, or similarly-named financial measures that other companies may use, to compare the performance of those companies to our performance. We compensate for these limitations by providing reconciliations of our EBITDA results to our net income, which is determined in accordance with GAAP.

(b) During the year ended December 31, 2016, the Company recorded impairment charges for the loss on sale of its primary operating entity in Brazil, which includes both latex binders and automotive businesses. Refer to Note 3 in the consolidated financial statements for further information.

(c) Restructuring and other charges for the year ended December 31, 2016 relate primarily to $20.0 million in charges incurred in connection with the decision to cease manufacturing activities at our latex binders manufacturing facility in Livorno, Italy. The remaining restructuring charges for 2016 relate to the Company’s decision to divest our operations in Brazil as well as the closure of our Ally’s Point latex binders manufacturing facility. Restructuring and other charges for the year ended December 31, 2015 relate primarily to the polycarbonate restructuring within our Basic Plastics segment and employee termination benefit charges incurred in connection with the Ally’s Point shutdown within our latex binders business. Restructuring and other charges for the year ended December 31, 2014 were incurred primarily in connection with the shutdown of our latex binders manufacturing plant in Altona, Australia and the restructuring within our Basic Plastics segment.

Accelerated depreciation charges incurred as a part of the Ally’s Point shutdown announced in September 2015 and the 2014 restructuring within our Basic Plastics segment are included within the “Depreciation and amortization” caption, and therefore are not included as a separate adjustment within this caption. Refer to Note 20 in the consolidated financial statements for further information.

(d) Represents fees paid under the terms of our Advisory Agreement with Bain Capital. For the year ended December 31, 2014, this includes a charge of $23.3 million for fees incurred in connection with the termination of the Advisory Agreement, pursuant to its terms, upon consummation of the Company’s IPO in June 2014. Refer to Note 18 in the consolidated financial statements for further information.

(e) Other items for the year ended December 31, 2016 include other income of $6.9 million from the effective settlement of certain value-added tax positions, offset by $2.5 million of fees incurred in conjunction with the Company’s secondary offerings completed during the year. Other items incurred for the years ended December 31, 2015 and 2014 primarily consist of costs related to the process of changing our corporate name from Styron to Trinseo. For the year ended December 31, 2014, these costs also include a one-time $32.5 million termination payment made to Dow in connection with the termination of our Latex JV Option Agreement. Refer to Note 18 in the consolidated financial statements for further information.
# Liquidity and Capital Resources

## Cash Flows

The table below summarizes our primary sources and uses of cash for the years ended December 31, 2016, 2015, and 2014. We have derived the summarized cash flow information from our audited financial statements.

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Net cash provided by (used in):</td>
<td></td>
</tr>
<tr>
<td>Operating activities</td>
<td>$403.7</td>
</tr>
<tr>
<td>Investing activities</td>
<td>$(117.3)</td>
</tr>
<tr>
<td>Financing activities</td>
<td>$(247.5)</td>
</tr>
<tr>
<td>Effect of exchange rates on cash</td>
<td>$(5.0)</td>
</tr>
<tr>
<td>Net change in cash and cash equivalents</td>
<td>$33.9</td>
</tr>
</tbody>
</table>

### Operating Activities

Net cash provided by operating activities during the year ended December 31, 2016 totaled $403.7 million, driven predominantly by improved net income for the period. Also driving cash flow from operating activities for the period was $130.0 million in dividends from our 50%-owned joint venture, Americas Styrenics.

Net cash used in operating assets and liabilities for the year ended December 31, 2016 totaled $69.9 million, the most significant drivers of which were increases in accounts receivable of $96.4 million and inventories of $51.0 million, respectively, offset by an increase in accounts payable and other current liabilities of $57.1 million. The increase in accounts receivable was primarily due to higher sales and lower collections, due to timing, during the fourth quarter of 2016 compared to the same period in 2015. The increase in inventory was primarily due to increases in raw material prices in the fourth quarter of 2016 as compared to the same period in 2015. The increase in accounts payable and other current liabilities was primarily driven by increases in raw material prices, as noted above, as well as timing of vendor payments.

Net cash provided by operating activities during the year ended December 31, 2015 totaled $353.2 million, driven predominantly by earnings for the period. Also driving our cash from operating activities for the period was $125.0 million in dividends from our joint venture, Americas Styrenics. These increases were noted despite several significant decreases to operating cash flows, which included $81.7 million in interest payments made on our 2019 Senior Notes prior to their May 2015 retirement as well as a $68.6 million call premium paid to retire those notes. Refer to Note 10 in the consolidated financial statements for further information.

Net cash provided by operating activities during the year ended December 31, 2014 totaled $117.2 million, with net cash provided by operating assets and liabilities totaling $61.1 million. The most significant components of the changes in operating assets and liabilities for the year ended December 31, 2014 of $61.1 million was a decrease in accounts receivable of $68.5 million and a decrease in inventories of $22.6 million, offset by a decrease in other liabilities of $22.0 million. The decrease in accounts receivable is primarily due to lower sales and higher collections during the fourth quarter of 2014, compared to the fourth quarter of 2013, primarily driven by decreasing raw material prices. The decrease in accounts payable and other current liabilities is primarily due to timing of payments as well as decreases in prices for raw materials purchased.

Net cash provided by operating activities during the year ended December 31, 2014 totaled $117.2 million, with net cash provided by operating assets and liabilities totaling $61.1 million. The most significant components of the changes in operating assets and liabilities for the year ended December 31, 2014 of $61.1 million was a decrease in accounts receivable of $68.5 million and a decrease in inventories of $22.6 million, offset by a decrease in other liabilities of $22.0 million. The decrease in accounts receivable is primarily due to lower sales and higher collections during the fourth quarter of 2014, compared to the fourth quarter of 2013, primarily driven by decreasing raw material prices. Our other liabilities decreased mainly due to reductions in normal operating costs. Our operating cash flow for the year ended December 31, 2014 was negatively impacted by two significant one-time cash payments in the second quarter of 2014 totaling approximately $55.8 million related to the termination of our Latex JV Option Agreement with Dow and...
our Advisory Agreement with Bain Capital. Refer to Note 18 of the consolidated financial statements for further information.

**Investing Activities**

Net cash used in investing activities for the year ended December 31, 2016 totaled $117.3 million, driven by capital expenditures of $123.9 million during the period, a significant portion of which related to our project to upgrade our legacy ERP environment to the latest version of SAP. Partially offsetting these capital expenditures were $1.8 million in proceeds received from the sale of our businesses in Brazil (refer to Note 3 in the consolidated financial statements) and dividends received from Sumika Styron Polycarbonate during the period, $4.8 million of which were classified as investing activities in the consolidated statement of cash flows, with the remaining $1.4 million classified as operating activities. Note that in January 2017, the Company completed the sale of its 50% share in Sumika Styron Polycarbonate to Sumitomo Chemical Company Limited for total sales proceeds of ¥4.9 billion (approximately $43.2 million). Refer to Note 24 in the consolidated financial statements for further information.

Net cash used in investing activities for the year ended December 31, 2015 totaled $106.7 million, consisting primarily of capital expenditures of $107.1 million during the period, net of proceeds received from a government subsidy of $2.2 million related to our capital expansion project at our rubber facility in Schkopau, Germany.

Net cash used in investing activities for the year ended December 31, 2014 totaled $92.6 million consisting primarily of capital expenditures of $98.6 million, of which approximately $26.1 million (€19.0 million) was related to the Company’s acquisition of production capacity rights from JSR at its rubber production facility in Schkopau, Germany. These investing activities were partially offset by cash proceeds of $6.3 million from the sale of a portion of land at our manufacturing site in Livorno, Italy.

**Financing Activities**

Net cash used in financing activities during the year ended December 31, 2016 totaled $247.5 million. This activity was primarily driven by $215.1 million of payments related to the repurchase of ordinary shares during the period and $27.3 million in repayments of equity on ordinary shares (refer to Note 12 to the consolidated financial statements), as well as $5.0 million of principal payments related to our 2021 Term Loan B.

Net cash used in financing activities during the year ended December 31, 2015 totaled $26.2 million. The most significant activity during the period related to the May 2015 debt refinancing, which included net proceeds of $1,215.4 million from the issuance of our 2021 Term Loan B and our 2022 Senior Notes, offset by the retirement of our existing 2019 Senior Notes totaling $1,192.5 million and deferred financing fees paid in conjunction with the refinancing of $28.2 million. Also during the period, we had net repayments of short-term borrowings of $18.4 million, which largely consisted of borrowings under our short-term revolving credit facility through our subsidiary in China. On a limited basis, we continued to utilize our Accounts Receivable Securitization Facility to fund our working capital requirements. For the year ended December 31, 2015, we had borrowings from and repayments of our Accounts Receivable Securitization Facility of $25.0 million.

Net cash provided by financing activities during the year ended December 31, 2014 totaled $8.1 million. During the period, the Company completed the IPO of 11,500,000 ordinary shares at a price of $19.00 per share. As a result, the Company received net cash proceeds from the issuance of ordinary shares of $198.1 million, which was net of underwriting discounts as well as advisory, accounting, and legal expenses directly related to the offering. In July 2014, using proceeds from the Company’s IPO, the Company redeemed $132.5 million in aggregate principal amount of the 2019 Senior Notes. In addition, we had net repayments of short-term borrowings of $56.9 million, which largely consisted of borrowings under our short-term revolving credit facility through our subsidiary in China. We also continued to utilize our Accounts Receivable Securitization Facility to fund our working capital requirements. For the year ended December 31, 2014, we had borrowings from our Accounts Receivable Securitization Facility of $308.6 million and repayments of $309.2 million, resulting in net repayments of $0.6 million due to changes in foreign currency exchange rates, as a portion of our borrowings under the Accounts Receivable Securitization Facility originate in euros.

**Free Cash Flow**

We use Free Cash Flow as a non-GAAP measure to evaluate and discuss the Company’s liquidity position and results. Free Cash Flow is defined as cash from operating activities, less capital expenditures. We believe that Free Cash
Flow provides an important indicator of the Company’s ongoing ability to generate cash through core operations, as it excludes the cash impacts of various financing transactions as well as cash flows from business combinations that are not considered organic in nature. We also believe that Free Cash Flow provides management and investors with a useful analytical indicator of our ability to service our indebtedness, make repayments of equity (when declared), and meet our ongoing cash obligations.

Free Cash Flow is not intended to represent cash flows from operations as defined by GAAP, and therefore, should not be used as an alternative for that measure. Other companies in our industry may define Free Cash Flow differently than we do. As a result, it may be difficult to use this or similarly-named financial measures that other companies may use, to compare the liquidity and cash generation of those companies to our own. We compensate for these limitations by providing a reconciliation to cash provided by operating activities, which is determined in accordance with GAAP.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by operating activities</td>
<td>$403.7</td>
<td>$353.2</td>
<td>$117.2</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(123.9)</td>
<td>(109.3)</td>
<td>(98.6)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$279.8</td>
<td>$243.9</td>
<td>$18.6</td>
</tr>
</tbody>
</table>

Capital Resources, Indebtedness and Liquidity

We require cash principally for day-to-day operations, to finance capital investments and other initiatives, to purchase materials and support other working capital requirements, to service our outstanding indebtedness, and to fund repayments of equity to our shareholders, if and when the Company elects to declare them. Our sources of liquidity include cash on hand, cash flow from operations and amounts available under the Senior Credit Facility and the Accounts Receivable Securitization Facility (discussed further below).

As of December 31, 2016 and 2015, we had $1,187.4 million and $1,207.8 million, respectively, in outstanding indebtedness and $890.7 million and $839.8 million, respectively, in working capital. In addition, as of December 31, 2016 and 2015, we had $88.8 million and $73.7 million, respectively, of foreign cash and cash equivalents on our consolidated balance sheets, all of which is readily convertible into other foreign currencies, including the U.S. dollar. Our intention is not to permanently reinvest our foreign cash and cash equivalents. Accordingly, we record deferred income tax liabilities related to the unremitted earnings of our subsidiaries.

Refer to Note 10 in the consolidated financial statements for a detailed description of the Company’s debt structure, borrowing rates, and expected future payment obligations.

The following table outlines our outstanding indebtedness as of December 31, 2016 and 2015 and the associated interest expense, including amortization of deferred financing fees and debt discounts, and effective interest rates for
such borrowings as of and for the years ended December 31, 2016 and 2015. Note that the effective interest rates below exclude the impact of deferred financing fee amortization.

<table>
<thead>
<tr>
<th>(dollars in millions)</th>
<th>As of and for the Year Ended December 31, 2016</th>
<th>As of and for the Year Ended December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Balance</td>
<td>Effective Interest Rate</td>
</tr>
<tr>
<td>2018 Senior Secured Credit Facility</td>
<td>2018 Revolving Facility</td>
<td>$ —</td>
</tr>
<tr>
<td>Senior Credit Facility</td>
<td>2021 Term Loan B</td>
<td>491.5</td>
</tr>
<tr>
<td></td>
<td>2020 Revolving Facility</td>
<td>—</td>
</tr>
<tr>
<td>2019 Senior Notes</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>2022 Senior Notes</td>
<td>USD Notes</td>
<td>300.0</td>
</tr>
<tr>
<td></td>
<td>Euro Notes</td>
<td>394.3</td>
</tr>
<tr>
<td>Accounts Receivable Securitization Facility</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other indebtedness</td>
<td>1.6</td>
<td>4.8 %</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,187.4</td>
<td>$ 78.5</td>
</tr>
</tbody>
</table>

Our Senior Credit Facility includes the 2020 Revolving Facility, which matures in May 2020, and has a borrowing capacity of $325.0 million. As of December 31, 2016, the Company had no outstanding borrowings, and had $309.1 million (net of $15.9 million outstanding letters of credit) of funds available for borrowings under the 2020 Revolving Facility. Further, we note that, as of December 31, 2016, the Borrowers are required to pay a quarterly commitment fee in respect of any unused commitments under the 2020 Revolving Facility equal to 0.375% per annum.

Also included in our Senior Credit Facility is our $500.0 million 2021 Term Loan B (maturing in November 2021), which requires scheduled quarterly payments in amounts equal to 0.25% of the original principal. During the year ended December 31, 2016, the Company made principal payments of $5.0 million on the 2021 Term Loan B, with an additional $5.0 million of scheduled future payments classified as current debt on the Company’s consolidated balance sheet as of December 31, 2016.

Our 2022 Senior Notes (which include $300.0 million aggregate principal amount of 6.750% USD Notes and €375.0 million aggregate principal amount of 6.375% Euro Notes) are issued under the Indenture and mature on May 1, 2022. Interest on the 2022 Senior Notes is payable semi-annually on May 1 and November 1 of each year, commencing on November 1, 2015. The 2022 Senior Notes may be redeemed prior to their maturity at the option of the Company under certain circumstances at specific redemption prices. Refer to Note 10 in the consolidated financial statements for further information.

We also continue to maintain our Accounts Receivable Securitization Facility set to mature in May 2019, under which our borrowing capacity is $200.0 million. As of December 31, 2016, there were no amounts outstanding under the Accounts Receivable Securitization Facility, with approximately $126.5 million of funds available for borrowing under this facility, based on the pool of eligible accounts receivable.

The Senior Credit Facility and Indenture contain certain customary affirmative, negative and financial covenants. As of December 31, 2016, the Company was in compliance with all of these debt covenant requirements. Refer to Note 10 in the consolidated financial statements for further information on the details of these covenant requirements.

Our ability to raise additional financing and our borrowing costs may be impacted by short- and long-term debt ratings assigned by independent rating agencies, which are based, in significant part, on our performance as measured by certain credit metrics such as interest coverage and leverage ratios.

We and our subsidiaries, affiliates or significant direct or indirect shareholders may from time to time seek to retire or purchase our outstanding debt through cash purchases in the open market, privately negotiated transactions, exchange transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.
Trinseo Materials Operating S.C.A. and Trinseo Materials Finance, Inc. (the Issuers of our 2022 Senior Notes and Borrowers under our Senior Credit Facility) are dependent upon the cash generation and receipt of distributions and dividends or other payments from our subsidiaries and joint ventures in order to satisfy their debt obligations. There are no known significant restrictions by third parties on the ability of subsidiaries and joint ventures of the Company to disburse or dividend funds to the Issuers and the Borrowers in order to satisfy these obligations. However, as the Company’s subsidiaries are located in a variety of jurisdictions, the Company can give no assurances that its subsidiaries will not face transfer restrictions in the future due to regulatory or other reasons beyond our control.

As noted above, during the year ended December 31, 2016, the Company continued to generate strong cash flows from operations. However, we can make no assurances that, in the future, our business will generate sufficient cash flow from operations or that future borrowings will be available to us under the Senior Credit Facility in an amount sufficient to enable us to pay our indebtedness, or to fund our other liquidity needs. In addition, our current indebtedness may limit our ability to procure additional financing in the future. As of December 31, 2016 and 2015, we were in compliance with all the covenants and default provisions under our debt agreements.

The Senior Credit Facility and Indenture also limit the ability of the Borrowers and Issuers, respectively, to pay dividends or make other distributions to Trinseo S.A., which could then be used to make distributions to shareholders. As discussed in Note 12 to the consolidated financial statements, during the year ended December 31, 2016, the Company’s board of directors began declaring quarterly repayments of equity of $0.30 per ordinary share to its shareholders for an aggregate value of $40.6 million. These repayments of equity are within the available capacity under the terms of the restrictive covenants contained in the Senior Credit Facility and Indenture. Further, significant additional capacity continues to be available under the terms of these covenants to support expected future repayments of equity to shareholders, should the Company continue to declare them.

We believe that funds provided by operations, our existing cash and cash equivalent balances, borrowings available under our 2020 Revolving Facility and borrowings available under our Accounts Receivable Securitization Facility will be adequate to meet planned operating and capital expenditures for at least the next 12 months under current operating conditions.

**Derivative Instruments**

The Company’s ongoing global business operations expose it to fluctuating foreign exchange rates. To manage this risk, the Company periodically enters into derivative financial instruments such as foreign exchange forward contracts. A brief summary of these derivative financial instrument programs is described below; however, refer to Note 11 of the consolidated financial statements for further information. The Company does not hold or enter into financial instruments for trading or speculative purposes.

**Foreign Exchange Forward Contracts**

Certain subsidiaries have assets and liabilities denominated in currencies other than their respective functional currencies, which creates foreign exchange risk. Our principal strategy in managing exposure to changes in foreign currency exchange rates is to naturally hedge the foreign currency-denominated liabilities on our consolidated balance sheets against corresponding assets of the same currency such that any changes in liabilities due to fluctuations in exchange rates are offset by changes in their corresponding foreign currency assets. In order to further reduce our exposure, the Company also uses foreign exchange forward contracts to economically hedge the impact of the variability in exchange rates on our assets and liabilities denominated in certain foreign currencies. These derivative contracts are not designated for hedge accounting treatment.

**Foreign Exchange Cash Flow Hedges**

The Company also enters into forward contracts with the objective of managing the currency risk associated with forecasted U.S. dollar-denominated raw materials purchases by one of its subsidiaries whose functional currency is the euro. By entering into these forward contracts, which are designated as cash flow hedges, the Company buys a designated amount of U.S. dollars and sells euros at the prevailing market rate to mitigate the risk associated with the fluctuations in the euro-to-U.S. dollar foreign currency exchange rates.
Net Investment Hedge

The Company’s outstanding debt includes €375.0 million of Euro Notes (discussed above). As of December 31, 2016, the Company has designated a portion (€280.0 million) of the principal amount of these Euro Notes as a hedge of the foreign currency exposure of the Issuers’ net investment in certain European subsidiaries.

Contractual Obligations and Commercial Commitments

The following table reflects our contractual obligations as of December 31, 2016. Amounts we pay in future periods may vary from those reflected in the table (in millions):

<table>
<thead>
<tr>
<th>Contractual Obligations as of December 31, 2016</th>
<th>Payments due by year</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase commitments (a)</td>
<td>$1,420.4</td>
<td>$1,177.5</td>
<td>$800.7</td>
<td>$860.0</td>
<td>$5.4</td>
<td>$—</td>
<td>4,264.0</td>
</tr>
<tr>
<td>Long-term Indebtedness (b)</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>472.5</td>
<td>694.3</td>
<td>1,186.8</td>
</tr>
<tr>
<td>Interest payments on long-term debt (c)</td>
<td>66.5</td>
<td>66.4</td>
<td>66.1</td>
<td>65.9</td>
<td>62.6</td>
<td>18.5</td>
<td>346.0</td>
</tr>
<tr>
<td>Pension and other postretirement benefits (d)</td>
<td>4.4</td>
<td>20.0</td>
<td>4.6</td>
<td>5.6</td>
<td>5.1</td>
<td>41.3</td>
<td>81.0</td>
</tr>
<tr>
<td>Minimum operating lease commitments and other obligations (e)</td>
<td>11.0</td>
<td>9.4</td>
<td>8.3</td>
<td>5.9</td>
<td>3.8</td>
<td>17.1</td>
<td>55.5</td>
</tr>
<tr>
<td>Uncertain tax positions, including interest and penalties (f)</td>
<td>—</td>
<td>9.4</td>
<td>8.3</td>
<td>5.9</td>
<td>3.8</td>
<td>14.8</td>
<td>55.5</td>
</tr>
<tr>
<td>Total</td>
<td>$1,507.3</td>
<td>$1,278.3</td>
<td>$884.7</td>
<td>$942.4</td>
<td>$549.4</td>
<td>$786.0</td>
<td>$5,948.1</td>
</tr>
</tbody>
</table>

(1) We have certain raw material purchase contracts where we are required to purchase certain minimum volumes at the then prevailing market prices. These commitments range from 1 to 5 years. In certain raw material purchase contracts, we have the right to purchase less than required minimums and pay a liquidated damages fee, or, in case of a permanent plant shutdown, to terminate the contracts. In such cases these obligations would be less than the obligations shown in the table above.

(2) As a part of the May 2015 refinancing, we redeemed our existing 2019 Senior Notes, replacing those borrowings with a $500.0 million 2021 Term Loan B due November 2021, $300.0 million in USD Notes and €375.0 million in Euro Notes, both due May 2022. The Euro Notes displayed in the table above were translated using the December 31, 2016 spot exchange rate. The table above excludes other debt outstanding as of December 31, 2016 totaling $1.6 million.

(3) Includes estimated interest on the 2021 Term Loan B, USD Notes, and Euro Notes. Interest on the 2021 Term Loan B is payable quarterly. Interest on the USD Notes and Euro Notes is payable semi-annually on May 1 and November 1 of each year. For the 2021 Term Loan B, the expected interest payments included in the table above assume that the LIBO rate continues to be below the 1.00% floor as described in the Senior Credit Facility. For the Euro Notes, the expected interest payments included in the table above were translated using the December 31, 2016 spot exchange rate. Refer to Item 7A—Quantitative and Qualitative Disclosures about Market Risk for further discussion of interest rate and foreign currency risks. Estimated interest payments do not include the 2020 Revolving Facility or Accounts Receivable Securitization Facility as amounts outstanding under these facilities vary due to periodic borrowings and repayments. There are no amounts outstanding under either facility as of December 31, 2016.

(4) Includes minimum contributions required to be made to the funded pension plans and expected benefit payments to the employees for unfunded pension plans. With respect to our minimum funding requirements under our pension obligations, we may elect to make contributions in excess of the minimum funding requirements in response to investment performance or changes in interest rates or when we believe that it is financially advantageous to do so and based on our other cash requirements. Our minimum funding requirements after 2016 will depend on several factors, including investment performance and interest rates. Our minimum funding requirements may also be affected by changes in applicable legal requirements. We also have payments due with respect to our postretirement benefit obligations, which we do not fund in advance. Rather, payments are made as costs are incurred by covered retirees. We expect benefit payments related to our postretirement benefit obligations to be $3.1 million through 2026. The payments identified above as subsequent to 2021 represent estimated pension and postretirement...
payments from 2022 through 2026. Also included in the above is a $15.5 million expected benefit obligation for payments estimated to be payable in 2018 under the Company’s non-qualified supplemental employee retirement plan. Refer to Note 16 in the consolidated financial statements for further information.

(5) Excludes certain estimated future commitments under agreements with Dow, including the SAR MOSA, under which Dow provides administrative and operational services to us, and the 25-year SAR SSAs, under which Dow provides utilities and site services to certain of our facilities co-located with Dow. For more information regarding these agreements, refer to Item 1—Business—Our Relationship with Dow.

The services provided pursuant to the SAR MOSA generally are priced per function, and we have the ability to terminate the services or any portion thereof, for convenience any time after June 1, 2015, subject to payment of termination charges. Services which are “highly integrated” follow a different process for evaluation and termination. In addition, either party may terminate for cause, which includes a bankruptcy, liquidation or similar proceeding by the other party, for material breach which is not cured, or by Dow in the event of our failure to pay for the services thereunder. In the event of a change of control, as defined in the agreement, Dow has the right to terminate the SAR MOSA. As of December 31, 2016, we estimate our minimum obligation under the SAR MOSA to be approximately $22.6 million. Utilizing current year known costs and assuming that we continue with this agreement through its completion on December 31, 2020, we estimate our contractual obligations for the SAR MOSA to be approximately $47.0 million annually for 2017 through 2020.

Additionally, the SAR SSAs may be terminated at any time by agreement of the parties, or, by either party, for cause, including a bankruptcy, liquidation or similar proceeding by the other party, or under certain circumstances for a material breach which is not cured. We may also terminate for convenience any services that Dow has agreed to provide to us that are identified in any site services agreement as “terminable” with 12-months prior notice to Dow, dependent upon whether the service is highly integrated into Dow operations. Highly integrated services are agreed to be nonterminable. With respect to “nonterminable” services that Dow has agreed to provide to us, such as electricity and steam, we generally cannot terminate such services prior to the termination date unless we experience a production unit shut down for which we provide Dow with 15-months prior notice, or upon payment of a shutdown fee. Upon expiration or termination, we would be obligated to pay a monthly fee to Dow, which obligation extends for a period of 45 (in the case of expiration) to 60 months (in the case of termination) following the respective event of each site services agreement. The agreements under which Dow receives services from us may be terminated under the same circumstances and conditions. Utilizing current year known costs and assuming that we continue with these agreements, we estimate our contractual obligations for the SAR SSAs to be approximately $173.9 million annually for 2017 through 2021, and a total of $2,864.3 million thereafter through June 2038. Refer to Note 18 in the consolidated financial statements for further information.

(6) Due to uncertainties in the timing of the effective settlement of tax positions with the respective taxing authorities, we are unable to determine the timing of payments related to its uncertain tax positions, including interest and penalties. Amounts are therefore reflected in “Thereafter”.

Critical Accounting Policies and Estimates

Our discussion and analysis of results of operations and financial condition are based upon our financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the amounts reported. We base these estimates and judgments on historical experiences and assumptions believed to be reasonable under the circumstances. Actual results could vary from our estimates under different conditions. Our significant accounting policies, which may be affected by our estimates and assumptions, are more fully described in Note 2 in the consolidated financial statements. An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the financial statements. The following critical accounting policies reflect our most significant estimates and assumptions used in the preparation of the consolidated financial statements.
Pension Plans and Postretirement Benefits

We have various company-sponsored retirement plans covering substantially all employees. We also provide certain health care and life insurance benefits to retired employees mainly in the United States. Prior to the divestiture of our latex binders and automotive businesses in Brazil (refer to Note 3 in the consolidated financial statements), we also provided health care and life insurance benefits to retired employees in Brazil. The U.S.-based plan provides health care benefits, including hospital, physicians’ services, drug and major medical expense coverage, and life insurance benefits. We recognize the underfunded or overfunded status of a defined benefit pension or postretirement plan as an asset or liability in our consolidated balance sheets and recognize changes in the funded status in the year in which the changes occur through accumulated other comprehensive income (“AOCI”), which is a component of shareholders’ equity.

A settlement is a transaction that is an irrevocable action that relieves the employer (or the plan) of primary responsibility for a pension or postretirement benefit obligation, and that eliminates significant risks related to the obligation and the assets used to effect the settlement. The Company does not record settlement gains or losses during interim periods when the cost of all settlements in a year is less than or equal to the sum of the service cost and interest cost components of net periodic pension cost for the plan in that year.

Pension benefits associated with these plans are generally based on each participant’s years of service, compensation, and age at retirement or termination. The discount rate is an important element of expense and liability measurement. We evaluate our assumptions at least once each year, or as facts and circumstances dictate, and make changes as conditions warrant.

We determine the discount rate used to measure plan liabilities as of the December 31 measurement date for the pension and postretirement benefit plans. The discount rate reflects the current rate at which the associated liabilities could be effectively settled at the end of the year. We set our rate to reflect the yield of a portfolio of high quality, fixed-income debt instruments that would produce cash flows sufficient in timing and amount to settle projected future benefits. Using this methodology, we determined a weighted-average discount rate of 1.65% for pension and 4.16% for postretirement benefits to be appropriate as of December 31, 2016.

In 2016, we changed the method used to estimate the future service and interest cost components of net periodic benefit cost for our defined benefit pension and other postretirement benefit plans. Historically, we estimated the future service and interest cost components using a single weighted-average discount rate derived from the yield curve that was used to measure the benefit obligation at the beginning of the period. For 2017 and beyond, we have elected to use a full yield curve approach in the estimation of these components of benefit cost by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows. We have made this change to improve the correlation between projected benefit cash flows and the corresponding yield curve spot rates and to provide a more precise measurement of service and interest costs. This change does not affect the measurement of our total benefit obligations, as the change in the service cost and interest cost is entirely offset in the actuarial loss reported. We have accounted for this as a change in estimate and, accordingly, will apply it prospectively, beginning in the first quarter of 2017.

The weighted-average discount rates that we used to measure service cost for pension and postretirement plans during 2017 were 1.63% and 4.18%, respectively. The weighted-average discount rates that we used to measure interest cost for pension and postretirement plans during 2017 were 1.42% and 3.81%, respectively. Had we not changed our estimation approach, we would have utilized the liability discount rates mentioned above (1.65% for pension and 4.16% for postretirement benefits) to determine future service and interest cost. The expected reductions in service cost and interest cost for 2017 associated with this change are not expected to be material to the consolidated financial statements.

We determine the expected long-term rate of return on assets by performing a detailed analysis of historical and expected returns based on the underlying assets, which generally are insurance contracts. We also consider our historical experience with the pension fund asset performance. The expected return of each asset class is derived from a forecasted future return confirmed by current and historical experience. The weighted-average long-term rate of return assumptions used for determining net periodic pension expense were 1.79% and 1.73% for 2016 and 2015, respectively. The increase was primarily due to higher interest rates during 2016 on certain assets with guaranteed returns. Future actual pension expense will depend on the performance of the underlying assets and changes in future discount rates, among other factors.
Holding all other factors constant, a 0.25 percentage point increase (decrease) in the discount rate used to determine net periodic cost would decrease (increase) 2016 pension expense by approximately $2.0 million and $(1.9) million, respectively. Holding all other factors constant, a 0.25 percentage point increase (decrease) in the long-term rate of return on assets used to determine net periodic cost would decrease (increase) 2016 pension expense by approximately $0.3 million and $(0.3) million, respectively.

Plan assets are invested primarily in insurance contracts that provide for guaranteed returns. As of December 31, 2016 and 2015, respectively, plan assets totaled $114.2 million and $100.5 million. Investments in the pension plan insurance are valued utilizing unobservable inputs, which are contractually determined based on cash surrender values, returns, fees, and the present value of the future cash flows of the contracts, and are classified as Level 3 investments.

**Stock-Based Compensation**

**2014 Omnibus Incentive Plan**

In connection with the IPO, the Company’s board of directors approved and adopted the Trinseo S.A. 2014 Omnibus Incentive Plan (“2014 Omnibus Plan”), under which 4.5 million ordinary shares is the maximum number that may be delivered upon satisfaction of awards granted. Following the IPO, all equity-based awards granted by the Company have been granted under the 2014 Omnibus Plan, which provides for awards of stock options, share appreciation rights, restricted stock, unrestricted stock, stock units, performance awards, cash awards and other awards convertible into or otherwise based ordinary shares of the Company. Since the IPO, the board of directors of the Company has approved equity award grants for certain directors, executives, and employees, including restricted share units (or RSUs) and options to purchase shares (or options awards).

Compensation costs for the RSUs are measured at the grant date based on the fair value of the award and are recognized ratably as expense over the applicable vesting term. Prior to November 2016, dividend and dividend equivalents did not accumulate on unvested RSUs. In November 2016, the board of directors approved an amendment to all outstanding RSUs, entitling each award holder to an amount equal to any cash dividend or repayment of equity paid by the Company upon one ordinary share for each RSU held by the award holder (“dividend equivalents”). The dividend equivalents earned on the RSUs only include dividends or repayments of equity paid after this amendment and the award holders have no right to receive the dividend equivalents unless and until the associated RSUs vest. The dividend equivalents will be payable in cash and will not accrue interest. The impact of this amendment is immaterial to the consolidated financial statements.

The fair value of RSUs is equal to the fair market value of the Company’s ordinary shares based on the closing price on the date of grant.

Compensation cost for the option awards is measured at the date of grant date based on the fair value of the award and is recognized as expense over the appropriate service period utilizing graded vesting. The fair value for option awards is computed using the Black-Scholes pricing model, whose significant inputs and assumptions are determined as of the date of grant. Determining the fair value of the option awards requires considerable judgment, including estimating the expected term of option awards and the expected volatility of the price of the Company’s ordinary shares.

Since the Company’s equity interests were privately held prior to the IPO in June 2014, there is limited publicly traded history of the Company’s ordinary shares. Until such time that the Company can determine expected volatility based solely on the publicly traded history of its ordinary shares, expected volatility used in the Black-Scholes model for option awards granted is based on a combination of the Company’s historical volatility and similar companies’ stock that are publicly traded. The expected term of option awards represents the period of time that option awards granted are expected to be outstanding. For all grants of option awards presented herein, the simplified method was used to calculate the expected term, given the Company’s limited historical exercise data. The risk-free interest rate for the periods within the expected term of option awards is based on the U.S. Treasury yield curve in effect at the time of grant. The dividend yield is estimated based on historical and expected dividend activity.

Effective April 1, 2016, the Company adopted new accounting guidance that simplifies several aspects of accounting for share-based payments. Among other things, as part of this adoption, the Company made an accounting policy election to recognize forfeitures as incurred, rather than estimating the forfeitures in advance. The impact of this change was applied utilizing a modified retrospective approach, with an adjustment of $0.9 million recorded during the
year ended December 31, 2016 to decrease opening retained earnings and increase opening additional paid-in-capital. All other impacts of this adoption were not material to the Company’s financial position and results of operations.

Restricted Stock Awards issued by the former Parent

From 2010 through 2013, the former Parent granted various time-based and performance-based restricted stock awards to certain key members of management. Any related compensation associated with these awards is allocated to the Company from the former Parent. With the adoption of the Company’s 2014 Omnibus Plan, discussed above, restricted stock awards have not been issued by the former Parent on behalf of the Company.

During 2016, the former Parent completed the sale of its ordinary shares of the Company through secondary offerings, and as a result, no longer holds any ownership interest in the Company. Refer to Note 12 in the consolidated financial statements for further information. Given that the former Parent sold its interest in the substantive assets of the Company, under the terms of the related securityholder agreements, vesting of all outstanding restricted stock awards was fully accelerated into the year ended December 31, 2016. No additional expense is expected in future periods related to these awards.

Asset Impairments

As of December 31, 2016, net property, plant and equipment, net identifiable finite-lived intangible assets, and goodwill totaled $513.8 million, $177.3 million, and $29.5 million, respectively. Management makes estimates and assumptions in preparing the consolidated financial statements for which actual results will emerge over long periods of time. This includes the recoverability of long-lived assets employed in the business. These estimates and assumptions are closely monitored by management and periodically adjusted as circumstances warrant. For instance, expected asset lives may be shortened or impairment may be recorded based on a change in the expected use of the asset or performance of the related asset group.

We evaluate long-lived assets and identifiable finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset grouping may not be recoverable. When undiscounted future cash flows are not expected to be sufficient to recover an asset’s carrying value, the asset is written down to its fair value based on a discounted cash flow analysis utilizing market participant assumptions.

In August 2016, we announced our plan to cease manufacturing activities at the Company’s latex binders manufacturing facility in Livorno, Italy. As a result, we determined that the long-lived assets at this facility, which included land and depreciable long-lived assets, should be assessed for impairment. This assessment indicated that the carrying value of the asset group was not recoverable when compared to the expected undiscounted cash flows from the operation and eventual disposition of these assets. The fair value of the depreciable assets was determined under the income approach, utilizing a discounted cash flow model. The key assumption in this model was cash flow projections, which were determined to be nil, as the plant ceased manufacturing operations in October 2016. The fair value of the land was determined utilizing a combination of the market and income approaches, utilizing key inputs such as recent comparable market transactions, expected date of sale, and discount rate. Based upon this assessment, for the year ended December 31, 2016, we recorded an impairment loss of approximately $13.7 million. The amount was included in “Selling, general and administrative expenses” in the consolidated statement of operations and was allocated entirely to the Latex Binders segment.

Through December 31, 2016, we have continued to assess the recoverability of certain assets, and concluded there are no additional events or circumstances identified by management that would indicate these assets are not recoverable. However, the current environment is subject to changing market conditions and requires significant management judgment to identify the potential impact to our assessment. If we are not able to achieve certain actions or our future operating results do not meet our expectations, it is possible that impairment charges may need to be recorded on one or more of our operating facilities.

Long-lived assets to be disposed of by sale are classified as held-for-sale and are reported at the lower of carrying amount or fair value less cost to sell, and depreciation is ceased. Long-lived assets to be disposed of in a manner other than by sale are classified as held-and-used until they are disposed.

Our goodwill impairment testing is performed annually as of October 1st at a reporting unit level. We perform more frequent impairment tests when events or changes in circumstances indicate that the fair value of a reporting unit
has more likely than not declined below its carrying value. As of our annual assessment date of October 1, 2016, which reflects our new segmentation discussed above, each of our reporting units had fair values that substantially exceeded the carrying value of their net assets, indicating that no impairment of goodwill is warranted.

An impairment loss generally would be recognized when the carrying amount of the reporting unit’s net assets exceeds the estimated fair value of the reporting unit. The estimated fair value of a reporting unit is determined using a market approach and an income approach (under the discounted cash flow method). When supportable, the Company employs the qualitative assessment of goodwill impairment prescribed by ASC 350. As of December 31, 2016, our $29.5 million in total goodwill is allocated to our reportable segments as follows: $11.5 million to Latex Binders, $8.2 million to Synthetic Rubber, $4.2 million to Performance Plastics, and $5.6 million to Basic Plastics, with no amounts allocated to the Feedstocks or Americas Styrenics segments.

Factors which could result in future impairment charges, among others, include changes in worldwide economic conditions, changes in technology, changes in competitive conditions and customer preferences, and fluctuations in foreign currency exchange rates. These factors are discussed in Item 7A— Quantitative and Qualitative Disclosures about Market Risk and Item 1A— Risk Factors included in this Annual Report.

Income Taxes

We account for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities using enacted rates. The effect of a change in tax rates on deferred taxes is recognized in income in the period that includes the enactment date. Deferred taxes are provided on the outside basis differences and unremitted earnings of subsidiaries outside of Luxembourg. All undistributed earnings of foreign subsidiaries and affiliates are expected to be repatriated as of December 31, 2016. Based on the evaluation of available evidence, both positive and negative, we recognize future tax benefits, such as net operating loss carryforwards and tax credit carryforwards, to the extent that realizing these benefits is considered to be more likely than not.

As of December 31, 2016, we had deferred tax assets of $70.3 million, after valuation allowances of $112.6 million. In evaluating the ability to realize the deferred tax assets, we rely on, in order of increasing subjectivity, taxable income in prior carryback years, the future reversals of existing taxable temporary differences, tax planning strategies and forecasted taxable income using historical and projected future operating results.

As of December 31, 2016, we had deferred tax assets for tax loss carryforward of approximately $404.6 million, $47.3 million of which is subject to expiration in the years between 2017 and 2021. We continue to evaluate our historical and projected operating results for several legal entities for which we maintain valuation allowances on net deferred tax assets.

We are subject to income taxes in Luxembourg, the United States and numerous foreign jurisdictions, and are subject to audit within these jurisdictions. Therefore, in the ordinary course of business there is inherent uncertainty in quantifying our income tax positions. The tax provision includes amounts considered sufficient to pay assessments that may result from examinations of prior year tax returns; however, the amount ultimately paid upon resolution of issues raised may differ from the amounts accrued. Since significant judgment is required to assess the future tax consequences of events that have been recognized in our financial statements or tax returns, the ultimate resolution of these events could result in adjustments to our financial statements and such adjustments could be material. Therefore, we consider such estimates to be critical in preparation of our financial statements.

The financial statement effect of an uncertain income tax position is recognized when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Accruals are recorded for other tax contingencies when it is probable that a liability to a taxing authority has been incurred and the amount of the contingency can be reasonably estimated. Uncertain income tax positions have been recorded in “Other noncurrent obligations” in the consolidated balance sheets for the periods presented.

Management judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities, and any valuation allowance recorded against our deferred tax assets. The valuation allowance is based on our estimates of future taxable income and the period over which we expect the deferred tax assets to be recovered. Our assessment of future taxable income is based on historical experience and current and anticipated market and economic conditions and trends. In the event that actual results differ from these estimates or we adjust our estimates in the future, we may need to adjust our valuation allowance, which could materially impact our financial position and results of operations.
Off-balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Recent Accounting Pronouncements

We describe the impact of recent accounting pronouncements in Note 2 to the consolidated financial statements, included elsewhere within this Annual Report.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to changes in interest rates and foreign currency exchange rates because we finance certain operations through fixed and variable rate debt instruments and denominate our transactions in a variety of foreign currencies. We are also exposed to changes in the prices of certain commodities that we use in production. Changes in these rates and commodity prices may have an impact on future cash flow and earnings. We manage these risks through normal operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. We do not enter into financial instruments for trading or speculative purposes.

By using derivative instruments, we are subject to credit and market risk. The fair market value of the derivative instruments is determined by using valuation models whose inputs are derived using market observable inputs, including interest rate yield curves, as well as foreign exchange and commodity spot and forward rates, and reflects the asset or liability position as of the end of each reporting period. When the fair value of a derivative contract is positive, the counterparty owes us, thus creating a receivable risk for us. We are exposed to counterparty credit risk in the event of non-performance by counterparties to our derivative agreements. We minimize counterparty credit (or repayment) risk by entering into transactions with major financial institutions of investment grade credit rating.

Our exposure to market risk is not hedged in a manner that completely eliminates the effects of changing market conditions on earnings or cash flow.

Interest Rate Risk

Given the Company’s debt structure (refer to Note 10 in the consolidated financial statements), we have certain exposure to changes in interest rates.

The 2021 Term Loan B bears an interest rate of LIBOR plus 3.25%, subject to a 1.00% LIBOR floor. Based on weighted-average outstanding borrowings under the 2021 Term Loan B throughout the year ended December 31, 2016, an increase in 100 basis points in the LIBO rate would have resulted in approximately $3.7 million of additional interest expense for the period.

Loans under the 2020 Revolving Facility, at the Borrowers’ option, may be maintained as (a) LIBO rate loans, which bear interest at a rate per annum equal to the LIBO rate plus the applicable margin (as defined in the Credit Agreement), if applicable, or (b) base rate loans which shall bear interest at a rate per annum equal to the base rate plus the applicable margin (as defined in the Credit Agreement). As of December 31, 2016, the Borrowers are required to pay a quarterly commitment fee in respect of any unused commitments under the 2020 Revolving Facility equal to 0.375% per annum. As of and throughout the year ended December 31, 2016, we had no variable rate debt issued under our 2020 Revolving Facility. As such, we incurred no variable rate interest related to this facility during the year ended December 31, 2016.

Our Accounts Receivable Securitization Facility is subject to interest charges against both the amount of outstanding borrowings as well as the amount of available, but undrawn commitments under the facility. Fixed interest charges on outstanding borrowings for this facility are 2.6% plus variable commercial paper rates which vary by month and by currency, as outstanding balances can be denominated in euro and U.S. dollar. Fixed interest charges on available, but undrawn commitments for this facility are 1.4%. As of and throughout the year ended December 31, 2016, we had no variable rate debt issued under our Accounts Receivable Securitization Facility. As such, we incurred no variable rate interest related to this facility during the year ended December 31, 2016.
Foreign Currency Risks

The Company’s ongoing business operations expose it to foreign currency risks, including fluctuating foreign exchange rates. Our primary foreign currency exposure is to the U.S. dollar to euro, noting that approximately 60% of our net sales were generated in Europe for the year ended December 31, 2016. To a lesser degree, we are also exposed to other currencies, including the Chinese yuan, Swiss franc, and Indonesian rupiah. To manage these risks, the Company periodically enters into derivative financial instruments such as foreign exchange forward contracts.

Certain subsidiaries have assets and liabilities denominated in currencies other than their respective functional currencies, which creates foreign exchange risk. Our principal strategy in managing exposure to changes in foreign currency exchange rates is to naturally hedge the foreign currency-denominated liabilities on our consolidated balance sheets against corresponding assets of the same currency such that any changes in liabilities due to fluctuations in exchange rates are offset by changes in their corresponding foreign currency assets. In order to further reduce our exposure, we also use foreign exchange forward contracts to economically hedge the impact of the variability in exchange rates on our assets and liabilities denominated in certain foreign currencies. These derivative contracts are not designated for hedge accounting treatment.

The Company also enters into forward contracts with the objective of managing the currency risk associated with forecasted U.S. dollar-denominated raw materials purchases by one of its subsidiaries whose functional currency is the euro. By entering into these forward contracts, which are designated as cash flow hedges, the Company buys a designated amount of U.S. dollars and sells euros at the prevailing market rate to mitigate the risk associated with the fluctuations in the euro-to-U.S. dollar foreign currency exchange rates. The qualifying hedge contracts are marked-to-market at each reporting date and any unrealized gains or losses are included in AOCI to the extent effective, and reclassified to cost of sales in the period during which the transaction affects earnings or it becomes probable that the forecasted transaction will not occur.

We have legal entities consolidated in our financial statements that have functional currencies other than U.S. dollar, our reporting currency. As a result of currencies fluctuating against the U.S. dollar, currency translation gains and losses are recorded in other comprehensive income, primarily as a result of the remeasurement of our euro functional legal entities as of December 31, 2016 and 2015.

Commodity Price Risk

We purchase certain raw materials such as benzene, ethylene, butadiene, BPA and styrene under short- and long-term supply contracts. The purchase prices are generally determined based on prevailing market conditions. We mitigate against the instability of commodity prices by passing higher raw material costs through to our customers by raising our prices or including provisions in our contracts that allow us to increase prices in such a circumstance or by including pricing formulas which utilize commodity indices. While the Company may experience some volatility in earnings and cash flows due to the lag in passing through raw material costs, we do not believe these temporary lags create a material risk to us over the next year. Nevertheless, even when raw material costs may be passed on easily to our customers, during periods of high volatility customers without minimum purchase requirements with us may choose to delay purchases of our materials or, in some cases, substitute purchases of our materials with less costly products.

We do not currently enter into derivative financial instruments for trading or speculative purposes to manage our commodity price risk relating to our raw material contracts.

Item 8.  Financial Statements and Supplementary Data

The financial statements and supplementary data required by Regulation S-X are included in Item 15- Exhibits, Financial Statements Schedules contained in Part IV of this Annual Report.
Item 9.  **Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

Item 9A.  **Controls and Procedures**

**Evaluation of Disclosure Controls and Procedures**

Our management is responsible for establishing and maintaining disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed by us in our reports that we file or submit under the Exchange Act (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended) is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company’s disclosure controls and procedures as of December 31, 2016. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this Annual Report were effective to provide the reasonable level of assurance described above.

**Management’s Annual Report on Internal Control over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of the Company’s financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

Management conducted an assessment of the Company’s internal control over financial reporting as of December 31, 2016 based on the framework in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the assessment, management concluded that, as of December 31, 2016, the Company’s internal control over financial reporting is effective.

The effectiveness of the Company’s internal control over financial reporting as of December 31, 2016 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

**Changes in Internal Control over Financial Reporting**

In 2015, the Company began a two-year project to upgrade our legacy ERP environment to an updated version of SAP through a phased implementation approach. As of December 31, 2016, we have completed this migration, including our North America, Asia Pacific, and European operations. In connection with this implementation, we have updated the processes that constitute our internal control over financial reporting, as necessary, to accommodate related changes to our business processes. The Company believes we have maintained appropriate internal controls during this phased implementation.

There have been no other changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.
Item 9B. Other Information

None.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item 10 is incorporated herein by reference from the sections captioned “Election of Directors,” “Corporate Governance,” “Stock Ownership Information,” and “Section 16(a) Beneficial Ownership Reporting Compliance” of the Company’s definitive proxy statement for the 2017 annual general meeting of shareholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A under the Securities Exchange Act of 1934 (the “2017 Proxy Statement”).

Code of Ethics

The Company has adopted a Code of Business Conduct applicable to all of our directors, officers and employees, and a Code of Ethics for Senior Financial Employees applicable to our principal executive, financial and accounting officers, and all persons performing similar functions. A copy of each of those Codes is available on the Company’s corporate website at www.trinseo.com under Investor Relations—Corporate Governance—Ethics and Compliance. If we make any substantive amendments to these Codes, or grant any waivers, including any implicit waivers from the provisions of these Codes, we will make a disclosure on our website or in a report on Form 8-K. Our Code of Business of Conduct is supported by a number of subsidiary policies which are specifically referenced in the Code, and several of which are also available on our corporate website. Our website and the information contained on that site, or accessible through that site, are not incorporated into and are not a part of this Annual Report.

Item 11. Executive Compensation

The information required by this Item 11 will be contained in our 2017 Proxy Statement and is incorporated by reference herein.


The information required by this Item 12 will be contained in our 2017 Proxy Statement and is incorporated by reference herein.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item 13 will be contained in our 2017 Proxy Statement and is incorporated by reference herein.

Item 14. Principal Accounting Fees and Services

The information required by this Item 14 will be contained in our 2017 Proxy Statement and is incorporated by reference herein.
Item 15. Exhibits, Financial Statement Schedules

(a) The following documents are filed as part of this report:

1. Financial statements:

   - Report of Independent Registered Public Accounting Firm
   - Consolidated Balance Sheets as of December 31, 2016 and 2015
   - Consolidated Statements of Operations for the years ended December 31, 2016, 2015, and 2014
   - Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2016, 2015, and 2014
   - Consolidated Statements of Shareholders’ Equity for the years ended December 31, 2016, 2015, and 2014
   - Consolidated Statements of Cash Flows for the years ended December 31, 2016, 2015, and 2014
   - Notes to Consolidated Financial Statements for the years ended December 31, 2016, 2015, and 2014
   - Financial Statement Schedule – Schedule II, Valuation and Qualifying Accounts

2. Exhibits, as listed in the exhibit index to this report.
SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 1, 2017

TRINSEO S.A.

By: /s/ Christopher D. Pappas
Name: Christopher D. Pappas
Title: President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1934, this report has been signed by the following persons in the capacities and on the dates indicated.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>/s/ Christopher D. Pappas</td>
<td>President and Chief Executive Officer (Principal Executive Officer)</td>
<td>March 1, 2017</td>
</tr>
<tr>
<td>Christopher D. Pappas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Barry J. Niziolek</td>
<td>Executive Vice President and Chief Financial Officer (Principal Financial Officer)</td>
<td>March 1, 2017</td>
</tr>
<tr>
<td>Barry J. Niziolek</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Ryan J. Leib</td>
<td>Corporate Controller (Principal Accounting Officer)</td>
<td>March 1, 2017</td>
</tr>
<tr>
<td>Ryan J. Leib</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Jeffrey J. Cote</td>
<td>Director</td>
<td>March 1, 2017</td>
</tr>
<tr>
<td>Jeffrey J. Cote</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Pierre-Marie De Leener</td>
<td>Director</td>
<td>March 1, 2017</td>
</tr>
<tr>
<td>Pierre-Marie De Leener</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Philip R. Martens</td>
<td>Director</td>
<td>March 1, 2017</td>
</tr>
<tr>
<td>Philip R. Martens</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Donald T. Misheff</td>
<td>Director</td>
<td>March 1, 2017</td>
</tr>
<tr>
<td>Donald T. Misheff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Michel G. Plantevin</td>
<td>Director</td>
<td>March 1, 2017</td>
</tr>
<tr>
<td>Michel G. Plantevin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Ruth Springham</td>
<td>Director</td>
<td>March 1, 2017</td>
</tr>
<tr>
<td>Ruth Springham</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Stephen F. Thomas</td>
<td>Director</td>
<td>March 1, 2017</td>
</tr>
<tr>
<td>Stephen F. Thomas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/s/ Stephen M. Zide</td>
<td>Director</td>
<td>March 1, 2017</td>
</tr>
<tr>
<td>Stephen M. Zide</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Audited Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm
Consolidated Balance Sheets as of December 31, 2016 and 2015
Consolidated Statements of Operations for the years ended December 31, 2016, 2015, and 2014
Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2016, 2015, and 2014
Consolidated Statements of Shareholders’ Equity for the years ended December 31, 2016, 2015, and 2014
Consolidated Statements of Cash Flows for the years ended December 31, 2016, 2015, and 2014
Notes to Consolidated Financial Statements for the years ended December 31, 2016, 2015, and 2014
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Americas Styrenics LLC*

Audited Consolidated Financial Statements

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* The audited financial statements of Americas Styrenics LLC as of December 31, 2016 and 2015 and for the years ended December 31, 2016, 2015 and 2014 have been included in this Annual Report in accordance with the requirements of Rule 3-09 of Regulation S-X.
To the Board of Directors and Shareholders of Trinseo S.A.

In our opinion, based on our audits and the report of other auditors, the accompanying consolidated balance sheets and the related consolidated statements of operations, of comprehensive income (loss), of shareholders' equity and of cash flows present fairly, in all material respects, the financial position of Trinseo S.A. and its subsidiaries at December 31, 2016 and December 31, 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, the financial statement schedule, and on the Company's internal control over financial reporting based on our audits (which were integrated audits in 2016 and 2015). We did not audit the financial statements of Americas Styrenics LLC, a 50-percent-owned equity investment of Trinseo S.A. as of December 31, 2016 and December 31, 2015 or for the years then ended. Trinseo S.A.'s consolidated financial statements reflect an investment in unconsolidated affiliates for Americas Styrenics LLC of $149.7 million as of December 31, 2016 and $143.9 million as of December 31, 2015 and includes equity in the earnings of unconsolidated affiliates for Americas Styrenics LLC of $135.8 million for the year ended December 31, 2016 and $135.3 million for the year ended December 31, 2015. The financial statements of Americas Styrenics LLC were audited by other auditors whose report thereon has been furnished to us, and our opinion on the December 31, 2016 and December 31, 2015 consolidated financial statements expressed herein, insofar as it relates to the amounts included for Americas Styrenics LLC, is based solely on the report of the other auditors. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits and the report of other auditors provide a reasonable basis for our opinions.

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it classifies deferred financing fees in 2016.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
March 1, 2017
# TRINSEO S.A.

## Consolidated Balance Sheets

(In thousands, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$465,114</td>
<td>$431,261</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance</td>
<td>564,428</td>
<td>494,556</td>
</tr>
<tr>
<td>Inventories</td>
<td>385,345</td>
<td>353,097</td>
</tr>
<tr>
<td>Other current assets</td>
<td>17,999</td>
<td>10,120</td>
</tr>
<tr>
<td>Total current assets</td>
<td>$1,432,886</td>
<td>$1,289,034</td>
</tr>
<tr>
<td>Investments in unconsolidated affiliates</td>
<td>191,418</td>
<td>182,836</td>
</tr>
<tr>
<td>Property, plant and equipment, net</td>
<td>513,757</td>
<td>518,751</td>
</tr>
<tr>
<td>Other assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>29,485</td>
<td>31,064</td>
</tr>
<tr>
<td>Other intangible assets, net</td>
<td>177,345</td>
<td>158,218</td>
</tr>
<tr>
<td>Deferred income tax assets—noncurrent</td>
<td>40,187</td>
<td>51,395</td>
</tr>
<tr>
<td>Deferred charges and other assets</td>
<td>24,412</td>
<td>27,596</td>
</tr>
<tr>
<td>Total other assets</td>
<td>$271,429</td>
<td>$268,273</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$2,409,490</td>
<td>$2,258,894</td>
</tr>
</tbody>
</table>

| **Liabilities and shareholders’ equity** |                   |                   |
| Current liabilities    |                   |                   |
| Short-term borrowings and current portion of long-term debt | $5,000            | $5,000            |
| Accounts payable       | 378,029           | 324,629           |
| Income taxes payable   | 23,784            | 20,804            |
| Accrued expenses and other current liabilities | 135,357           | 98,836            |
| Total current liabilities | $542,170         | $449,269          |
| Noncurrent liabilities |                   |                   |
| Long-term debt, net of unamortized deferred financing fees | 1,160,369         | 1,177,120         |
| Deferred income tax liabilities—noncurrent | 24,844           | 25,764            |
| Other noncurrent obligations | 237,054          | 217,727           |
| Total noncurrent liabilities | $1,422,267      | $1,420,611        |
| Commitments and contingencies (Note 15) |                   |                   |
| Shareholders’ equity   |                   |                   |
| Ordinary shares, $0.01 nominal value, 50,000,000 shares authorized (December 31, 2016: 48,778 shares issued and 44,301 shares outstanding; December 31, 2015: 48,778 shares issued and outstanding) | 488               | 488               |
| Additional paid-in-capital | 573,662          | 556,532           |
| Treasury shares, at cost (December 31, 2016: 4,477 shares; December 31, 2015: zero shares) | (217,483)        | —                 |
| Retained earnings (accumulated deficit) | 258,540          | (18,289)          |
| Accumulated other comprehensive loss | (170,154)       | (149,717)         |
| Total shareholders’ equity | $445,053         | $389,014          |
| Total liabilities and shareholders’ equity | $2,409,490       | $2,258,894        |

The accompanying notes are an integral part of these consolidated financial statements.

F-3
## TRINSEO S.A.

### Consolidated Statements of Operations

(In thousands, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$3,716,640</td>
<td>$3,971,902</td>
<td>$5,127,961</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>3,129,014</td>
<td>3,502,800</td>
<td>4,830,640</td>
</tr>
<tr>
<td>Gross profit</td>
<td>587,626</td>
<td>469,102</td>
<td>297,321</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>241,543</td>
<td>207,964</td>
<td>232,586</td>
</tr>
<tr>
<td>Equity in earnings of unconsolidated affiliates</td>
<td>144,733</td>
<td>140,178</td>
<td>47,749</td>
</tr>
<tr>
<td>Operating income</td>
<td>490,816</td>
<td>401,316</td>
<td>112,484</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>74,968</td>
<td>93,197</td>
<td>124,923</td>
</tr>
<tr>
<td>Loss on extinguishment of long-term debt</td>
<td>—</td>
<td>95,150</td>
<td>7,390</td>
</tr>
<tr>
<td>Other expense, net</td>
<td>10,539</td>
<td>9,113</td>
<td>27,784</td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>405,309</td>
<td>203,856</td>
<td>(47,613)</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>86,997</td>
<td>70,209</td>
<td>19,719</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$318,312</td>
<td>$133,647</td>
<td>$(67,332)</td>
</tr>
<tr>
<td>Weighted average shares- basic</td>
<td>46.510</td>
<td>48.774</td>
<td>43.476</td>
</tr>
<tr>
<td>Net income (loss) per share- basic</td>
<td>$6.84</td>
<td>2.74</td>
<td>$(1.55)</td>
</tr>
<tr>
<td>Weighted average shares- diluted</td>
<td>47.478</td>
<td>48.970</td>
<td>43.476</td>
</tr>
<tr>
<td>Net income (loss) per share- diluted</td>
<td>$6.70</td>
<td>2.73</td>
<td>$(1.55)</td>
</tr>
<tr>
<td>Repayments of equity per share</td>
<td>$0.90</td>
<td>—</td>
<td>$—</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
TRINSEO S.A.

Consolidated Statements of Comprehensive Income (Loss)
(In thousands, unless otherwise stated)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss)</td>
<td>$318,312</td>
<td>$133,647</td>
<td>$(67,332)</td>
</tr>
<tr>
<td>Other comprehensive income (loss), net of tax (tax amounts shown in millions below for 2016, 2015, and 2014, respectively):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative translation adjustments</td>
<td>$(9,802)</td>
<td>$(91,365)</td>
<td>$(133,901)</td>
</tr>
<tr>
<td>Net gain on foreign exchange cash flow hedges</td>
<td>6,703</td>
<td>5,569</td>
<td>—</td>
</tr>
<tr>
<td>Pension and other postretirement benefit plans:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior service credit arising during period (net of tax of $0, $0.2, and $3.2)</td>
<td>—</td>
<td>3,222</td>
<td>9,529</td>
</tr>
<tr>
<td>Net gain (loss) arising during period (net of tax of $(7.3), $2.8, and $(15.1))</td>
<td>$(20,596)</td>
<td>4,716</td>
<td>$(42,442)</td>
</tr>
<tr>
<td>Amounts reclassified from accumulated other comprehensive income (loss)</td>
<td>3,258</td>
<td>3,358</td>
<td>3,219</td>
</tr>
<tr>
<td>Total other comprehensive loss, net of tax</td>
<td>$(20,437)</td>
<td>$(74,500)</td>
<td>$(163,595)</td>
</tr>
<tr>
<td>Comprehensive income (loss)</td>
<td>$297,875</td>
<td>$59,147</td>
<td>$(230,927)</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
TRINSEO S.A.

Consolidated Statements of Shareholders’ Equity
(In thousands, except per share data)

<table>
<thead>
<tr>
<th>Shares</th>
<th>Ordinary Shares Outstanding</th>
<th>Treasury Shares</th>
<th>Additional Paid-In Capital</th>
<th>Treasury Shares</th>
<th>Accumulated Other Comprehensive Income (Loss)</th>
<th>Retained Earnings (Accumulated Deficit)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at December 31, 2013</strong></td>
<td>37,270</td>
<td>—</td>
<td>$373</td>
<td>$339,055</td>
<td>—</td>
<td>$88,378</td>
<td>$(84,604)</td>
</tr>
<tr>
<td>Issuance of ordinary shares (Note 12)</td>
<td>11,500</td>
<td>—</td>
<td>115</td>
<td>197,974</td>
<td>—</td>
<td>—</td>
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</tr>
<tr>
<td>Net loss</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other comprehensive loss</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(163,595)</td>
</tr>
<tr>
<td>Stock-based compensation activity</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Balance at December 31, 2014</strong></td>
<td>48,770</td>
<td>—</td>
<td>$488</td>
<td>$547,530</td>
<td>—</td>
<td>$(75,217)</td>
<td>$(151,936)</td>
</tr>
<tr>
<td>Net income</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other comprehensive loss</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(74,500)</td>
</tr>
<tr>
<td>Stock-based compensation activity</td>
<td>8</td>
<td>—</td>
<td>—</td>
<td>9,002</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Balance at December 31, 2015</strong></td>
<td>48,778</td>
<td>—</td>
<td>$488</td>
<td>$556,532</td>
<td>—</td>
<td>$(149,717)</td>
<td>$(18,289)</td>
</tr>
<tr>
<td>Adoption of new accounting standard (1)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>915</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net income</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other comprehensive loss</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(20,437)</td>
</tr>
<tr>
<td>Stock-based compensation activity</td>
<td>27</td>
<td>(27)</td>
<td>—</td>
<td>16,215</td>
<td>961</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Purchase of treasury shares (4,504)</td>
<td>4,504</td>
<td>—</td>
<td>—</td>
<td>(218,444)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Repayments of equity on ordinary shares ($0.90 per share)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(40,568)</td>
</tr>
<tr>
<td><strong>Balance at December 31, 2016</strong></td>
<td>44,301</td>
<td>4,477</td>
<td>$488</td>
<td>$573,662</td>
<td>$217,483</td>
<td>$(170,154)</td>
<td>$258,540</td>
</tr>
</tbody>
</table>

(1) Refer to Notes 2 and 17 for discussion of adoption of Accounting Standards Update 2016-09.

The accompanying notes are an integral part of these consolidated financial statements.
TRINSEO S.A.

Consolidated Statements of Cash Flows
(In thousands)

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$318,312</td>
<td>$133,647</td>
<td>$(67,332)</td>
</tr>
<tr>
<td>Adjustments to reconcile net income (loss) to net cash provided by operating activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>96,459</td>
<td>96,752</td>
<td>103,706</td>
</tr>
<tr>
<td>Amortization of deferred financing fees and issuance discount</td>
<td>5,817</td>
<td>7,662</td>
<td>9,937</td>
</tr>
<tr>
<td>Deferred income tax</td>
<td>16,088</td>
<td>(77)</td>
<td>4,833</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>17,061</td>
<td>9,002</td>
<td>10,501</td>
</tr>
<tr>
<td>Earnings of unconsolidated affiliates, net of dividends</td>
<td>(13,391)</td>
<td>(15,182)</td>
<td>(12,750)</td>
</tr>
<tr>
<td>Unrealized net losses (gains) on foreign exchange forward contracts</td>
<td>3,192</td>
<td>(8,953)</td>
<td>4,554</td>
</tr>
<tr>
<td>Contingent gain on sale of business</td>
<td>—</td>
<td>—</td>
<td>(623)</td>
</tr>
<tr>
<td>Loss on extinguishment of debt</td>
<td>—</td>
<td>95,150</td>
<td>7,390</td>
</tr>
<tr>
<td>Prepayment penalty on long-term debt</td>
<td>—</td>
<td>(68,603)</td>
<td>(3,975)</td>
</tr>
<tr>
<td>Loss on sale of businesses and other assets</td>
<td>14,928</td>
<td>—</td>
<td>(116)</td>
</tr>
<tr>
<td>Impairment charges</td>
<td>15,113</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Changes in assets and liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(96,398)</td>
<td>65,123</td>
<td>68,483</td>
</tr>
<tr>
<td>Inventories</td>
<td>(50,966)</td>
<td>97,151</td>
<td>22,605</td>
</tr>
<tr>
<td>Accounts payable and other current liabilities</td>
<td>57,115</td>
<td>(71,907)</td>
<td>(5,697)</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>3,784</td>
<td>12,019</td>
<td>259</td>
</tr>
<tr>
<td>Other assets, net</td>
<td>5,394</td>
<td>3,166</td>
<td>(2,527)</td>
</tr>
<tr>
<td>Other liabilities, net</td>
<td>11,150</td>
<td>(1,701)</td>
<td>(22,027)</td>
</tr>
<tr>
<td>Cash provided by operating activities</td>
<td>403,658</td>
<td>353,249</td>
<td>117,221</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(123,873)</td>
<td>(109,267)</td>
<td>(98,606)</td>
</tr>
<tr>
<td>Proceeds from capital expenditures subsidy</td>
<td>—</td>
<td>2,191</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from the sale of businesses and other assets</td>
<td>1,974</td>
<td>818</td>
<td>6,257</td>
</tr>
<tr>
<td>Payment for working capital adjustment from sale of business</td>
<td>—</td>
<td>—</td>
<td>(700)</td>
</tr>
<tr>
<td>Distributions from unconsolidated affiliates</td>
<td>4,809</td>
<td>—</td>
<td>978</td>
</tr>
<tr>
<td>Increase in restricted cash</td>
<td>(204)</td>
<td>(413)</td>
<td>(533)</td>
</tr>
<tr>
<td>Cash used in investing activities</td>
<td>(117,294)</td>
<td>(106,671)</td>
<td>(92,604)</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from initial public offering, net of offering costs</td>
<td>—</td>
<td>—</td>
<td>198,087</td>
</tr>
<tr>
<td>Deferred financing fees</td>
<td>—</td>
<td>(28,197)</td>
<td>—</td>
</tr>
<tr>
<td>Short-term borrowings, net</td>
<td>(253)</td>
<td>(18,396)</td>
<td>(56,901)</td>
</tr>
<tr>
<td>Repayments of term loans</td>
<td>(5,000)</td>
<td>(2,500)</td>
<td>—</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>(215,083)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Repayments of equity on ordinary shares</td>
<td>(27,316)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from exercise of option awards</td>
<td>214</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Withholding taxes paid on restricted share units</td>
<td>(98)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net proceeds from issuance of 2021 Term Loan B</td>
<td>—</td>
<td>498,750</td>
<td>—</td>
</tr>
<tr>
<td>Net proceeds from issuance of 2022 Senior Notes</td>
<td>—</td>
<td>716,625</td>
<td>—</td>
</tr>
<tr>
<td>Repayments of 2019 Senior Notes</td>
<td>—</td>
<td>(1,192,500)</td>
<td>(132,500)</td>
</tr>
<tr>
<td>Proceeds from Accounts Receivable Securitization Facility</td>
<td>—</td>
<td>25,000</td>
<td>308,638</td>
</tr>
<tr>
<td>Repayments of Accounts Receivable Securitization Facility</td>
<td>—</td>
<td>(25,000)</td>
<td>(309,205)</td>
</tr>
<tr>
<td>Cash provided by (used in) financing activities</td>
<td>(247,536)</td>
<td>(26,218)</td>
<td>8,119</td>
</tr>
<tr>
<td>Effect of exchange rates on cash</td>
<td>(4,975)</td>
<td>(9,885)</td>
<td>(8,453)</td>
</tr>
<tr>
<td>Net change in cash and cash equivalents</td>
<td>33,853</td>
<td>210,475</td>
<td>24,283</td>
</tr>
<tr>
<td>Cash and cash equivalents—beginning of period</td>
<td>431,261</td>
<td>220,786</td>
<td>196,503</td>
</tr>
<tr>
<td>Cash and cash equivalents—end of period</td>
<td>$465,114</td>
<td>$431,261</td>
<td>$220,786</td>
</tr>
</tbody>
</table>

Supplemental disclosure of cash flow information

- Cash paid for income taxes, net of refunds: $66,623, $58,151, $5,097
- Cash paid for interest, net of amounts capitalized: $69,357, $121,229, $119,820
- Accrual for property, plant and equipment: $35,581, $14,205, $18,245

The accompanying notes are an integral part of these consolidated financial statements.
NOTE 1—ORGANIZATION AND BUSINESS ACTIVITIES

Organization

On June 3, 2010, Bain Capital Everest Manager Holding S.C.A., an affiliate of Bain Capital to which we refer to as the former Parent, was formed through investment funds advised or managed by Bain Capital. Dow Europe Holding B.V. (together with The Dow Chemical Company, “Dow”) retained an indirect ownership interest in the former Parent. Trinseo S.A. ("Trinseo", and together with its subsidiaries, the “Company”) was also formed on June 3, 2010, incorporated under the existing laws of the Grand Duchy of Luxembourg. At that time, all ordinary shares of Trinseo were owned by the former Parent. On June 17, 2010, Trinseo acquired 100% of the former Styron business from Dow (the “Acquisition”), at which time, the Company commenced operations.

On June 17, 2014, Trinseo completed an IPO of 11,500,000 ordinary shares. During 2016, the former Parent divested its entire ownership in the Company in a series of secondary offerings to the market. Refer to Note 12 for more information.

Business Activities

The Company is a leading global materials company engaged in the manufacturing and marketing of synthetic rubber, latex binders, and plastics, including various specialty and technologically differentiated products. The Company develops synthetic rubber, latex binders, and plastics products that are incorporated into a wide range of products throughout the world, including tires and other products for automotive applications, carpet and artificial turf backing, coated paper and packaging board, food packaging, appliances, medical devices, consumer electronics and construction applications, among others.

The Company’s operations are located in Europe, North America, and Asia Pacific, supplemented by two joint ventures, Americas Styrenics, a styrenics joint venture with Chevron Phillips Chemical Company LP, and Sumika Styron Polycarbonate, a polycarbonate joint venture with Sumitomo Chemical Company Limited. Refer to Note 4 for further information regarding our investments in these unconsolidated affiliates.

The Company has significant manufacturing and production operations around the world, which allow service to its global customer base. As of December 31, 2016, the Company’s production facilities included 30 manufacturing plants (which included a total of 75 production units) at 23 sites across 12 countries, including joint ventures and contract manufacturers. Additionally, as of December 31, 2016, the Company operated 10 research and development (R&D) facilities globally, including mini plants, development centers and pilot coaters.

Company Realignment

Through September 30, 2016, the chief executive officer, who is the Company’s chief operating decision maker, managed the Company’s operations under two divisions, Performance Materials and Basic Plastics & Feedstocks, which included the following four reportable segments: Latex, Synthetic Rubber, Performance Plastics, and Basic Plastics & Feedstocks.

Effective October 1, 2016, the Company realigned its reporting segments to reflect the new model under which the business will be managed and results will be reviewed by the chief executive officer. The previous Basic Plastics & Feedstocks segment was split into three new segments: Basic Plastics, Feedstocks, and Americas Styrenics. In addition, ABS supplied into Performance Plastics markets, which was previously included in the results of Basic Plastics & Feedstocks, is now included in Performance Plastics. Finally, the Latex segment was renamed to Latex Binders. These consolidated financial statements and related notes thereto have been retroactively adjusted to reflect this change in reporting segments. Refer to Note 19 for further information.
NOTE 2—BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements as of December 31, 2016 and 2015 and for each of the three years in the period ended December 31, 2016 are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The consolidated financial statements of the Company contain the accounts of all entities that are controlled and variable interest entities (“VIEs”) for which the Company is the primary beneficiary. A VIE is defined as a legal entity that has equity investors that do not have sufficient equity at risk for the entity to support its activities without additional subordinated financial support or, as a group, the holders of the equity at risk lack (i) the power to direct the entity’s activities or (ii) the obligation to absorb the expected losses or the right to receive the expected residual returns of the entity. A VIE is required to be consolidated by a company if that company is the primary beneficiary. Refer to Note 10 for further discussion of the Company’s Accounts Receivable Securitization Facility, which qualifies as a VIE and is consolidated within the Company’s financial statements.

All intercompany balances and transactions are eliminated. Joint ventures over which the Company has the ability to exercise significant influence that are not consolidated are accounted for by the equity method.

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications did not have a material impact on the Company’s financial position or results. Refer to Notes 8, 10, and 19 for further information.

Use of Estimates in Financial Statement Preparation

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual amounts could differ from these estimates.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents and accounts receivable. The Company uses major financial institutions with high credit ratings to engage in transactions involving cash equivalents. The Company minimizes credit risk in its receivables by selling products to a diversified portfolio of customers in a variety of markets located throughout the world.

The Company performs ongoing evaluations of its customers’ credit and generally does not require collateral. The Company maintains an allowance for doubtful accounts for losses resulting from the inability of specific customers to meet their financial obligations, representing our best estimate of probable credit losses in existing trade accounts receivable. A specific reserve for doubtful receivables is recorded against the amount due from these customers. For all other customers, the Company recognizes reserves for doubtful receivables based on historical experience.

Financial Instruments

The carrying amounts of the Company’s financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued and other current liabilities, approximate fair value due to their generally short maturities.

The estimated fair value of the Company’s 2021 Term Loan B and 2022 Senior Notes (both of which are defined in Note 10) are determined using level 2 inputs within the fair value hierarchy. Refer to Note 13 for the fair value of these debt instruments. When outstanding, the estimated fair values of borrowings under the Company’s 2020 Revolving Facility and Accounts Receivable Securitization Facility (both of which are defined in Note 10) are determined using level 2 inputs within the fair value hierarchy. The carrying amounts of borrowings under the 2020 Revolving Facility and Accounts Receivable Securitization Facility approximate fair value as these borrowings bear interest based on prevailing variable market rates.

At times, the Company manages its exposure to changes in foreign currency exchange rates, where possible, by entering into foreign exchange forward contracts. When outstanding, all derivatives, whether designated in hedging relationships or not, are required to be recorded on the consolidated balance sheets at fair value. The fair value of the derivatives is determined from sources independent of the Company, including the financial institutions which are party
to the derivative instruments. The fair value of derivatives also considers the credit default risk of the paying party. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and the hedged item will be recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portion of the change in the fair value of the derivative will be recorded in other comprehensive income and will be recognized in the consolidated statements of operations when the hedged item affects earnings.

As of December 31, 2016 and 2015, the Company had certain foreign exchange forward contracts outstanding that were not designated for hedge accounting treatment. As such, the settlements and changes in fair value of underlying instruments are recognized in “Other expense, net” in the consolidated statements of operations. For the year ended December 31, 2016, the Company recognized gains related to these forward contracts of $3.7 million, while for the years ended December 31, 2015 and 2014 the Company recognized losses related to these forward contracts of $16.5 million and $28.2 million, respectively.

As of December 31, 2016 and 2015, the Company also had foreign exchange forward contracts which are designated as cash flow hedges. As such, the qualifying hedge contracts are marked-to-market at each reporting date and any unrealized gains or losses are included in accumulated other comprehensive income to the extent effective, and reclassified to cost of sales in the period during which the transaction affects earnings or it becomes probable that the forecasted transaction will not occur.

Forward contracts are entered into with a limited number of counterparties, each of which allows for net settlement of all contracts through a single payment in a single currency in the event of a default on or termination of any one contract. The Company records these foreign exchange forward contracts on a net basis, by counterparty within the consolidated balance sheets.

The Company presents the cash receipts and payments from hedging activities in the same category as the cash flows from the items subject to hedging relationships. As the items subject to economic hedging relationships are the Company’s operating assets and liabilities, the related cash flows are classified within operating activities in the consolidated statements of cash flows.

Foreign Currency Translation

For the majority of the Company’s subsidiaries, the local currency has been identified as the functional currency. For remaining subsidiaries, the U.S. dollar has been identified as the functional currency due to the significant influence of the U.S. dollar on their operations. Gains and losses resulting from the translation of various functional currencies into U.S. dollars are not recorded within the consolidated statements of operations. Rather, they are recorded within the cumulative translation adjustment account as a separate component of shareholders’ equity (accumulated other comprehensive income) in the consolidated balance sheets. The Company translates asset and liability balances at exchange rates in effect at the end of the period and income and expense transactions at the average exchange rates in effect during the period. Gains and losses resulting from foreign currency transactions are recorded within the consolidated statements of operations.

For the year ended December 31, 2016, the Company recognized net foreign exchange transaction losses of $5.5 million, while for the years ended December 31, 2015 and 2014 the Company recognized net foreign exchange transaction gains of $6.1 million and $32.4 million, respectively. These amounts exclude the impacts of foreign exchange forward contracts discussed above. Gains and losses on net foreign exchange transactions are recorded within “Other expense, net” in the consolidated statements of operations.

Environmental Matters

Accruals for environmental matters are recorded when it is considered probable that a liability has been incurred and the amount of the liability can be reasonably estimated, based on current law and existing technologies. These accruals are adjusted periodically as assessment and remediation efforts progress, or as additional technical or legal information become available. Accruals for environmental liabilities are recorded within “Other noncurrent obligations” in the consolidated balance sheets at undiscounted amounts. As of December 31, 2016 and 2015, there were no accruals for environmental liabilities recorded.

Environmental costs are capitalized in recognition of legal asset retirement obligations resulting from the acquisition, construction or normal operation of a long-lived asset. Any costs related to environmental contamination
treatment and clean-ups are charged to expense. Estimated future incremental operations, maintenance and management costs directly related to remediation are accrued when such costs are probable and reasonably estimable.

**Cash and Cash Equivalents**

Cash and cash equivalents generally include time deposits or highly liquid investments with original maturities of three months or less and no material liquidity fee or redemption gate restrictions.

**Inventories**

Inventories are stated at the lower of cost or market, with cost being determined on the first-in, first-out (“FIFO”) method. The Company periodically reviews its inventory for excess or obsolete inventory, and will write-down the excess or obsolete inventory value to its net realizable value, if applicable.

**Property, Plant and Equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and less impairment, if applicable, and are depreciated over their estimated useful lives using the straight-line method.

Expenditures for maintenance and repairs are charged against income as incurred. Expenditures that significantly increase asset value, extend useful asset lives or adapt property to a new or different use are capitalized. These expenditures include planned major maintenance activity or turnaround activities that increase our manufacturing plants’ output and improve production efficiency as compared to pre-turnaround operations. As of December 31, 2016 and 2015, $9.2 million and $7.6 million, respectively, of the Company’s net costs related to turnaround activities were capitalized within “Deferred charges and other assets” in the consolidated balance sheets, and are being amortized over the period until the next scheduled turnaround.

The Company periodically evaluates actual experience to determine whether events and circumstances have occurred that may warrant revision of the estimated useful lives of property, plant and equipment. Engineering and other costs directly related to the construction of property, plant and equipment are capitalized as construction in progress until construction is complete and such property, plant and equipment is ready and available to perform its specifically assigned function. Upon retirement or other disposal, the asset cost and related accumulated depreciation are removed from the accounts and the net amount, less any proceeds, is charged or credited to income. The Company also capitalizes interest as a component of the cost of capital assets constructed for its own use.

**Impairment and Disposal of Long-Lived Assets**

The Company evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. When undiscounted future cash flows are not expected to be sufficient to recover an asset’s carrying amount, the asset is written down to its fair value based on a discounted cash flow analysis utilizing market participant assumptions. Refer to Note 13 for further information.

Long-lived assets to be disposed of by sale are classified as held-for-sale and are reported at the lower of carrying amount or fair value less cost to sell, and depreciation is ceased. Long-lived assets to be disposed of in a manner other than by sale are classified as held-and-used until they are disposed.

**Goodwill and Other Intangible Assets**

The Company records goodwill when the purchase price of a business acquisition exceeds the estimated fair value of net identified tangible and intangible assets acquired. Goodwill is tested for impairment at the reporting unit level annually, or more frequently when events or changes in circumstances indicate that the fair value of a reporting unit has more likely than not declined below its carrying value. The Company utilizes a market approach and an income approach (under the discounted cash flow method) to calculate the fair value of its reporting units. When supportable, the Company employs the qualitative assessment of goodwill impairment prescribed by ASC 350. The annual impairment assessment is completed using a measurement date of October 1st. No goodwill impairment losses were recorded in the years ended December 31, 2016, 2015, and 2014.
Finite-lived intangible assets, such as our intellectual property, manufacturing capacity rights, and computer software for internal use are amortized on a straight-line basis over their estimated useful life and are reviewed for impairment or obsolescence if events or changes in circumstances indicate that their carrying amount may not be recoverable. If impaired, intangible assets are written down to fair value based on discounted cash flows. No intangible asset impairment losses were recorded in the years ended December 31, 2016, 2015, and 2014.

Deferred Financing Fees

With the adoption of new guidance from the FASB, capitalized fees and costs incurred in connection with the Company’s recognized debt liabilities are presented in the consolidated balance sheets as a direct reduction from the carrying value of those debt liabilities, consistent with debt discounts. In accordance with this guidance, deferred financing fees related to the Company’s revolving debt facilities remain included within “Deferred charges and other assets” in the consolidated balance sheets. See “Recent Accounting Guidance” below for further discussion of the impact of adopting this guidance.

For the 2021 Term Loan B and 2022 Senior Notes (and the 2019 Senior Notes, prior to their repayment in May 2015), deferred financing fees are amortized over the term of the agreement using the effective interest method, while for the 2020 Revolving Facility and the Accounts Receivable Securitization Facility, deferred financing fees are amortized using the straight-line method over the term of the respective facility. Amortization of deferred financing fees is recorded in “Interest expense, net” within the consolidated statements of operations.

Investments in Unconsolidated Affiliates

Investments in unconsolidated affiliates in which the Company has the ability to exercise significant influence (generally, 20% to 50%-owned companies) are accounted for using the equity method. Investments are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. An impairment loss is recorded whenever a decline in fair value of an investment in an unconsolidated affiliate below its carrying amount is determined to be other-than-temporary.

Sales

Sales are recognized when the revenue is realized or realizable and the earnings process is complete, which occurs when risk and title to the product transfers to the customer, typically at the time shipment is made. As such, title to the product generally passes when the product is delivered to the freight carrier. Standard terms of delivery are included in contracts of sale, order confirmation documents and invoices. Freight costs and any directly related costs of transporting finished product to customers are recorded as “Cost of sales” in the consolidated statements of operations. Taxes on sales are excluded from net sales.

Sales are recorded net of estimates for returns and price allowances, including discounts for prompt payment and volume-based incentives.

Cost of Sales

The Company classifies the costs of manufacturing and distributing its products as cost of sales. Manufacturing costs include raw materials, utilities, packaging and fixed manufacturing costs associated with production. Fixed manufacturing costs include such items as plant site operating costs and overhead, production planning, depreciation and amortization, repairs and maintenance, environmental, and engineering costs. Distribution costs include shipping and handling costs.

Selling, General and Administrative Expenses

Selling, general and administrative, or SG&A, expenses are charged to expense as incurred. SG&A expenses are the cost of services performed by the marketing and sales functions (including sales managers, field sellers, marketing research, marketing communications and promotion and advertising materials) and by administrative functions (including product management, R&D, business management, customer invoicing, and human resources). R&D expenses include the cost of services performed by the R&D function, including technical service and development, process research including pilot plant operations, and product development.
Total R&D costs included in SG&A expenses were approximately $51.0 million, $51.9 million and $53.4 million for the years ended December 31, 2016, 2015, and 2014, respectively.

The Company expenses promotional and advertising costs as incurred to SG&A expenses. Total promotional and advertising expenses were approximately $3.0 million, $3.5 million and $2.9 million for the years ended December 31, 2016, 2015, and 2014, respectively.

The Company also includes restructuring charges within SG&A expenses. Total restructuring charges were $23.9 million, $8.2 million and $14.1 million for the years ended December 31, 2016, 2015, and 2014, respectively. Refer to Note 20 for further information.

Pension and Postretirement Benefits Plans

The Company has several defined benefit plans, under which participants earn a retirement benefit based upon a formula set forth in the plan. The Company also provides certain health care and life insurance benefits to retired employees mainly in the United States. Prior to the divestiture of our latex binders and automotive businesses in Brazil (refer to Note 3) we also provided health care and life insurance benefits to retired employees in Brazil. The U.S.-based plan provides health care benefits, including hospital, physicians’ services, drug and major medical expense coverage, and life insurance benefits.

Accounting for defined benefit pension plans and other postretirement benefit plans, and any curtailments and settlements thereof, requires various assumptions, including, but not limited to, discount rates, expected rates of return on plan assets and future compensation growth rates. The Company evaluates these assumptions at least once each year, or as facts and circumstances dictate, and makes changes as conditions warrant.

In 2016, the Company changed the method used to estimate the future service and interest cost components of net periodic benefit cost for our defined benefit pension and other postretirement benefit plans. As a result, beginning in 2017, the Company will employ a full yield curve approach in the estimation of these components of benefit cost by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows.

A settlement is a transaction that is an irrevocable action that relieves the employer (or the plan) of primary responsibility for a pension or postretirement benefit obligation, and that eliminates significant risks related to the obligation and the assets used to effect the settlement. When a settlement occurs, the Company does not record settlement gains or losses during interim periods when the cost of all settlements in a year is less than or equal to the sum of the service cost and interest cost components of net periodic pension cost for the plan in that year.

Income Taxes

The provision for income taxes is determined using the asset and liability approach of accounting for income taxes. Under this approach, deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from differences between the financial and tax basis of the Company’s assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted. For each tax jurisdiction in which the Company operates, deferred tax assets and liabilities are offset against one another and are presented as a single noncurrent amount within the consolidated balance sheets.

Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Provision is made for income taxes on unremitted earnings of subsidiaries and affiliates, unless such earnings are deemed to be indefinitely invested.

The Company recognizes the financial statement effects of uncertain income tax positions when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. The Company accurses for other tax contingencies when it is probable that a liability to a taxing authority has been incurred and the amount of the contingency can be reasonably estimated. Interest accrued related to unrecognized tax and income tax related penalties are included in the provision for income taxes. The current portion of uncertain income taxes positions is recorded in “Income taxes payable” while the long-term portion is recorded in “Other noncurrent obligations” in the consolidated balance sheets.
Stock-based Compensation

Refer to Note 17 for detailed discussion regarding the Company’s stock-based compensation award programs. Stock-based compensation expense recognized in our consolidated financial statements is based on awards that are ultimately expected to vest. In connection with the IPO, the Company’s board of directors approved the 2014 Omnibus Plan. Since that time, certain equity grants have been awarded, comprised of RSUs and options awards (defined in Note 17).

Compensation costs for the RSUs are measured at the grant date based on the fair value of the award and are recognized ratably as expense over the applicable vesting term. Prior to November 2016, dividend and dividend equivalents did not accumulate on unvested RSUs. In November 2016, the board of directors approved an amendment to all outstanding RSUs, entitling each award holder to an amount equal to any cash dividend or repayment of equity paid by the Company upon one ordinary share for each RSU held by the award holder (“dividend equivalents”). The dividend equivalents earned on the RSUs only include dividends or repayments of equity paid after this amendment and the award holders have no right to receive the dividend equivalents unless and until the associated RSUs vest. The dividend equivalents will be payable in cash and will not accrue interest.

The fair value of RSUs is equal to the fair market value of the Company’s ordinary shares based on the closing price on the date of grant.

Compensation cost for the option awards is measured at the grant date based on the fair value of the award and is recognized over the appropriate service period utilizing graded vesting. The fair value for option awards is computed using the Black-Scholes pricing model, whose inputs and assumptions are determined as of the date of grant.

Effective April 1, 2016, the Company adopted new accounting guidance that simplifies several aspects of accounting for share-based payments. Among other things, as part of this adoption, the Company made an accounting policy election to recognize forfeitures as incurred, rather than estimating the forfeitures in advance. Refer to discussion below for further information.

Treasury Shares

The Company may, from time to time, repurchase its ordinary shares at prevailing market rates. Share repurchases are recorded at cost within “Treasury shares” within shareholders equity in the consolidated balance sheets. It is the Company’s policy that, as RSUs vest or option awards are exercised, ordinary shares will be issued from the existing pool of treasury shares on a first-in-first-out basis. Refer to Note 12 for discussion of share repurchases during the year ended December 31, 2016 and to Note 17 for details of vesting of RSUs and exercises of option awards.

Recent Accounting Guidance

In May 2014, the FASB and the International Accounting Standards Board (“IASB”) jointly issued guidance which clarifies the principles for recognizing revenue and develops a common revenue standard for GAAP and International Financial Reporting Standards (“IFRS”). The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additionally, the FASB has issued certain clarifying updates to this guidance, which the Company will consider as part of our adoption. The Company expects to adopt this guidance for annual and interim periods beginning after December 31, 2017 by applying the modified retrospective transition approach. While our adoption efforts have progressed significantly, we have not yet reached a final conclusion on the expected impacts of adopting this new standard on our consolidated financial statements and disclosures, as well as on our underlying business processes and information technology systems.

In April 2015, the FASB issued guidance that requires deferred financing fees related to a recognized debt liability be presented in the consolidated balance sheet as a direct deduction from the carrying value of that debt liability, consistent with debt discounts. The recognition and measurement guidance for deferred financing fees are not affected. The Company adopted this guidance effective January 1, 2016. Balances as of December 31, 2015 presented herein have been retrospectively adjusted, with $25.7 million of unamortized deferred financing fees being reclassified from “Deferred charges and other assets” and netted against “Long-term debt, net of unamortized deferred financing fees” in the consolidated balance sheet. In accordance with this guidance, unamortized deferred financing fees related to the
Company’s revolving debt facilities were not reclassified as a reduction of long-term debt, and remain included within “Deferred charges and other assets” in the consolidated balance sheets.

In July 2015, the FASB issued guidance which simplifies the subsequent measurement of inventory by replacing the lower of cost or market test with a lower of cost or net realizable value (“NRV”) test. NRV is calculated as the estimated selling price less reasonably predictable costs of completion, disposal and transportation. This pronouncement is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2016, and prospective adoption is required. The impact of adopting this guidance will not be material to the Company’s financial position and results of operations.

In February 2016, the FASB issued guidance related to leases that outlines a comprehensive lease accounting model and supersedes the current lease guidance. The new guidance requires lessees to recognize on the consolidated balance sheets lease liabilities and corresponding right-of-use assets for all leases with terms of greater than 12 months. It also changes the definition of a lease and expands the disclosure requirements of lease arrangements. This new guidance is effective for public companies for annual and interim periods beginning after December 15, 2018, with early adoption permitted. The new guidance must be adopted using a modified retrospective transition, and provides for certain practical expedients. The Company is in the process of assessing the impact on its consolidated financial statements from the adoption of the new guidance. However, as we are the lessee under various real estate, railcar, and other equipment leases, which we currently account for as operating leases, we anticipate an increase in the recognition of right-of-use assets and lease liabilities as a result of this adoption.

In March 2016, the FASB issued guidance that simplifies several aspects of accounting for share-based payments. The Company adopted this guidance effective April 1, 2016. Under this guidance, excess tax benefits associated with share-based payment awards are recognized in the consolidated statements of operations when the awards vest or settle, rather than in shareholders’ equity, and all tax-related cash flows resulting from share-based payments are reported as operating activities on the consolidated statements of cash flows. In addition, this guidance modified the minimum statutory withholding requirements to allow entities to withhold an amount up to the employees’ maximum individual tax rate in the relevant jurisdiction without triggering liability classification of the award, while also clarifying that all cash payments made to taxing authorities on employees’ behalf for withheld shares are to be reported as financing activities on the consolidated statements of cash flows. The adoption of these changes did not materially impact the Company’s financial position and result of operations. Additionally, as part of this adoption, the Company made an accounting policy election to recognize forfeitures as incurred, rather than estimating the forfeitures in advance. The impact of this change was applied utilizing a modified retrospective approach, with an adjustment of $0.9 million recorded during the year ended December 31, 2016 to decrease opening retained earnings and increase opening additional paid-in-capital.

In August 2016, the FASB issued guidance that aims to eliminate diversity in practice for how certain cash receipts and payments are presented and classified in the consolidated statements of cash flows. This guidance is effective for public companies for annual and interim periods beginning after December 15, 2017, with early adoption permitted. This guidance must be adopted using a retrospective approach, and provides for certain practical expedients. Additionally, the FASB has issued further guidance related to the presentation of restricted cash on the consolidated statements of cash flows. The Company is currently assessing the timing and related impact of adopting this guidance on its consolidated statements of cash flows.

In January 2017, the FASB issued guidance that revises the definition of a business in order to assist in determining whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. Under the new guidance, fewer transactions are expected to be accounted for as business combinations. This guidance is effective for public companies for annual and interim periods beginning after December 15, 2017, with early adoption permitted. We expect this adoption could affect conclusions reached for future transactions in several areas, including acquisitions and disposals.

In January 2017, the FASB issued guidance to simplify the accounting for goodwill impairment by removing Step 2 of the test, which requires a hypothetical purchase price allocation. As a result, a goodwill impairment will now be the amount by which a reporting unit’s carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. This guidance is effective for calendar year-end public companies beginning in 2020, with early adoption permitted for impairment tests performed after January 1, 2017. The impact of adopting this guidance is not expected to be material to the Company’s financial position and results of operations.
NOTE 3—ACQUISITIONS AND DIVESTITURES

The Acquisition

The Company accounted for the Acquisition (as discussed in Note 1) under the purchase method of accounting, whereby the purchase price paid, net of working capital adjustments, was allocated to the acquired assets and liabilities at fair value.

As part of the Acquisition, the Company has been indemnified for various tax matters, including income tax and value add taxes, as well as legal liabilities which have been incurred prior to the Acquisition. Conversely, certain tax matters which the Company has benefitted from are subject to reimbursement by Trinseo to Dow. These amounts have been estimated and provisional amounts have been recorded based on the information known during the measurement period; however, these amounts remain subject to change based on the completion of our annual statutory filings, tax authority review as well as a final resolution with Dow on amounts due to and due from the Company. Management believes the Company’s estimates and assumptions are reasonable under the circumstances, however, settlement negotiations or changes in estimates around pre-acquisition indemnifications could result in a material impact on the consolidated financial statements.

Livorno Land Sale

In April 2014, the Company completed the sale of a portion of land at its manufacturing site in Livorno, Italy for a purchase price of €4.95 million (approximately $6.8 million). As a result, the Company recorded a gain on sale of $0.1 million within “Other expense, net” in the consolidated statements of operations for the year ended December 31, 2014.

Divestiture of Brazil Business

During the second quarter of 2016, the Company signed a definitive agreement to sell Trinseo do Brasil Comercio de Produtos Quimicos Ltda. (“Trinseo Brazil”), its primary operating entity in Brazil which includes both a latex binders and automotive business. Under the agreement of sale, which closed on October 1, 2016, Trinseo Brazil was sold to a single counterparty, for a selling price that is subject to certain contingent consideration payments, which could be paid by the buyer over a 5-year period subsequent to the closing date, based on the results of the Trinseo Brazil latex binders business during that time.

As a result of this agreement, during the year ended December 31, 2016, the Company recorded impairment charges for the estimated loss on sale of approximately $15.1 million within “Other expense, net” in the consolidated statement of operations. The $15.1 million charge primarily relates to the unrecoverable net book value of property, plant and equipment along with certain working capital balances, and also includes $0.4 million of goodwill written off with the sale (entirely attributable to the Latex Binders segment). This charge has been allocated as $9.4 million, $4.9 million, and $0.7 million to the Performance Plastics segment, Latex Binders segment, and Corporate, respectively. This loss on sale has been recorded as an estimate based on available information and is subject to change through post-closing settlement activities that remain ongoing. Through December 31, 2016, the Company has received $1.8 million in proceeds from the sale of these businesses, with approximately $1.8 million of additional purchase price estimated to be received in 2017.

The results of operations associated with the latex binders and automotive businesses of Trinseo Brazil were not classified as discontinued operations as the decision to divest these businesses does not represent a strategic shift that has, or will have, a major effect on the Company’s financial position or results of operations.

NOTE 4—INVESTMENTS IN UNCONSOLIDATED AFFILIATES

The Company is supplemented by two joint ventures: Americas Styrenics, a styrenics joint venture with Chevron Phillips Chemical Company LP, and Sumika Styron Polycarbonate, a polycarbonate joint venture with Sumitomo Chemical Company Limited. The results of Americas Styrenics are included within its own reporting segment, and the results of Sumika Styron Polycarbonate are included with the Basic Plastics reporting segment.
As of December 31, 2016 and 2015, respectively, the Company’s investment in Americas Styrenics was $149.7 million and $143.9 million, which was $71.2 million and $91.9 million less than the Company’s 50% share of Americas Styrenics’ underlying net assets. These amounts represent the difference between the book value of assets contributed to the joint venture at the time of formation (May 1, 2008) and the Company’s 50% share of the total recorded value of the joint venture’s assets and certain adjustments to conform with the Company’s accounting policies. This difference is being amortized over a weighted average remaining useful life of the contributed assets of approximately 3.86 years as of December 31, 2016. The Company received dividends from Americas Styrenics of $130.0 million, $125.0 million, and $35.0 million for the years ended December 31, 2016, 2015, and 2014, respectively.

As of December 31, 2016 and 2015, respectively, the Company’s investment in Sumika Styron Polycarbonate was $41.8 million and $39.0 million, which was $18.5 million and $19.8 million greater than the Company’s 50% share of Sumika Styron Polycarbonate’s underlying net assets. These amounts primarily represent the fair value of certain identifiable assets which have not been recorded on the historical financial statements of Sumika Styron Polycarbonate. This difference is being amortized over the remaining useful life of the contributed assets of 8.75 years as of December 31, 2016. The Company received dividends of $6.2 million and $1.0 million for the years ended December 31, 2016 and 2014, respectively. The Company received no dividends from Sumika Styron Polycarbonate for the year ended December 31, 2015.

Equity in earnings from unconsolidated affiliates was $144.7 million, $140.2 million and $47.7 million for the years ended December 31, 2016, 2015, and 2014, respectively.

Both Americas Styrenics and Sumika Styron Polycarbonate are privately held companies; therefore, quoted market prices for their stock are not available. The summarized financial information of the Company’s unconsolidated affiliates is shown below:

<table>
<thead>
<tr>
<th>December 31,</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>$ 457,867</td>
<td>$ 455,186</td>
</tr>
<tr>
<td>Noncurrent assets</td>
<td>269,642</td>
<td>293,322</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 727,509</td>
<td>$ 748,508</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>$ 207,831</td>
<td>$ 188,874</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td>31,433</td>
<td>49,841</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$ 239,264</td>
<td>$ 238,715</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$ 1,649,409</td>
<td>$ 1,753,511</td>
<td>$ 2,161,232</td>
</tr>
<tr>
<td>Gross profit</td>
<td>$ 318,535</td>
<td>$ 318,073</td>
<td>$ 117,667</td>
</tr>
<tr>
<td>Net income</td>
<td>$ 249,158</td>
<td>$ 250,113</td>
<td>$ 52,957</td>
</tr>
</tbody>
</table>

Sales to unconsolidated affiliates for the years ended December 31, 2016, 2015, and 2014 were $4.2 million, $2.5 million and $6.5 million, respectively. Purchases from unconsolidated affiliates were $157.4 million, $178.4 million and $290.3 million for the years ended December 31, 2016, 2015 and 2014, respectively.

As of December 31, 2016 and 2015, respectively, $0.7 million and $1.0 million due from unconsolidated affiliates was included in “Accounts receivable, net of allowance” and $16.3 million and $15.4 million due to unconsolidated affiliates was included in “Accounts payable” in the consolidated balance sheets.

On January 31, 2017, the Company completed the sale of its 50% share in Sumika Styron Polycarbonate to Sumitomo Chemical Company Limited. Refer to Note 24 for further information.
NOTE 5—ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>$479,261</td>
<td>$407,535</td>
</tr>
<tr>
<td>Non-income tax receivables</td>
<td>55,238</td>
<td>61,990</td>
</tr>
<tr>
<td>Other receivables</td>
<td>33,067</td>
<td>27,448</td>
</tr>
<tr>
<td>Less: allowance for doubtful accounts</td>
<td>(3,138)</td>
<td>(2,417)</td>
</tr>
<tr>
<td>Total</td>
<td>$564,428</td>
<td>$494,556</td>
</tr>
</tbody>
</table>

The allowance for doubtful accounts was approximately $3.1 million and $2.4 million as of December 31, 2016 and 2015, respectively. For the years ended December 31, 2016, 2015, and 2014, respectively, the Company recognized bad debt expense of $1.0 million, $0.3 million, and $1.1 million.

NOTE 6—INVENTORIES

 Inventories consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finished goods</td>
<td>$187,577</td>
<td>$170,380</td>
</tr>
<tr>
<td>Raw materials and semi-finished goods</td>
<td>168,804</td>
<td>151,444</td>
</tr>
<tr>
<td>Supplies</td>
<td>28,964</td>
<td>31,273</td>
</tr>
<tr>
<td>Total</td>
<td>$385,345</td>
<td>$353,097</td>
</tr>
</tbody>
</table>

NOTE 7—PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>Estimated Useful Lives (Years)</th>
<th>December 31, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>Not applicable</td>
<td>$35,042</td>
<td>$44,167</td>
</tr>
<tr>
<td>Land and waterway improvements</td>
<td>1 - 20</td>
<td>14,691</td>
<td>13,151</td>
</tr>
<tr>
<td>Buildings</td>
<td>2 - 40</td>
<td>57,555</td>
<td>57,389</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>1 - 20</td>
<td>670,085</td>
<td>654,670</td>
</tr>
<tr>
<td>Utility and supply lines</td>
<td>1 - 10</td>
<td>7,359</td>
<td>7,081</td>
</tr>
<tr>
<td>Leasehold interests</td>
<td>1 - 45</td>
<td>39,234</td>
<td>43,421</td>
</tr>
<tr>
<td>Other property</td>
<td>1 - 8</td>
<td>27,051</td>
<td>23,043</td>
</tr>
<tr>
<td>Construction in process</td>
<td>Not applicable</td>
<td>83,083</td>
<td>51,144</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td></td>
<td>934,100</td>
<td>894,066</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(420,343)</td>
<td>(375,315)</td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment, net</td>
<td></td>
<td>$513,757</td>
<td>$518,751</td>
</tr>
</tbody>
</table>

(1) Approximately 95% of our machinery and equipment had a useful life of three to ten years as of December 31, 2016 and 2015.

Year Ended December 31, 2016, 2015, 2014

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation expense</td>
<td>$71,330</td>
<td>$74,938</td>
<td>$75,286</td>
</tr>
<tr>
<td>Capitalized interest</td>
<td>$3,360</td>
<td>$3,892</td>
<td>$4,192</td>
</tr>
</tbody>
</table>
Refer to Notes 3 and 13, respectively, for a discussion of the impact to property, plant and equipment from the Company’s divestiture of its latex binders and automotive businesses in Brazil as well as its decision to cease manufacturing operations at its latex binders facility in Livorno, Italy during 2016.

NOTE 8—GOODWILL AND INTANGIBLE ASSETS

Goodwill

The following table shows changes in the carrying amount of goodwill, by segment, from December 31, 2014 to December 31, 2015 and from December 31, 2015 to December 31, 2016, respectively. Prior period balances in this table have been recast in conjunction with the segment realignment that occurred in the fourth quarter of 2016. Refer to Note 19 for further information.

<table>
<thead>
<tr>
<th>Performance Materials</th>
<th>Basic Plastics &amp; Feedstocks</th>
<th>Americas</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latex Binders</td>
<td>$13,815</td>
<td>$6,431</td>
<td>$34,574</td>
</tr>
<tr>
<td>Synthetic Rubber</td>
<td>$9,461</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Performance Plastics</td>
<td>$4,867</td>
<td>$—</td>
<td>—</td>
</tr>
<tr>
<td>Basic Plastics</td>
<td></td>
<td>$—</td>
<td>—</td>
</tr>
<tr>
<td>Feedstocks</td>
<td></td>
<td>$—</td>
<td>—</td>
</tr>
<tr>
<td>Styrenics</td>
<td></td>
<td>$—</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>$34,574</td>
<td>$34,574</td>
<td></td>
</tr>
<tr>
<td>Foreign currency impact</td>
<td>(1,403)</td>
<td>(653)</td>
<td>(3,510)</td>
</tr>
<tr>
<td>Balance at</td>
<td>$12,412</td>
<td>$5,778</td>
<td>$31,064</td>
</tr>
<tr>
<td>December 31, 2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Divestiture (Note 3)</td>
<td>(421)</td>
<td>—</td>
<td>(421)</td>
</tr>
<tr>
<td>Foreign currency impact</td>
<td>(447)</td>
<td>(224)</td>
<td>(1,158)</td>
</tr>
<tr>
<td>Balance at</td>
<td>$11,544</td>
<td>$5,554</td>
<td>$29,485</td>
</tr>
<tr>
<td>December 31, 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Goodwill impairment testing is performed annually as of October 1st. In 2016, the Company performed its annual impairment test for goodwill and determined that the estimated fair value of each reporting unit was substantially in excess of the carrying value indicating that none of the Company’s goodwill was impaired. The Company concluded there were no goodwill impairments or triggering events for the years ended December 31, 2016, 2015, and 2014.

Other Intangible Assets

The following table provides information regarding the Company’s other intangible assets as of December 31, 2016 and 2015, respectively:

<table>
<thead>
<tr>
<th>Estimated Useful Life (Years)</th>
<th>Gross Carrying Amount</th>
<th>Accumulated Amortization</th>
<th>Net</th>
<th>Gross Carrying Amount</th>
<th>Accumulated Amortization</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed technology</td>
<td>15</td>
<td>$166,230</td>
<td>$(72,159)</td>
<td>$94,071</td>
<td>$172,675</td>
<td>$(62,870)</td>
</tr>
<tr>
<td>Manufacturing Capacity Rights</td>
<td>6</td>
<td>19,977</td>
<td>(8,908)</td>
<td>11,069</td>
<td>20,750</td>
<td>(5,888)</td>
</tr>
<tr>
<td>Software</td>
<td>5 - 10</td>
<td>82,275</td>
<td>(15,095)</td>
<td>67,180</td>
<td>18,006</td>
<td>(9,494)</td>
</tr>
<tr>
<td>Software in development</td>
<td>N/A</td>
<td>4,751</td>
<td>—</td>
<td>4,751</td>
<td>24,516</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>N/A</td>
<td>274</td>
<td>—</td>
<td>274</td>
<td>523</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>273,507</td>
<td>$(96,162)</td>
<td>$177,345</td>
<td>$236,470</td>
<td>$(78,252)</td>
<td>$158,218</td>
</tr>
</tbody>
</table>

During the second quarter of 2016, the Company began a phased implementation by geographic region to upgrade our legacy ERP environment to the latest version of SAP, which was completed as of December 31, 2016. The total amount of capitalized software related to this project was $57.4 million, which is being amortized over its estimated useful life of approximately 9.0 years.
In March 2014, the Company entered into an agreement with material supplier JSR Corporation, Tokyo ("JSR") to acquire its current production capacity rights at the Company’s rubber production facility in Schkopau, Germany for a purchase price of €19.0 million (approximately $26.1 million based upon the acquisition date foreign exchange rate). Prior to this agreement, JSR held 50% of the capacity rights of one of the Company’s three solution styrene-butadiene rubber (“SSBR”) production trains in Schkopau. As a result, effective March 31, 2014, the Company had full capacity rights to this production train. The €19.0 million purchase price was recorded in “Other intangible assets, net” in the consolidated balance sheets, and is being amortized over its estimated useful life of approximately 6.0 years. Further, the purchase price was recorded within capital expenditures in investing activities in the consolidated statement of cash flows for the year ended December 31, 2014.

Amortization expense related to finite-lived intangible assets totaled $21.3 million, $18.5 million, and $19.6 million, for the years ended December 31, 2016, 2015, and 2014, respectively.

The following table details the Company’s estimated amortization expense for the next five years, excluding any amortization expense related to software currently in development:

<table>
<thead>
<tr>
<th>Estimated Amortization Expense for the Next Five Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
</tr>
<tr>
<td>$ 24,101</td>
</tr>
</tbody>
</table>

NOTE 9—ACCOUNTS PAYABLE

Accounts payable consisted of the following:

<table>
<thead>
<tr>
<th>December 31.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>2016</td>
</tr>
<tr>
<td>Trade payables</td>
</tr>
<tr>
<td>Other payables</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

NOTE 10—DEBT

Debt consisted of the following:

<table>
<thead>
<tr>
<th>December 31.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>2016</td>
</tr>
<tr>
<td>Senior Credit Facility</td>
</tr>
<tr>
<td>2020 Revolving Facility</td>
</tr>
<tr>
<td>2021 Term Loan B</td>
</tr>
<tr>
<td>2022 Senior Notes</td>
</tr>
<tr>
<td>USD Notes</td>
</tr>
<tr>
<td>Euro Notes</td>
</tr>
<tr>
<td>Accounts Receivable Securitization Facility</td>
</tr>
<tr>
<td>Other indebtedness</td>
</tr>
<tr>
<td>Total debt</td>
</tr>
<tr>
<td>Less: current portion</td>
</tr>
<tr>
<td>Less: unamortized deferred financing fees (1)</td>
</tr>
<tr>
<td>Total long-term debt, net of unamortized deferred financing fees</td>
</tr>
</tbody>
</table>

(1) As discussed in Note 2, effective January 1, 2016, the Company retroactively adopted new accounting guidance that requires deferred financing fees related to a debt liability be presented in the consolidated balance sheets as a direct reduction of the carrying value of that debt liability rather than as deferred assets. As such, fees and expenses incurred in connection with the issuance of debt facilities are now capitalized and recorded within “Long term debt, net of unamortized deferred financing fees” in the consolidated balance sheets. This caption...
reflects this reclassification for both the current and prior periods. Note that this caption does not include deferred financing fees related to the 2020 Revolving Facility and the Accounts Receivable Securitization Facility, which are included within “Deferred charges and other assets” in the consolidated balance sheets.

For the years ended December 31, 2016, 2015, and 2014, interest charges, amortization of deferred financing fees and debt discounts, and cash paid for interest by debt facility were as listed below. Interest charges and amortization of deferred financing fees and debt discounts are recorded in “Interest expense, net” in the consolidated statements of operations.

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018 Revolving Credit Facility</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>$ -</td>
<td>$ 648</td>
<td>$ 1,799</td>
</tr>
<tr>
<td>Amortization of deferred financing fees</td>
<td>-</td>
<td>982</td>
<td>2,854</td>
</tr>
<tr>
<td>Cash paid for interest</td>
<td>-</td>
<td>648</td>
<td>1,869</td>
</tr>
<tr>
<td><strong>Senior Credit Facility</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020 Revolving Facility</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>$ 1,827</td>
<td>$ 1,287</td>
<td>$ -</td>
</tr>
<tr>
<td>Amortization of deferred financing fees</td>
<td>1,491</td>
<td>978</td>
<td>-</td>
</tr>
<tr>
<td>Cash paid for interest</td>
<td>1,624</td>
<td>1,287</td>
<td>-</td>
</tr>
<tr>
<td>2021 Term Loan B</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>$ 21,414</td>
<td>$ 14,212</td>
<td>$ -</td>
</tr>
<tr>
<td>Amortization of deferred financing fees</td>
<td>1,707</td>
<td>1,078</td>
<td>-</td>
</tr>
<tr>
<td>Amortization of debt discount</td>
<td>180</td>
<td>115</td>
<td>-</td>
</tr>
<tr>
<td>Cash paid for interest</td>
<td>21,357</td>
<td>14,153</td>
<td>-</td>
</tr>
<tr>
<td><strong>2019 Senior Notes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>$ -</td>
<td>$ 38,259</td>
<td>$ 110,559</td>
</tr>
<tr>
<td>Amortization of deferred financing fees</td>
<td>-</td>
<td>2,091</td>
<td>5,656</td>
</tr>
<tr>
<td>Cash paid for interest</td>
<td>-</td>
<td>81,736</td>
<td>115,390</td>
</tr>
<tr>
<td><strong>2022 Senior Notes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>$ 46,562</td>
<td>$ 30,543</td>
<td>$ -</td>
</tr>
<tr>
<td>Amortization of deferred financing fees</td>
<td>1,929</td>
<td>1,194</td>
<td>-</td>
</tr>
<tr>
<td>Cash paid for interest</td>
<td>47,239</td>
<td>22,763</td>
<td>-</td>
</tr>
<tr>
<td><strong>Accounts Receivable Securitization Facility</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>$ 2,834</td>
<td>$ 2,849</td>
<td>$ 2,890</td>
</tr>
<tr>
<td>Amortization of deferred financing fees</td>
<td>510</td>
<td>1,223</td>
<td>1,425</td>
</tr>
<tr>
<td>Cash paid for interest</td>
<td>2,834</td>
<td>2,849</td>
<td>2,890</td>
</tr>
</tbody>
</table>

Total accrued interest on outstanding debt as of December 31, 2016 and 2015 was $7.6 million and $7.8 million, respectively. Accrued interest is recorded in “Accrued expenses and other current liabilities” within the consolidated balance sheets.

**2018 Senior Secured Credit Facility**

In June 2010, the Company entered into a credit agreement, which was subsequently amended from time to time, and was set to mature in January 2018 (“2018 Senior Secured Credit Facility”).

In January 2013, the Company amended the 2018 Senior Secured Credit Facility to, among other things, repay its then outstanding term loans of $1,239.0 million using the proceeds from its sale of its 2019 Senior Notes (discussed
below). The 2018 Senior Secured Credit Facility also included a revolving credit facility (“2018 Revolving Facility”), which included a borrowing capacity of $300.0 million and a maturity date of January 2018.

Capitalized fees and costs incurred in connection with the Company’s 2018 Revolving Facility were amortized using a straight-line method over the term of the facility. Amortization of deferred financing fees are recorded in “Interest expense, net” in the consolidated statements of operations.

In May 2015, upon completion of the refinancing transactions discussed below, the Company terminated the 2018 Senior Secured Credit Facility. Immediately prior to this termination, the Company had no outstanding borrowings under the 2018 Revolving Facility. As a result of this termination, the Company recognized a $0.7 million loss on extinguishment of long-term debt, comprised entirely of the write-off of a portion of the existing unamortized deferred financing fees related to the 2018 Revolving Facility. The remaining unamortized deferred financing fees under the 2018 Revolving Facility totaled $7.2 million, which remained capitalized and are being amortized along with the new deferred financing fees over the life of the new revolving credit facility, discussed in further detail below.

**Senior Credit Facility**

On May 5, 2015, Trinseo Materials Operating S.C.A. and Trinseo Materials Finance, Inc. (together, the “Issuers” or the “Borrowers”), both wholly-owned subsidiaries of the Company, entered into a senior secured credit agreement (the “Credit Agreement”), which provides senior secured financing of up to $825.0 million (the “Senior Credit Facility”). The Senior Credit Facility provides for senior secured financing consisting of (i) $325.0 million revolving credit facility, with a $25.0 million swingline subfacility and a $35.0 million letter of credit subfacility (the “2020 Revolving Facility”) maturing in May 2020 and (ii) $500.0 million senior secured term loan B facility maturing in November 2021 (the “2021 Term Loan B”). Amounts under the 2020 Revolving Facility are available in U.S. dollars and euros.

The 2021 Term Loan B bears an interest rate of LIBOR plus 3.25%, subject to a 1.00% LIBOR floor, and was issued at a 0.25% original issue discount. Further, the 2021 Term Loan B requires scheduled quarterly payments in amounts equal to 0.25% of the original principal amount of the 2021 Term Loan B, with the balance to be paid at maturity. During the years ended December 31, 2016 and 2015, the Company made principal payments of $5.0 million and $2.5 million, respectively, related to the 2021 Term Loan B. As of December 31, 2016 and 2015, $5.0 million of these scheduled future payments were classified as current debt on the Company’s consolidated balance sheets, respectively.

Loans under the 2020 Revolving Facility, at the Borrowers’ option, may be maintained as (a) LIBO rate loans, which bear interest at a rate per annum equal to the LIBO rate plus the applicable margin (as defined in the Credit Agreement), if applicable, or (b) base rate loans which shall bear interest at a rate per annum equal to the base rate plus the applicable margin (as defined in the Credit Agreement). As of December 31, 2016, the Borrowers are required to pay a quarterly commitment fee in respect of any unused commitments under the 2020 Revolving Facility equal to 0.375% per annum.

As of December 31, 2016 and 2015, the Company had no outstanding borrowings, and had $309.1 million and $311.5 million, respectively, of funds available for borrowing under the 2020 Revolving Facility, net of $15.9 million and $13.5 million, respectively, of outstanding letters of credit.

The Senior Credit Facility is collateralized by a security interest in substantially all of the assets of Trinseo Materials Operating S.C.A., as lead borrower, Trinseo Materials Finance, Inc., as co-borrower, and the guarantors thereunder including Trinseo Materials Sà r.l., certain U.S. subsidiaries and certain foreign subsidiaries organized in Luxembourg, The Netherlands, Hong Kong, Singapore, Ireland, Germany and Switzerland.

The Senior Credit Facility requires the Borrowers and their restricted subsidiaries to comply with customary affirmative and negative covenants, including limitations on their abilities to incur liens; make certain loans and investments; incur additional debt; merge, consolidate liquidate or dissolve; transfer or sell assets; pay dividends and other distributions to shareholders or make certain other restricted payments; enter into transactions with affiliates; restrict any restricted subsidiary from paying dividends or making other distributions or agree to certain negative pledge clauses; materially alter the business they conduct; prepay certain other indebtedness; amend certain material documents; and change our fiscal year.
The 2020 Revolving Facility contains a financial covenant that requires compliance with a springing first lien net leverage ratio test. If the outstanding balance under the 2020 Revolving Facility exceeds 30% of the $325.0 million borrowing capacity (excluding undrawn letters of credit up to $10.0 million and cash collateralized letters of credit) at a quarter-end, then the Company’s first lien net leverage ratio may not exceed 2.00 to 1.00. As of December 31, 2016 and 2015, the Company was in compliance with all debt covenant requirements under the Senior Credit Facility.

Fees and expenses incurred in connection with the issuance of the 2021 Term Loan B and the 2020 Revolving Facility were $12.0 million and $0.3 million, respectively.

For the 2021 Term Loan B, deferred financing fees and the 0.25% debt discount are being amortized over its 6.5 year term using the effective interest method. For the 2020 Revolving Facility, deferred financing fees (along with an additional $7.2 million of unamortized deferred financing fees from the 2018 Revolving Facility) are being amortized over its 5.0 year term using the straight-line method.

Unamortized deferred financing fees and debt discount related to the 2021 Term Loan B were $9.2 million and $1.0 million, respectively, as of December 31, 2016, and $10.9 million and $1.1 million, respectively, as of December 31, 2015. Unamortized deferred financing fees related to the 2020 Revolving Facility were $5.0 million and $6.5 million as of December 31, 2016 and 2015, respectively.

2019 Senior Notes

In January 2013, the Company issued $1,325.0 million 8.750% senior notes due to mature on February 1, 2019 (the “2019 Senior Notes”). The proceeds from the issuance of the 2019 Senior Notes were used to repay all of the Company’s then outstanding term loans and related refinancing fees and expenses.

In July 2014, using proceeds from the Company’s IPO (refer to Note 12), the Company redeemed $132.5 million in aggregate principal amount of the 2019 Senior Notes, together with a 103% call premium totaling $4.0 million and accrued and unpaid interest thereon of $5.2 million. As a result, during the year ended December 31, 2014 the Company incurred a loss on the extinguishment of debt of approximately $7.4 million, which includes the above $4.0 million call premium and an approximately $3.4 million write-off of related unamortized deferred financing fees.

On May 13, 2015, using the net proceeds from the issuance of the 2021 Term Loan B, together with the net proceeds from the issuance of the 2022 Senior Notes (defined and discussed below) and available cash, the Company redeemed all outstanding borrowings under the 2019 Senior Notes, totaling $1,192.5 million in principal, together with a call premium of $68.6 million (with a redemption price of 103% on the first $132.5 million and 106.097% on the remaining balance) and accrued and unpaid interest thereon of $29.6 million.

As a result, during the year ended December 31, 2015, the Company recorded a loss on extinguishment of long-term debt of $94.5 million, which includes the above $68.6 million call premium and a $25.9 million write-off of unamortized deferred financing fees related to the 2019 Senior Notes.

Prior to the May 2015 redemption, fees and expenses incurred in connection with the issuance of 2019 Senior Notes were being amortized over the term of the 2019 Senior Notes using the effective interest rate method.

2022 Senior Notes

On May 5, 2015, the Issuers executed an indenture (the “Indenture”) pursuant to which they issued $300.0 million aggregate principal amount of 6.750% senior notes due May 1, 2022 (the “USD Notes”) and €375.0 million aggregate principal amount of 6.375% senior notes due May 1, 2022 (the “Euro Notes”, and together with the USD Notes, the “2022 Senior Notes”). Interest on the 2022 Senior Notes is payable semi-annually on May 1 and November 1 of each year, commencing on November 1, 2015.

At any time prior to May 1, 2018, the Issuers may redeem the Euro Notes and/or the USD Notes in whole or in part, at their option at a redemption price equal to 100% of the principal amount of such notes plus the relevant applicable premium as of, and accrued and unpaid interest to, but not including, the redemption date. At any time and from time to time after May 1, 2018, the Issuers may redeem the Euro Notes and/or the USD Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest, if any,
on the notes redeemed to, but not including, the redemption date:

<table>
<thead>
<tr>
<th>12-month period commencing May 1 in Year</th>
<th>Euro Notes</th>
<th>USD Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percentage</td>
<td>Percentage</td>
</tr>
<tr>
<td>2018</td>
<td>103.188 %</td>
<td>103.375 %</td>
</tr>
<tr>
<td>2019</td>
<td>101.594 %</td>
<td>101.688 %</td>
</tr>
<tr>
<td>2020 and thereafter</td>
<td>100.000 %</td>
<td>100.000 %</td>
</tr>
</tbody>
</table>

In addition, at any time prior to May 1, 2018, the Issuers may redeem up to 40% of the aggregate principal amount of each of the USD Notes and the Euro Notes, either together or separately, at a redemption price equal to 106.750% of the principal amount thereof for the USD Notes and 106.375% of the principal amount thereof for the Euro Notes plus, in each case, accrued and unpaid interest to, but not including, the redemption date, in an amount equal to the aggregate gross proceeds from certain equity offerings.

The 2022 Senior Notes are the Issuers’ senior unsecured obligations and rank equally in right of payment with all of the Issuers’ existing and future indebtedness that is not expressly subordinated in right of payment thereto. The 2022 Senior Notes will be senior in right of payment to any future indebtedness that is expressly subordinated in right of payment thereto and effectively junior to (a) the Issuers’ existing and future secured indebtedness, including the Company’s accounts receivable facility and the Issuers’ Senior Credit Facility (discussed above), to the extent of the value of the collateral securing such indebtedness and (b) all existing and future liabilities of the Issuers’ non-guarantor subsidiaries.

The Indenture contains customary covenants that, among other things, limit the Issuers’ and certain of their subsidiaries’ ability to incur additional indebtedness and guarantee indebtedness, pay dividends or make other distributions, make investments, or prepay certain indebtedness, each subject to a number of exceptions and qualifications. Certain of these covenants will be suspended during any period of time that (1) the 2022 Notes have investment grade ratings (as defined in the Indenture) and (2) no default has occurred and is continuing under the Indenture. In the event that the 2022 Senior Notes are downgraded to below an investment grade rating, the Issuers and certain subsidiaries will again be subject to the suspended covenants with respect to future events. As of December 31, 2016 and 2015, the Company was in compliance with all debt covenant requirements under the Indenture.

Fees and expenses incurred in connection with the issuance of the 2022 Senior Notes were $16.0 million, which are capitalized in the consolidated balance sheets and are being amortized over their 7.0 year term using the effective interest method. As of December 31, 2016 and 2015, there were $12.9 million and $14.8 million, respectively, of unamortized deferred financing fees in the consolidated balance sheets related to the 2022 Senior Notes.

Accounts Receivable Securitization Facility

In 2010, Styron Receivable Funding Ltd. (“SRF”), a VIE in which the Company is the primary beneficiary, executed an agreement for an accounts receivable securitization facility (“Accounts Receivable Securitization Facility”). As of December 31, 2016, the facility, as amended in October 2016, permitted borrowings by two of the Company’s subsidiaries, Trinseo Europe GmbH (“TE”) and Trinseo Export GmbH (“Trinseo Export”), up to a total of $200.0 million and has a maturity date of May 2019.

Under the facility, TE and Trinseo Export sell their accounts receivable from time to time to SRF. In turn, SRF may sell undivided ownership interests in such receivables to commercial paper conduits in exchange for cash. The Company has agreed to continue servicing the receivables for SRF. Upon the sale of the interests in the accounts receivable by SRF, the conduits have a first priority perfected security interest in such receivables and, as a result, the receivables will not be available to the creditors of the Company or its other subsidiaries.

The Accounts Receivable Securitization Facility is subject to interest charges against the amount of outstanding borrowings as well as the amount of available, but undrawn commitments. In regards to outstanding borrowings, fixed interest charges are 2.6% plus variable commercial paper rates, while for available, but undrawn commitments, fixed interest charges are 1.4%.

As of December 31, 2016 and 2015, there were no amounts outstanding under the Accounts Receivable Securitization Facility, with approximately $126.5 million and $123.4 million, respectively, of funds available for borrowing under this facility, based on the pool of eligible accounts receivable.
Unamortized deferred financing fees related to the Accounts Receivable Securitization Facility were zero and $0.5 million as of December 31, 2016 and 2015.

Other Indebtedness

The Company has a short-term revolving facility through our subsidiary in China that provides uncommitted funds available for borrowing, subject to the availability of collateral. The facility is subject to annual renewal. Outstanding borrowings under this revolving facility were zero as of December 31, 2016 and 2015, respectively.

NOTE 11—DERIVATIVE INSTRUMENTS

The Company’s ongoing business operations expose it to various risks, including fluctuating foreign exchange rates. To manage these risks, the Company periodically enters into derivative financial instruments such as foreign exchange forward contracts. The Company does not hold or enter into financial instruments for trading or speculative purposes. All derivatives are recorded in the consolidated balance sheets at fair value. Refer to Note 13 for fair value disclosures related to these instruments.

Foreign Exchange Forward Contracts

Certain subsidiaries have assets and liabilities denominated in currencies other than their respective functional currencies, which creates foreign exchange risk. The Company’s principal strategy in managing its exposure to changes in foreign currency exchange rates is to naturally hedge the foreign currency-denominated liabilities on our consolidated balance sheets against corresponding assets of the same currency such that any changes in liabilities due to fluctuations in exchange rates are offset by changes in their corresponding foreign currency assets. In order to further reduce its exposure, the Company also uses foreign exchange forward contracts to economically hedge the impact of the variability in exchange rates on our assets and liabilities denominated in certain foreign currencies. These derivative contracts are not designated for hedge accounting treatment.

As of December 31, 2016, the Company had open foreign exchange forward contracts with a notional U.S. dollar equivalent absolute value of $209.4 million. The following table displays the notional amounts of the most significant net foreign exchange hedge positions outstanding as of December 31, 2016.

<table>
<thead>
<tr>
<th>Buy / (Sell)</th>
<th>December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chinese Yuan</td>
<td>$ (67,571)</td>
</tr>
<tr>
<td>Euro</td>
<td>$ 54,818</td>
</tr>
<tr>
<td>Swiss Franc</td>
<td>$ 25,406</td>
</tr>
<tr>
<td>Indonesian Rupiah</td>
<td>$ (25,099)</td>
</tr>
<tr>
<td>Japanese Yen</td>
<td>$ (11,640)</td>
</tr>
</tbody>
</table>

Open foreign exchange forward contracts as of December 31, 2016 have maturities of less than three months.

Foreign Exchange Cash Flow Hedges

The Company also enters into forward contracts with the objective of managing the currency risk associated with forecasted U.S. dollar-denominated raw materials purchases by one of its subsidiaries whose functional currency is the euro. By entering into these forward contracts, which are designated as cash flow hedges, the Company buys a designated amount of U.S. dollars and sells euros at the prevailing market rate to mitigate the risk associated with the fluctuations in the euro-to-U.S. dollar foreign currency exchange rates. The qualifying hedge contracts are marked-to-market at each reporting date and any unrealized gains or losses are included in accumulated other comprehensive income to the extent effective, and reclassified to cost of sales in the period during which the transaction affects earnings or it becomes probable that the forecasted transaction will not occur.

Open foreign exchange cash flow hedges as of December 31, 2016 have maturities occurring over a period of 12 months, and have a net notional U.S. dollar equivalent of $234.0 million.
Net Investment Hedge

The Company’s outstanding debt includes €375.0 million of Euro Notes (refer to Note 10). As of December 31, 2016, the Company has designated a portion (€280.0 million) of the principal amount of these Euro Notes as a hedge of the foreign currency exposure of the Issuers’ net investment in certain European subsidiaries. As this debt was deemed to be a highly effective hedge, changes in the Euro Notes’ carrying value resulting from fluctuations in the euro exchange rate were recorded as cumulative foreign currency translation gain of $14.5 million within accumulated other comprehensive income as of December 31, 2016.

Summary of Derivative Instruments

Information regarding changes in the fair value of the Company’s derivative instruments, net of tax, including those not designated for hedge accounting treatment, is as follows:

<table>
<thead>
<tr>
<th>Designated as Cash Flow Hedges</th>
<th>Year Ended December 31,</th>
<th>Statement of Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign exchange cash flow</td>
<td></td>
<td></td>
</tr>
<tr>
<td>hedges</td>
<td>$6,703</td>
<td>$5,569</td>
</tr>
<tr>
<td>Total</td>
<td>$6,703</td>
<td>$5,569</td>
</tr>
<tr>
<td>Net Investment Hedges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Euro Notes</td>
<td>$14,061</td>
<td>$427</td>
</tr>
<tr>
<td>Total</td>
<td>$14,061</td>
<td>$427</td>
</tr>
<tr>
<td>Not Designated as Cash Flow Hedges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange forward</td>
<td>$—</td>
<td>$—</td>
</tr>
<tr>
<td>contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$—</td>
<td>$—</td>
</tr>
</tbody>
</table>

The Company recorded gains of $3.7 million during the year ended December 31, 2016, and losses of $16.5 million and $28.2 million during the years ended December 31, 2015 and 2014, respectively, from settlements and changes in the fair value of outstanding forward contracts (not designated as hedges). The activity from these forward contracts offset net foreign exchange transaction losses of $5.5 million during the year ended December 31, 2016, and gains of $6.1 million and $32.4 million during the years ended December 31, 2015 and 2014, respectively, which resulted from the remeasurement of the Company’s foreign currency denominated assets and liabilities. The cash settlements of these foreign exchange forward contracts are included within operating activities in the consolidated statements of cash flows.

As of December 31, 2016, the Company has no ineffectiveness related to its foreign exchange cash flow hedges. Further, the Company expects to reclassify in the next twelve months an approximate $11.0 million net gain from other comprehensive income (loss) into earnings related to the Company’s outstanding cash flow hedges as of December 31, 2016 based on current foreign exchange rates.
The following table summarizes the net unrealized gains and losses and balance sheet classification of outstanding derivatives recorded in the consolidated balance sheets:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Asset Derivatives:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net of allowance</td>
<td>$1,664</td>
<td>$11,018</td>
<td>$12,682</td>
<td>$4,592</td>
<td>$4,958</td>
<td>$9,550</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred charges and other assets</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total asset derivatives</strong></td>
<td>$1,664</td>
<td>$11,018</td>
<td>$12,682</td>
<td>$4,592</td>
<td>$4,958</td>
<td>$9,550</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liability Derivatives:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$511</td>
<td>—</td>
<td>$511</td>
<td>$194</td>
<td>$—</td>
<td>$194</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other noncurrent obligations</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total liability derivatives</strong></td>
<td>$511</td>
<td>—</td>
<td>$511</td>
<td>$194</td>
<td>$—</td>
<td>$194</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Forward contracts are entered into with a limited number of counterparties, each of which allows for net settlement of all contracts through a single payment in a single currency in the event of a default on or termination of any one contract. As such, in accordance with the Company’s accounting policy, we record these foreign exchange forward contracts on a net basis by counterparty within the consolidated balance sheets. Information regarding the gross amounts of the Company’s derivative instruments and the amounts offset in the consolidated balance sheets is as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative assets</td>
<td>$23,401</td>
<td>$(10,719)</td>
<td>$12,682</td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>$11,230</td>
<td>$(10,719)</td>
<td>511</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative assets</td>
<td>$10,044</td>
<td>$(494)</td>
<td>$9,550</td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>$688</td>
<td>$(494)</td>
<td>194</td>
</tr>
</tbody>
</table>

Refer to Notes 13 and 21 for further information regarding the fair value of the Company’s derivative instruments and the related changes in accumulated other comprehensive income.

**NOTE 12—SHAREHOLDERS’ EQUITY**

*Ordinary Shares*

On June 17, 2014, the Company completed the IPO of 11,500,000 ordinary shares at a price of $19.00 per share. The number of ordinary shares at closing included 1,500,000 of shares sold pursuant to the underwriters’ over-allotment option. The Company received cash proceeds of $203.2 million from this transaction, net of underwriting discounts. These net proceeds were used by the Company for: i) the July 2014 repayment of $132.5 million in aggregate principal amount of the 2019 Senior Notes, together with accrued and unpaid interest thereon of $5.2 million and a call premium of $4.0 million (refer to Note 10); ii) the payment of approximately $23.3 million in connection with the termination of the Advisory Agreement with Bain Capital (refer to Note 18); iii) the payment of approximately $5.1 million of advisory, accounting, legal and printing expenses directly related to the offering which were recorded as a reduction to additional paid-in capital in the consolidated balance sheets; and iv) general corporate purposes.
Secondary Offerings and Tender Offer

During the year ended December 31, 2016, the former Parent sold 37,269,567 ordinary shares pursuant to the Company’s shelf registration statement filed with the SEC. The following table summarizes these transactions.

<table>
<thead>
<tr>
<th>Trade Month</th>
<th>Underwriters</th>
<th>Shares Sold by former Parent</th>
<th>Price per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 2016</td>
<td>Goldman, Sachs &amp; Co.</td>
<td>10,600,000</td>
<td>$35.63</td>
</tr>
<tr>
<td>May 2016</td>
<td>Goldman, Sachs &amp; Co.</td>
<td>8,000,000</td>
<td>$42.90</td>
</tr>
<tr>
<td>August 2016</td>
<td>Morgan Stanley &amp; Co. LLC</td>
<td>8,000,000</td>
<td>$49.15</td>
</tr>
<tr>
<td></td>
<td>Jefferies LLC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>September 2016</td>
<td>Morgan Stanley &amp; Co. LLC</td>
<td>10,669,567</td>
<td>$54.05</td>
</tr>
</tbody>
</table>

(1) Concurrently with the completion of this offering, the Company agreed to repurchase from Goldman, Sachs & Co. 1,600,000 of the ordinary shares that were sold by the former Parent in the offering at the same $35.63 price per share paid by Goldman, Sachs & Co. to the former Parent, resulting in an aggregate purchase price of $57.0 million.

Because a repurchase transaction was completed as part of the offering, in order to satisfy certain requirements of Luxembourg law, promptly following the completion of the offering, the Company commenced a tender offer to purchase up to an additional 1,165,000 shares from its shareholders (other than the former Parent) at the same price per share that it paid to Goldman, Sachs & Co. for the shares repurchased as part of this offering. As a result of the tender offer, 38,702 ordinary shares were repurchased by the Company for an aggregate purchase price of $1.4 million.

These repurchased shares were recorded at cost within “Treasury shares” in the consolidated balance sheets.

Additional Share Repurchases and Repayment of Equity

Under authorization from the Company’s shareholders and board of directors, during the year ended December 31, 2016, the Company purchased an additional 2,864,870 ordinary shares from its shareholders through a combination of open market transactions for an aggregate purchase price of $156.7 million (with $3.4 million of additional repurchases not yet settled accrued on the consolidated balance sheet as of December 31, 2016). These repurchased shares have been recorded at cost within “Treasury shares” in the consolidated balance sheets.

As of December 31, 2016, there were approximately 2,332,067 ordinary shares available for repurchase under existing authorization from shareholders and the board of directors. This authorization ends on June 21, 2018 or on the date of its renewal by a subsequent general meeting of shareholders.

In 2016, pursuant to the authority granted to it by its shareholders, the Company began declaring repayments of equity on its’ ordinary shares, summarized as follows:

<table>
<thead>
<tr>
<th>Month of Declaration</th>
<th>Date of Record</th>
<th>Date of Payment</th>
<th>Repayment of Equity per Share</th>
<th>Total Repayment of Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2016</td>
<td>July 6, 2016</td>
<td>July 20, 2016</td>
<td>$0.30</td>
<td>$13,920</td>
</tr>
<tr>
<td>September 2016</td>
<td>October 12, 2016</td>
<td>October 26, 2016</td>
<td>$0.30</td>
<td>$13,396</td>
</tr>
<tr>
<td>December 2016</td>
<td>January 11, 2017</td>
<td>January 25, 2017</td>
<td>$0.30</td>
<td>$13,252</td>
</tr>
</tbody>
</table>

(1) This amount was recorded within “Accrued expenses and other current liabilities” on the Company’s consolidated balance sheet as of December 31, 2016.

NOTE 13—FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities measured at fair value are classified using the following hierarchy, which is based upon the transparency of inputs to the valuation as of the measurement date.

Level 1—Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets.
Level 2—Valuation is based upon quoted prices for similar assets and liabilities in active markets, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3—Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

The following table summarizes the basis used to measure certain assets and liabilities at fair value on a recurring basis in the consolidated balance sheets at December 31, 2016 and 2015.

<table>
<thead>
<tr>
<th>Assets (Liabilities) at Fair Value</th>
<th>December 31, 2016</th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quoted Prices in Active Markets for Identical Items (Level 1)</td>
<td>Significant Other Observable Inputs (Level 2)</td>
<td>Significant Unobservable Inputs (Level 3)</td>
<td></td>
</tr>
<tr>
<td>Foreign exchange forward contracts—Assets</td>
<td>$ —</td>
<td>$ 1,664</td>
<td>$ —</td>
<td>$ 1,664</td>
</tr>
<tr>
<td>Foreign exchange forward contracts—(Liabilities)</td>
<td>—</td>
<td>(511)</td>
<td>—</td>
<td>(511)</td>
</tr>
<tr>
<td>Foreign exchange cash flow hedges—Assets</td>
<td>—</td>
<td>11,018</td>
<td>—</td>
<td>11,018</td>
</tr>
<tr>
<td>Total fair value</td>
<td>$ —</td>
<td>$ 12,171</td>
<td>$ —</td>
<td>$ 12,171</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assets (Liabilities) at Fair Value</th>
<th>December 31, 2015</th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quoted Prices in Active Markets for Identical Items (Level 1)</td>
<td>Significant Other Observable Inputs (Level 2)</td>
<td>Significant Unobservable Inputs (Level 3)</td>
<td>Total</td>
</tr>
<tr>
<td>Foreign exchange forward contracts—Assets</td>
<td>$ —</td>
<td>$ 4,592</td>
<td>$ —</td>
<td>$ 4,592</td>
</tr>
<tr>
<td>Foreign exchange forward contracts—(Liabilities)</td>
<td>—</td>
<td>(194)</td>
<td>—</td>
<td>(194)</td>
</tr>
<tr>
<td>Foreign exchange cash flow hedges—Assets</td>
<td>—</td>
<td>4,958</td>
<td>—</td>
<td>4,958</td>
</tr>
<tr>
<td>Total fair value</td>
<td>$ —</td>
<td>$ 9,356</td>
<td>$ —</td>
<td>$ 9,356</td>
</tr>
</tbody>
</table>

The Company uses an income approach to value its derivative instruments, utilizing discounted cash flow techniques, considering the terms of the contract and observable market information available as of the reporting date. Significant inputs to the valuation for foreign exchange forward contracts and foreign exchange cash flow hedges are obtained from broker quotations or from listed or over-the-counter market data, and are classified as Level 2 in the fair value hierarchy.

Nonrecurring Fair Value Measurements

The Company’s financial assets and liabilities measured at fair value on a nonrecurring basis as of December 31, 2016 were as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quoted Prices in Active Markets for Identical Items (Level 1)</td>
<td>Significant Other Observable Inputs (Level 2)</td>
<td>Significant Unobservable Inputs (Level 3)</td>
<td></td>
</tr>
<tr>
<td>Livorno property, plant and equipment (Note 20)</td>
<td>$ —</td>
<td>$ —</td>
<td>$ 11,040</td>
<td>$ 13,706</td>
</tr>
<tr>
<td>Total</td>
<td>$ —</td>
<td>$ —</td>
<td>$ 11,040</td>
<td>$ 13,706</td>
</tr>
</tbody>
</table>

Refer to Note 20 for information regarding the Livorno plant restructuring announced during the third quarter of 2016. As a result, the Company determined that the long-lived assets at the Livorno latex binders facility, which included
land and depreciable long-lived assets, should be assessed for impairment. This assessment indicated that the carrying value of the asset group was not recoverable when compared to the expected undiscounted cash flows from the operation and eventual disposition of these assets. Based upon our assessment, the Company concluded that the fair value of this asset group totaled $11.0 million as of December 31, 2016. As a result, the Company recorded an impairment loss on these assets of approximately $13.7 million for the year ended December 31, 2016. The amount was recorded within “Selling, general and administrative expenses” in the consolidated statement of operations and allocated entirely to the Latex Binders segment.

The fair value of the depreciable assets was determined under the income approach, utilizing a discounted cash flow model. The key assumption in this model was cash flow projections, which were determined to be nil, as the plant ceased manufacturing operations in October 2016. The fair value of the land was determined utilizing a combination of the market and income approaches, utilizing key inputs such as recent comparable market transactions, expected date of sale, and discount rate.

There were no other financial assets and liabilities measured at fair value on a nonrecurring basis as of December 31, 2016 and 2015.

*Fair Value of Debt Instruments*

The following table presents the estimated fair value of the Company’s outstanding debt not carried at fair value as of December 31, 2016 and 2015, respectively:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2016</th>
<th>As of December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022 Senior Notes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>USD Notes</td>
<td>$315,000</td>
<td>$296,250</td>
</tr>
<tr>
<td>Euro Notes</td>
<td>424,437</td>
<td>410,054</td>
</tr>
<tr>
<td>2021 Term Loan B</td>
<td>498,041</td>
<td>491,401</td>
</tr>
<tr>
<td>Total fair value</td>
<td>$1,237,478</td>
<td>$1,197,705</td>
</tr>
</tbody>
</table>

The fair value of the Company’s Term Loan B, USD Notes, and Euro Notes (each Level 2 securities) is determined using over-the-counter market quotes and benchmark yields received from independent vendors.

There were no other significant financial instruments outstanding as of December 31, 2016 and 2015.

**NOTE 14—INCOME TAXES**

Income (loss) before income taxes earned within and outside the United States is shown below:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>United States</td>
<td>$137,232</td>
</tr>
<tr>
<td>Outside of the United States</td>
<td>268,077</td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>$405,309</td>
</tr>
</tbody>
</table>

The provision for (benefit from) income taxes is composed of:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31, 2016</th>
<th>Year Ended December 31, 2015</th>
<th>Year Ended December 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current</td>
<td>Deferred</td>
<td>Total</td>
</tr>
<tr>
<td>U.S. federal</td>
<td>$24,818</td>
<td>$15,628</td>
<td>$40,446</td>
</tr>
<tr>
<td>U.S. state and other</td>
<td>3,989</td>
<td>1,335</td>
<td>5,324</td>
</tr>
<tr>
<td>Non-U.S.</td>
<td>42,102</td>
<td>(875)</td>
<td>41,227</td>
</tr>
<tr>
<td>Total</td>
<td>$70,909</td>
<td>$16,088</td>
<td>$86,997</td>
</tr>
</tbody>
</table>

F-30
The effective tax rate on pre-tax income differs from the U.S. statutory rate due to the following:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Taxes at U.S. statutory rate</td>
<td>$141,858</td>
</tr>
<tr>
<td>State and local income taxes</td>
<td>3,928</td>
</tr>
<tr>
<td>Non U.S. statutory rates, including credits</td>
<td>(77,841)</td>
</tr>
<tr>
<td>U.S. tax effect of foreign earnings and dividends</td>
<td>(1,663)</td>
</tr>
<tr>
<td>Unremitted earnings</td>
<td>3,766</td>
</tr>
<tr>
<td>Change in valuation allowances</td>
<td>6,186</td>
</tr>
<tr>
<td>Uncertain tax positions</td>
<td>(1,804)</td>
</tr>
<tr>
<td>Withholding taxes on interest and royalties</td>
<td>2,452</td>
</tr>
<tr>
<td>U.S. tax effect of foreign earnings and dividends</td>
<td>(2,905)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>2,060</td>
</tr>
<tr>
<td>Non-deductible interest</td>
<td>2,527</td>
</tr>
<tr>
<td>Non-deductible other expenses</td>
<td>5,974</td>
</tr>
<tr>
<td>Impact on foreign currency exchange</td>
<td>2,086</td>
</tr>
<tr>
<td>Other—net</td>
<td>373</td>
</tr>
<tr>
<td>Total provision for income taxes</td>
<td>$86,997</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>21 %</td>
</tr>
</tbody>
</table>

(1) The U.S. statutory rate has been used as management believes it is more meaningful to the Company.

(2) Non-deductible other expenses in 2014 include the tax effect of fees incurred for the termination of the Latex JV Option Agreement with Dow and a portion of the fees incurred in connection with the termination of the Advisory Agreement with Bain Capital. Refer to Note 18 for further information.

Deferred income taxes reflect temporary differences between the valuation of assets and liabilities for financial and tax reporting:

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td></td>
<td>Deferred Tax Assets</td>
</tr>
<tr>
<td>Tax loss and credit carry forwards</td>
<td>$104,435</td>
</tr>
<tr>
<td>Unremitted earnings</td>
<td>—</td>
</tr>
<tr>
<td>Unconsolidated affiliates</td>
<td>4,383</td>
</tr>
<tr>
<td>Other accruals and reserves</td>
<td>1,715</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>—</td>
</tr>
<tr>
<td>Goodwill and other intangible assets</td>
<td>13,766</td>
</tr>
<tr>
<td>Deferred financing fees</td>
<td>13,206</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>45,474</td>
</tr>
<tr>
<td>Valuation allowance</td>
<td>182,979</td>
</tr>
<tr>
<td>Total</td>
<td>$70,338</td>
</tr>
</tbody>
</table>

As of December 31, 2016 and 2015, all undistributed earnings of foreign subsidiaries and affiliates are expected to be repatriated.

Operating loss carryforwards amounted to $404.6 million in 2016 and $263.9 million in 2015. As of December 31, 2016, $47.3 million of the operating loss carryforwards were subject to expiration in 2017 through 2021, and $357.3 million of the operating loss carryforwards expire in years beyond 2021 or have an indefinite carryforward period. As of December 31, 2016, the Company had tax credit carryforwards of $3.2 million relating to U.S. foreign tax credits, of which a portion will begin to expire in 2023.
The Company had valuation allowances which were related to the realization of recorded tax benefits on tax loss carryforwards, as well as other net deferred tax assets, primarily from subsidiaries in Luxembourg and China, of $112.6 million as of December 31, 2016 and $85.1 million as of December 31, 2015. In addition, the Company recorded a valuation allowance of $7.3 million on the net deferred tax asset of one of its China subsidiaries during the year ended December 31, 2015, as this entity was in a three year cumulative loss position as of December 31, 2015 and the Company could no longer assert it would more likely than not be able to realize its deferred tax asset. This conclusion remains consistent as of December 31, 2016.

For the years presented, a reconciliation of the beginning and ending amount of the unrecognized tax benefits is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of December 31, 2013</td>
<td>$ 26,899</td>
</tr>
<tr>
<td>Increases related to current year tax positions</td>
<td>187</td>
</tr>
<tr>
<td>Decreases related to prior year tax positions</td>
<td>(6,701)</td>
</tr>
<tr>
<td>Balance as of December 31, 2014</td>
<td>$ 20,385</td>
</tr>
<tr>
<td>Increases related to current year tax positions</td>
<td>1,304</td>
</tr>
<tr>
<td>Decreases related to prior year tax positions</td>
<td>(1,647)</td>
</tr>
<tr>
<td>Balance as of December 31, 2015</td>
<td>$ 20,042</td>
</tr>
<tr>
<td>Increases related to current year tax positions</td>
<td>108</td>
</tr>
<tr>
<td>Increases related to prior year tax positions</td>
<td>3,981</td>
</tr>
<tr>
<td>Decreases related to prior year tax positions</td>
<td>(5,972)</td>
</tr>
<tr>
<td>Settlement of uncertain tax positions</td>
<td>(1,087)</td>
</tr>
<tr>
<td>Decreases due to expiration of statutes of limitations</td>
<td>(968)</td>
</tr>
<tr>
<td>Balance as of December 31, 2016</td>
<td>$ 16,104</td>
</tr>
</tbody>
</table>

The Company recognized interest and penalties of $0.9 million, $0.7 million, and less than $0.1 million for the years ended December 31, 2016, 2015, and 2014, respectively, which was included as a component of income tax expense in the consolidated statements of operations. As of December 31, 2016 and 2015, the Company had $3.1 million and $2.3 million, respectively, accrued for interest and penalties. To the extent that the unrecognized tax benefits are recognized in the future, $12.7 million will impact the Company’s effective tax rate.

The Company is currently under examination in a number of tax jurisdictions. Although it is difficult to predict the timing or results of these worldwide examinations, the company believes it is reasonably possible that approximately $4.0 million to $5.0 million of unrecognized income tax benefits, including the impact relating to accrued interest and penalties, could be realized within the next twelve months.

Tax years that remain subject to examination for the Company’s major tax jurisdictions are shown below.

<table>
<thead>
<tr>
<th>Major Tax Jurisdictions</th>
<th>Earliest Open Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States: Federal income tax</td>
<td>2012</td>
</tr>
<tr>
<td>Germany</td>
<td>2010</td>
</tr>
<tr>
<td>Switzerland</td>
<td>2012</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2015</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>2010</td>
</tr>
<tr>
<td>China</td>
<td>2007</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>2008</td>
</tr>
<tr>
<td>Indonesia</td>
<td>2008</td>
</tr>
<tr>
<td>Italy</td>
<td>2010</td>
</tr>
</tbody>
</table>
NOTE 15—COMMITMENTS AND CONTINGENCIES

Leased Property

The Company routinely leases premises for use as sales and administrative offices, warehouses and tanks for product storage, railcars, motor vehicles, and other equipment under operating leases. Rental expense for these leases was $16.0 million, $18.4 million and $15.9 million during the years ended December 31, 2016, 2015, and 2014, respectively.

Future minimum rental payments under operating leases with remaining non-cancelable terms in excess of one year are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$11,041</td>
</tr>
<tr>
<td>2018</td>
<td>9,449</td>
</tr>
<tr>
<td>2019</td>
<td>8,281</td>
</tr>
<tr>
<td>2020</td>
<td>5,919</td>
</tr>
<tr>
<td>2021</td>
<td>3,824</td>
</tr>
<tr>
<td>Thereafter</td>
<td>17,134</td>
</tr>
<tr>
<td>Total</td>
<td>$55,648</td>
</tr>
</tbody>
</table>

Environmental Matters

Accruals for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, based on current law, existing technologies and other information. As of December 31, 2016 and 2015, the Company had no accrued obligations for environmental remediation and restoration costs. Pursuant to the terms of the Acquisition, the pre-closing environmental conditions were retained by Dow and the Company has been indemnified by Dow from and against all environmental liabilities incurred or relating to the predecessor periods. There are several properties which the Company now owns on which Dow has been conducting investigation, monitoring, or remediation to address historical contamination. Those properties include Allyn’s Point, Connecticut, Dalton, Georgia, and Livorno, Italy. There are other properties with historical contamination that are owned by Dow that the Company leases for its operations, including its facilities in Midland, Michigan, Schkopau, Germany, and Terneuzen, The Netherlands. No environmental claims have been asserted or threatened against the Company, and the Company is not a potentially responsible party at any Superfund Sites.

Inherent uncertainties exist in the Company’s potential environmental liabilities primarily due to unknown conditions, whether future claims may fall outside the scope of the indemnity, changing governmental regulations and legal standards regarding liability, and evolving technologies for handling site remediation and restoration. In connection with the Company’s existing indemnification, the possibility is considered remote that environmental remediation costs will have a material adverse impact on the consolidated financial statements.

There were no amounts recorded in the consolidated statements of operations relating to environmental remediation for the years ended December 31, 2016, 2015, and 2014.

Purchase Commitments

In the normal course of business, the Company has certain raw material purchase contracts where it is required to purchase certain minimum volumes at current market prices. These commitments range from 1 to 5 years. The following
The table presents the fixed and determinable portion (based on current pricing) of the obligation under the Company’s purchase commitments as of December 31, 2016 (in millions):

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$1,420</td>
</tr>
<tr>
<td>2018</td>
<td>1,178</td>
</tr>
<tr>
<td>2019</td>
<td>801</td>
</tr>
<tr>
<td>2020</td>
<td>860</td>
</tr>
<tr>
<td>2021</td>
<td>5</td>
</tr>
<tr>
<td>Thereafter</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>$4,264</td>
</tr>
</tbody>
</table>

In certain raw material purchase contracts, the Company has the right to purchase less than the required minimums and pay a liquidated damages fee, or, in case of a permanent plant shutdown, to terminate the contracts. In such cases, these obligations would be less than the obligations shown in the table above.

The Company has service agreements with Dow, some of which contain fixed annual fees. Refer to Note 18 for further information.

Litigation Matters

From time to time, the Company may be subject to various legal claims and proceedings incidental to the normal conduct of business, relating to such matters as product liability, antitrust/competition, past waste disposal practices and release of chemicals into the environment. While it is impossible at this time to determine with certainty the ultimate outcome of these routine claims, the Company does not believe that the ultimate resolution of these claims will have a material adverse effect on the Company’s results of operations, financial condition or cash flow.

Legal costs, including those legal costs expected to be incurred in connection with a loss contingency, are expensed as incurred.

NOTE 16—PENSION PLANS AND OTHER POSTRETIREMENT BENEFITS

Defined Benefit Pension Plans

Many of the Company’s employees are participants in various defined benefit pension plans which are administered and sponsored by the Company and are primarily in Germany, Switzerland, The Netherlands, Belgium and Japan.

Company employees who were not previously associated with the acquired pension and postretirement plans are generally not eligible for enrollment in these plans. Pension benefits are typically based on length of service and the employee’s final average compensation.

Other Postretirement Benefits

The Company provides certain health care and life insurance benefits to Dow-heritage employees in the United States when they retire. Prior to the 2016 divestiture of the Company’s latex binders and automotive businesses in Brazil (refer to Note 3 in the consolidated financial statements), the Company also provided health care and life insurance benefits to retired employees in Brazil.

In the U.S., the plan provides for health care benefits, including hospital, physicians’ services, drug and major medical expense coverage. In general, the plan applies to employees hired by Dow before January 1, 2008 and transferred to the Company in connection with the Acquisition, and who are at least 50 years old with 10 years of service. The plan allows for spouse coverage as well. If an employee was hired on or before January 1, 1993, the coverage extends past age 65. For employees hired after January 1, 1993 but before January 1, 2008, coverage ends at age 65. The Company reserves the right to modify the provisions of the plan at any time, including the right to terminate, and does not guarantee the continuation of the plan or its provisions.
Prior to the divestiture of operations in Brazil, the Company provided an insured medical benefit to all employees and eligible dependents under Brazil’s healthcare legislation, which grants the right to employees (and their beneficiaries) who have contributed towards the medical plan to extend medical coverage upon retirement or in case of involuntary dismissal. The extended medical plan must include the same level of coverage and other conditions offered to active employees, whereas former employees must assume 100% of the premium cost. Prior to 2014, the Company had not accrued for the postretirement benefits owed under this plan. As a result, for the year ended December 31, 2014, a $2.7 million liability was recorded, which includes an adjustment related to the original purchase price allocation from the Acquisition as a portion of this obligation was assumed from Dow. The impact of this adjustment was a $1.7 million increase to goodwill and $1.0 million of net periodic benefit costs, net of currency remeasurement gains, incurred from the date of the Acquisition through December 31, 2013. The Company does not believe these adjustments were material to any prior period financial statements.

In The Netherlands, the Company previously provided postretirement medical benefits to Dow-heritage employees who transferred to the Company in connection with the Acquisition. The Company ceased providing these benefits effective January 1, 2015. As a result, the Company recognized approximately $1.5 million of curtailment gain for the year ended December 31, 2014.

Assumptions

The weighted-average assumptions used to determine pension plan obligations and net periodic benefit costs are provided below:

<table>
<thead>
<tr>
<th></th>
<th>Pension Plan Obligations</th>
<th>Net Periodic Benefit Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31,</td>
<td></td>
</tr>
<tr>
<td>Discount rate</td>
<td>1.65 %</td>
<td>2.06 %</td>
</tr>
<tr>
<td>Rate of increase in future compensation levels</td>
<td>2.61 %</td>
<td>2.68 %</td>
</tr>
<tr>
<td>Expected long-term rate of return on plan assets</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

The weighted-average assumptions used to determine other postretirement benefit (“OPEB”) obligations and net periodic benefit costs are provided below:

<table>
<thead>
<tr>
<th></th>
<th>OPEB Obligations</th>
<th>Net Periodic Benefit Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31,</td>
<td></td>
</tr>
<tr>
<td>Discount rate</td>
<td>4.16 %</td>
<td>6.51 %</td>
</tr>
<tr>
<td>Initial health care cost trend rate</td>
<td>6.70 %</td>
<td>8.19 %</td>
</tr>
<tr>
<td>Ultimate health care cost trend rate</td>
<td>5.00 %</td>
<td>5.26 %</td>
</tr>
<tr>
<td>Year ultimate trend rate to be reached</td>
<td>2022</td>
<td>2023</td>
</tr>
</tbody>
</table>

The discount rate utilized to measure the pension and other postretirement benefit plans is based on the yield of high-quality fixed income debt instruments at the measurement date. Future expected, actuarially determined cash flows of the plans are matched against a yield curve to arrive at a single discount rate for each plan.

The expected long-term rate of return on plan assets is determined by performing a detailed analysis of key economic and market factors driving historical returns for each asset class and formulating a projected return based on factors in the current environment. Factors considered include, but are not limited to, inflation, real economic growth, interest rate yield, interest rate spreads, and other valuation measures and market metrics. The expected long-term rate of return for each asset class is then weighted based on the strategic asset allocation approved by the governing body for each plan. The historical experience with the pension fund asset performance is also considered.

A one-percentage point change in the assumed health care cost trend rate would have had a nominal effect on both service and interest costs, but would result in an approximate $0.4 million impact to the projected benefit obligation.
The net periodic benefit costs for the pension and other postretirement benefit plans for the years ended December 31, 2016, 2015, and 2014 were as follows:

<table>
<thead>
<tr>
<th>Net periodic benefit cost</th>
<th>Defined Benefit Pension Plans</th>
<th>Other Postretirement Benefit Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31,</td>
<td>December 31,</td>
</tr>
<tr>
<td>Net loss (gain)</td>
<td>$24,844</td>
<td>$(6,299)</td>
</tr>
<tr>
<td>Amortization of prior service cost (credit)</td>
<td>1,940</td>
<td>1,567</td>
</tr>
<tr>
<td>Amortization of net gain (loss)</td>
<td>(4,397)</td>
<td>(5,466)</td>
</tr>
<tr>
<td>Settlement and curtailment gain (loss)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Prior service cost (credit)</td>
<td>—</td>
<td>(3,373)</td>
</tr>
<tr>
<td>Acquisitions/divestitures</td>
<td>156</td>
<td>—</td>
</tr>
<tr>
<td>Total recognized in other comprehensive income (loss)</td>
<td>22,543</td>
<td>(13,571)</td>
</tr>
<tr>
<td>Net periodic benefit cost (income)</td>
<td>$22,510</td>
<td>$24,096</td>
</tr>
<tr>
<td>Total recognized in net periodic benefit cost and other comprehensive income (loss)</td>
<td>$45,053</td>
<td>$10,525</td>
</tr>
</tbody>
</table>

(1) This amount represents settlement losses from one of the Company’s defined benefit plans in Switzerland due to the termination of certain employees during the year, which resulted in a loss recognized in the year ended December 31, 2014 due to a charge against the unamortized net loss recorded in other comprehensive income.

(2) This amount represents a curtailment gain from the Company’s other postretirement benefit plan in The Netherlands, due to the cessation of retiree medical benefit accruals effective January 1, 2015.

(3) This adjustment was made to the Company’s pension plan in The Netherlands to reflect the introduction of a salary cap and lower accrual rate on pension benefits as a result of tax law changes effective January 1, 2015. The impact of the change resulted in an adjustment to prior service credit in other comprehensive income as of December 31, 2014, which will be amortized to net periodic benefit cost over the estimated remaining service period of the employees.

(4) These amounts include the prior period net periodic cost and other comprehensive income components of the postretirement benefits in Brazil recognized during 2014, as discussed above.

(5) This amount is primarily related to a reduction in annuity conversion rates announced by the insurance provider for the pension plans in Switzerland. The impact of the change resulted in an adjustment to prior service credit in other comprehensive income as of December 31, 2015, which will be amortized to net periodic benefit cost over the estimated remaining service period of the employees.

(6) These amounts relate to the Company’s divestiture of its Brazilian business during 2016. As of December 31, 2016, the Company had no residual AOCI balances recorded related to the Brazilian pension and postretirement medical plans.
The changes in the pension benefit obligations and the fair value of plan assets and the funded status of all significant plans for the years ended December 31, 2016 and 2015 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Defined Benefit Pension Plans</th>
<th>Other Postretirement Benefit Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change in projected benefit obligations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit obligation at beginning of period</td>
<td>$265,470</td>
<td>$280,091</td>
</tr>
<tr>
<td>Service cost</td>
<td>16,511</td>
<td>16,595</td>
</tr>
<tr>
<td>Interest cost</td>
<td>5,500</td>
<td>5,219</td>
</tr>
<tr>
<td>Plan participants’ contributions</td>
<td>2,320</td>
<td>2,578</td>
</tr>
<tr>
<td>Actuarial changes in assumptions and experience</td>
<td>27,647</td>
<td>(7,485)</td>
</tr>
<tr>
<td>Benefits paid from fund</td>
<td>89</td>
<td>(4,087)</td>
</tr>
<tr>
<td>Benefit payments by employer</td>
<td>(1,888)</td>
<td>(1,652)</td>
</tr>
<tr>
<td>Acquisitions/divestitures</td>
<td>(850)</td>
<td>—</td>
</tr>
<tr>
<td>Plan amendments</td>
<td>—</td>
<td>(3,373)</td>
</tr>
<tr>
<td>Curtailments</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Settlements</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Currency impact</td>
<td>(11,472)</td>
<td>(22,416)</td>
</tr>
<tr>
<td><strong>Benefit obligation at end of period</strong></td>
<td>$303,327</td>
<td>$265,470</td>
</tr>
<tr>
<td><strong>Change in plan assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value of plan assets at beginning of period</td>
<td>$100,505</td>
<td>$92,570</td>
</tr>
<tr>
<td>Actual return on plan assets (7)</td>
<td>4,761</td>
<td>430</td>
</tr>
<tr>
<td>Settlements</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>12,761</td>
<td>16,828</td>
</tr>
<tr>
<td>Plan participants’ contributions</td>
<td>2,320</td>
<td>2,578</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(1,799)</td>
<td>(5,739)</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Currency impact</td>
<td>(4,348)</td>
<td>(6,162)</td>
</tr>
<tr>
<td>Fair value of plan assets at end of period</td>
<td>$114,200</td>
<td>$100,505</td>
</tr>
<tr>
<td><strong>Funded status at end of period</strong></td>
<td>$ (189,127)</td>
<td>$(164,965)</td>
</tr>
</tbody>
</table>

(7) The fair values of certain plan assets as of December 31, 2016 and 2015 were determined using cash surrender values provided under the insurance contracts which took effect on January 1, 2013. The resulting change in the fair value of plan assets due to the use of cash surrender values was included as “return on plan assets”.

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The net amounts recognized in the consolidated balance sheets as of December 31, 2016 and 2015 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Defined Benefit Pension Plans</th>
<th>Other Postretirement Benefit Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td>$ (1,571)</td>
<td>$ (1,180)</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td>(187,556)</td>
<td>(163,785)</td>
</tr>
<tr>
<td>Net amounts recognized in the balance sheet</td>
<td>(189,127)</td>
<td>(164,965)</td>
</tr>
<tr>
<td>Accumulated benefit obligation at the end of the period</td>
<td>$ 245,342</td>
<td>$ 205,641</td>
</tr>
</tbody>
</table>

### Pretax amounts recognized in AOCI as of December 31:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net prior service cost (credit)</td>
<td>$ (21,252)</td>
<td>$ (23,192)</td>
</tr>
<tr>
<td>Net loss (gain)</td>
<td>105,965</td>
<td>85,362</td>
</tr>
<tr>
<td>Total at end of period</td>
<td>$ 84,713</td>
<td>$ 62,170</td>
</tr>
</tbody>
</table>

Approximately $5.4 million and $1.9 million of net loss and net prior service credit, respectively, for the defined benefit pension plans and less than $0.1 million and $0.1 million of net gain and net prior service cost, respectively, for other postretirement benefit plans will be amortized from accumulated other comprehensive income to net periodic benefit cost in 2017.

The estimated future benefit payments, reflecting expected future service, as appropriate, are presented in the following table:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2026</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit pension plans</td>
<td>$ 4,347</td>
<td>$ 4,395</td>
<td>$ 4,478</td>
<td>$ 5,412</td>
<td>$ 4,835</td>
<td>$ 38,924</td>
<td>$ 62,391</td>
</tr>
<tr>
<td>Other postretirement benefit plans</td>
<td>60</td>
<td>93</td>
<td>137</td>
<td>188</td>
<td>247</td>
<td>2,350</td>
<td>3,075</td>
</tr>
<tr>
<td>Total</td>
<td>$ 4,407</td>
<td>$ 4,488</td>
<td>$ 4,615</td>
<td>$ 5,600</td>
<td>$ 5,082</td>
<td>$ 41,274</td>
<td>$ 65,466</td>
</tr>
</tbody>
</table>

The Company estimates it will make cash contributions, including benefit payments for unfunded plans, of $12.7 million in 2017 to the defined benefit pension plans.

The following information relates to pension plans with projected and accumulated benefit obligations in excess of the fair value of plan assets as of December 31, 2016 and 2015:

### Projected Benefit Obligation

<table>
<thead>
<tr>
<th>Exceeds the Fair Value of Plan Assets</th>
<th>December 31, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected benefit obligations</td>
<td>$ 303,327</td>
<td>$ 265,470</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>$ 114,200</td>
<td>$ 100,505</td>
</tr>
</tbody>
</table>

### Accumulated Benefit Obligation

<table>
<thead>
<tr>
<th>Exceeds the Fair Value of Plan Assets</th>
<th>December 31, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated benefit obligations</td>
<td>$ 201,940</td>
<td>$ 161,520</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>$ 45,378</td>
<td>$ 41,365</td>
</tr>
</tbody>
</table>

### Plan Assets

As of December 31, 2016 and 2015, respectively, plan assets totaled $114.2 million and $100.5 million, consisting of investments in insurance contracts. Investments in the pension plan insurance were valued utilizing unobservable inputs, which are contractually determined based on cash surrender values, returns, fees, and the present value of the future cash flows of the contracts.
Insurance contracts are classified as Level 3 investments. Changes in the fair value of these level 3 investments during the years ended December 31, 2016 and 2015 are included in the “Change in plan assets” table above.

Concentration of Risk

The Company mitigates the credit risk of investments by establishing guidelines with investment managers that limit investment in any single issue or issuer to an amount that is not material to the portfolio being managed. These guidelines are monitored for compliance both by the Company and external managers. Credit risk related to derivative activity is mitigated by utilizing multiple counterparties and through collateral support agreements.

Supplemental Employee Retirement Plan

The Company established a non-qualified supplemental employee retirement plan in 2010. The net benefit costs recognized for the years ended December 31, 2016, 2015, and 2014 were $1.1 million, $1.0 million, and $1.3 million, respectively. Benefit obligations under this plan were $15.1 million and $13.7 million as of December 31, 2016 and 2015, respectively. As of December 31, 2016 and 2015, the amounts of net loss included in AOCI were $1.8 million and $1.6 million, respectively, with $1.0 million and $0.8 million amortized from AOCI into net periodic benefit costs during the years ended December 31, 2016 and 2015, respectively. Approximately $0.9 million is expected to be amortized from AOCI into net periodic benefit cost in 2017.

Based on the Company’s current estimates, the estimated future benefit payments under this plan, reflecting expected future service, as appropriate, are presented in the following table:

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>Thereafter</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplemental employee retirement plan</td>
<td>$—</td>
<td>$15,518</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$15,518</td>
</tr>
</tbody>
</table>

Defined Contribution Plans

The Company also offers defined contribution plans to eligible employees in the U.S. and in other countries, including China, Belgium, Hong Kong, Korea, The Netherlands, Taiwan and the United Kingdom. The defined contribution plans are comprised of a non-discretionary elective matching contribution component as well as a discretionary non-elective contribution component. Employees participate in the non-discretionary component by contributing a portion of their eligible compensation to the plan, which is partially matched by the Company. Non-elective contributions are made at the discretion of the Company and are based on a combination of eligible employee compensation and performance award targets. For the years ended December 31, 2016, 2015, and 2014, respectively, the Company contributed $8.6 million, $7.8 million, and $6.8 million to the defined contribution plans.
NOTE 17—STOCK-BASED COMPENSATION

Summary of Stock-based Compensation Expense

Stock-based compensation expense, which is recorded within “Selling, general and administrative expenses” in the consolidated statements of operations, was as follows for the years ended December 31, 2016, 2015, and 2014, respectively:

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Omnibus Plan Awards</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RSUs</td>
<td>$ 5,322</td>
<td>$ 2,114</td>
<td>$ 100</td>
</tr>
<tr>
<td>Option Awards</td>
<td>5,590</td>
<td>3,039</td>
<td>—</td>
</tr>
<tr>
<td>Liability Awards</td>
<td>329</td>
<td>43</td>
<td>—</td>
</tr>
<tr>
<td>Restricted Stock Awards Issued by the former Parent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time-based Restricted Stock Awards</td>
<td>1,646</td>
<td>2,531</td>
<td>7,037</td>
</tr>
<tr>
<td>Modified Time-based Restricted Stock Awards</td>
<td>4,503</td>
<td>2,406</td>
<td>2,469</td>
</tr>
<tr>
<td>Management Retention Awards</td>
<td>—</td>
<td>(1,089)</td>
<td>896</td>
</tr>
<tr>
<td>Liability awards issued by the former Parent</td>
<td>60</td>
<td>48</td>
<td>50</td>
</tr>
<tr>
<td>Total stock-based compensation expense</td>
<td>$ 17,450</td>
<td>$ 9,092</td>
<td>$ 10,552</td>
</tr>
</tbody>
</table>

2014 Omnibus Plan

In connection with the IPO, the Company’s board of directors approved the 2014 Omnibus Plan, adopted on May 28, 2014, under which 4.5 million ordinary shares is the maximum number that may be delivered upon satisfaction of awards granted. Following the IPO, all equity-based awards granted by the Company will be granted under the 2014 Omnibus Plan, which provides for awards of stock options, share appreciation rights, restricted stock, unrestricted stock, stock units, performance awards, cash awards and other awards convertible into or otherwise based on ordinary shares of the Company. Since the IPO, the board of directors of the Company has approved equity award grants for certain directors, executives, and employees, including restricted share units (or RSUs) and options to purchase shares (or options awards).

Restricted Share Units (RSUs)

The RSUs granted to executives and employees vest in full on the third anniversary of the date of grant, generally subject to the employee remaining continuously employed by the Company through the vesting date. RSUs granted to directors of the Company vest in full on the first anniversary of the date of grant. Upon a termination of employment due to the employee’s death or retirement or a termination of employment by the Company without cause in connection with a restructuring or redundancy or due to the employee’s disability prior to the vesting date, the RSUs will vest in full or in part, depending on the type of termination. In the event employment is terminated for cause, all unvested RSUs will be forfeited. When RSUs vest, shares are issued from the existing pool of treasury shares.

Compensation cost for RSUs is measured at grant date based on the fair value of the award and is recognized ratably as expense over the applicable vesting term. Prior to November 2016, dividend and dividend equivalents did not accumulate on unvested RSUs. In November 2016, the board of directors approved an amendment to all outstanding RSUs, entitling each award holder to an amount equal to any cash dividend or repayment of equity paid by the Company upon one ordinary share for each RSU held by the award holder (“dividend equivalents”). The dividend equivalents earned on the RSUs only include dividends or repayments of equity paid after this amendment and the award holders have no right to receive the dividend equivalents unless and until the associated RSUs vest. The dividend equivalents will be payable in cash and will not accrue interest. The impact of this amendment is immaterial to the consolidated financial statements.

The fair value of RSUs is equal to the fair market value of the Company’s ordinary shares based on the closing price on the date of grant. Total compensation expense for RSUs was $5.3 million, $2.1 million, and $0.1 million for the years ended December 31, 2016, 2015, and 2014, respectively. As of December 31, 2016, there was $9.4 million of total...
unrecognized compensation cost related to RSUs, which is expected to be recognized over a weighted-average period of 1.8 years.

The following table summarizes the award activity for RSUs during the year ended December 31, 2016:

<table>
<thead>
<tr>
<th>Restricted Share Units</th>
<th>Shares</th>
<th>Weighted-Average Grant Date Fair Value per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unvested, December 31, 2015</td>
<td>412,410</td>
<td>$18.62</td>
</tr>
<tr>
<td>Granted</td>
<td>342,136</td>
<td>28.39</td>
</tr>
<tr>
<td>Vested</td>
<td>(17,570)</td>
<td>27.19</td>
</tr>
<tr>
<td>Forfeited</td>
<td>(14,193)</td>
<td>26.73</td>
</tr>
<tr>
<td>Unvested, December 31, 2016</td>
<td>722,783</td>
<td>$22.88</td>
</tr>
</tbody>
</table>

The following table summarizes the weighted-average grant date fair value per share of RSUs granted during the years ended December 31, 2016, 2015, and 2014 as well as the total fair value of awards vested during those periods:

<table>
<thead>
<tr>
<th>Restricted Share Units</th>
<th>Weighted-Average Grant Date Fair Value per Share of Grants during Period</th>
<th>Total Fair Value of Awards Vested during Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year Ended December 31, 2016</td>
<td>$28.39</td>
<td>$478</td>
</tr>
<tr>
<td>Year Ended December 31, 2015</td>
<td>$18.67</td>
<td>$180</td>
</tr>
<tr>
<td>Year Ended December 31, 2014</td>
<td>$19.00</td>
<td>N/A</td>
</tr>
</tbody>
</table>

(1) No RSUs vested during the year ended December 31, 2014.

Option Awards

The option awards, which contain an exercise term of nine years from the date of grant, vest in three equal annual installments beginning on the first anniversary of the date of grant, generally subject to the employee remaining continuously employed on the applicable vesting date. Upon a termination of employment due to the employee’s death or retirement or a termination of employment by the Company without cause in connection with a restructuring or redundancy or due to the employee’s disability prior to a vesting date, the option awards will vest in full or will continue to vest on the original vesting schedule, depending on the type of termination. In the event employment is terminated for cause, all vested and unvested option awards will be forfeited. When option awards are exercised, shares are issued from the existing pool of treasury shares.

Compensation cost for option awards is measured at the grant date based on the fair value of the award and is recognized as expense over the appropriate service period utilizing graded vesting. Total compensation expense for option awards was $5.6 million, $3.0 million, and zero for the years ended December 31, 2016, 2015, and 2014, respectively. As of December 31, 2016, there was $1.4 million of total unrecognized compensation cost related to option awards, which is expected to be recognized over a weighted-average period of 1.4 years.
The following table summarizes the activity for option awards during the years ended December 31, 2016 and 2015 (noting no granted awards prior to 2015):

<table>
<thead>
<tr>
<th>Option Awards</th>
<th>Shares</th>
<th>Weighted-Average Exercise Price per share</th>
<th>Weighted-Average Contractual Term (years)</th>
<th>Aggregate Intrinsic Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding as of December 31, 2014</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Granted</td>
<td>607,382</td>
<td>18.20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exercised</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forfeited</td>
<td>(48,641)</td>
<td>18.14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding as of December 31, 2015</td>
<td>558,741</td>
<td>$18.20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Granted</td>
<td>569,281</td>
<td>27.96</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exercised</td>
<td>(11,562)</td>
<td>18.46</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forfeited</td>
<td>(6,160)</td>
<td>22.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding as of December 31, 2016</td>
<td>1,110,300</td>
<td>$23.18</td>
<td>7.7 $40,109</td>
<td></td>
</tr>
<tr>
<td>Exercisable as of December 31, 2016</td>
<td>174,667</td>
<td>$18.19</td>
<td>7.2 $7,181</td>
<td></td>
</tr>
<tr>
<td>Expected to vest as of December 31, 2016</td>
<td>935,633</td>
<td>$24.11</td>
<td>7.8 $32,928</td>
<td></td>
</tr>
</tbody>
</table>

The range of exercise prices for the above option awards outstanding at December 31, 2016 is from $18.14 to $47.45. During the year ended December 31, 2016, the Company received cash of $0.2 million from the exercise of option awards and the total intrinsic value of option awards exercised was $0.4 million (noting no option awards were exercised in 2015 or 2014).

The fair value for option awards is computed using the Black-Scholes pricing model, whose inputs and assumptions are determined as of the date of grant. Determining the fair value of the option awards requires considerable judgment, including estimating the expected term of said awards and the expected volatility of the price of the Company’s ordinary shares.

Since the Company’s equity interests were privately held prior to the IPO in June 2014, there is limited publicly traded history of the Company’s ordinary shares. Until such time that the Company can determine expected volatility based solely on the publicly traded history of its ordinary shares, expected volatility used in the Black-Scholes model for option awards granted is based on a combination of the Company’s historical volatility and similar companies’ stock that are publicly traded. The expected term of option awards represents the period of time that option awards granted are expected to be outstanding. For all grants of option awards presented herein, the simplified method was used to calculate the expected term, given the Company’s limited historical exercise data. The risk-free interest rate for the periods within the expected term of option awards is based on the U.S. Treasury yield curve in effect at the time of grant. The dividend yield is estimated based on historical and expected dividend activity.

The following are the weighted-average assumptions used within the Black-Scholes pricing model for grants during the years ended December 31, 2016 and 2015:

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected term (in years)</td>
<td>5.50</td>
<td>5.50</td>
</tr>
<tr>
<td>Expected volatility</td>
<td>40.00 %</td>
<td>45.00 %</td>
</tr>
<tr>
<td>Risk-free interest rate</td>
<td>1.42 %</td>
<td>1.65 %</td>
</tr>
<tr>
<td>Dividend yield</td>
<td>0.60 %</td>
<td>— %</td>
</tr>
</tbody>
</table>

Utilizing the above assumptions, the weighted average grant date fair value per option award granted in the years ended December 31, 2016 and 2015 was $10.10 and $7.82, respectively (noting no granted awards prior to 2015).
Restricted Stock Awards issued by the former Parent

On June 17, 2010, the former Parent authorized the issuance of up to 750,000 of its shares in restricted stock awards to certain key members of management. Any related compensation associated with these awards has since been allocated to the Company from the former Parent. Since the adoption of the 2014 Omnibus Plan in May 2014, discussed further above, restricted stock awards are no longer issued by the former Parent on behalf of the Company.

During the year ended December 31, 2016, the former Parent completed the sale of its ordinary shares of the Company through secondary offerings, and as a result, no longer holds an ownership interest in the Company. Refer to Note 12 for further information. Given that the former Parent sold its interest in the substantive assets of the Company, under the terms of the related securityholder agreements, vesting of all outstanding restricted stock awards was fully accelerated into the year ended December 31, 2016. There will be no additional expense related to these awards in future periods.

Time-based Restricted Stock Awards

Prior to the full acceleration of vesting in 2016 noted above, the time-based restricted stock awards issued by the former Parent contained a service-based condition that required continued employment with the Company. Generally, these awards were to vest over three to five years of service, with a portion (20% to 40%) cliff vesting after the first one or two years, and the remaining portion vesting ratably over the subsequent service period. Compensation cost for the time-based restricted stock awards was measured at the grant date based on the fair value of the award and was recognized as expense over the appropriate service period utilizing graded vesting.

Total compensation expense for time-based restricted stock awards was $1.6 million, $2.5 million, and $7.0 million for the years ended December 31, 2016, 2015, and 2014, respectively. As of December 31, 2016, there was no unrecognized compensation cost related to these awards.

The following table summarizes the activity in the former Parent’s time-based restricted stock awards during the year ended December 31, 2016:

<table>
<thead>
<tr>
<th>Time-based restricted stock</th>
<th>Shares</th>
<th>Weighted-Average Grant Date Fair Value per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unvested, December 31, 2015</td>
<td>30,171</td>
<td>$156.65</td>
</tr>
<tr>
<td>Granted</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Vested</td>
<td>(30,171)</td>
<td>156.65</td>
</tr>
<tr>
<td>Forfeited</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Unvested, December 31, 2016</td>
<td>—</td>
<td>$ —</td>
</tr>
</tbody>
</table>

The following table summarizes the weighted-average grant date fair value per share of time-based restricted stock awards granted during the years ended December 31, 2016, 2015, and 2014, as well as the total fair value of awards vested during those periods:

<table>
<thead>
<tr>
<th>Time-Based Restricted Stock</th>
<th>Weighted-Average Grant Date Fair Value per Share of Grants during Period</th>
<th>Total Fair Value of Awards Vested during Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year Ended December 31, 2016</td>
<td>N/A =&gt; $</td>
<td>$4,726</td>
</tr>
<tr>
<td>Year Ended December 31, 2015</td>
<td>N/A =&gt; $</td>
<td>$5,109</td>
</tr>
<tr>
<td>Year Ended December 31, 2014</td>
<td>N/A =&gt; $</td>
<td>$10,783</td>
</tr>
</tbody>
</table>

(1) There were no grants of time-based restricted stock awards by the former Parent during the years ended December 31, 2016, 2015, and 2014 as a result of the adoption of the 2014 Omnibus Plan.

Modified Time-based Restricted Stock Awards

Prior to June 2014, the former Parent had issued performance-based restricted stock awards that contained provisions wherein vesting was subject to the full satisfaction of both time and performance vesting criterion.
June 10, 2014, prior to the completion of the Company’s IPO, the former Parent entered into agreements to modify the outstanding performance-based restricted stock awards to remove the performance-based vesting condition associated with such awards related to the achievement of certain investment returns (while maintaining the requirement for a change in control or IPO). This modification also changed the time-based vesting requirement associated with such awards to provide that any shares which would have satisfied the time-based vesting condition previously applicable on or prior to June 30, 2017 to instead vest on June 30, 2017, subject to the holder remaining continuously employed by the Company through such date. Any such awards that were subject to a time-based vesting condition beyond June 30, 2017 remained subject to those previous conditions. Henceforth, these awards have been described as modified time-based restricted stock awards.

With the completion of the Company’s IPO in June 2014, the remaining performance condition associated with these modified time-based restricted stock awards was achieved. As a result, the Company began recognizing compensation expense on these awards, which was measured at the modification date based on their fair value. Prior to the full acceleration of vesting in 2016 noted above, compensation expense on these awards was being recognized over the appropriate service period utilizing graded vesting.

Total compensation expense for modified time-based restricted stock awards was $4.5 million, $2.4 million, and $2.5 million for the years ended December 31, 2016, 2015, and 2014, respectively. As of December 31, 2016, there was no unrecognized compensation cost related to these awards.

The following table summarizes the activity in the former Parent’s modified time-based restricted stock awards during the year ended December 31, 2016:

<table>
<thead>
<tr>
<th>Modified time-based restricted stock</th>
<th>Weighted-Average Grant Date Shares Fair Value per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unvested, December 31, 2015</td>
<td>73,586</td>
</tr>
<tr>
<td>Granted</td>
<td>—</td>
</tr>
<tr>
<td>Vested</td>
<td>(73,586)</td>
</tr>
<tr>
<td>Forfeited</td>
<td>—</td>
</tr>
<tr>
<td>Unvested, December 31, 2016</td>
<td>—</td>
</tr>
</tbody>
</table>

The following table summarizes the weighted-average grant date fair value per share of modified time-based restricted stock awards granted during the years ended December 31, 2016, 2015, and 2014, as well as the total fair value of awards vested during those periods:

<table>
<thead>
<tr>
<th>Modified Time-Based Restricted Stock</th>
<th>Weighted-Average Grant Date Fair Value per Share of Grants during Period</th>
<th>Total Fair Value of Awards Vested during Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year Ended December 31, 2016</td>
<td>N/A                                                                      $ 8,484</td>
<td></td>
</tr>
<tr>
<td>Year Ended December 31, 2015</td>
<td>N/A                                                                      $ 298</td>
<td></td>
</tr>
<tr>
<td>Year Ended December 31, 2014</td>
<td>N/A                                                                      $ —</td>
<td></td>
</tr>
</tbody>
</table>

(1) There were no grants of modified time-based restricted stock awards by the former Parent during the years ended December 31, 2016, 2015, and 2014 as a result of the adoption of the 2014 Omnibus Plan.

**Fair Value Assumptions for Restricted Stock Award Grants**

There were no grants by the former Parent of time-based, performance-based, or modified time-based restricted stock awards during the years ended December 31, 2016, 2015, and 2014. However, as a result of the above-described June 2014 modification, the fair value of all modified time-based restricted stock awards was calculated as of the modification date. The fair values of time-based, modified time-based, and performance-based restricted stock awards (in prior years) were estimated on the grant date using a combination of a call option and digital option model that uses assumptions about expected volatility, risk-free interest rates, the expected term, and dividend yield. The expected term for time-based and modified time-based awards considered both the service conditions of vesting of the awards, as well as management’s probability-weighted estimate of the expected liquidity horizon. The expected volatilities were based on a combination of implied and historical volatilities of a peer group of companies, as the Company was a non-publicly...
traded company prior to the IPO. The risk-free rate was based on the U.S. Treasury yield curve in effect at the time of grant for periods corresponding with the expected life of the awards. The expected dividend yield was based on an assumption that no dividends were expected to be declared in the near future.

The following are the weighted average assumptions used for the valuation of the modified time-based awards in June 2014 (noting no grants or modifications during the years ended December 31, 2016 and 2015):

<table>
<thead>
<tr>
<th>Year Ended December 31, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend yield</td>
</tr>
<tr>
<td>Expected volatility</td>
</tr>
<tr>
<td>Risk-free interest rate</td>
</tr>
<tr>
<td>Expected term (in years) for modified time-based shares</td>
</tr>
</tbody>
</table>

Management Retention Awards

In 2012, the former Parent agreed to retention awards with certain officers, which generally vested over one to four years and were payable upon vesting. Total compensation expense for these retention awards was $0.9 million for the year ended December 31, 2014, while for the year ended December 31, 2015 a net benefit of $1.1 million was recorded due to certain employment terminations, resulting in forfeited retention awards. As of December 31, 2015, there was no unrecognized compensation cost related to these retention awards.

Adoption of Accounting Standards Update

As discussed in Note 2, effective April 1, 2016, the Company adopted new accounting guidance issued by the FASB that simplifies several aspects of accounting for share-based payments. Among other things, as part of this adoption, the Company made an accounting policy election to recognize forfeitures as incurred, rather than estimating the forfeitures in advance. The impact of this change was applied utilizing a modified retrospective approach, with an adjustment of $0.9 million recorded during the year ended December 31, 2016 to decrease opening retained earnings and increase opening additional paid-in-capital. All other impacts of this adoption were not material to the Company’s financial position and results of operations.

NOTE 18—RELATED PARTY AND DOW TRANSACTIONS

The Company has entered into certain agreements with Dow, including the Second Amended and Restated Master Outsourcing Services Agreement, which was modified on June 1, 2013 (or SAR MOSA), site and operating services agreements, and supply agreements.

The SAR MOSA provides for ongoing worldwide services from Dow in areas such as information technology, enterprise resource planning, finance, environmental health and safety, training, customer service, marketing and sales support, supply chain and certain sourcing and transactional procurement services. The term of this agreement runs through December 31, 2020 and which automatically renews for two year periods unless either party provides six months’ notice of non-renewal to the other party. The services provided pursuant to the SAR MOSA generally are priced per function, and the Company has the ability to terminate the services or any portion thereof, for convenience any time after June 1, 2015, subject to payment of termination charges. Services which are “highly integrated” follow a different process for evaluation and termination. In addition, either party may terminate for cause, which includes a bankruptcy, liquidation or similar proceeding by the other party, for material breach which is not cured, or by Dow in the event of our failure to pay for the services thereunder. In the event of a change of control, as defined in the agreement, Dow has the right to terminate the SAR MOSA. As of December 31, 2016, the estimated minimum contractual obligations under the SAR MOSA are approximately $22.6 million.

In addition, the Company entered into various site service agreements with Dow, which were amended as of June 1, 2013 (the Second Amended and Restated Site Services Agreements, or SAR SSAs). Under the SAR SSAs, general site services are provided at specific facilities co-located with Dow, rather than organization-wide services, and include utilities, site administration, environmental health and safety, site maintenance and supply chain. Conversely, the Company entered into similar agreements with Dow, where at Company owned sites, it provides such services to Dow. These agreements generally have 25-year terms from the date amended, with options to renew. These agreements may be
terminated at any time by agreement of the parties, or, by either party, for cause, including a bankruptcy, liquidation or similar proceeding by the other party, or under certain circumstances for a material breach which is not cured. In addition, the Company may terminate for convenience any services that Dow has agreed to provide that are identified in any site services agreement as “terminable” with 12 months prior notice to Dow, dependent upon whether the service is highly integrated into Dow operations. Highly integrated services are agreed to be nonterminable. With respect to “nonterminable” services that Dow has agreed to provide to the Company, such as electricity and steam, the Company generally cannot terminate such services prior to the termination date unless the Company experiences a production unit shut down for which Dow is provided with 15-months prior notice, or upon payment of a shutdown fee. Upon expiration or termination, the Company would be obligated to pay a monthly fee to Dow, which obligation extends for a period of 45 (in the case of expiration) to 60 months (in the case of termination) following the respective event of each site services agreement. The agreements under which Dow receives services from the Company may be terminated under the same circumstances and conditions.

The following tables detail expenses incurred during the years ended December 31, 2016, 2015, and 2014 under the SAR MOSA and SAR SSAs by financial statement line item:

<table>
<thead>
<tr>
<th>Financial Statement Line Item</th>
<th>Year Ended December 31, 2016</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SAR MOSA</td>
<td>SAR SSAs</td>
<td>Total</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>$ 41.7</td>
<td>$ 169.9</td>
<td>$ 211.6</td>
</tr>
<tr>
<td>Selling, general, and administrative expenses</td>
<td>5.6</td>
<td>4.9</td>
<td>10.5</td>
</tr>
<tr>
<td>Total</td>
<td>$ 47.3</td>
<td>$ 174.8</td>
<td>$ 222.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Statement Line Item</th>
<th>Year Ended December 31, 2015</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SAR MOSA</td>
<td>SAR SSAs</td>
<td>Total</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>$ 42.9</td>
<td>$ 188.6</td>
<td>$ 231.5</td>
</tr>
<tr>
<td>Selling, general, and administrative expenses</td>
<td>5.1</td>
<td>5.5</td>
<td>10.6</td>
</tr>
<tr>
<td>Total</td>
<td>$ 48.0</td>
<td>$ 194.1</td>
<td>$ 242.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Statement Line Item</th>
<th>Year Ended December 31, 2014</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SAR MOSA</td>
<td>SAR SSAs</td>
<td>Total</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>$ 43.6</td>
<td>$ 227.2</td>
<td>$ 270.8</td>
</tr>
<tr>
<td>Selling, general, and administrative expenses</td>
<td>5.2</td>
<td>6.5</td>
<td>11.7</td>
</tr>
<tr>
<td>Total</td>
<td>$ 48.8</td>
<td>$ 233.7</td>
<td>$ 282.5</td>
</tr>
</tbody>
</table>

In connection with the Acquisition, certain of the Company’s affiliates entered into the Latex JV Option Agreement with Dow, pursuant to which Dow was granted an irrevocable option to purchase 50% of the issued and outstanding interests in a joint venture to be formed by Dow and the Company’s affiliates with respect to the SB Latex business in Asia, Latin America, the Middle East, Africa, Eastern Europe, Russia and India. On May 30, 2014, the Company’s affiliates entered into an agreement with Dow to terminate the Latex JV Option Agreement, Dow’s rights to the option, and all other obligations thereunder, in exchange for a termination payment of $32.5 million. This termination payment was made on May 30, 2014, and the termination of the Latex JV Option Agreement became effective as of such date. This termination payment was recorded as an expense within “Other expense, net” in the consolidated statement of operations for the year ended December 31, 2014.

In addition, the Company has transactions in the normal course of business with Dow and its affiliates. For the years ended December 31, 2016, 2015, and 2014, sales to Dow and its affiliated companies were approximately $203.5 million, $227.0 million, and $343.8 million, respectively. For the years ended December 31, 2016, 2015, and 2014, purchases from Dow and its affiliated companies were approximately $1,090.4 million, $1,244.2 million, and $2,196.0 million, respectively.

As of December 31, 2016 and 2015, receivables from Dow and its affiliated companies were approximately $20.7 million and $21.5 million, respectively, and are included in “Accounts receivable, net of allowance” in the consolidated balance sheets. As of December 31, 2016 and 2015, payables to Dow and its affiliated companies were approximately $121.6 million and $96.7 million, respectively, and are included in “Accounts payable” in the consolidated balance sheets.
In connection with the Acquisition, the Company entered into the Advisory Agreement wherein Bain Capital provided management and consulting services and financial and other advisory services to the Company. The Advisory Agreement terminated upon consummation of the Company’s IPO in June 2014 and pursuant to its terms, the Company paid $23.3 million of termination fees representing acceleration of the advisory fees for the remainder of the original term. The termination fee was paid in June 2014 using the proceeds from the IPO, and was recorded as an expense within “Selling, general and administrative expenses” in the consolidated statement of operations for the year ended December 31, 2014. However, Bain Capital continued to provide an immaterial level of ad hoc advisory services for the Company, which ceased as a result of the completed sale of the former Parent’s ownership interest in the Company discussed in Note 12. In conjunction with the foregoing, we incurred Bain Capital fees (including out-of-pocket expenses) of zero, $0.1 million, and $2.4 million for the years ended December 31, 2016, 2015, and 2014, respectively (excluding the termination fees noted above).

Bain Capital also provided advice pursuant to a 10-year Transaction Services Agreement with fees payable equaling 1% of the transaction value of each financing, acquisition or similar transaction. In connection with the IPO, Bain Capital received $2.2 million of transaction fees, which were recorded within “Additional paid-in-capital” in the consolidated balance sheets (refer to Note 12). As a result of the completed sale of the former Parent’s ownership interest in the Company discussed in Note 12, these expenses are not expected in future periods.

During the year ended December 31, 2016, the former Parent sold 37,269,567 ordinary shares pursuant to the Company’s shelf registration statement filed with the SEC. In connection with these offerings, the Company incurred advisory, accounting, legal and printing expenses on behalf of the former Parent of $2.5 million during the year ended December 31, 2016. These expenses were included within “Selling, general and administrative expenses” in the consolidated statement of operations. Refer to Note 12 for further information.

Total fees incurred from Bain Capital for these management and transaction advisory services were zero, $0.1 million, and $27.9 million, respectively, for the years ended December 31, 2016, 2015, and 2014.

NOTE 19—SEGMENTS

Through September 30, 2016, the Company operated under two divisions: Performance Materials and Basic plastics & Feedstocks. The Performance Materials division included the following reporting segments: Latex, Synthetic Rubber, and Performance Plastics. The Basic plastics & Feedstocks division represented a separate segment for financial reporting purposes.

Effective October 1, 2016, the Company realigned its reporting segments to reflect the new model under which the business will be managed and results will be reviewed by the chief executive officer, who is the Company’s chief operating decision maker. This change in segments is being made to provide increased clarity and understanding around the drivers of profitability and cash flow of the Company. The previous Basic plastics & Feedstocks segment was split into three new segments: Basic Plastics, which includes polystyrene, copolymers, and polycarbonate; Feedstocks, which represents the Company’s styrene monomer business; and Americas Styrenics, which reflects the equity earnings from its 50%-owned styrenics joint venture. In addition, certain highly differentiated ABS supplied into Performance Plastics markets, which was previously included in the results of Basic Plastics & Feedstocks, is now included in Performance Plastics. Finally, the Latex segment was renamed to Latex Binders. In conjunction with the segment realignment, the Company also changed its primary measure of segment operating performance from EBITDA to Adjusted EBITDA. Refer to the discussion below for further information about Adjusted EBITDA.

The information in the tables below has been retroactively adjusted to reflect the changes in reporting segments and segment operating performance.

The Latex Binders segment produces SB latex and other latex polymers and binders, primarily for coated paper and packaging board, carpet and artificial turf backings, as well as a number of performance latex binders applications, such as adhesive, building and construction and the technical textile paper market. The Synthetic Rubber segment produces synthetic rubber products used predominantly in high-performance tires, impact modifiers and technical rubber products, such as conveyer belts, hoses, seals and gaskets. The Performance Plastics segment produces highly engineered compounds and blends and some specialized ABS grades for automotive end markets, as well as consumer electronics, medical, electrical and lighting, collectively consumer essential markets, or CEM. The Basic Plastics segment produces styrenic polymers, including polystyrene, basic ABS, and SAN products, as well as PC, all of which are used as inputs in
a variety of end use markets. The Basic Plastics segment also includes the results of our 50%-owned joint venture, Sumika Styron Polycarbonate. The Feedstocks segment includes the Company’s production and procurement of styrene monomer outside of North America, which is used as a key raw material in many of the Company’s products, including polystyrene, SB latex, ABS resins, SSBR, etc. Lastly, the Americas Styrenics segment consists solely of the operations of our 50%-owned joint venture, Americas Styrenics, a producer of both styrene monomer and polystyrene in North America.

Asset, capital expenditure, and intersegment sales information is not reviewed or included with the Company’s reporting to the chief operating decision maker. Therefore, the Company has not disclosed this information for each reportable segment.

Performance Materials

<table>
<thead>
<tr>
<th></th>
<th>Latex</th>
<th>Synthetic Rubber</th>
<th>Performance Plastics</th>
<th>Basic Plastics</th>
<th>Feedstocks</th>
<th>Americas Styrenics</th>
<th>Corporate Unallocated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales to external customers</td>
<td>$925,337</td>
<td>$450,691</td>
<td>$693,433</td>
<td>$1,352,690</td>
<td>$294,489</td>
<td>—</td>
<td>—</td>
<td>$3,716,640</td>
</tr>
<tr>
<td>Equity in earnings (losses) of unconsolidated affiliates</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>8,932</td>
<td>—</td>
<td>135,801</td>
<td>—</td>
<td>144,733</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>94,310</td>
<td>110,920</td>
<td>136,232</td>
<td>148,156</td>
<td>80,247</td>
<td>135,801</td>
<td>—</td>
<td>191,418</td>
</tr>
<tr>
<td>Investment in unconsolidated affiliates</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>41,753</td>
<td>—</td>
<td>149,665</td>
<td>—</td>
<td>191,418</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>23,840</td>
<td>34,727</td>
<td>6,138</td>
<td>15,701</td>
<td>10,593</td>
<td>—</td>
<td>5,460</td>
<td>96,459</td>
</tr>
<tr>
<td>December 31, 2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales to external customers</td>
<td>$966,209</td>
<td>$474,617</td>
<td>$742,831</td>
<td>$1,478,069</td>
<td>$310,176</td>
<td>—</td>
<td>—</td>
<td>$3,971,902</td>
</tr>
<tr>
<td>Equity in earnings (losses) of unconsolidated affiliates</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>4,848</td>
<td>—</td>
<td>135,330</td>
<td>—</td>
<td>140,178</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>79,012</td>
<td>92,999</td>
<td>107,506</td>
<td>115,530</td>
<td>51,341</td>
<td>135,330</td>
<td>—</td>
<td>182,836</td>
</tr>
<tr>
<td>Investment in unconsolidated affiliates</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>38,972</td>
<td>—</td>
<td>143,864</td>
<td>—</td>
<td>182,836</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>32,360</td>
<td>30,358</td>
<td>5,611</td>
<td>15,396</td>
<td>9,598</td>
<td>—</td>
<td>3,069</td>
<td>96,752</td>
</tr>
<tr>
<td>December 31, 2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales to external customers</td>
<td>$1,261,137</td>
<td>$633,983</td>
<td>$821,053</td>
<td>$1,978,090</td>
<td>$433,698</td>
<td>—</td>
<td>—</td>
<td>$5,127,961</td>
</tr>
<tr>
<td>Equity in earnings (losses) of unconsolidated affiliates</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(2,520)</td>
<td>—</td>
<td>50,269</td>
<td>—</td>
<td>47,749</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>97,229</td>
<td>136,984</td>
<td>85,396</td>
<td>(15,129)</td>
<td>(20,547)</td>
<td>50,269</td>
<td>—</td>
<td>167,658</td>
</tr>
<tr>
<td>Investment in unconsolidated affiliates</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>34,125</td>
<td>—</td>
<td>133,533</td>
<td>—</td>
<td>167,658</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>26,954</td>
<td>32,900</td>
<td>5,602</td>
<td>20,244</td>
<td>13,961</td>
<td>—</td>
<td>4,045</td>
<td>103,706</td>
</tr>
</tbody>
</table>

(1) The Company’s primary measure of segment operating performance is Adjusted EBITDA, which is defined as income from continuing operations before interest expense, net; provision for income taxes; depreciation and amortization expense; loss on extinguishment of long-term debt; asset impairment charges; gains or losses on the dispositions of businesses and assets; restructuring and other items. Adjusted EBITDA is a key metric that is used by management to evaluate business performance in comparison to budgets, forecasts, and prior year financial results, providing a measure that management believes reflects core operating performance by removing the impact of transactions and events that would not be considered a part of core operations. Adjusted EBITDA is useful for analytical purposes; however, it should not be considered an alternative to the Company’s reported GAAP results, as there are limitations in using such financial measures. Other companies in the industry may define Adjusted EBITDA differently than the Company, and as a result, it may be difficult to use Adjusted EBITDA, or similarly-named financial measures, that other companies may use to compare the performance of those companies to the Company’s segment performance.
The reconciliation of income (loss) before income taxes to Segment Adjusted EBITDA is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
<td>2014</td>
<td>2014</td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>$405,309</td>
<td>$203,856</td>
<td>$(47,613)</td>
<td></td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>74,968</td>
<td>93,197</td>
<td>124,923</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>96,459</td>
<td>96,752</td>
<td>103,706</td>
<td></td>
</tr>
<tr>
<td>Corporate Unallocated</td>
<td>94,794</td>
<td>89,820</td>
<td>72,585</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA Addbacks</td>
<td>34,136</td>
<td>98,183</td>
<td>80,601</td>
<td></td>
</tr>
<tr>
<td>Segment Adjusted EBITDA</td>
<td>$705,666</td>
<td>$581,808</td>
<td>$334,202</td>
<td></td>
</tr>
</tbody>
</table>

(2) Corporate unallocated includes corporate overhead costs and certain other income and expenses.
(3) Adjusted EBITDA addbacks for the years ended December 31, 2016, 2015, and 2014 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
<td>2014</td>
<td>2014</td>
</tr>
<tr>
<td>Loss on extinguishment of long-term debt (Note 10)</td>
<td>$—</td>
<td>$95.2</td>
<td>$7.4</td>
<td></td>
</tr>
<tr>
<td>Net loss (gain) on disposition of businesses and assets (Note 3)</td>
<td>15.1</td>
<td>—</td>
<td>(0.6)</td>
<td></td>
</tr>
<tr>
<td>Restructuring and other charges (Note 20)</td>
<td>23.5</td>
<td>0.8</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td>Fees paid pursuant to advisory agreement (Note 18)</td>
<td>—</td>
<td>—</td>
<td>25.4</td>
<td></td>
</tr>
<tr>
<td>Other items (a)</td>
<td>(4.4)</td>
<td>2.2</td>
<td>38.4</td>
<td></td>
</tr>
<tr>
<td>Total Adjusted EBITDA Addbacks</td>
<td>$34.2</td>
<td>$98.2</td>
<td>$80.6</td>
<td></td>
</tr>
</tbody>
</table>

(a) For the year ended December 31, 2016, other items include other income of $6.9 million from the effective settlement of certain value-added tax positions, offset by $2.5 million of fees incurred in conjunction with the Company’s secondary offerings completed during the year (refer to Note 12). For the year ended December 31, 2015, other items represents costs related to the process of changing our corporate name from Styron to Trinseo. For the year ended December 31, 2014, other items includes the above referenced name change costs, as well as a one-time $32.5 million termination payment made to Dow in connection with the termination of our Latex JV Option Agreement (refer to Note 18).

Geographic Information

As of December 31, 2016, the Company operates 30 manufacturing plants (which include a total of 75 production units) at 23 sites in 12 countries, inclusive of joint ventures and contract manufacturers as well as 10 R&D facilities globally, including mini plants, development centers and pilot coaters. Sales are attributed to geographic areas based on the location where sales originated; long-lived assets are attributed to geographic areas based on asset location. The Company is incorporated under the existing laws of the Grand Duchy of Luxembourg, as discussed in Note 1, which...
therefore represents its country of domicile. The Company has no existing long-lived assets or sales generated from this country.

<table>
<thead>
<tr>
<th>Country</th>
<th>As of and for the Year Ended December 31,</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>United States</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales to external customers</td>
<td>$538,413</td>
<td>$551,823</td>
<td>$663,425</td>
<td></td>
</tr>
<tr>
<td>Long-lived assets</td>
<td>$53,005</td>
<td>$51,189</td>
<td>$65,329</td>
<td></td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales to external customers</td>
<td>$2,229,490</td>
<td>$2,373,242</td>
<td>$3,066,581</td>
<td></td>
</tr>
<tr>
<td>Long-lived assets</td>
<td>$338,736</td>
<td>$355,033</td>
<td>$383,311</td>
<td></td>
</tr>
<tr>
<td><strong>Asia-Pacific</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales to external customers</td>
<td>$811,772</td>
<td>$889,451</td>
<td>$1,196,163</td>
<td></td>
</tr>
<tr>
<td>Long-lived assets</td>
<td>$121,945</td>
<td>$104,438</td>
<td>$99,654</td>
<td></td>
</tr>
<tr>
<td><strong>Rest of World</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales to external customers</td>
<td>$136,965</td>
<td>$157,386</td>
<td>$201,792</td>
<td></td>
</tr>
<tr>
<td>Long-lived assets</td>
<td>$71</td>
<td>$8,091</td>
<td>$8,403</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales to external customers</td>
<td>$3,716,640</td>
<td>$3,971,902</td>
<td>$5,127,961</td>
<td></td>
</tr>
<tr>
<td>Long-lived assets</td>
<td>$513,757</td>
<td>$518,751</td>
<td>$556,697</td>
<td></td>
</tr>
</tbody>
</table>

(1) Sales to external customers in China represented approximately 8%, 7% and 8% of the total for the years ended December 31, 2016, 2015, and 2014, respectively. Sales to external customers in Germany represented approximately 11%, 11% and 12% of the total for the years ended December 31, 2016, 2015, and 2014, respectively. Sales to external customers in Hong Kong represented approximately 10%, 11% and 11% of the total for the years ended December 31, 2016, 2015, and 2014, respectively.

(2) Long-lived assets in China represented approximately 14%, 8%, and 6% of the total as of December 31, 2016, 2015, and 2014, respectively. Long-lived assets in Germany represented approximately 42%, 42%, and 43% of the total as of December 31, 2016, 2015, and 2014, respectively. Long-lived assets in The Netherlands represented approximately 14%, 14%, and 13% of the total as of December 31, 2016, 2015, and 2014, respectively.

(3) Long-lived assets consist of property, plant and equipment, net.

NOTE 20—RESTRUCTURING

Livorno Plant Restructuring

In August 2016, the Company announced its plan to cease manufacturing activities at its latex binders manufacturing facility in Livorno, Italy. This is a result of declining demand for graphical paper and is expected to provide improved asset utilization, as well as cost reductions within the Company’s European latex binders business. Production at the facility ceased in October 2016, followed by decommissioning activities which began in the fourth quarter of 2016.

For the year ended December 31, 2016, the Company recorded restructuring charges of $14.3 million related to property, plant and equipment and other asset impairment charges, $4.6 million related to employee termination benefit charges, $0.3 million of contract termination charges, and $0.7 of decommissioning and other charges. These charges were included in “Selling, general and administrative expenses” in the consolidated statement of operations and were allocated entirely to the Latex Binders segment. Employee and contract termination benefits charges are recorded within “Accrued expenses and other current liabilities” in the consolidated balance sheets.

F-50
The following table provides a rollforward of the liability balances associated with the Livorno plant restructuring for the year ended December 31, 2016:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee termination benefit charges</td>
<td>$ —</td>
<td>$ 4,632</td>
<td>$ —</td>
<td>$ 4,632</td>
</tr>
<tr>
<td>Contract termination charges</td>
<td>—</td>
<td>$ 269</td>
<td>—</td>
<td>$ 269</td>
</tr>
<tr>
<td>Other (i)</td>
<td>—</td>
<td>$ 677</td>
<td>(677)</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>$ —</td>
<td>$ 5,578</td>
<td>$ (677)</td>
<td>$ 4,901</td>
</tr>
</tbody>
</table>

(1) Includes decommissioning charges incurred, primarily related to labor and third party service costs.

The majority of the accrued balances above are expected to be paid during the first quarter of 2017. The Company expects to incur incremental employee termination benefit charges of $0.8 million throughout 2017, which are expected to be paid in early 2018. Lastly, the Company also expects to incur additional decommissioning costs associated with this plant shutdown in 2017, the cost of which will be expensed as incurred, within the Latex Binders segment.

**Divestiture of Brazil Business**

As discussed in Note 3, during the second quarter of 2016, the Company signed a definitive agreement to sell Trinseo Brazil. While the majority of the Company’s operations in Brazil were transferred to the buyer, certain corporate functions not included in the sale were eliminated by the Company prior to the completion of the sale, resulting in the exit of all direct operations in Brazil.

As a result, for the year ended December 31, 2016, the Company recorded restructuring charges of $0.7 million related to employee termination benefit charges, which are included within “Selling, general, and administrative expenses” in the consolidated statement of operations and were allocated entirely to Corporate. All employee termination benefit charges were paid as of December 31, 2016 and therefore nothing remains accrued in the consolidated balance sheet, as noted in the table below.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee termination benefit charges</td>
<td>$ —</td>
<td>$ 656</td>
<td>$ (656)</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>$ —</td>
<td>$ 656</td>
<td>$ (656)</td>
<td>—</td>
</tr>
</tbody>
</table>

**Allyn’s Point Plant Shutdown**

In September 2015, the Company approved the plan to close its Allyn’s Point latex binders manufacturing facility in Gales Ferry, Connecticut. This restructuring plan was a strategic business decision to improve the results of the overall Latex Binders segment due to continuing declines in the coated paper industry in North America. Production at the facility ceased at the end of 2015, followed by decommissioning activities which began in 2016.

The Company recorded restructuring charges of $0.6 million and $6.7 million for the years ended December 31, 2016 and 2015, respectively, relating to the accelerated depreciation of the related assets at the Allyn’s Point facility, and $2.1 million and $0.4 million, respectively, of employee termination benefit and decommissioning charges, which are included within “Selling, general and administrative expenses” in the consolidated statements of operations and were allocated entirely to the Latex Binders segment. Employee termination benefit charges are recorded within “Accrued...
expenses and other current liabilities” in the consolidated balance sheets, the balances for which are displayed in the tables below.

<table>
<thead>
<tr>
<th></th>
<th>Balance at December 31, 2015</th>
<th>Balance at December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee termination benefit charges</strong></td>
<td>$434</td>
<td>$389</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$434</td>
<td>$389</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Balance at December 31, 2014</th>
<th>Expenses</th>
<th>Deductions</th>
<th>Balance at December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee termination benefit charges</strong></td>
<td>—</td>
<td>$434</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>—</td>
<td>$434</td>
<td>—</td>
</tr>
</tbody>
</table>

(1) Includes decommissioning charges incurred, primarily related to labor and third party service costs.

The Company does not expect to incur additional employee termination benefit charges related to this restructuring, with the majority of the benefits expected to be paid by September 30, 2017. The Company also expects to incur a limited amount of decommissioning costs associated with this plant shutdown in 2017, the cost of which will be expensed as incurred, within the Latex Binders segment.

**Restructuring in Polycarbonate**

During the second quarter of 2014, the Company announced a restructuring within its Basic Plastics segment to exit the commodity market for polycarbonate in North America and to terminate existing arrangements with Dow regarding manufacturing services for the Company at Dow’s Freeport, Texas facility (the “Freeport facility”). The Company also entered into a new long-term supply contract with a third party to supply polycarbonate in North America. These revised arrangements became operational in the fourth quarter of 2014. In addition, the Company executed revised supply contracts for certain raw materials that are processed at its polycarbonate manufacturing facility in Stade, Germany, which took effect January 1, 2015. Production at the Freeport facility ceased as of September 30, 2014, and decommissioning and demolition began thereafter, with completion in the first quarter of 2015.

For the year ended December 31, 2014, the Company recorded restructuring charges of $3.5 million relating to the accelerated depreciation of the related assets at the Freeport facility and $6.6 million in charges for the reimbursement of decommissioning and demolition costs incurred by Dow. For the year ended December 31, 2015, the Company recorded the remainder of the restructuring charges of $0.5 million related to the reimbursement of decommissioning and demolition costs incurred by Dow. These charges were included in “Selling, general and administrative expenses” in the consolidated statements of operations, and were allocated entirely to the Basic Plastics segment. There were no remaining amounts accrued in the consolidated balance sheet as of December 31, 2015.

**Altona Plant Shutdown**

In July 2013, the Company’s board of directors approved the plan to close the Company’s latex binders manufacturing facility in Altona, Australia. This restructuring plan was a strategic business decision to improve the results of the overall Latex Binders segment. The facility manufactured SB latex used in the carpet and paper markets. Production at the facility ceased in the third quarter of 2013, followed by decommissioning, with demolition throughout most of 2014.

As a result of the plant closure, for the year ended December 31, 2014, the Company recorded additional net restructuring charges of approximately $2.8 million, related primarily to incremental employee termination benefit charges, contract termination charges, and decommissioning costs. These charges were included in “Selling, general and administrative expenses” in the consolidated statement of operations, and were allocated entirely to the Latex Binders segment. There were no additional restructuring charges recorded related to the Altona plant shutdown during the year ended December 31, 2015, and no amounts remained accrued as of December 31, 2015.
The following table provides a rollforward of the liability balances associated with the Altona plant shutdown for the year ended December 31, 2015:

<table>
<thead>
<tr>
<th>Contract termination charges</th>
<th>December 31, 2014</th>
<th>Expenses</th>
<th>Deductions</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 2014</td>
<td>$ 2,128</td>
<td>$(112)</td>
<td>$(2,016)</td>
<td>$ —</td>
</tr>
<tr>
<td>Total</td>
<td>$ 2,128</td>
<td>$(112)</td>
<td>$(2,016)</td>
<td>$ —</td>
</tr>
</tbody>
</table>

(1) Includes primarily payments made against the existing accrual, as well as immaterial impacts of foreign currency remeasurement.

**NOTE 21—ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**

The components of accumulated other comprehensive income (loss), net of income taxes, consisted of:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 2013</td>
<td>$ 116,146</td>
<td>$(27,768)</td>
<td>$ —</td>
<td>$ 88,378</td>
</tr>
<tr>
<td>Other comprehensive income (loss)</td>
<td>(133,901)</td>
<td>(32,913)</td>
<td>$ —</td>
<td>(166,814)</td>
</tr>
<tr>
<td>Amounts reclassified from AOCI to net income</td>
<td>$ —</td>
<td>3,219</td>
<td>$ —</td>
<td>3,219</td>
</tr>
<tr>
<td>Balance at December 31, 2014</td>
<td>$(17,755)</td>
<td>$(57,462)</td>
<td>$ —</td>
<td>$(75,217)</td>
</tr>
<tr>
<td>Other comprehensive income (loss)</td>
<td>(91,365)</td>
<td>7,938</td>
<td>6,081</td>
<td>(77,346)</td>
</tr>
<tr>
<td>Amounts reclassified from AOCI to net income</td>
<td>$ —</td>
<td>3,358</td>
<td>(512)</td>
<td>2,846</td>
</tr>
<tr>
<td>Balance at December 31, 2015</td>
<td>$(109,120)</td>
<td>$(46,166)</td>
<td>5,569</td>
<td>$(149,717)</td>
</tr>
<tr>
<td>Other comprehensive income (loss)</td>
<td>(9,802)</td>
<td>(20,596)</td>
<td>9,498</td>
<td>(20,900)</td>
</tr>
<tr>
<td>Amounts reclassified from AOCI to net income</td>
<td>$ —</td>
<td>3,258</td>
<td>(2,795)</td>
<td>463</td>
</tr>
<tr>
<td>Balance at December 31, 2016</td>
<td>$(118,922)</td>
<td>$(63,504)</td>
<td>12,272</td>
<td>$(170,154)</td>
</tr>
</tbody>
</table>

(1) The following is a summary of amounts reclassified from AOCI to net income for the years ended December 31, 2016, 2015, and 2014:

F-53
### Amount Reclassified from AOCI

<table>
<thead>
<tr>
<th>AOCI Components</th>
<th>Year Ended December 31,</th>
<th>Statement of Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td><strong>Cash flow hedging items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange cash flow hedges</td>
<td>$ (2,795)</td>
<td>$ (512)</td>
</tr>
<tr>
<td>Total before tax</td>
<td>(2,795)</td>
<td>(512)</td>
</tr>
<tr>
<td>Tax effect</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total, net of tax</td>
<td>$ (2,795)</td>
<td>$ (512)</td>
</tr>
<tr>
<td><strong>Amortization of pension and other postretirement benefit plan items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Curtailment and settlement loss</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Prior service credit</td>
<td>(1,838)</td>
<td>(1,465)</td>
</tr>
<tr>
<td>Net actuarial loss</td>
<td>5,191</td>
<td>6,283</td>
</tr>
<tr>
<td>Acquisitions/divestitures</td>
<td>988</td>
<td>—</td>
</tr>
<tr>
<td>Total before tax</td>
<td>4,341</td>
<td>4,818</td>
</tr>
<tr>
<td>Tax effect</td>
<td>(1,083)</td>
<td>(1,460)</td>
</tr>
<tr>
<td>Total, net of tax</td>
<td>$ 3,258</td>
<td>$ 3,358</td>
</tr>
</tbody>
</table>

(a) These AOCI components are included in the computation of net periodic benefit costs (refer to Note 16).
(b) This amount relates to the Company’s divestiture of its Brazilian business during 2016. As of December 31, 2016, the Company had no residual AOCI balances recorded related to the Brazilian pension and postretirement medical plans.

### NOTE 22—EARNINGS PER SHARE

Basic earnings (loss) per ordinary share (“basic EPS”) is computed by dividing net income (loss) available to ordinary shareholders by the weighted average number of the Company’s ordinary shares outstanding for the applicable period. Diluted earnings (loss) per ordinary share (“diluted EPS”) is calculated using net income (loss) available to ordinary shareholders divided by diluted weighted-average ordinary shares outstanding during each period, which includes unvested RSUs and stock option awards. Diluted EPS considers the impact of potentially dilutive securities except in periods in which there is a loss because the inclusion of the potential ordinary shares would have an anti-dilutive effect.

The following table presents basic EPS and diluted EPS for the years ended December 31, 2016, 2015, and 2014, respectively.

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in thousands, except per share data)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$ 318,312</td>
<td>$ 133,647</td>
<td>$ (67,332)</td>
</tr>
<tr>
<td>Shares:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted-average ordinary shares outstanding</td>
<td>46,510</td>
<td>48,774</td>
<td>43,476</td>
</tr>
<tr>
<td>Dilutive effect of RSUs and option awards*</td>
<td>968</td>
<td>196</td>
<td>—</td>
</tr>
<tr>
<td>Diluted weighted-average ordinary shares outstanding</td>
<td>47,478</td>
<td>48,970</td>
<td>43,476</td>
</tr>
<tr>
<td>Income (loss) per share:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income (loss) per share—basic</td>
<td>$ 6.84</td>
<td>$ 2.74</td>
<td>$ (1.55)</td>
</tr>
<tr>
<td>Income (loss) per share—diluted</td>
<td>$ 6.70</td>
<td>$ 2.73</td>
<td>$ (1.55)</td>
</tr>
</tbody>
</table>

* As net loss was reported for the year ended December 31, 2014, potentially dilutive awards have not been included within the calculation of diluted EPS, as they would have an anti-dilutive effect.
## NOTE 23—SELECTED QUARTERLY FINANCIAL DATA (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>First Quarter</td>
<td>Second Quarter</td>
</tr>
<tr>
<td>Net sales</td>
<td>$894,084</td>
<td>$969,694</td>
</tr>
<tr>
<td>Gross profit</td>
<td>139,672</td>
<td>169,740</td>
</tr>
<tr>
<td>Equity in earnings of unconsolidated affiliates</td>
<td>35,026</td>
<td>38,602</td>
</tr>
<tr>
<td>Operating income</td>
<td>120,212</td>
<td>156,093</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>98,647</td>
<td>124,404</td>
</tr>
<tr>
<td>Net income</td>
<td>76,747</td>
<td>95,804</td>
</tr>
<tr>
<td>Net income per share- basic</td>
<td>1.58</td>
<td>2.04</td>
</tr>
<tr>
<td>Net income per share- diluted</td>
<td>$1.56</td>
<td>$2.00 (1)</td>
</tr>
</tbody>
</table>

2015:
- Net sales: $1,018,265
- Gross profit: 103,079
- Equity in earnings of unconsolidated affiliates: 36,707
- Operating income: 88,011
- Income before income taxes: 55,604
- Net income: 37,704
- Net income per share- basic: 0.77
- Net income per share- diluted: $0.77

(1) Includes charges for the estimated loss on sale of Trinseo Brazil of $12.9 million, $0.3 million, and $1.8 million during the second, third, and fourth quarters of 2016, respectively. Refer to Note 3 for further information.

(2) Includes restructuring charges related to the Company’s decision to cease manufacturing activities at its latex binders manufacturing facility in Livorno, Italy of $16.0 million and $3.9 million during the third and fourth quarters of 2016, respectively. Refer to Note 20 for further information.

(3) Includes other income of $6.9 million from the effective settlement of certain value-added tax positions during the fourth quarter of 2016.

(4) Includes a $95.2 million loss on extinguishment of debt related to the May 2015 redemption of $1,192.5 million in aggregate principal amount of the 2019 Senior Notes. Refer to Note 10 for further information.

(5) Includes a valuation allowance of $7.3 million on the net deferred tax asset of one of the Company’s China subsidiaries recorded in the fourth quarter of 2015. Refer to Note 14 for further information.

## NOTE 24—SUBSEQUENT EVENTS

On January 31, 2017, the Company completed the sale of its 50% share in Sumika Styron Polycarbonate to Sumitomo Chemical Company Limited for total sales proceeds of ¥4.9 billion (approximately $43.2 million). As a result, the Company will record an estimated gain on sale of approximately $9.0 million in the first quarter of 2017. In addition, the parties have agreed to continue long-term supply of polycarbonate resin from Sumika Styron Polycarbonate to the Company’s Performance Plastics businesses.
TRINSEO S.A.
SCHEDULE II—FINANCIAL STATEMENT SCHEDULE
VALUATION AND QUALIFYING ACCOUNTS
(In Millions)

<table>
<thead>
<tr>
<th>Allowance for doubtful accounts:</th>
<th>Balance at Beginning of the Period</th>
<th>Charged to Cost and Expense</th>
<th>Deduction from Reserves</th>
<th>Currency Translation Adjustments</th>
<th>Balance at End of the Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year ended December 31, 2016</td>
<td>$2.4</td>
<td>$1.0</td>
<td>$(0.1)=</td>
<td>$(0.2)</td>
<td>$3.1</td>
</tr>
<tr>
<td>Year ended December 31, 2015</td>
<td>6.3</td>
<td>0.3</td>
<td>(3.3)=</td>
<td>(0.9)</td>
<td>2.4</td>
</tr>
<tr>
<td>Year ended December 31, 2014</td>
<td>5.9</td>
<td>1.1</td>
<td>—=</td>
<td>(0.7)</td>
<td>6.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tax valuation allowances:</th>
<th>Balance at Beginning of the Period</th>
<th>Charged to Cost and Expense</th>
<th>Deduction from Reserves</th>
<th>Currency Translation Adjustments</th>
<th>Balance at End of the Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year ended December 31, 2016</td>
<td>$85.1</td>
<td>$27.7</td>
<td>—=</td>
<td>(0.2)</td>
<td>112.6</td>
</tr>
<tr>
<td>Year ended December 31, 2015</td>
<td>66.9</td>
<td>22.1</td>
<td>—=</td>
<td>(3.9)</td>
<td>85.1</td>
</tr>
<tr>
<td>Year ended December 31, 2014</td>
<td>50.4</td>
<td>18.2</td>
<td>—=</td>
<td>(1.7)</td>
<td>66.9</td>
</tr>
</tbody>
</table>

(a) Amounts written off, net of recoveries. Amount in 2014 is less than $0.1 million.
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Members of
Americas Styrenics LLC
The Woodlands, Texas

We have audited the accompanying consolidated balance sheets of Americas Styrenics LLC and subsidiaries (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of comprehensive income, members’ equity, and cash flows for each of the three years in the period ended December 31, 2016. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Americas Styrenics LLC and its subsidiaries at December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 15, 2017
### AMERICAS STYRENICS LLC

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2016 AND 2015
(In millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CURRENT ASSETS:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$62.9</td>
<td>$79.9</td>
</tr>
<tr>
<td>Trade receivables (net of allowance of $2.6 in 2016 and $3.8 in 2015)</td>
<td>120.0</td>
<td>128.1</td>
</tr>
<tr>
<td>Related company receivables</td>
<td>11.3</td>
<td>8.2</td>
</tr>
<tr>
<td>Inventories</td>
<td>146.8</td>
<td>134.5</td>
</tr>
<tr>
<td>Other current assets</td>
<td>13.8</td>
<td>16.1</td>
</tr>
<tr>
<td>Total current assets</td>
<td>354.8</td>
<td>366.8</td>
</tr>
<tr>
<td>NET PROPERTY, PLANT AND EQUIPMENT</td>
<td>233.5</td>
<td>254.1</td>
</tr>
<tr>
<td>OTHER ASSETS:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>1.8</td>
<td>2.8</td>
</tr>
<tr>
<td>Other assets</td>
<td>13.2</td>
<td>12.8</td>
</tr>
<tr>
<td>Total other assets</td>
<td>15.0</td>
<td>15.6</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$603.3</td>
<td>$636.5</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND MEMBERS’ EQUITY** |            |            |
| CURRENT LIABILITIES:                |            |            |
| Trade payables                      | $69.1      | $77.2      |
| Related company payables            | 36.6       | 31.7       |
| Other payables                      | 14.8       | 15.5       |
| Income taxes payable                | 5.3        | 5.7        |
| Accrued liabilities                 | 17.4       | 16.7       |
| Total current liabilities           | 143.2      | 146.8      |
| POSTRETIREMENT BENEFIT LIABILITY    | 16.9       | 17.1       |
| OTHER LONG-TERM LIABILITIES         | 1.3        | 1.0        |
| Total liabilities                   | 161.4      | 164.9      |

See notes to consolidated financial statements.
# AMERICAS STYRENICS LLC

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015, AND 2014

(In millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$1,483.1</td>
<td>$1,600.1</td>
<td>$1,992.4</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>1,205.0</td>
<td>1,309.5</td>
<td>1,881.0</td>
</tr>
<tr>
<td></td>
<td>278.1</td>
<td>290.6</td>
<td>111.4</td>
</tr>
<tr>
<td>Technical service and development</td>
<td>2.4</td>
<td>2.5</td>
<td>2.9</td>
</tr>
<tr>
<td>Selling and marketing</td>
<td>8.9</td>
<td>8.7</td>
<td>9.1</td>
</tr>
<tr>
<td>Administrative</td>
<td>31.0</td>
<td>29.0</td>
<td>25.8</td>
</tr>
<tr>
<td>Foreign exchange loss</td>
<td>0.6</td>
<td>4.7</td>
<td>4.6</td>
</tr>
<tr>
<td>Other expense—net</td>
<td>0.3</td>
<td>2.0</td>
<td>3.8</td>
</tr>
<tr>
<td></td>
<td>234.9</td>
<td>243.7</td>
<td>65.2</td>
</tr>
<tr>
<td>Interest income</td>
<td>0.2</td>
<td>0.1</td>
<td>—</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(6.3)</td>
<td>(6.3)</td>
<td>(9.0)</td>
</tr>
<tr>
<td>Net income</td>
<td>228.8</td>
<td>237.5</td>
<td>56.2</td>
</tr>
<tr>
<td>Other comprehensive loss:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net actuarial (loss) gain</td>
<td>0.7</td>
<td>(0.5)</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Reclassification of actuarial loss to income</td>
<td>0.1</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Reclassification of prior-service cost to income</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Net other comprehensive income (loss)—defined benefit plans</td>
<td>1.5</td>
<td>0.2</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>$230.3</td>
<td>$237.7</td>
<td>$55.7</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.
### AMERICAS STYRENEICS LLC

**CONSOLIDATED STATEMENTS OF MEMBERS’ EQUITY**

*For the Years Ended December 31, 2016, 2015, and 2014*  
(In millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>Members’ Equity</th>
<th>Accumulated Other Comprehensive</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Loss</td>
<td>Amount</td>
</tr>
<tr>
<td><strong>BALANCE—January 1, 2014</strong></td>
<td>$503.7</td>
<td>$(5.5)</td>
<td>$498.2</td>
</tr>
<tr>
<td>Distribution to Members</td>
<td>(70.0)</td>
<td>—</td>
<td>(70.0)</td>
</tr>
<tr>
<td>Defined benefit plans—other comprehensive loss</td>
<td>—</td>
<td>(0.5)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Net income</td>
<td>56.2</td>
<td>—</td>
<td>56.2</td>
</tr>
<tr>
<td><strong>BALANCE—December 31, 2014</strong></td>
<td>489.9</td>
<td>(6.0)</td>
<td>483.9</td>
</tr>
<tr>
<td>Distribution to Members</td>
<td>(250.0)</td>
<td>—</td>
<td>(250.0)</td>
</tr>
<tr>
<td>Defined benefit plans—other comprehensive income</td>
<td>—</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Net income</td>
<td>237.5</td>
<td>—</td>
<td>237.5</td>
</tr>
<tr>
<td><strong>BALANCE—December 31, 2015</strong></td>
<td>477.4</td>
<td>(5.8)</td>
<td>471.6</td>
</tr>
<tr>
<td>Distribution to Members</td>
<td>(260.0)</td>
<td>—</td>
<td>(260.0)</td>
</tr>
<tr>
<td>Defined benefit plans—other comprehensive income</td>
<td>—</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Net income</td>
<td>228.8</td>
<td>—</td>
<td>228.8</td>
</tr>
<tr>
<td><strong>BALANCE—December 31, 2016</strong></td>
<td>$446.2</td>
<td>$(4.3)</td>
<td>$441.9</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.
## AMERICAS STYRENICS LLC

### CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015, AND 2014
(In millions of dollars)

<table>
<thead>
<tr>
<th>OPERATING ACTIVITIES:</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$228.8</td>
<td>$237.5</td>
<td>$56.2</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash provided by operating activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>41.0</td>
<td>39.0</td>
<td>40.3</td>
</tr>
<tr>
<td>Net gain on disposal of assets</td>
<td>—</td>
<td>0.4</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>1.0</td>
<td>(0.4)</td>
<td>2.1</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(1.2)</td>
<td>(0.7)</td>
<td>2.9</td>
</tr>
<tr>
<td>Changes in assets and liabilities that provided (used) cash:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>9.3</td>
<td>33.4</td>
<td>34.1</td>
</tr>
<tr>
<td>Related company receivables</td>
<td>(3.1)</td>
<td>7.1</td>
<td>7.1</td>
</tr>
<tr>
<td>Inventories</td>
<td>(12.3)</td>
<td>(20.5)</td>
<td>8.5</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(8.1)</td>
<td>(21.4)</td>
<td>31.5</td>
</tr>
<tr>
<td>Related company payables</td>
<td>4.9</td>
<td>(9.5)</td>
<td>(61.0)</td>
</tr>
<tr>
<td>Other assets and liabilities</td>
<td>5.1</td>
<td>10.3</td>
<td>(11.0)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>265.4</td>
<td>275.2</td>
<td>110.6</td>
</tr>
</tbody>
</table>

### INVESTING ACTIVITIES:

| Capital expenditures | (22.5) | (36.5) | (23.5) |
|Proceeds from settlement treated as reimbursement of capital expenditures (Note 7) | — | 7.8 | — |
|Disposal of assets | 0.1 | — | 0.1 |
|Net cash used in investing activities | (22.4) | (28.7) | (23.4) |

### FINANCING ACTIVITY—Distribution to Members

| Cash used in financing activity | (260.0) | (250.0) | (70.0) |

### (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS

| CASH AND CASH EQUIVALENTS—Beginning of year | 79.9 | 83.4 | 66.2 |
|CASH AND CASH EQUIVALENTS—End of year | $62.9 | $79.9 | $83.4 |

### SUPPLEMENTAL CASH FLOW INFORMATION:

| Noncash investing activity—capital expenditures payable | $2.1 | $2.9 | $7.0 |
|Cash paid for income taxes | $4.7 | $3.3 | $3.6 |

See notes to consolidated financial statements.
1. FORMATION OF VENTURE

Effective May 1, 2008, Chevron Phillips Chemical Company LP (“CPChem”) and The Dow Chemical Company (“Dow”) joined forces in styrenics by creating Americas Styrenics LLC (the “Company”). Effective June 17, 2010, Dow divested its ownership in the Company to Trinseo LLC (formerly, Styron LLC). CPChem and Trinseo LLC are referred to herein as the “Members.” The Members share equally in the profits and losses of the Company.

2. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation— The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The Company’s subsidiaries and partnership interests are as follows: Americas Styrenics Colombia Ltda, Americas Styrenics Chile Commercial Ltda (liquidated in 2014), Americas Styrenics de Mexico, de R.L. de C.V., Americas Styrenics Canada Inc., and Americas Styrenics Industria e Comercio de Poliestireno Ltda (Brazil).

Nature of Operations — The Company was formed as a joint venture and focuses on styrenics (styrene and polystyrene) production, sales, and distribution in North America and South America.

Cash and Cash Equivalents — Included in cash and cash equivalents, from time to time, are short-term interest-bearing investments on deposit with financial institutions. There were $17.6 and $33.0 of interest-bearing investments at December 31, 2016 and 2015, respectively.

Trade Receivables — The Company’s United States’ customers are primarily in the packaging industry, but also consist of other chemical and plastics manufacturers. The Company’s foreign customers reside primarily in Argentina, Brazil, Chile, Colombia, and Mexico. The Company evaluates the creditworthiness of customers and in certain circumstances, may require letters of credit to support product sales. The Company maintains an allowance for doubtful accounts based on anticipated collection of its accounts receivable.

Inventories — Inventories at December 31, 2016 and 2015, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finished goods</td>
<td>$55.1</td>
<td>$47.3</td>
</tr>
<tr>
<td>Work in process</td>
<td>67.6</td>
<td>53.2</td>
</tr>
<tr>
<td>Raw materials</td>
<td>13.5</td>
<td>24.7</td>
</tr>
<tr>
<td>Supplies</td>
<td>10.6</td>
<td>9.3</td>
</tr>
<tr>
<td>Total inventories</td>
<td>$146.8</td>
<td>$134.5</td>
</tr>
</tbody>
</table>

Inventories are stated at the lower of cost or market. Finished products and work-in-process inventories include material, labor, and manufacturing overhead costs. The reserves reducing inventories from a first-in, first-out (FIFO) basis to a last-in, first-out (LIFO) basis amounted to $31.4 at December 31, 2016, and $24.9 at December 31, 2015. In 2014, the liquidation of certain of the Company’s LIFO inventory layers increased operating income by $1.8. Foreign inventories are accounted for on a FIFO basis.
Property, Plant, and Equipment — Upon formation of the Company, property, plant, and equipment were recorded at CPChem’s and Dow’s net book value. Current additions of property, plant, and equipment are recorded at cost. The Company provides for depreciation using the straight-line method at rates based on the estimated service lives of the various classes of assets (3–45 years). Expenditures for repairs and maintenance, including major maintenance commonly known as turnarounds, are expensed as incurred. Components of property, plant, and equipment at December 31, 2016 and 2015, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and waterway improvements</td>
<td>$11.2</td>
<td>$10.8</td>
</tr>
<tr>
<td>Buildings</td>
<td>28.4</td>
<td>27.9</td>
</tr>
<tr>
<td>Transportation and construction equipment</td>
<td>67.0</td>
<td>67.4</td>
</tr>
<tr>
<td>Machinery and other equipment</td>
<td>862.8</td>
<td>855.6</td>
</tr>
<tr>
<td>Utilities and supply lines/other property</td>
<td>10.9</td>
<td>9.8</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>17.6</td>
<td>10.0</td>
</tr>
<tr>
<td><strong>Total property, plant, and equipment</strong></td>
<td><strong>997.9</strong></td>
<td><strong>981.5</strong></td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(764.4)</td>
<td>(727.4)</td>
</tr>
<tr>
<td><strong>Net property, plant, and equipment</strong></td>
<td><strong>$ 233.5</strong></td>
<td><strong>$ 254.1</strong></td>
</tr>
</tbody>
</table>

Income Taxes — The Company is treated as a flow-through partnership for U.S. federal income tax purposes and for most state income tax purposes. As such, the Company itself is not liable for U.S. federal income taxes. The Company files a U.S. partnership return which reflects each Member’s share of income or loss. The Members are responsible for reporting and paying any tax on their respective income tax returns. The Company is directly liable for certain state income and franchise taxes, foreign withholding, and foreign direct or indirect taxes.

The Company has foreign subsidiaries in Canada, Chile (liquidated in 2014), Colombia, and Mexico. All foreign entities except the Canadian subsidiary have elected to be treated as disregarded foreign branches of the Company for U.S. purposes. As such, the income or loss of the respective disregarded entities will be included in the U.S. federal partnership return. The foreign subsidiaries are responsible for all applicable taxes on foreign operations, and these taxes have been provided for in the consolidated financial statements.

The Company has not recorded any liabilities for uncertain tax positions.

Impairment of Long-Lived Assets — The Company evaluates the carrying value of long-lived assets to be held and used, including intangible assets, when events or circumstances warrant such a review. The carrying value of a long-lived asset to be held and used is considered impaired when the anticipated, separately identifiable undiscounted cash flows from such an asset are less than the carrying value of the asset. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. No impairment was recorded in 2016, 2015, or 2014.

Asset Retirement Obligation — The Company assesses whether it has legal obligations associated with the retirement of tangible long-lived assets that result from the acquisition, construction, or development and/or the normal operation of a long-lived asset, including any legal obligations that require disposal of a replaced part that is a component of a tangible long-lived asset. At December 31, 2016 and 2015, the Company had no significant asset retirement obligations.

Insurance — The Company maintains insurance for automobile risks, general liability, including products, directors, officers, workers’ compensation, and property. This insurance is placed with highly rated insurance carriers. The limits and deductibles are consistent for a company of this size and structure.

Foreign Currency — The functional currency for the Company’s foreign operations is the U.S. dollar, resulting in no currency translation adjustments. Foreign currency gains and losses are reflected in operations.

Use of Estimates — The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
**Fair Value of Financial Instruments** — The carrying amounts reported in the balance sheets of cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the immediate or short-term maturity of these financial instruments.

**Revenue Recognition** — The Company recognizes revenue when there is evidence of a sales agreement, the delivery of goods has occurred, the sales price is fixed or determinable, and the collectability of revenue is reasonably assured. Revenue includes the selling price of the product and all related delivery charges paid by the customer. Freight costs and any directly related associated costs of transporting finished product to customers are recorded as “cost of sales.” Revenue is reduced at the time of sale for estimated customer-related incentives (mostly volume-related incentives).

**Subsequent Events** — The Company has evaluated subsequent events through February 15, 2017, the date the financial statements were available to be issued.

### 3. RECENT ACCOUNTING GUIDANCE

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers. The objective of ASU No. 2014-09 is to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and International Financial Reporting Standards. In August 2015, the FASB issued ASU No. 2015-14, Revenue from Contracts with Customers: Deferral of Effective Date, which deferred the effective date of ASU No. 2014-09 for one year. Further, in March 2016, the FASB issued ASU No. 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net), clarifying the implementation guidance on principal versus agent considerations. In April 2016, the FASB issued ASU No. 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing, clarifying the implementation guidance on identifying performance obligations in a contract and determining whether an entity’s promise to grant a license provides a customer with either a right to use the entity’s intellectual property (which is satisfied at a point in time) or a right to access the entity’s intellectual property (which is satisfied over time). In May 2016, the FASB issued ASU No. 2016-12, Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients, providing clarifications and practical expedients for certain narrow aspects of Topic 606. In December 2016, the FASB issued ASU No. 2016-20, Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers. These ASUs are effective for fiscal years beginning after December 15, 2017. The standards permit retrospective application using either of the following methodologies: (i) restatement of each prior reporting period presented or (ii) recognition of a cumulative-effect adjustment as of the date of the initial application. The Company is currently evaluating the impact of adopting these ASUs, including the transition method to be applied.

In July 2015, the FASB issued ASU No. 2015-11, Simplifying the Measurement of Inventory. This ASU requires entities to measure most inventory at the lower of cost and net realizable value, thereby simplifying the current guidance under which an entity must measure inventory at the lower of cost or market. ASU No. 2015-11 is effective for fiscal years beginning after December 15, 2016, and should be applied prospectively. We do not expect the adoption of this ASU to have a significant impact on our consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This ASU will increase transparency and comparability among entities by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. This ASU will require lessees to recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. Reporting entities are required to recognize and measure leases under these amendments at the beginning of the earliest period presented using a modified retrospective approach. The Company is currently evaluating the impact of adopting ASU No. 2016-02.

### 4. REVOLVING CREDIT FACILITY

The Company’s unsecured $50.0 revolving credit facility with Comerica Bank terminates in August 2020. Interest on amounts drawn under the facility equal, at the Company’s option, a margin over either the prime rate or the...
London InterBank Offered Rate-based rate as defined in the credit agreement. There were no outstanding borrowings at December 31, 2016 or 2015.

5. INCOME TAXES

The components of income before taxes for the years ended December 31, 2016, 2015, and 2014, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>$215.0</td>
<td>$240.3</td>
<td>$59.3</td>
</tr>
<tr>
<td>Foreign</td>
<td>20.1</td>
<td>3.5</td>
<td>5.9</td>
</tr>
<tr>
<td>Total income before taxes</td>
<td>$235.1</td>
<td>$243.8</td>
<td>$65.2</td>
</tr>
</tbody>
</table>

The components of income tax expense for the years ended December 31, 2016, 2015, and 2014, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>State—current</td>
<td>$0.2</td>
<td>$0.2</td>
<td>—</td>
</tr>
<tr>
<td>Foreign—current</td>
<td>5.1</td>
<td>6.5</td>
<td>7.7</td>
</tr>
<tr>
<td>Foreign—deferred</td>
<td>1.0</td>
<td>(0.4)</td>
<td>1.3</td>
</tr>
<tr>
<td>Total income tax expense</td>
<td>$6.3</td>
<td>$6.3</td>
<td>$9.0</td>
</tr>
</tbody>
</table>

The components of deferred income tax assets and liabilities at December 31, 2016 and 2015, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory</td>
<td>$1.2</td>
<td>$—</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>1.1</td>
<td>2.2</td>
</tr>
<tr>
<td>Other temporary differences</td>
<td>(0.5)</td>
<td>0.6</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>$1.8</td>
<td>$2.8</td>
</tr>
</tbody>
</table>

Undistributed earnings of foreign subsidiaries are not deemed to be permanently reinvested. Currently, undistributed earnings exist in the Canadian, Colombian, and Mexican subsidiaries. Future repatriation of earnings will not be subject to tax by the Company (but rather its Members); however, foreign withholding taxes may apply.

6. EMPLOYEE BENEFIT PLANS

The Company provides reimbursement of medical and dental costs to retired employees. The Company’s plan, the Retiree Reimbursement Account (RRA), is calculated at the time of the employee’s retirement based on years of credited service. The Company has the ability to change the benefits at any time. All employees are eligible, except for former Dow employees who choose to participate in The Dow Chemical Company Retiree Medical Care Program upon retirement. The Company uses a December 31 measurement date for the RRA.

At each of December 31, 2016 and 2015, the RRA had benefit obligations in the amount of $17.7. The Company contributed and paid benefits in the amount of $0.5 in 2016, $0.4 in 2015, and $0.4 in 2014.

At December 31, 2016 and 2015, amounts recognized in the consolidated balance sheets consist of:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td>$ (0.8)</td>
<td>$ (0.6)</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td>(16.9)</td>
<td>(17.1)</td>
</tr>
<tr>
<td>Total</td>
<td>$ (17.7)</td>
<td>$ (17.7)</td>
</tr>
</tbody>
</table>

At December 31, 2016 and 2015, amounts recognized in accumulated other comprehensive loss were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net actuarial loss</td>
<td>$1.6</td>
<td>$2.4</td>
</tr>
<tr>
<td>Prior service cost</td>
<td>2.7</td>
<td>3.4</td>
</tr>
<tr>
<td>Total</td>
<td>$4.3</td>
<td>$5.8</td>
</tr>
</tbody>
</table>
In 2017, $0.7 of estimated prior service cost will be amortized from accumulated other comprehensive loss into net periodic benefit cost.

Net periodic benefit cost and components of other amounts recognized in other comprehensive (income) loss were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net periodic postretirement benefit cost</strong></td>
<td>$2.0</td>
<td>$1.8</td>
<td>$1.8</td>
</tr>
<tr>
<td><strong>Other changes in benefit obligations recognized in other comprehensive loss (income):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net actuarial (gain) loss</td>
<td>(0.7)</td>
<td>0.5</td>
<td>1.2</td>
</tr>
<tr>
<td>Recognized actuarial loss</td>
<td>(0.1)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Recognized prior-service cost</td>
<td>(0.7)</td>
<td>(0.7)</td>
<td>(0.7)</td>
</tr>
<tr>
<td><strong>Total recognized in other comprehensive (income) loss</strong></td>
<td>(1.5)</td>
<td>(0.2)</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Total recognized in net periodic benefit cost and other comprehensive loss (income)</strong></td>
<td>$0.5</td>
<td>$1.6</td>
<td>$2.3</td>
</tr>
</tbody>
</table>

Actuarial assumptions used to determine benefit obligations and net periodic benefit cost were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Discount rate used to determine net periodic benefit cost</strong></td>
<td>3.76 %</td>
<td>3.65 %</td>
<td>4.27 %</td>
</tr>
<tr>
<td><strong>Discount rate used to determine benefit obligation at December 31</strong></td>
<td>3.82 %</td>
<td>3.76 %</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Health Care Cost Assumptions**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial health care cost trend rate</td>
<td>8.00 %</td>
<td>8.00 %</td>
<td>8.50 %</td>
</tr>
<tr>
<td>Ultimate health care cost trend rate</td>
<td>4.50 %</td>
<td>4.50 %</td>
<td>4.50 %</td>
</tr>
<tr>
<td><strong>Year ultimate reached</strong></td>
<td>2027</td>
<td>2023</td>
<td>2023</td>
</tr>
</tbody>
</table>

Estimated health care cost trend rates can have a significant effect on the amounts reported for the RRA.

The Company expects to contribute approximately $0.8 to its RRA plan in 2017.

At December 31, 2016, the estimated future benefit payments, reflecting expected future service, as appropriate, are expected to be paid as follows:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017</strong></td>
<td>$0.8</td>
</tr>
<tr>
<td><strong>2018</strong></td>
<td>1.0</td>
</tr>
<tr>
<td><strong>2019</strong></td>
<td>1.2</td>
</tr>
<tr>
<td><strong>2020</strong></td>
<td>1.4</td>
</tr>
<tr>
<td><strong>2021</strong></td>
<td>1.6</td>
</tr>
<tr>
<td><strong>2022 through 2026</strong></td>
<td>9.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$15.9</td>
</tr>
</tbody>
</table>

The Company also has a defined contribution employee savings plan and made discretionary contributions of $3.5, $3.5, and $3.4 in 2016, 2015, and 2014, respectively.

**7. COMMITMENTS AND CONTINGENCIES**

**Commitments**

The Company and its subsidiaries maintain outside service agreements and lease buildings, ground and easements, rail cars, and other vehicles under noncancelable operating leases, which expire on varying dates between 2017 and 2028.
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Total future minimum annual rentals in effect at December 31, 2016, for noncancelable operating leases are as follows:

<table>
<thead>
<tr>
<th>Years Ending December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$12.6</td>
</tr>
<tr>
<td>2018</td>
<td>8.4</td>
</tr>
<tr>
<td>2019</td>
<td>5.2</td>
</tr>
<tr>
<td>2020</td>
<td>2.7</td>
</tr>
<tr>
<td>2021</td>
<td>2.1</td>
</tr>
<tr>
<td>2022 and thereafter</td>
<td>7.6</td>
</tr>
<tr>
<td>Total</td>
<td>$38.6</td>
</tr>
</tbody>
</table>

Expense for total rental and long-term commitments was $9.3, $7.6, and $9.4 for the years ended December 31, 2016, 2015, and 2014, respectively.

The Company has entered into long-term sales commitments and purchase agreements with several of its key suppliers, including its Members (see Note 8). The commitment contracts are for one- to three-year periods. Because the pricing and supply fluctuates with the commodity market, a definitive dollar value cannot be determined.

In addition, the Company has purchase commitments of $54.6 mainly related to certain feedstock, utility, and capital projects costs. The Company does not consider purchase orders to be firm commitments. If the Company chooses to cancel a purchase order, it may be obligated to reimburse the vendor for unrecoverable outlays incurred prior to cancellation under certain circumstances.

Contingencies

The Company is cooperating with a confidential subpoena dated May 11, 2015, from the U.S. Postal Service in coordination with the U.S. Department of Justice seeking information relating to the polystyrene market. The Company has conducted an internal review and is unaware of any improper activity. The Company has appointed a Litigation Management Committee among its Board of Directors to provide oversight to the matter. At this time, it is premature for the Company to determine whether it is probable that a loss will occur, nor is the Company able to estimate a range of potential loss. Therefore, a liability has not been recorded with respect to this matter.

The Company is a party to various legal proceedings and claims incidental to the normal conduct of its business. Management believes that the ultimate disposition of these matters will not have a material adverse effect on the Company’s consolidated financial position or results of operations.

Pursuant to the contribution agreement, all preexisting environmental matters have been outlined for each site and any contingencies are the responsibility of Dow and CPChem. All subsequent obligations are the liability of the Company. No environmental reserve was recorded as of December 31, 2016, 2015, or 2014. During 2015, the Company received reimbursement from Dow of certain capital costs at one of its polystyrene facilities, totaling $7.8, which was recorded as a reduction of the carrying cost of the assets.

8. RELATED-PARTY TRANSACTIONS

The Company entered into various supply and purchase agreements with the Members and their affiliated companies. These agreements include sales and purchases of energy, raw materials, and services. A summary of transactions for the years ended December 31, 2016, 2015, and 2014, is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$134.4</td>
<td>$161.4</td>
<td>$263.0</td>
</tr>
<tr>
<td>Purchases</td>
<td>384.0</td>
<td>483.3</td>
<td>847.0</td>
</tr>
</tbody>
</table>

Balances receivable and payable to the Members are included in the consolidated financial statements as related company receivables and payables.

*****
<table>
<thead>
<tr>
<th>Exhibit No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Amended and Restated Articles of Association of Trinseo S.A., as amended (incorporated herein by reference to Exhibit 3.1 to the Annual Report filed on Form 10-K, File No. 001-36473, filed March 10, 2015)</td>
</tr>
<tr>
<td>4.2</td>
<td>Form of Specimen Share Certificate of Trinseo S.A. (incorporated herein by reference to Exhibit 4.1 to Amendment No. 3 of the Registration Statement filed on Form S-1, File No. 333-194561, filed May 16, 2014)</td>
</tr>
<tr>
<td>10.1</td>
<td>Credit Agreement among Trinseo Materials Operating S.C.A., Trinseo Materials Finance, Inc. together with Trinseo Holdings S.à r.l., and Trinseo Materials S.à r.l., Deutsche Bank AG New York Branch, as administrative agent, collateral agent L/C issuer and swing line lender, Citigroup Global Markets Inc., as syndication agent, and the lenders from time to time party thereto, dated as of May 5, 2015 (incorporated herein by reference to Exhibit 10.1 to the Current Report filed on Form 8-K, No. 001-36473, filed May 11, 2015)</td>
</tr>
<tr>
<td>10.4</td>
<td>Letter Agreement, dated March 3, 2016, between Trinseo S.A. and Christopher D. Pappas, defining retirement for purpose of equity awards (incorporated by reference to Exhibit 10.3 to the Quarterly Report filed on Form 10-Q, File No. 001-36473, filed May 5, 2016)</td>
</tr>
<tr>
<td>10.6</td>
<td>First Amendment to the Employment Agreement, dated January 17, 2014, by and between Trinseo US Holding, Inc. (f/k/a Styron US Holding, Inc.) and Martin Pugh (incorporated herein by reference to Exhibit 10.35 to the Registration Statement filed on Form S-4, File No. 333-191460, as amended on January 17, 2014)</td>
</tr>
<tr>
<td>10.7</td>
<td>Second Amendment to the Employment Agreement, dated October 8, 2014, by and between Trinseo US Holding, Inc. (f/k/a Styron US Holding, Inc.) and Martin Pugh (incorporated herein by reference to Exhibit 10.16 to the Annual Report filed on Form 10-K, File No. 001-36473, filed March 10, 2015)</td>
</tr>
<tr>
<td>Exhibit No.</td>
<td>Description</td>
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<tr>
<td>------------</td>
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</tr>
<tr>
<td>10.8</td>
<td>Third Amendment to the Employment Agreement, dated October 6, 2015, by and between Trinseo US Holding, Inc. (f/k/a Styron US Holding, Inc.) and Martin Pugh (incorporated herein by reference to Exhibit 10.1 to the Current Report filed on Form 8-K, File No. 001-36473, filed October 8, 2015)</td>
</tr>
<tr>
<td>10.9</td>
<td>Letter Agreement, dated March 1, 2016, between Trinseo S.A. and Martin Pugh, defining retirement for purpose of equity awards (incorporated by reference to Exhibit 10.4 to the Quarterly Report filed on Form 10-Q, File No. 001-36473, filed May 5, 2016)</td>
</tr>
<tr>
<td>10.10</td>
<td>Employment Agreement between Trinseo LLC and Barry Niziolek, dated May 20, 2016 (incorporated herein by reference to Exhibit 10.1 to the Current Report filed on Form 8-K, File No. 001-36473, filed May 23, 2016)</td>
</tr>
<tr>
<td>10.11</td>
<td>Employment Agreement, dated September 14, 2015 by and between Trinseo Europe GmbH and Timothy M. Stedman (incorporated herein by reference to Exhibit 10.11 to the Annual Report filed on Form 10-K, File No. 001-36473, filed March 11, 2016)</td>
</tr>
<tr>
<td>10.15</td>
<td>Letter Agreement, dated March 1, 2016, between Trinseo S.A. and Marilyn N. Horner, defining retirement for purpose of equity awards (incorporated by reference to Exhibit 10.5 to the Quarterly Report filed on Form 10-Q, File No. 001-36473, filed May 5, 2016)</td>
</tr>
<tr>
<td>10.17*</td>
<td>Second Amended and Restated Master Outsourcing Services Agreement, among The Dow Chemical Company and Trinseo LLC (f/k/a Styron LLC) and Trinseo Holding B.V. (f/k/a Styron Holding B.V.), dated June 1, 2013 (incorporated herein by reference to Exhibit 10.19 to Amendment No. 2 to the Registration Statement filed on Form S-4, File No. 333-191460, filed December 17, 2013)</td>
</tr>
<tr>
<td>10.18*</td>
<td>Contract of Sale, by and between Americas Styrenics LLC and The Dow Chemical Company, dated December 1, 2009, as amended by that certain Amendment to and Consent to Partial Assignment, dated April 1, 2010 (incorporated herein by reference to Exhibit 10.20 to Amendment No. 2 to the Registration Statement filed on Form S-4, File No. 333-191460, filed December 17, 2013)</td>
</tr>
<tr>
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</tr>
<tr>
<td>10.19*</td>
<td>Styrene Baseload Sale and Purchase Agreement, between Trinseo Europe GmbH (f/k/a Dow Europe GmbH) and Jubail Chevron Phillips Company, dated June 30, 2004 (incorporated herein by reference to Exhibit 10.21 to Amendment No. 2 to the Registration Statement filed on Form S-4, File No. 333-191460, filed December 17, 2013)</td>
</tr>
<tr>
<td>10.20*</td>
<td>Amended and Restated Ethylene Sales Contract (Europe), between Dow Europe GmbH and Trinseo Europe GmbH (f/k/a Styron Europe GmbH), dated June 17, 2010 (incorporated herein by reference to Exhibit 10.22 to Amendment No. 2 to the Registration Statement filed on Form S-4, File No. 333-191460, filed December 17, 2013)</td>
</tr>
<tr>
<td>10.21*</td>
<td>Amended and Restated Benzene Sales Contract (Europe), between Dow Europe GmbH and Trinseo Europe GmbH (f/k/a Styron Europe GmbH), dated June 17, 2010 (incorporated herein by reference to Exhibit 10.23 to Amendment No. 2 to the Registration Statement filed on Form S-4, File No. 333-191460, filed December 17, 2013)</td>
</tr>
<tr>
<td>10.22*</td>
<td>Amended and Restated Butadiene Sales Contract (Europe), between Dow Europe GmbH and Trinseo Europe GmbH (f/k/a Styron Europe GmbH), dated June 17, 2010 (incorporated herein by reference to Exhibit 10.27 to Amendment No. 2 to the Registration Statement filed on Form S-4, File No. 333-191460, filed December 17, 2013)</td>
</tr>
<tr>
<td>10.23*</td>
<td>Amended and Restated MOD5 Computerized Process Control Software Agreement, Licenses and Services, between Rofan Services Inc. and Trinseo LLC (f/k/a Styron LLC), dated as of June 17, 2010 (incorporated herein by reference to Exhibit 10.29 to the Registration Statement filed on Form S-4, File No. 333-191460, filed September 30, 2013)</td>
</tr>
<tr>
<td>10.24*</td>
<td>Amendment No. 1 to the Amended and Restated MOD5 Computerized Process Control Software Agreement, Licenses and Services, between Rofan Services Inc. and Trinseo LLC (f/k/a Styron LLC), dated as of June 1, 2013 (incorporated herein by reference to Exhibit 10.30 to Amendment No. 2 to the Registration Statement filed on Form S-4, File No. 333-191460, filed December 17, 2013)</td>
</tr>
<tr>
<td>10.25*</td>
<td>Amended and Restated Styron License Agreement, among The Dow Chemical Company, Dow Global Technologies Inc. and Trinseo LLC (f/k/a Styron LLC), dated as of June 17, 2010. (incorporated herein by reference to Exhibit 10.31 to Amendment No. 2 to the Registration Statement filed on Form S-4, File No. 333-191460, filed December 17, 2013)</td>
</tr>
<tr>
<td>10.27</td>
<td>Form of Restoration and Elective Deferral Plan (incorporated herein by reference to Exhibit 10.35 to Amendment No. 2 to the Registration Statement on Form S-1, File No. 333-194561, filed May 5, 2014)</td>
</tr>
<tr>
<td>10.28</td>
<td>Performance Award (PA) Plan (incorporated herein by reference to Exhibit 10.36 to Amendment No. 2 to the Registration Statement on Form S-1, File No. 333-194561, filed May 5, 2014)</td>
</tr>
<tr>
<td>Exhibit No.</td>
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<tr>
<td>10.29</td>
<td>Form of 2014 Omnibus Incentive Plan (incorporated herein by reference to Exhibit 10.38 to Amendment No. 4 to the Registration Statement on Form S-1, File No. 333-194561, filed June 2, 2014)</td>
</tr>
<tr>
<td>10.30</td>
<td>Trinseo S.A. Cash Incentive Plan (incorporated herein by reference to Exhibit 10.35 to Amendment No. 3 to the Registration Statement on Form S-1, File No. 333-194561, filed May 16, 2014)</td>
</tr>
<tr>
<td>10.31</td>
<td>Form of Indemnification Agreement for Directors and Officers (incorporated herein by reference to Exhibit 10.39 to Amendment No. 2 to the Registration Statement on Form S-1, File No. 333-194561, filed May 5, 2014)</td>
</tr>
<tr>
<td>10.32</td>
<td>Form of Director Offer Letter (incorporated herein by reference to Exhibit 10.1 to the Current Report filed on Form 8-K, File No. 001-36473, filed August 31, 2016)</td>
</tr>
<tr>
<td>10.33</td>
<td>Form of Restricted Stock Unit Agreement for Directors (incorporated herein by reference to Exhibit 10.38 to Amendment No. 4 to the Registration Statement on Form S-1, File No. 333-194561, filed June 2, 2014)</td>
</tr>
<tr>
<td>10.34</td>
<td>Form of Executive Restricted Stock Unit Award Agreement (incorporated herein by reference to Exhibit 10.1 to the Current Report filed on Form 8-K, File No. 001-36473, filed March 5, 2015)</td>
</tr>
<tr>
<td>10.35</td>
<td>Form of Executive Nonstatutory Option Award Agreement (incorporated herein by reference to Exhibit 10.1 to the Current Report filed on Form 8-K, File No. 001-36473, filed March 5, 2015)</td>
</tr>
<tr>
<td>10.36</td>
<td>Form of Employee Restricted Stock Unit Award Agreement (incorporated herein by reference to Exhibit 10.5 to the Quarterly Report filed on Form 10-Q, File No. 001-36473, filed August 7, 2015)</td>
</tr>
<tr>
<td>10.37</td>
<td>Form of Employee Non-statutory Option Award Agreement (incorporated herein by reference to Exhibit 10.6 to the Quarterly Report filed on Form 10-Q, File No. 001-36473, filed August 7, 2015)</td>
</tr>
<tr>
<td>10.38†</td>
<td>Form of Letter Agreement to Restricted Stock Unit Awardees regarding payment of dividend equivalents</td>
</tr>
<tr>
<td>12.1†</td>
<td>Statement of Computation of Ratios of Earnings to Fixed Charges</td>
</tr>
<tr>
<td>21.1†</td>
<td>Subsidiaries of Trinseo S.A.</td>
</tr>
<tr>
<td>23.1†</td>
<td>Consent of Independent Registered Public Accounting Firm PricewaterhouseCoopers LLP</td>
</tr>
<tr>
<td>23.2†</td>
<td>Consent of Independent Registered Public Accounting Firm Deloitte &amp; Touche LLP</td>
</tr>
<tr>
<td>31.1†</td>
<td>Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</td>
</tr>
<tr>
<td>31.2†</td>
<td>Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</td>
</tr>
<tr>
<td>32.1†</td>
<td>Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</td>
</tr>
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<tr>
<td>32.2†</td>
<td>Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</td>
</tr>
<tr>
<td>101.INS†</td>
<td>XBRL Instance Document</td>
</tr>
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<td>101.SCH†</td>
<td>XBRL Taxonomy Extension Schema Document</td>
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<td>101.CAL†</td>
<td>XBRL Taxonomy Extension Calculation Linkbase Document</td>
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<td>101.DEF†</td>
<td>XBRL Taxonomy Extension Definition Linkbase Document</td>
</tr>
<tr>
<td>101.LAB†</td>
<td>XBRL Extension Label Linkbase Document</td>
</tr>
<tr>
<td>101.PRE†</td>
<td>XBRL Taxonomy Extension Presentation Linkbase Document</td>
</tr>
</tbody>
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* Application has been made to the Securities and Exchange Commission for confidential treatment of certain provisions of these exhibits. Omitted material for which confidential treatment has been requested has been filed separately with the Securities and Exchange Commission.
† Filed herewith.
DATED 31 October 2016

TRINSEO EUROPE GMBH (formerly STYRON EUROPE GMBH)

(as Current Swiss Seller and Current Swiss Servicer)

TRINSEO EXPORT GMBH

(as Acceding Swiss Seller, Acceding Swiss Servicer and Pledgor)

TRINSEO DEUTSCHLAND ANLAGENGESELLSCHAFT MBH (formerly STYRON DEUTSCHLAND ANLAGENGESELLSCHAFT MBH)

(as German Seller and German Servicer)

TRINSEO NETHERLANDS B.V. (formerly STYRON NETHERLANDS B.V.)

(as Dutch Seller and Dutch Servicer)

TRINSEO LLC (formerly STYRON LLC)

(as U.S. Seller and U.S. Servicer)

TRINSEO U.S. RECEIVABLES COMPANY SPV LLC

(as U.S. Intermediate Transferor)

STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY

(as Master Purchaser and Chargee)

TRINSEO FINANCE LUXEMBOURG S.À R.L., LUXEMBOURG, ZWEIGNIEDERLASSUNG HORGEN (formerly STYRON FINANCE LUXEMBOURG S.À R.L., LUXEMBOURG, ZWEIGNIEDERLASSUNG HORGEN)

(as Investment Manager and Styron Noteholder)

REGENCY ASSETS DESIGNATED ACTIVITY COMPANY

(as Regency Noteholder)

HSBC BANK PLC

(as Cash Manager and Master Purchaser Account Bank)

TRINSEO HOLDING S.À R.L. (formerly STYRON HOLDING S.À R.L.)

(as Parent)

TMF ADMINISTRATION SERVICES LIMITED

(as Corporate Administrator and Registrar)

THE LAW DEBENTURE TRUST CORPORATION P.L.C.

(as Styron Security Trustee)

DEED OF AMENDMENT, RESTATEMENT AND ACCESSION
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- i -
THIS DEED is dated 31 October 2016 and made between:

(1) TRINSEO EUROPE GMBH (formerly STYRON EUROPE GMBH), a limited liability company incorporated in Switzerland, having its registered office at Zugerstrasse 231, CH-8810 Horgen, Switzerland, being an indirect wholly-owned subsidiary of the Parent (the “Current Swiss Seller” and the “Current Swiss Servicer”);

(2) TRINSEO EXPORT GMBH, a limited liability company incorporated in Switzerland, having its registered office at Zugerstrasse 231, CH-8810 Horgen, Switzerland, being an indirect wholly-owned subsidiary of the Parent (the “Acceding Swiss Seller” and together with the Current Swiss Seller, the “Swiss Sellers”; “Acceding Swiss Servicer” and together with the Current Swiss Servicer, the “Swiss Servicers”, and “Pledgor”);

(3) TRINSEO DEUTSCHLAND ANLAGENGESELLSCHAFT MBH (formerly STYRON DEUTSCHLAND ANLAGENGESELLSCHAFT MBH), incorporated in Germany as a limited liability company (Gesellschaft mit beschränkter Haftung), registered at the “local court (Amtsgericht) of Tostedt under HRB 202609 and having its business address at Bützdicher Sand, 21683 Stade, Germany (the “German Seller” and the “German Servicer”);

(4) TRINSEO NETHERLANDS B.V. (formerly STYRON NETHERLANDS B.V.), a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) incorporated in The Netherlands, having its corporate seat (statutaire zetel) in Terneuzen, The Netherlands and its registered office at Herbert H. Dowweg 5, 4542 NM Hoek, The Netherlands 20162359 (the “Dutch Seller” and the “Dutch Servicer”);

(5) TRINSEO LLC (formerly STYRON LLC), a limited liability company formed under the laws of the State of Delaware, having its primary office at 1000 Chesterbrook Boulevard, Suite 300, Berwyn, Pennsylvania 19312, (the “U.S. Seller” and the “U.S. Servicer”);

(6) TRINSEO U.S. RECEIVABLES COMPANY SPV LLC, a limited liability company organized under the laws of the State of Delaware, having its primary office at c/o Trinseo LLC at 1000 Chesterbrook Boulevard, Suite 300, Berwyn, Pennsylvania 19312, in its capacity as the U.S. Intermediate Transferor (the “U.S. Intermediate Transferor” and, together with the Swiss Sellers, the German Seller, the Dutch Seller and the U.S. Seller, the “Sellers”);

(7) STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY a company incorporated in Ireland with registration number 486138, whose registered office is at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland (the “Master Purchaser”, the “Pledgee”, and the “Chargee”);

(8) TRINSEO FINANCE LUXEMBOURG S.À R.L., LUXEMBOURG, ZWEIGNIEDERLASSUNG HORGEN (formerly STYRON FINANCE LUXEMBOURG S.À R.L., LUXEMBOURG, ZWEIGNIEDERLASSUNG HORGEN), a Swiss branch, with offices located at Zugerstrasse 231, CH-8810, Horgen, Switzerland, of Trinseo Finance Luxembourg S.à r.l., a Luxembourg private
limited liability company (société à responsabilité limitée) with registered office at 9A, rue Gabriel Lippmann, L-5365 Munshach, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 151.012 and having a share capital of USD 10,025,001 (the “Investment Manager” and the “Styron Noteholder”);

(9) **REGENCY ASSETS DESIGNATED ACTIVITY COMPANY** a company incorporated in Ireland with registration number 272959, whose registered office is at 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland (the “Regency Noteholder”);

(10) **HSBC BANK PLC**, a company incorporated in England and Wales (Company Number: 14259) having its registered office at 8 Canada Square, London El4 5HQ (the “Cash Manager” and the “Master Purchaser Account Bank”);

(11) **TRINSEO HOLDING S.À R.L.** (formerly STYRON HOLDING S.À R.L.), a Luxembourg private limited liability company (société à responsabilité limitée) with registered office at 9A, rue Gabriel Lippmann, L-5365 Munshach, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 153.582 and having a share capital of US$ 162,815,834.12 (the “Parent” and the “Guarantor”);

(12) **TMF ADMINISTRATION SERVICES LIMITED**, a company incorporated in Ireland, whose registered office is at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland (the “Corporate Administrator” and the “Registrar”); and

(13) **THE LAW DEBENTURE TRUST CORPORATION P.L.C.**, a company incorporated with limited liability in England and Wales, having its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX in its capacity as security trustee under the Styron Security Deed (the “Styron Security Trustee”),

(together the “Parties”).

**IT IS AGREED** as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

1.2 **In this Deed:**

“2016 Amendment Effective Date” means the date of this Deed.

“2016 Amendment Transaction Documents” means each of the Trinseo Export German Account Pledge Agreement and the Swiss RPA Amendment Agreement.

“Accession” means the accession to the Transaction Documents of the Acceding Swiss Seller and the Acceding Swiss Servicer by execution of this Deed.
“Amendment Conditions Precedent” means the conditions precedent set out in Schedule 1 hereto.

“Amendments” means the amendments being effected by this Deed.


“Original Swiss Receivables Purchase Agreement” means the receivables purchase agreement dated 12 August 2010 and amended and restated on 24 May 2011 and 30 May 2013 between, among others, the Current Swiss Seller and the Master Purchaser.

“Original Swiss Servicing Agreement” means the Swiss servicing agreement dated 12 August 2010 as amended and restated on 30 May 2013 between, among others, the Current Swiss Servicer and the Master Purchaser.

“Original Styron Guarantee Agreement” means the Styron Guarantee Agreement dated 12 August 2010 and amended and restated on 24 May 2011 and 30 May 2013 between the Guarantor, the Master Purchaser, the Beneficiaries and the Styron Security Trustee.

“Original Variable Loan Note Issuance Deed” means the Variable Loan Note Issuance Deed dated 12 August 2010 and amended and restated on 24 May 2011 and 30 May 2013 between Master Purchaser, the Registrar, the Cash Manager, the Styron Security Trustee and the Noteholders.

“Swiss RPA Amendment Agreement” means the Swiss RPA Amendment Agreement to the Swiss Receivables Purchase Agreement dated on or about the 2016 Amendment Effective Date.

“Transaction Documents” shall have the meaning given to it in the Original Master Definitions and Framework Deed.

“Trinseo Export German Account Pledge Agreement” means the account pledge agreement executed by the Pledgor, the Master Purchaser and the Styron Security Trustee with respect to the Collection Accounts dated on or about the 2016 Amendment Effective Date.

1.3 Incorporation of defined terms

(a) Unless a contrary indication appears, a term defined in any other Transaction Document has the same meaning in this Deed.

(b) The principles of construction set out in the Original Master Definitions and Framework Deed shall have effect as if set out in this Deed.
1.4 **Clauses**

In this Deed any reference to a “Clause” or a “Schedule” is, unless the context otherwise requires, a reference to a Clause or a Schedule to this Deed.

1.5 **Designation**

In accordance with the Original Master Definitions and Framework Deed, the Instructing Party and the Master Purchaser nominate this Deed a Transaction Document.

2. **CONSENT TO THE STYRON SECURITY TRUSTEE**

Each of the Parties (other than the Styron Security Trustee):

(a) confirms that it has formed its own view in relation to the Amendments and Accession without any reliance on the Styron Security Trustee;

(b) confirms that it consents to the Amendments and Accession;

(c) authorises and directs the Styron Security Trustee to consent to such Amendments and Accession and to execute this Deed to effect such Amendments and Accession;

(d) authorises and directs the Styron Security Trustee to consent to and execute the 2016 Amendment Transaction Documents dated on or around the 2016 Amendment Effective Date; and

(e) agrees that the Styron Security Trustee shall not be responsible for any losses or Liabilities that may arise under this Deed, the Notes, or any Transaction Document as a result of implementing Clauses 2(c) and 2(d) (and the Noteholders irrevocably waive any claims against the Styron Security Trustee in respect of such losses or Liabilities) and shall have no liability for the exercise or non-exercise of any trusts, powers, authorities or discretions vested in the Styron Security Trustee in connection with this Deed, the Amendments, the Accession, any Transaction Document or any operation of law.

3. **AMENDMENTS AND ACCESSION**

3.1 **Amendment of the Original Master Definitions and Framework Deed**

With effect from the 2016 Amendment Effective Date the Original Master Definitions and Framework Deed shall be amended and restated so that it shall be read and construed for all purposes on the terms set out in Schedule 2 hereto and the Acceding Swiss Seller and the Acceding Swiss Servicer shall become parties thereto with the benefit of the rights and subject to the obligations set out therein.

3.2 **Amendment of the Original Styron Guarantee Agreement**
With effect from the 2016 Amendment Effective Date the Original Styron Guarantee Agreement shall be amended and restated so that it shall be read and construed for all purposes on the terms set out in Schedule 3 hereto.

3.3 Amendment of the Original Swiss Servicing Agreement

With effect from the 2016 Amendment Effective Date the Original Swiss Servicing Agreement shall be amended and restated so that it shall be read and construed for all purposes on the terms set out in Schedule 4 hereto and the Acceding Swiss Seller and the Acceding Swiss Servicer shall become parties thereto with the benefit of the rights and subject to the obligations set out therein.

3.4 Amendment of the Original Variable Loan Note Issuance Deed

With effect from the 2016 Amendment Effective Date the Original Variable Loan Note Issuance Deed shall be amended and restated so that it shall be read and construed for all purposes on the terms set out in Schedule 5 hereto.

4. AMENDMENTS AND ACCESSION TO BECOME EFFECTIVE

4.1 The Amendments and Accession shall take place subject to the satisfaction or waiver by the Cash Manager of each of the Amendment Conditions Precedent (acting reasonably).

5. REPRESENTATIONS AND WARRANTIES

5.1 The Master Purchaser represents and warrants on the terms of the Master Purchaser Warranties, by references to the facts and circumstances as at the 2016 Amendment Effective Date.

5.2 The Guarantor represents and warrants on the terms of the Guarantor Warranties, by references to the facts and circumstances as at the 2016 Amendment Effective Date.

6. CONTINUITY AND FURTHER ASSURANCE

6.1 Continuing obligations

The provisions of the Original Master Definitions and Framework Deed, the Original Styron Guarantee Agreement, the Original Swiss Servicing Agreement and the other Transaction Documents shall, save as amended by this Deed, continue in full force and effect.

6.2 Further assurance

Each of the Parties shall, at the request of the Sellers or the Master Purchaser, and at the expense of the Sellers, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Deed.

7. COSTS, EXPENSES AND INDEMNIFICATION
7.1 The Master Purchaser shall, from time to time on demand of the Styron Security Trustee, reimburse the Styron Security Trustee for all properly incurred, costs and expenses (including legal fees) incurred by it in connection with the negotiation, preparation and execution or purported execution of this Deed.

7.2 The Regency Noteholder and the Master Purchaser hereby agree to indemnify the Styron Security Trustee against all actions, proceedings, claims, demands, liabilities, losses, damages, costs, expenses and charges (including legal expenses and together with value added tax or any similar tax charged or chargeable in respect thereof) which the Styron Security Trustee or any person appointed by it (or their respective officers or employees) may incur directly or indirectly from the exercise of the powers vested in the Styron Security Trustee by or pursuant to the Styron Security Deed or as a result of any actions taken pursuant to this Deed.

8. GOVERNING LAW AND JURISDICTION

8.1 This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

8.2 The Parties submit to the exclusive jurisdiction of the English courts.

9. MISCELLANEOUS

9.1 Incorporation of terms

The provisions of Clause 8 (Notices), Clause 13 (Waivers; Remedies Cumulative), Clause 15 (Entire Agreement), Clause 16 (No Liability), Clause 17 (Limited Recourse and Non-Petition in Favour of Regency Noteholder), Clause 18 (Miscellaneous Provisions), Clause 19 (Counterparts), Clause 21 (Contracts (Rights of Third Parties) Act 1999), and Clause 24 (Restriction on Enforcement of Security, Non-Petition and Limited Recourse in Favour of the Master Purchaser) of the Original Master Definitions and Framework Deed shall be incorporated into this Deed as if set out in full in this Deed and as if references in those clauses to “this Deed” are references to this Deed.

This Deed has been entered into on the date stated at the beginning of this Deed.
EXECUTION PAGE

IN WITNESS of which this Deed has been executed and delivered as a deed by the parties to it on the date above mentioned.

The Current Swiss Seller and the Current Swiss Servicer

SIGNED and
DELIVERED as a DEED by TRINSEO
EUROPRE GMBH, a limited liability company
incorporated in Switzerland acting by,

/s/ Johanna Frisch
Johanna Frisch

being a person who, in accordance with the
laws of that territory, is acting under the
authority of the company
The Acceding Swiss Seller, Acceding Swiss Servicer and Pledgor

SIGNED and
DELIVERED as a DEED by TRINSEO
EXPORT GMBH, a limited liability company
incorporated in Switzerland acting by, /s/ Johanna Frisch
Johanna Frisch
being a person who, in accordance with the
laws of that territory, is acting under the
authority of the company
The German Seller and the German Servicer

SIGNED and
DELIVERED as a DEED by TRINSEO
DEUTSCHLAND
ANLAGENGESELLSCHAFT MBH
A company incorporated in Germany, acting
by

being a person who, in accordance with the
laws of that territory, is acting under the
authority of the company

/s/ Walter Bosschieter
Walter Bosschieter
The Dutch Seller and the Dutch Servicer

SIGNED and
DELIVERED as a DEED by TRINSEO
NETHERLANDS B.V.
A company incorporated in The Netherlands, acting by

being a person who, in accordance with the laws of that territory, is acting under the authority of the company

/s/ Johanna Frisch
JOHANNA FRISCH
The U.S. Seller and the U.S. Servicer

SIGNED and
DELIVERED as a DEED by
TRINSEO LLC
a Delaware limited liability company, acting by

/s/ David Stasse
DAVID STASSE

being a person who, in accordance with the
laws of that territory, is acting under the
authority of the company
The U.S. Intermediate Transferor

SIGNAED and
DELIverED as a DEED by
TRINSEO U.S. RECEIVABLES
COMPANY SPV LLC
a Delaware limited liability company, acting
by

/s/ David Stasse
DAVID STASSE

being a person who, in accordance with the
laws of that territory, is acting under the
authority of the company
The Master Purchaser and the Chargee

SIGNED and DELIVERED as a DEED for and on behalf of STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY

acting by its duly authorised Attorney
in the presence of:

/s/ Keat Cheng Chin
Keat Cheng Chin
Director

/s/ ERIC RAFFERTY
(Witness’ signature)
3rd Floor, Kilmore House,
Park Lane, Spencer Dock,

Dublin
(Witness’ address)
Graduate Legal Administrator
(Witness’ occupation)
The Investment Manager and the Styron Noteholder

SIGNED and DELIVERED
as a DEED by for and on behalf
of TRINSEO FINANCE
LUXEMBOURG S.A R.L., LUXEMBOURG,
ZWEIGNIEDERLASSUNG HORGEN,
a Swiss branch of Trinseo Finance
Luxembourg S.A R.L. Luxembourg
acting by its duly authorized representative:

/s/ Johanna Frisch
Johanna Frisch
The Regency Noteholder

GIVEN under the common seal of
REGENCY ASSETS DESIGNATED ACTIVITY COMPANY
in the presence of:

Director

Michael Carroll
/s/ Michael Carroll

Director/Secretary

/s/ Bronagh Hardiman
Bronagh Hardiman
The Cash Manager and the Master Purchaser Account Bank

SIGNED and DELIVERED
as a DEED by for and on behalf
of HSBC BANK PLC
acting by its duly authorised Attorney:

/s/ Rebecca Andrew
Rebecca Andrew
Associate Director

In the presence of /s/ Vanessa Borgards
Name: VANESSA BORGARDS
Profession: LAWYER
Address:
8 Canada Square
London
E14 5HQ
The Parent and Guarantor

SIGNED and DELIVERED
as a DEED by for and on behalf
of TRINSEO HOLDING S.A R.L.
acting by its duly authorised representative:

/s/ Christopher Pappas
CHRISTOPHER PAPPAS
The Corporate Administrator and Registrar

PRESENT when the COMMON SEAL of
TMF ADMINISTRATION SERVICES
LIMITED was AFFIXED HERETO by:

/s/ John Hackett
John Hackett

Director:

/s/ Kevin Butler
Kevin Butler

Director/Secretary:
The Styron Security Trustee

SIGNED as a DEED by

Director: ________________________________

Director/Secretary: ________________________________

For and on behalf of THE LAW DEBENTURE TRUST CORPORATION P.L.C
SCHEDULE 1

CONDITIONS PRECEDENT LIST FOR TRINSEO AR SECURITISATION
SEVENTH AMENDMENT

The Dutch Seller

(1) Copies of the latest versions of the constitutional documents of the Dutch Seller certified by the Dutch Seller to be a true and up to date copy of the original.

(2) Copies of the resolutions, in form and substance satisfactory to the Cash Manager, authorising the execution, delivery and performance of this Deed, certified by an officer of the Dutch Seller as not having been amended, modified, revoked or rescinded on the date of execution of this Deed.

(3) Delivery of a closing certificate dated the 2016 Amendment Effective Date from the Dutch Seller including a certificate as to the incumbency and signature of the officers or other employees authorised to sign this Deed on behalf of the Dutch Seller and any certificate or other document to be delivered pursuant thereto, certified by the company secretary or a manager of the Dutch Seller together with evidence of the incumbency of such company secretary or director.

(4) An electronic excerpt of the commercial register in respect of the Dutch Seller dated no earlier than 10 calendar days prior to the 2016 Amendment Effective Date.

(5) Solvency Certificate in respect of the Dutch Seller in the form set out in Schedule 2 to the Dutch Receivables Purchase Agreement, dated the 2016 Amendment Effective Date.

(6) Compliance Certificate in respect of the Dutch Seller in the form set out in Schedule 3 to the Dutch Receivables Purchase Agreement, dated the 2016 Amendment Effective Date.

Parent

(7) Copies of the resolutions, in form and substance satisfactory to the Cash Manager, of the board of managers of the Parent authorising the execution, delivery and performance of this Deed, certified by a manager of the Parent as of the 2016 Amendment Effective Date which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded.

(8) A certificate as to the incumbency and signature of the managers or other attorneys authorised to sign this Deed on behalf of the Parent and any certificate or other document to be delivered pursuant thereto, certified by any manager of the Parent together with evidence of the incumbency of such manager.

(9) Up to date Commercial Register excerpts in respect of the Parent dated no earlier than 10 calendar days prior to the 2016 Amendment Effective Date.

(10) Solvency Certificate in respect of the Parent in the form agreed by the Cash Manager, dated the 2016 Amendment Effective Date.
Current Swiss Seller

(11) Copies of the resolutions, in form and substance satisfactory to the Cash Manager, of the board of managers of the Current Swiss Seller authorising the execution, delivery and performance of this Deed and the Swiss RPA Amendment Agreement, certified by a manager of the Current Swiss Seller as of the 2016 Amendment Effective Date which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded.

(12) A certificate as to the incumbency and signature of the managers or other attorneys authorised to sign this Deed and the Swiss RPA Amendment Agreement on behalf of the Current Swiss Seller and any certificate or other document to be delivered pursuant thereto, certified by any manager of the Current Swiss Seller together with evidence of the incumbency of such manager.

(13) A copy of an up to date Commercial Register excerpt in respect of the Current Swiss Seller dated no earlier than 10 calendar days prior to the 2016 Amendment Effective Date.

(14) Solvency Certificate in respect of the Current Swiss Seller in the form set out in Schedule 2 to the Swiss Receivables Purchase Agreement, dated the 2016 Amendment Effective Date.

(15) Compliance Certificate in respect of the Current Swiss Seller in the form set out in Schedule 3 to the Swiss Receivables Purchase Agreement, dated the 2016 Amendment Effective Date.

Acceding Swiss Seller

(16) Copies of the resolutions, in form and substance satisfactory to the Cash Manager, of the board of managers of the Acceding Swiss Seller authorising the execution, delivery and performance of this Deed and the 2016 Amendment Transaction Documents, certified by a manager of the Acceding Swiss Seller as of the 2016 Amendment Effective Date which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded.

(17) A certificate as to the incumbency and signature of the managers or other attorneys authorised to sign this Deed and the 2016 Amendment Transaction Documents on behalf of the Acceding Swiss Seller and any certificate or other document to be delivered pursuant thereto, certified by any manager of the Acceding Swiss Seller together with evidence of the incumbency of such manager.

(18) A copy of an up to date Commercial Register excerpt in respect of the Acceding Swiss Seller dated no earlier than 10 calendar days prior to the 2016 Amendment Effective Date.

(19) Solvency Certificate in respect of the Acceding Swiss Seller in the form set out in Schedule 2 to the Swiss Receivables Purchase Agreement, dated the 2016 Amendment Effective Date.
(20) Compliance Certificate in respect of the Acceding Swiss Seller in the form set out in Schedule 3 to the Swiss Receivables Purchase Agreement, dated the 2016 Amendment Effective Date.

\[ \text{German Seller} \]

(21) Copies of the resolutions, in form and substance satisfactory to the Cash Manager, of the shareholders of the German Seller authorising the execution, delivery and performance of this Deed, certified by a managing director of the German Seller as of the 2016 Amendment Effective Date which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded.

(22) Up to date commercial register excerpts (Handelsregistratorauszug) in respect of the German Seller dated no earlier than 10 calendar days prior to the 2016 Amendment Effective Date.

(23) Copy of the shareholders’ list (Gesellschafterliste) certified by the German Seller to be a true and up to date copy of the original.

(24) Solvency Certificate in respect of the German Seller in the form set out in Schedule 2 to the German Receivables Purchase Agreement, dated the 2016 Amendment Effective Date.

(25) Compliance Certificate in respect of the German Seller in the form set out in Schedule 3 to the German Receivables Purchase Agreement, dated the 2016 Amendment Effective Date.

\[ \text{U.S. Seller} \]

(26) A certificate of the secretary or other responsible officer of the U.S. Seller, dated as of the 2016 Amendment Effective Date, and certifying (a) that attached thereto is a true and complete copy of the organisational documents (including all amendments or other modifications thereto) of the U.S. Seller, as in effect on the 2016 Amendment Effective Date and at all times since a date prior to the date of the resolutions described in clause (b) of this paragraph, (b) that attached thereto is a true and complete copy of the resolutions of the board of directors (or committee thereof), directors, managers or members, as the case may be, of the U.S. Seller authorising the execution, delivery and performance of this Deed and the transactions contemplated hereby, and that such resolutions have not been amended, modified, revoked or rescinded and are in full force and effect, and (c) the authority and specimen signature of each officer executing this Deed or any other document delivered in connection therewith on behalf of the U.S. Seller (on which certificate the U.S. Intermediate Transferor and the Master Purchaser may conclusively rely until such time as the U.S. Intermediate Transferor and the Master Purchaser shall receive from the U.S. Seller a revised certificate with respect to the U.S. Seller meeting the requirements of this paragraph).

(27) Copies of the latest versions of the organisational documents of the U.S. Seller certified as of a recent date by the appropriate authority of the jurisdiction of the U.S. Seller to be a true and up to date copy of the original, attached as a schedule to the certificate provided under paragraph (21) above.
(28) Certificates of compliance, of status or of good standing (if applicable), dated as of a recent date, from the Secretary of State or other appropriate authority of the U.S. Seller’s jurisdiction of organization, attached as a schedule to the certificate provided under paragraph (26) above.

(29) Solvency Certificate in respect of the U.S. Seller in the form set out in Schedule 2 to the U.S. Receivable Purchase Agreement, dated the 2016 Amendment Effective Date.

(30) Compliance Certificate in respect of the U.S. Seller in the form set out in Schedule 3 to the U.S. Receivables Purchase Agreement dated the 2016 Amendment Effective Date.

U.S. Intermediate Transferor

(31) A certificate of the secretary or other responsible officer of the U.S. Intermediate Transferor, dated as of the 2016 Amendment Effective Date, and certifying (a) that attached thereto is a true and complete copy of the organisational documents (including all amendments or other modifications thereto) of the U.S. Intermediate Transferor, as in effect on the 2016 Amendment Effective Date and at all times since a date prior to the date of the resolutions described in clause (b) of this paragraph, (b) that attached thereto is a true and complete copy of the resolutions of the board of directors (or committee thereof), directors, managers or members, as the case may be, of the U.S. Intermediate Transferor authorising the execution, delivery and performance of this Deed and the transactions contemplated hereby and thereby, and that such resolutions have not been amended, modified, revoked or rescinded and are in full force and effect, and (c) the authority and specimen signature of each officer executing this Deed.

(32) Copies of the latest versions of the organisational documents of the U.S. Intermediate Transferor certified as of a recent date by the appropriate authority of the jurisdiction of the U.S. Intermediate Transferor to be a true and up to date copy of the original, attached as a schedule to the certificate provided under paragraph (31) above.

(33) Certificates of compliance, of status or of good standing (if applicable), dated as of a recent date, from the Secretary of State or other appropriate authority of the U.S. Intermediate Transferor’s jurisdiction of organization, attached as a schedule to the certificate provided under paragraph (31) above.

(34) Solvency Certificate in respect of the U.S. Intermediate Transferor in the form set out in Schedule 2 to the US Intermediate Transfer Agreement, dated the 2016 Amendment Effective Date.


Investment Manager and Styron Noteholder

(36) Copies of the resolutions, in form and substance satisfactory to the Cash Manager, of the board of managers of the Investment Manager and Styron Noteholder authorising the execution, delivery and performance of this Deed dated as of the 2016
Amendment Effective Date which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded.

37) A certificate as to the incumbency and signature of the managers or other attorneys authorised to sign this Deed on behalf of the Investment Manager and Styron Noteholder and any certificate or other document to be delivered pursuant thereto, certified by any manager of the Investment Manager and Styron Noteholder together with evidence of the incumbency of such manager.

38) A copy of an up to date Commercial Register excerpt in respect of the Investment Manager and Styron Noteholder dated no earlier than 10 calendar days prior to the 2016 Amendment Effective Date.

Master Purchaser

39) Copies of the resolutions, in form and substance satisfactory to the Cash Manager, of the boards of directors of the Master Purchaser authorising the execution, delivery and performance of this Deed and the 2016 Amendment Transaction Documents, certified by an officer of the Master Purchaser as of 2016 Amendment Effective Date which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded.

40) A certified copy of the power of attorney granted by the Master Purchaser to the attorneys of the Master Purchaser authorised to sign this Deed and the 2016 Amendment Transaction Documents on behalf of the Master Purchaser.

Legal Opinions

41) A Dutch legal opinion from Dutch counsel to the Dutch Seller and the Dutch Servicer addressed to HSBC Bank plc, the Master Purchaser, the Regency Noteholder and the Styron Security Trustee on the capacity and authority of the Dutch Seller and the Dutch Servicer dated the 2016 Amendment Effective Date.

42) A Swiss legal opinion from Swiss counsel to the Swiss Sellers, the Swiss Servicers, the Investment Manager and the Styron Noteholder addressed to HSBC Bank plc, the Master Purchaser, the Regency Noteholder and the Styron Security Trustee on the capacity and authority of each of the Current Swiss Seller, Acceding Swiss Seller, Current Swiss Servicer and Acceding Swiss Servicer and covering due execution by the Investment Manager and the Styron Noteholder, dated the 2016 Amendment Effective Date.

43) A German legal opinion from German counsel to the German Seller and the German Servicer addressed to HSBC Bank plc, the Master Purchaser, the Regency Noteholder and the Styron Security Trustee on the capacity and authority of the German Seller and the German Servicer dated the 2016 Amendment Effective Date.

44) A Luxembourg legal opinion from Luxembourg counsel to the Guarantor, the Investment Manager and the Styron Noteholder, addressed to HSBC Bank plc, the Master Purchaser, the Regency Noteholder and the Styron Security Trustee on the capacity and authority of the Guarantor, the Investment Manager and the Styron Noteholder dated the 2016 Amendment Effective Date.
(45) Reed Smith English enforceability opinion addressed to HSBC Bank plc, the Master Purchaser, the Regency Noteholder and the Styron Security Trustee dated the 2016 Amendment Effective Date in respect of this Deed.

(46) Lenz & Staehelin enforceability opinion addressed to HSBC Bank plc, the Master Purchaser, the Regency Noteholder and the Styron Security Trustee dated the 2016 Amendment Effective Date in respect of the Swiss Receivables Purchase Agreement.

(47) Reed Smith German enforceability opinion addressed to HSBC Bank plc, the Master Purchaser, the Regency Noteholder, and the Styron Security Trustee dated the 2016 Amendment Effective Date in respect of the Trinseo Export German Account Pledge Agreement.

(48) A U.S. limited liability company opinion (including corporate authority, execution and delivery) from U.S. counsel to the U.S. Intermediate Transferor addressed to HSBC Bank plc, the Master Purchaser, the Regency Noteholder and the Styron Security Trustee dated the 2016 Amendment Effective Date.

(49) A U.S. limited liability company opinion (including corporate authority, execution and delivery) from U.S. counsel to the U.S. Seller addressed to HSBC Bank plc, the U.S. Intermediate Transferor, the Master Purchaser, the Regency Noteholder and the Styron Security Trustee dated the 2016 Amendment Effective Date.

General

(50) Execution of the Swiss RPA Amendment Agreement.

(51) Execution of this Deed.

(52) Execution of the Trinseo Export German Account Pledge Agreement.

(53) Notices and Acknowledgments in relation to the Collection Accounts of the Acceding Swiss Seller.

(54) Execution of the Deposit Accounts Bank Mandate in the form set out in Schedule 14 of the Original Master Definitions and Framework Deed by the Current Swiss Servicer, the Acceding Swiss Servicer, the German Servicer, the Dutch Servicer and US Servicer, the Master Purchaser and the Cash Manager.

(55) Execution of the Swiss Master Purchaser Receivables Power of Attorney in the form set out in Schedule 4 of the Swiss Receivables Purchase Agreement by the Acceding Swiss Seller granting a power of attorney to the Master Purchaser.
TRINSEO EUROPE GMBH (formerly STYRON EUROPE GMBH)
(as Current Swiss Seller, Current Swiss Servicer and Chargor)

TRINSEO EXPORT GMBH
(as Accessing Swiss Seller, Accessing Swiss Servicer and Pledgor)

TRINSEO DEUTSCHLAND ANLAGENGESELLSCHAFT MBH (formerly STYRON DEUTSCHLAND ANLAGENGESELLSCHAFT MBH)
(as German Seller and German Servicer)

TRINSEO NETHERLANDS B.V. (formerly STYRON NETHERLANDS B.V.)
(as Dutch Seller and Dutch Servicer)

TRINSEO LLC (formerly STYRON LLC)
(as U.S. Seller and U.S. Servicer)

TRINSEO U.S. RECEIVABLES COMPANY SPV LLC
(as U.S. Intermediate Transferor)

STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY
(as Master Purchaser and Chargee)

TRINSEO FINANCE LUXEMBOURG S.À R.L., LUXEMBOURG, ZWEIGNIEDERLASSUNG HORGEN (formerly STYRON FINANCE LUXEMBOURG S.À R.L., LUXEMBOURG, ZWEIGNIEDERLASSUNG HORGEN)
(as Investment Manager and Styron Noteholder)

REGENCY ASSETS DESIGNATED ACTIVITY COMPANY
(as Regency Noteholder)

HSBC BANK PLC
(as Cash Manager and Master Purchaser Account Bank)

TRINSEO HOLDING S.À R.L. (formerly STYRON HOLDING S.À R.L.)
(as Parent)

TMF ADMINISTRATION SERVICES LIMITED
(as Corporate Administrator and Registrar)

THE LAW DEBENTURE TRUST CORPORATION P.L.C.
(as Styron Security Trustee)

MASTER DEFINITIONS AND FRAMEWORK DEED
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SCHEDULE 2

THIS DEED is made on 12 August 2010 as amended and restated on 17 August 2010, 24 May 2011, 4 July 2012, 30 May 2013, 4 February 2016 and 31 October 2016

BETWEEN:

(1) TRINSEO EUROPE GMBH (formerly STYRON EUROPE GMBH), a limited liability company incorporated in Switzerland, having its registered office at Zugerstrasse 231, CH-8810 Horgen, Switzerland, being an indirect wholly-owned subsidiary of the Parent (the “Current Swiss Seller”, the “Current Swiss Servicer” and the “Chargor”);

(2) TRINSEO EXPORT GMBH, a limited liability company incorporated in Switzerland, having its registered office at Zugerstrasse 231, CH-8810 Horgen, Switzerland, being an indirect wholly-owned subsidiary of the Parent (the “Acceding Swiss Seller”), together with the Current Swiss Seller, the “Swiss Sellers”, “Acceding Swiss Servicer”; together with the Current Swiss Servicer, the “Swiss Servicers” and “Pledgor”);

(3) TRINSEO DEUTSCHLAND ANLAGENGESELLSCHAFT MBH (formerly STYRON DEUTSCHLAND ANLAGENGESELLSCHAFT MBH), incorporated in Germany as a limited liability company (Gesellschaft mit beschränkter Haftung), registered at the “local court (Amtsgericht) of Tostedt under HRB 202609 and having its business address at Bützflether Sand, 21683 Stade, Germany (the “German Seller” and the “German Servicer”);

(4) TRINSEO NETHERLANDS B.V. (formerly STYRON NETHERLANDS B.V.), a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) incorporated in The Netherlands, having its corporate seat (statutaire zetel) in Terneuzen, The Netherlands and its registered office at Herbert H. Dowweg 5, 4542 NM Hoek, The Netherlands 20162359 (the “Dutch Seller” and the “Dutch Servicer”);

(5) TRINSEO LLC (formerly STYRON LLC), a limited liability company formed under the laws of the State of Delaware, having its primary office at 1000 Chesterbrook Boulevard, Suite 300, Berwyn, Pennsylvania 19312, (the “U.S. Seller” and the “U.S. Servicer”);

(6) TRINSEO U.S. RECEIVABLES COMPANY SPV LLC, a limited liability company organized under the laws of the State of Delaware, having its primary office at c/o Trinseo LLC at 1000 Chesterbrook Boulevard, Suite 300, Berwyn, Pennsylvania 19312, in its capacity as the U.S. Intermediate Transferor (the “U.S. Intermediate Transferor” and together with the Swiss Sellers, the German Seller, the Dutch Seller and the U.S. Seller, the “Sellers”);

(7) STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY a company incorporated in Ireland with registration number 486138, whose registered office is at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland (the “Master Purchaser”, the “Pledgee”, and the “Chargee”);

(8) TRINSEO FINANCE LUXEMBOURG S.À R.L., LUXEMBOURG, ZWEIGNIEDERLAẞUNG HORGEN (formerly STYRON FINANCE LUXEMBOURG S.À R.L., LUXEMBOURG, ZWEIGNIEDERLAẞUNG HORGEN), a Swiss branch, with offices located at Zugerstrasse 231, CH-8810, Horgen, Switzerland, of Trinseo Finance Luxembourg S.à r.l., a Luxembourg private limited liability company (société à responsabilité limitée) with registered office at 4, rue Lou Hemmer, L-1748 Findel, Grand-Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 151.012 and having a share capital of USD 10,025,001 (the “Investment Manager” and the “Styron Noteholder”);
BACKGROUND:

(A) The Sellers wish to sell and the Master Purchaser wishes to purchase Receivables, on the terms and subject to the conditions set out in the Master Receivables Purchase Agreements to be funded by means of the issue of Commercial Paper or by means of drawings under the Liquidity Facility Agreement.

(B) In connection with the Transaction each of the parties to this Deed will enter into the Transaction Documents to which it is a party on or about the date of this Deed or prior thereto and each of the parties wishes to record its agreement regarding the incorporation of the definitions, the interpretation of certain words and expressions, contained in Clause 2, and, except as otherwise provided in the Transaction Documents, the provisions set out in Clauses 3 to 8 and 10 to 25, into the relevant Transaction Documents and the relevant parties wish to enter into the obligations contained herein on the terms and subject to the conditions contained herein.

1. INTERPRETATION

1.1 Capitalised terms in this Deed shall, except where the context otherwise requires and save where otherwise defined in this Deed, have the meanings given to them in Clause 2.1 (as it may be amended, varied or supplemented from time to time with the consent of the parties to this Deed) and this Deed shall be construed in accordance with the principles of construction set out in Clauses 2.2 to 2.11.

1.2 Where any party to this Deed from time to time acts in more than one capacity under a Transaction Document, the provisions of this Deed shall apply to it as though it were a separate party in each such capacity except insofar as they require it in one capacity to give any notice or information to itself in another capacity.
1.3 In the event of any conflict between the terms of the German Receivables Purchase Agreement and this Master Definitions and Framework Deed, the terms of the German Receivables Purchase Agreement shall prevail other than Clause 22 of this Master Definitions and Framework Deed as it relates to the Styron Security Trustee, and in the event of any conflict between the terms of the German Servicing Agreement and this Master Definitions and Framework Deed, the terms of the German Servicing Agreement shall prevail other than Clause 22 of this Master Definitions and Framework Deed as it relates to the Styron Security Trustee. In the event of any conflict between the terms of the Swiss Receivables Purchase Agreement and this Master Definitions and Framework Deed, the terms of the Swiss Receivables Purchase Agreement shall prevail other than Clause 22 of this Master Definitions and Framework Deed as it relates to the Styron Security Trustee.

1.4 In the event of any conflict between the terms of the U.S. Receivables Purchase Agreement and this Master Definitions and Framework Deed, the terms of the U.S. Receivables Purchase Agreement shall prevail other than Clause 22 of this Master Definitions and Framework Deed as it relates to the Styron Security Trustee, in the event of any conflict between the terms of the U.S. Intermediate Transfer Agreement and this Master Definitions and Framework Deed, the terms of the U.S. Intermediate Transfer Agreement shall prevail other than Clause 22 of this Master Definitions and Framework Deed as it relates to the Styron Security Trustee and in the event of any conflict between the terms of the U.S. Servicing Agreement and this Master Definitions and Framework Deed, the terms of the U.S. Servicing Agreement shall prevail other than Clause 22 of this Master Definitions and Framework Deed as it relates to the Styron Security Trustee.

1.5 The various Clauses of this Deed shall be incorporated in the U.S. Transaction Documents only to the extent expressly stated therein.

2. DEFINITIONS

2.1 In any agreement, instrument or deed expressly and specifically incorporating by reference this Master Definitions and Framework Deed the following expressions shall, except where the context otherwise requires and except where otherwise defined therein, have the following meanings:

“2009 Act” means the Land and Conveyancing Law Reform Act 2009 of Ireland.

“2016 Amendment Effective Date” means 31 October 2016.

“Account Bank Agreement” means the agreement so named dated on or about the Closing Date between the Master Purchaser, the Cash Manager, the Master Purchaser Account Bank and the Styron Security Trustee.

“Account Control Agreements” means (a) the UK Account Control Deed dated on or about the Closing Date by which the Swiss Sellers have created security over its Collection Accounts, (b) the U.S. Account Control Agreements, (c) the Dutch Collection Account Security Agreement, (d) the Belgian Collection Account Pledge Agreement, (e) the German Account Pledge Agreement, (f) the Trinseo Export German Account Pledge Agreement and (g) any other account control agreement entered into between a Seller, the Master Purchaser and the Styron Security Trustee.
“Account Details” means the details of each of the Master Purchaser Accounts set out in Schedule 13 of this Framework Deed.

“Accounting Reference Date” means, in each year:
(a) in respect of the Master Purchaser, 31 March;
(b) in respect of the Swiss Sellers, 31 December;
(c) in respect of the Swiss Servicers, 31 December;
(d) in respect of the German Seller, 31 December;
(e) in respect of the German Servicer, 31 December;
(f) in respect of the Dutch Seller, 31 December;
(g) in respect of the Dutch Servicer, 31 December;
(h) in respect of the U.S. Seller, 31 December;
(i) in respect of the U.S. Servicer, 31 December; and
(j) in respect of the U.S. Intermediate Transferor, 31 December.

“Accounting Reference Period” means, in respect of a Seller, the Master Purchaser or a Servicer, the period from (and including) an Accounting Reference Date in respect of such Person to (but excluding) the next Accounting Reference Date in respect of such Person.

“Accounts” means the Master Purchaser Accounts and any other account of the Master Purchaser to be established pursuant to the Account Bank Agreement, each an “Account”.

“Additional Conditions Precedent” means the conditions precedent set out in Schedule 10 (Additional Conditions Precedent).

“Additional Note Issue Notice” means a notice of an Additional Offer delivered by the Master Purchaser to each Noteholder in accordance with Clause 6.1 (Additional Offer) of the Variable Loan Note Issuance Deed.

“Additional Offer” means an offer of an increase in the Principal Amount Outstanding of a Note pursuant to an Additional Note Issue Notice.

“Additional Principal Amount” means the Regency USD Note Additional Principal Amount, Regency EUR Note Additional Principal Amount, the Styron USD Note Additional Principal Amount or the Styron EUR Note Additional Principal Amount, as applicable.

“Additional Subscription Price” means the amount which a Noteholder is required to pay for each $1 or €1 in Additional Principal Amount of the relevant Notes as specified in the relevant Additional Offer.
“Adjusted Spot Rate” means the rate advised by the Cash Manager from time to time.

“Affected Person” means any of the Regency Noteholder, the Instructing Party, the Liquidity Facility Provider and Styron Security Trustee.

“Affiliate” or “affiliate” means, as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by or is under common control with such Person or is a director or officer of such Person.

“Aggregate Note Principal Amount Outstanding” means the aggregate Principal Amount Outstanding (calculated using the USD Equivalent of such amounts where applicable) of the Regency USD Note Principal Amount Outstanding, the Regency EUR Note Principal Amount Outstanding, the Styron USD Note Principal Amount Outstanding and the Styron EUR Note Principal Amount Outstanding.

“Aggregate Obligor Overconcentration Amount” means, as of any Determination Date, an amount equal to the sum of the Obligor Overconcentration Amounts of all Obligors at the end of the preceding Business Day.

“Aggregate Receivables Balance” means, as at any Determination Date, the USD Equivalent of the aggregate Outstanding Balances of all Eligible Receivables which are Purchased Receivables.

“Aggregate Regency Note Principal Amount Outstanding” means the aggregate Principal Amount Outstanding (calculated using the USD Equivalent of such amounts where applicable) of the Regency USD Note Principal Amount Outstanding and the Regency EUR Note Principal Amount Outstanding.

“Ancillary Rights” means in relation to a Right, all ancillary rights, accretions and supplements to such Right, including any guarantees or indemnities in respect of such Right.

“Applicable Stress Factor” means 2.5.

“Approved Currencies” means Euro and US Dollars but, (i) in the case of the German Receivables Purchase Agreement, Euro only, (ii) in the case of the Dutch Receivables Purchase Agreement, Euro only and (iii) in the case of the U.S. Receivables Purchase Agreement and the U.S. Intermediate Transfer Agreement, US Dollars only.

“Asset” means (i) any Contract, (ii) all Receivables in respect of any Contract and (iii) the Asset Records in respect thereof, and together assigned or proposed to be assigned by a Seller to the U.S. Intermediate Transferor or the Master Purchaser in accordance with the terms of a Master Receivables Purchase Agreement.

“Asset Records” means the original or any copies of the Contracts and all documents and records, in whatever form or medium, relating to the Contracts, including all computer tapes and disks specifying, among other things Obligor details, the amounts and dates on which payments are due and are paid under the Contracts and identifying any Contract which has been subject to a hostile termination or written off.
“Asset Shortfall” means as at any date of determination:

(a) the USD Equivalent of the amount by which aggregate of:
   (i) the EUR Proportion of the Purchase Base;
   (ii) the balance standing to the credit of the Collection Accounts and the Master Purchaser Accounts denominated in EUR; and
   (iii) the balance standing to the credit of the Collection Accounts and the Master Purchaser Accounts not denominated in EUR (for the purposes of this calculation, these amounts shall be converted to EUR using the Adjusted Spot Rate),

is, or would be where applicable, following any funding, purchase or repayment occurring or anticipated to occur immediately prior to such determination on any day, less than the aggregate Principal Amount Outstanding of the Regency EUR Note Principal Amount Outstanding; or

(b) the amount by which the aggregate of:
   (i) the USD Proportion of the Purchase Base;
   (ii) the balance standing to the credit of the Collection Accounts and the Master Purchaser Accounts denominated in USD; and
   (iii) the balance standing to the credit of the Collection Accounts and the Master Purchaser Accounts not denominated in USD (for the purposes of this calculation, these amounts shall be converted to USD using the Adjusted Spot Rate),

is, or would be where applicable, following any funding, purchase or repayment occurring or anticipated to occur immediately prior to such determination on any day, less than the aggregate Principal Amount Outstanding of the Regency USD Note Principal Amount Outstanding it being specified that there should be no double counting between the amounts referred to in paragraphs (a) (ii) and (a)(iii) and the amounts referred to paragraphs (b)(ii) and (b)(iii) of this definition.

“Assigned Rights” means the Benefit of the Contracts and the Receivables assigned or to be assigned to the U.S. Intermediate Transferor or the Master Purchaser by a Seller in accordance with the terms of a Master Receivables Purchase Agreement.

“Auditors” means:

(a) in respect of the Master Purchaser, such firm of accountants as may be appointed by the Master Purchaser;
(b) in respect of the Swiss Sellers, PricewaterhouseCoopers LLP or such other firm of accountants as may be appointed by the Swiss Sellers;

c) in respect of the Swiss Servicers, PricewaterhouseCoopers LLP or such other firm of accountants as may be appointed by the Swiss Servicers;

d) in respect of the German Seller, PricewaterhouseCoopers LLP or such other firm of accountants as may be appointed by the German Seller;

e) in respect of the German Servicer, PricewaterhouseCoopers LLP or such other firm of accountants as may be appointed by the German Servicer;

(f) in respect of the Dutch Seller, PricewaterhouseCoopers LLP or such other firm of accountants as may be appointed by the Dutch Seller;

g) in respect of the Dutch Servicer, PricewaterhouseCoopers LLP or such other firm of accountants as may be appointed by the Dutch Servicer;

(h) in respect of the U.S. Seller, PricewaterhouseCoopers LLP or such other firm of accountants as may be appointed by the U.S. Seller;

(i) in respect of the U.S. Servicer, PricewaterhouseCoopers LLP or such other firm of accountants as may be appointed by the U.S. Servicer; and

(j) in respect of the U.S. Intermediate Transferor, PricewaterhouseCoopers LLP or such other firm of accountants as may be appointed by the U.S. Intermediate Transferor.

“Authorised Investments” means, in respect of investments made by a Seller of funds standing in the balance of the US Dollar and Euro denominated Collection Accounts, deposits made into accounts held in the name of Styron Receivables Funding Designated Activity Company at HSBC Bank plc or Deutsche Bank AG pursuant to a Bank Mandate.

“Authorised Signatory” means, in relation to any Transaction Party, any Person who is duly authorised and in respect of whom a certificate has been provided signed by a director or another duly authorised Person of such Transaction Party setting out the name and signature of such Person and confirming such Person’s authority to act.

“Bank Mandate” means a Bank Mandate that may be in place from time to time, among the Servicers, the Master Purchaser and HSBC plc or Deutsche Bank AG London in the form attached as Schedule 14 (Form of Bank Mandate).

“Bank Receivables” has the meaning given in Clause 3 (Charge) of the UK Account Control Deed.

“Basel III” means:

(a) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient
banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;

(b) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement — Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and

(c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”.

“Belgian Collection Account Pledge Agreement” means the Belgian Collection Account Pledge Agreement dated on or about the Dutch Closing Date by which the Dutch Seller has created security over the Belgian law governed Collection Accounts and any other account control agreements entered into among the Dutch Seller, the Master Purchaser, the Styrson Security Trustee and the relevant Collection Account Bank.

“Benefit” in respect of any Right held, assigned, conveyed, transferred, charged, sold or disposed of by any Person shall be construed so as to include:

(a) all right, title, interest and benefit, present and future, actual and contingent (and interests arising in respect thereof) of such Person in, to, under and in respect of such Right and all Ancillary Rights in respect of such Right;

(b) all monies and proceeds payable or to become payable under, in respect of, or pursuant to such Right or its Ancillary Rights and the right to receive payment of such monies and proceeds and all payments made including, in respect of any bank account, all sums of money which may at any time be credited to such bank account together with all interest accruing from time to time on such money and the debts represented by such bank account;

(c) the benefit of all covenants, undertakings, representations, warranties and indemnities in favour of such Person contained in or relating to such Right or its Ancillary Rights;

(d) the benefit of all powers of and remedies for enforcing or protecting such Person’s right, title, interest and benefit in, to, under and in respect of such Right or its Ancillary Rights, including the right to demand, sue for, recover, receive and give receipts for proceeds of and amounts due under or in respect of or relating to such Right or its Ancillary Rights; and

(e) all items expressed to be held on trust for such Person under or comprised in any such Right or its Ancillary Rights, all rights to deliver notices or take such steps as are required to cause payment to become due and payable in respect of such Right and its Ancillary Rights, all rights of action in respect of any breach of or in connection with any such Right and its Ancillary Rights and all rights to receive damages or obtain other relief in respect of such breach.
“Billed Receivables” means, on the relevant Purchase Date, a Receivable that has arisen under a Contract in respect of the sale of chemical products to an Obligor and in respect of which an Invoice has been issued on or prior to such Purchase Date.

“Breach of Duty” means in relation to any Person, a wilful default, fraud, illegal dealing, negligence or breach of any agreement by such Person.

“Business Day” means a day (other than a Saturday or a Sunday) on which banks are generally open for business in London, Dublin, Zurich, Rotterdam, New York, Dallas, Texas, and, except with respect to any U.S. Transaction Document, which is a TARGET Day.

“Carry Cost Stress Rate” means the aggregate (expressed as a percentage) of:

(i) 2 x the current proportion (expressed as a percentage) of the Receivables from Unrestricted Countries divided by the Net Eligible Receivables Balance, and

(ii) 4 x the current proportion (expressed as a percentage) of the Receivables from Eligible Countries divided by the Net Eligible Receivables Balance.

“Carrying Cost Reserve” means, as of any date of determination, an amount equal to:

\[(\text{NERB} \times \text{CCRR})\]

Where:

\[\text{NERB} = \text{the lesser of (i) the Facility Limit and (ii) the Net Eligible Receivables Balance as of the close of business of the Investment Manager on such date.}\]

\[\text{CCRR} = \text{The Carrying Cost Reserve Ratio on such date.}\]

“Carrying Cost Reserve Ratio” means, on any Monthly Reporting Date, an amount expressed as a percentage equal to:

(i) the Reuters Screen Rate for 1 months USD plus 3%, multiplied by

(ii) the Carry Cost Stress Rate, multiplied by

(iii) the Days Sales Outstanding, divided by

(iv) 360.

“Cash Control Events” means the occurrence of any of the following events:

(a) any Termination Event that has not been remedied or waived;

(b) an event that but for the giving of notice or lapse of time would constitute a Swiss Servicer Default, a German Servicer Default, a Dutch Servicer Default or a U.S. Servicer Default of the kind described in paragraph (a)(ii), (a)(iii) or (c) of Schedule 2; or
(e) an event that but for the giving of notice or the lapse of time would constitute a Termination Event of the kind described in paragraph (a) of Part A of Schedule 1 or a Perfection Event of the kind described in paragraphs (a) to (e) of Part B of Schedule 1.

“Cash Management Agreement” means the agreement so named dated 12 August 2010 between the Master Purchaser, the Cash Manager, the Regency Noteholder, the Styron Noteholder and the Styron Security Trustee, as amended and restated on 24 May 2011 and on or around the Dutch Closing Date.

“Cash Management Report” means a report prepared by the Cash Manager in accordance with Paragraph 23 (Cash Management Report) of Schedule 1 (Services to be provided by Cash Manager) of the Cash Management Agreement.

“Cash Management Services” means the services to be provided by the Cash Manager as set out in Schedule 1 (Services to be provided by Cash Manager) of the Cash Management Agreement.

“Cash Manager” means HSBC Bank plc in its capacity as Cash Manager in accordance with the terms of the Cash Management Agreement.

“Cash Manager Covenants” means the covenants made by the Cash Manager contained in Schedule 3 (Cash Manager Covenants) of the Cash Management Agreement.

“Cash Manager Event” means any of the events set out in Clause 14 (Cash Manager Events) of the Cash Management Agreement.

“Cash Manager Event Notice” means a notice to the Cash Manager from the Master Purchaser or the Styron Security Trustee advising the Cash Manager of the occurrence of a Cash Manager Event.

“Cash Manager Records” means the original or any copies of all documents and records, in whatever form or medium, relating to the Cash Management Services including all computer tapes, files and disks relating to the Cash Management Services.

“Cash Manager Reporting Date” means the Business Day prior to each Monthly Payment Date.

“Cash Manager Termination Date” means the date specified in a Cash Manager Termination Notice or in a notice delivered pursuant to Clause 17.1 (Termination of Appointment by Notice) of the Cash Management Agreement or determined in accordance with Clause 17.2 (Agreement to terminate on appointment of Successor Cash Manager) of the Cash Management Agreement.

“Cash Manager Termination Notice” means a notice to the Cash Manager from the Master Purchaser or the Styron Security Trustee delivered in accordance with the terms of Clause 16 (Termination on Delivery of Cash Manager Termination Notice) of the Cash Management Agreement.
“Cash Manager Warranties” means the warranties made by the Cash Manager contained in Schedule 2 (Cash Manager Representations and Warranties) of the Cash Management Agreement.

“Change of Control” means the occurrence of any of the following:

(a) a Person owns beneficially and of record directly or indirectly ordinary shares representing more than 50% of the voting power of the Parent and the Sellers of the votes capable of being cast; and

(b) that Person is otherwise not acceptable to the Master Purchaser (acting reasonably) or the Cash Manager (acting reasonably), provided that an initial underwritten public offering of the ordinary share capital of any Sellers, any member of the Sellers’ group or any of their holding companies to be listed or traded on any recognised investment exchange or market in any country shall not of itself be considered a Change of Control.

“Charge” means the charge held by the Chargee over all of the Bank Receivables pursuant to Clause 3 (Charge) of the UK Account Control Deed.

“Charged Account” means the account(s) specified in the relevant Account Control Agreement.

“Charged Property” means all the property of the Master Purchaser which is subject to the Security.

“Closing Date” means 12 August 2010.

“Collection Account Bank” means (a) Deutsche Bank AG through its relevant branches in the jurisdictions where Collection Accounts are held (and in the case of Collection Accounts in Spain, Deutsche Bank, Sociedad Anónima Española and in the case of Collection Accounts in the United States, Deutsche Bank Trust Company Americas), as applicable, (b) Bank of America, National Association through its relevant branches in the U.S. where Collection Accounts are held or (c) such other bank appointed from time to time in replacement thereof with the consent of the Cash Manager to hold the Collection Accounts and the Investment Manager Operating Accounts.

“Collection Accounts” means:

(a) accounts in the name of a Seller with the Collection Account Bank which are denominated in Euro and US Dollars into which Collections are received in respect of Euro and US Dollar amounts; and

(b) with respect to any Currency Receivables, any other accounts in the name of a Seller with the Collection Account Bank which are denominated in the same currency as the relevant Currency Receivable (the “Currency Receivables Collection Accounts”).

“Collection Ratio” means, as at any Determination Date, the fraction (expressed as a percentage) calculated as:
(a) the aggregate amount of Collections received during the Determination Period ending on that Determination Date; divided by

(b) the aggregate Outstanding Balance of all Purchased Receivables which were outstanding on the first day of the preceding Determination Period.

“Collections” means, with respect to any Purchased Receivable, all cash collections and other cash proceeds of such Receivable (including cash proceeds of cheques, promissory notes, bills of exchange or other instruments or wire transfers) received into the Collection Accounts during a Determination Period, including amounts received in respect of VAT, if any, all finance charges, if any, all cash proceeds of the Related Security with respect to such Receivable, and any amounts received from a Seller in respect of Deemed Collections of such Receivable, as well as, for the avoidance of doubt, all amounts received in relation to a Purchased Receivable between the Business Day prior to the Offer in respect of such Purchased Receivable and the day such Offer is accepted by the Master Purchaser or the U.S. Intermediate Transferor, as applicable.

“Commercial Paper” means Euro or USD denominated commercial paper notes issued by Regency Assets Designated Activity Company or Regency Markets No. 1 LLC the proceeds of which are provided to the Master Purchaser as subscription proceeds for the issue of a Regency EUR Note or a Regency USD Note or which directly or indirectly refinance commercial paper notes the proceeds of which were previously so provided to the Master Purchaser.

“Conditions” means the terms and conditions of the Notes, as any of the same may from time to time be modified in accordance with the conditions and any reference to a particular numbered Condition shall be construed in relation to the Notes accordingly.

“Contract” means a contract (which may be an order and confirmation subject to standard terms and conditions) concluded between a Seller and an Obligor for the supply of chemical products pursuant to which Receivables arise.

“Core Eligibility Criteria” means the criteria listed in Schedule 1 (Representations and Warranties), Part B (Representations and warranties relating to the Purchased Receivables), and items (a), (e) and (x) of the German Receivables Purchase Agreement.

“Corporate Administrator” means TMF Administration Services Limited.

“Corporate Services Agreement” means the corporate services agreement dated on or about the Closing Date between the Corporate Administrator and the Master Purchaser.

“Countries Limit” means an aggregate cap limit for Eligible Receivables that are owed by Obligors from Eligible Countries of 35% of the USD Equivalent of the Outstanding Balance of all Purchased Receivables.

“Country Credit Rating Overconcentration Amount” means, on any Determination Date, the aggregate amount of Receivables owed by Obligors in Non-
Investment Grade Countries that exceed 10% of the USD Equivalent of the Outstanding Balances of the Purchased Receivables.

“Country Overconcentration Amount” means, on any Determination Date, the aggregate amount of Eligible Receivables owed by Obligors from Eligible Countries that exceed the Countries Limit.

“Court” means the courts of England and Wales.

“Covenant to Pay” means the Master Purchaser’s undertaking to pay the Secured Amounts pursuant to Clause 2 (Master Purchaser’s Undertaking to Pay) of the Styron Security Deed.

“CP Rate” means at any time, the weighted average of the funds rates (expressed as an interest rate per annum) of the Commercial Paper then outstanding and floored at zero including any hedging costs and dealer commissions.

“Currency Limit” means an aggregate cap limit of 10% of the USD Equivalent of the aggregate Outstanding Balance of all Purchased Receivables for Receivables that are Currency Receivables.

“Credit Agreement” means the credit agreement under which the Lenders (as defined therein) agreed to provide credit facilities to Trinseo Materials Operating S.C.A and Trinseo Materials Finance, Inc. as the Borrowers (as defined therein) pursuant to a US$825,000,000 credit agreement dated 5 May 2016 and entered into by, among others, (i) the Borrower (as defined therein); (ii) the Guarantors (as defined therein) party thereto from time to time; (iii) Deutsche Bank AG New York Branch as Administrative Agent (as defined therein), Collateral Agent (as defined therein), L/C Issuer (as defined therein) and Swing Line Lender (as defined therein) and (iv) the Lenders (as defined therein) from time to time party thereto.

“Currency Receivables” means Receivables where the payment due from the Obligor is in a currency other than Euro or USD.

“Currency Reserve” means the sum of:

(a) the USD Equivalent of the outstanding principal amount of each non-Euro/USD pool of Receivables multiplied by the Currency Volatility percentage for the relevant currency, plus,

(b) the USD Equivalent of the outstanding principal amount by which the Currency Receivables exceeds the Currency Limit.

“Currency Volatility” means the maximum movement in the exchange rate of the relevant currency against the Euro in any thirty (30) day period over the preceding twelve (12) months, expressed as a percentage.

“Daily Reporting Date” means each date on which a Swiss Servicer’s Daily Report, a German Servicer’s Daily Report, a Dutch Servicer’s Daily Report or a U.S. Servicer’s Daily Report is delivered.
“Days Sales Outstanding” means the maximum Rolling Average Turnover Ratio recorded over the preceding twelve (12) months.

“Debt” means (i) indebtedness for borrowed money, (ii) obligations evidenced by bonds, debentures, notes or other similar instruments, (iii) obligations to pay the deferred purchase price of property or services otherwise than in the ordinary course of business and not for the purpose of raising debt or finance, (iv) obligations as lessee under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases, and (v) obligations under direct or indirect guarantees in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in (i) to (iv) above.

“Deemed Collections” means, any amounts paid or payable by a Seller to the Master Purchaser or the U.S. Intermediate Transferor, as applicable, pursuant to clauses 7.1 or 7.2 of the relevant Master Receivables Purchase Agreement.

“Default Interest” means in respect of the Notes, the default interest payable in accordance with Condition 9.

“Default Ratio” means, as at any Monthly Reporting Date, the fraction (expressed as a percentage) calculated for the immediately preceding Determination Period as:

(a) the sum of:
   (i) the aggregate Outstanding Balance of Purchased Receivables that were more than 90 days past their Due Date as at the Determination Date for such Determination Period but equal to or less than 120 days past their Due Date; plus
   (ii) without duplication, the aggregate Outstanding Balance of all Purchased Receivables which became Written-off Receivables during the Determination Period ending on such Determination Date; divided by

(b) the sales generated in the Determination Period five (5) months prior to the current Determination Period.

“Defaulted Receivable” means a Purchased Receivable:

(a) in respect of which all or part of its Outstanding Balance remains unpaid past its Due Date for more than 90 days; and

(b) which has become a Written-off Receivable.

“Deferred Purchase Price” has the meaning given to it in clause 3.1 of the Swiss Receivables Purchase Agreement, the U.S. Intermediate Transfer Agreement or the Dutch Receivables Purchase Agreement (as applicable).

“Delinquency Ratio” means the ratio (expressed as a percentage) computed as of each Monthly Reporting Date for the immediately preceding Determination Period by dividing (i) the USD Equivalent of the aggregate Outstanding Balance of all
Delinquent Receivables as of the end of such Determination Period by (ii) the USD Equivalent of the sales generated in the Determination Period four (4) months prior to the current Determination Period.

“Delinquent Receivable” means a Purchased Receivable:

(a) in respect of which all or part of its Outstanding Balance remains unpaid for more than 60 days but equal to or less than 90 days past its original Due Date; and

(b) which is not a Defaulted Receivable.

“Determination Date” means the last day of each Determination Period.

“Determination Period” means each calendar month during the Securitisation Availability Period.

“Diluted Receivable” means any Receivable in respect of which an event giving rise to a Dilution has occurred.

“Dilution” means any Purchased Receivable or part thereof that is either:

(a) reduced cancelled, or adjusted as a result of:

(i) any defective, rejected or returned goods or merchandise or any failure by the relevant Seller to deliver any goods or merchandise or otherwise to perform under the underlying Contract; or

(ii) any change in the terms of or cancellation of, a Contract or any cash discount, discount for quick payment or other credit, refund, allowance, reverse invoice, discount or other adjustment by the relevant Seller which reduces the amount payable by the Obligor on the related Purchased Receivable (in each case, except any such change or cancellation made in settlement of such Receivable in accordance with the relevant Seller’s Credit and Collection Policies resulting from or relating to the financial inability to pay or insolvency of the Obligor of such Purchased Receivable); or

(iii) any set-off by an Obligor in respect of any claim by such Obligor as to amounts owed by it on the related Purchased Receivable (whether such claim arises out of the same or a related transaction or an unrelated transaction); or

(b) subject to any specific dispute, offset, counterclaim or defence except the discharge in insolvency or any analogous proceeding of the Obligor thereof.

“Dilution Horizon Ratio” means the aggregate sales generated in the current Determination Period divided by the Net Eligible Receivables Balance of the relevant day of the current Determination Period.
“Dilution Ratio” means, as at any Monthly Reporting Date, the fraction (expressed as a percentage) calculated for the immediately preceding Determination Period by dividing:

(a) the aggregate Dilution in respect of Diluted Receivables of which a Deemed Collection is required to be made under clause 7.2 of the relevant Master Receivables Purchase Agreement (without double counting under the U.S. Receivables Purchase Agreement and the U.S. Intermediate Transfer Agreement) during the Determination Period ending on such Determination Date; by

(b) the aggregate sales generated in the preceding Determination Period.

“Dilution Reserve Floor” means 5%.

“Dilution Reserve Ratio” means as of any Monthly Reporting Date, and continuing until (but not including) the next Monthly Reporting Date, an amount (expressed as a percentage) that is calculated as follows:

\[
\text{DRR} = (SF \times ADR) + (\text{HDR-ADR}) \times \frac{\text{HDR}}{\text{ADR}} \times \text{DHR}
\]

where:

- DRR = the Dilution Reserve Ratio;
- SF = the Applicable Stress Factor;
- ADR = the “Average Dilution Ratio” defined as the twelve-month rolling average of the Dilution Ratios that occurred during the period of twelve consecutive Determination Periods ending immediately prior to such earlier Monthly Reporting Date;
- HDR = the “Highest Dilution Ratio”, defined as the highest Dilution Ratio that occurred during the period of twelve consecutive Determination Periods ending immediately prior to such earlier Monthly Reporting Date; and
- DHR = the Dilution Horizon Ratio.

“Direct Debit” means a written instruction of an Obligor authorising its bank to honour a request of a Seller to debit a sum of money on specified dates from the account of the Obligor for credit to an account of that Seller.

“Direct Debiting Scheme” means the system for the manual or automated debiting of bank accounts by Direct Debit operated in accordance with the principal rules of certain members of the Association for Payment Clearing Services.

“Distribution Ledgers” means the Distribution USD Ledger and the Distribution EUR Ledger.

“Distribution EUR Ledger” means the EUR ledger established and maintained pursuant to the Cash Management Agreement.
“Distribution USD Ledger” means the USD ledger established and maintained pursuant to the Cash Management Agreement.

“Due Date” means, in respect of any Billed Receivable, the date specified in the relevant Invoice, and, in respect of any Unbilled Receivable, means the expected date (as determined according to current business practices of a Seller) on which such Receivable will be payable when invoiced in accordance with the relevant Seller’s Credit and Collection Procedures and the applicable Contract.

“Dutch Closing Date” means the date of the Dutch Receivables Purchase Agreement.

“Dutch Collection Accounts” means the Collection Accounts owned by the Dutch Seller, which receive Collections related to the Dutch Purchased Receivables sold by the Dutch Seller to the Master Purchaser pursuant to the Dutch Receivables Purchase Agreement.

“Dutch Collection Account Security Agreement” means the Dutch Collection Account Security Agreement dated on or about the Dutch Closing Date by which the Dutch Seller has created security over the Dutch Collection Accounts and any other account control agreements entered into among the Dutch Seller, the Master Purchaser, the Styron Security Trustee and the relevant Collection Account Bank.

“Dutch Funding Date” means the day falling two Business Days after the day the first Offer is delivered under the Dutch Receivables Purchase Agreement or such other date as may be agreed by the Dutch Seller and the Cash Manager.

“Dutch Purchased Receivables” means the Receivables purchased by the Master Purchaser on the terms of the Dutch Receivables Purchase Agreement.

“Dutch Receivables Purchase Agreement” means the Dutch receivables purchase agreement dated the Dutch Closing Date between the Dutch Seller, the Investment Manager, the Master Purchaser and the Styron Security Trustee.

“Dutch Seller” means Trinseo Netherlands B.V. (formerly Styron Netherlands B.V.) incorporated in The Netherlands, in its capacity as seller of Receivables to the Master Purchaser under the Dutch Receivables Purchase Agreement.

“Dutch Seller Credit and Collection Procedures” means the Seller’s Credit and Collection Procedures with respect to the Dutch Seller.

“Dutch Servicer” means the person appointed by the Master Purchaser under the Dutch Servicing Agreement to manage and provide administration and collection services in relation to the Purchased Receivables purchased by the Master Purchaser pursuant to the Dutch Receivables Purchase Agreement, being Styron Netherlands B.V. at the Dutch Funding Date.

“Dutch Servicer Default” means the occurrence of any of the events described in Schedule 2 hereto as if each reference therein to “Swiss Servicer” was a reference to “Dutch Servicer”, each reference to “Swiss Receivables Purchase Agreement” was a reference to “Dutch Receivables Purchase Agreement” and each reference to “Swiss Servicing Agreement” was a reference to “Dutch Servicing Agreement”.

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“Dutch Servicer’s Daily Report” means any document prepared by the Dutch Servicer in accordance with Clause 7.2 of the Dutch Servicing Agreement, provided that all data required to be included in the Dutch Servicer’s Daily Report shall be consolidated in the Swiss Servicers’ Daily Report.

“Dutch Servicer’s Monthly Report” means any document prepared by the Dutch Servicer in accordance with Clause 7.1 of the Dutch Servicing Agreement, provided that all data required to be included in the Dutch Servicer’s Monthly Report shall be consolidated in the Swiss Servicer’s Monthly Report.

“Dutch Servicer Report” means the Dutch Servicer’s Daily Report or the Dutch Servicer’s Monthly Report (as the case may be).

“Dutch Servicing Agreement” means the servicing agreement to be dated the Dutch Closing Date relating to the Purchased Receivables purchased by the Master Purchaser pursuant to the Dutch Receivables Purchase Agreement and made between the Master Purchaser, the Dutch Servicer and the Styron Security Trustee.

“Dutch Servicing Fees” means the fees referred to in clause 13 of the Dutch Servicing Agreement.

“Eligibility Criteria” means the criteria set out in Schedule 3 of this Deed.

“Eligible Country” means a country that is not an Unrestricted Country (or has not been designated an Unrestricted Country by the Regency Noteholder) and is listed in Schedule 6.

“Eligible Institution” means a bank or financial institution duly authorised in respect of its activities under the laws and regulations of (i) the United Kingdom or (ii) a member state of the European Union, the short term unsecured and unsubordinated debt obligations of which are rated at least P-1 by Moody’s and A-1 by S&P.

“Eligible Obligors” means Obligors who are:

(a) customers of a Seller granted credit in accordance with that Seller’s normal procedures and billed by or on behalf of that Seller on regular invoices;

(b) at the time of sale of the Receivables to the Master Purchaser, solvent within the meaning of Section 123(1) of the Insolvency Act 1986 or the equivalent legislation in the jurisdiction in which the Obligor is located;

(c) at the time of sale of the Receivables to the Master Purchaser, not in liquidation, administration or receivership (or analogous proceedings) under the laws of the jurisdiction of their incorporation;

(d) resident in an Eligible Country or an Unrestricted Country;

(e) neither an Affiliate of either Parent or a Seller (other than a portfolio company of any shareholder) nor a government or a government subdivision or government agency;
f) a corporation, limited liability company, business trust or other Person other than an individual; and

(g) not subject to any United Nations, United Kingdom, European Union, Swiss, Dutch or U.S. sanctions or other similar measures implemented or effective in the United Kingdom, European Union, Switzerland, The Netherlands or the U.S. nor carrying on business in a country to which any such sanctions or other similar measures apply, or otherwise the target of any such sanctions or other similar measures.

“Eligible Pool Balance” means, as at any date of determination, the USD Equivalent of the Outstanding Balance of all Eligible Receivables, reduced (for the avoidance of doubt without double counting or duplication) by the sum of:

(a) USD Equivalent of the Collections which have not reduced the Outstanding Balance and have not yet been credited to the Collection Accounts;

(b) the aggregate USD Equivalent of the outstanding amount of deposits or advance payments received by a Seller from any Obligors which are not Collections received in respect of Purchased Receivables;

(c) the aggregate USD Equivalent of the amount of all credit notes, refunds, discounts, allowances or reverse invoices permitted or issued by a Seller against any Purchased Receivable at such time including accruals for such amounts;

(d) the aggregate USD Equivalent of all potential set-off amounts representing amounts owed by a Seller to any Obligor (provided that if the related Contract expressly states that such Obligor waives its right of set-off, amounts owed by a Seller to such Obligor shall not be considered a potential set-off for the purposes hereof);

(e) the aggregate USD Equivalent of the Outstanding Balance of Receivables which are Defaulted Receivables and Delinquent Receivables (without double counting the deduction of such Defaulted Receivables and Delinquent Receivables in the Outstanding Balance of Eligible Receivables and in this paragraph (e));

(f) the USD Equivalent of the Outstanding Balance of any Unbilled Receivable which has not become a Billed Receivable within 40 days from its Purchase Date;

(g) the USD Equivalent of any Obligor Overconcentration Amounts (without double counting the deduction with respect to the Outstanding Balance of Eligible Receivables and in this paragraph (g));

(h) the Currency Reserve (without double counting the deduction with respect to the Outstanding Balance of Eligible Receivables and in this paragraph (h));

(i) the USD Equivalent of the Country Overconcentration Amount (without double counting the deduction with respect to the Outstanding Balance of Eligible Receivables and this paragraph (i));
(j) the USD Equivalent of the Country Credit Rating Overconcentration Amount (without double counting (i) the deduction with respect to the Outstanding Balance of Eligible Receivables and this paragraph (j) and (ii) any amounts deducted in respect of the Country Overconcentration Amount under (i) of this definition); and

(k) the USD Equivalent of the Unbilled Receivables Overconcentration Amount (without double counting (i) the deduction with respect to the Outstanding Balance of Eligible Receivables and this paragraph (k) and (ii) any amount deducted in respect of (g), (i) or (j) above).

“Eligible Receivables” means the Receivables that satisfy each of the Eligibility Criteria.

“Encumbrance” includes any mortgage, charge, pledge, lien, hypothecation or other encumbrance or other security interest of any kind securing any obligation of any Person or any other type of agreement, trust or arrangement (including, title transfer and retention arrangements) or right of set off or analogous right having a similar effect.

“Enforcement Notice” means a written notice from the Styron Security Trustee (acting on the instructions of the Secured Creditors) to the Master Purchaser following the occurrence, and during the continuance, of an Event of Default (after giving effect to any applicable grace period and after consulting with the Instructing Party) declaring the whole of the Security enforceable.

“ERISA” means the United States Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, together with the regulations thereunder, in each case as in effect from time to time. References to sections of ERISA also refer to any successor sections.

“ERISA Affiliate” means a corporation, trade or business that is, along with a Seller, a member of a controlled group of corporations or a controlled group of trades or businesses, as described in section 414(b), (c), (m) or (o) of the IRC or section 4001(b) of ERISA.

“Estimated Senior Costs Amount” means the amounts which are expected to become due and payable on the next Monthly Payment Date pursuant to items first to seventh of the Pre-Enforcement Payments Priorities.

“EUR Equivalent” means, as of any date, the amount obtained by applying the rate for converting the relevant currency into EUR:

(a) in the case of the Swiss Servicers’ Monthly Report, such rate as the Swiss Servicer shall reasonably determine as at 9am in London on the final Business Day of the most recent Determination Period; and

(b) in the case of the Swiss Servicers’ Daily Report, the Spot Rate of exchange for that currency as at 9am in London on the preceding Business Day as notified by the Cash Manager to the Sellers on such Business Day.
“EUR Proportion” means, in respect of an amount, the EUR Equivalent of that amount multiplied by the fraction the numerator of which is the USD Equivalent of the aggregate Outstanding Balance of all Purchased Receivables not denominated in US Dollars and the denominator of which is the aggregate Outstanding Balance of all Purchased Receivables (calculated using the USD Equivalent of the Outstanding Balance not denominated in US Dollars).

“Event of Default” means an event of default as set out in Schedule 8 of this Deed.

“Excluded Obligor” means any Goodyear Company and any other Obligor which a Seller nominates (or has since 17 August 2010 nominated and not since notified the Master Purchaser otherwise) as an Excluded Obligor by providing 10 days’ written notice to the Master Purchaser and the Cash Manager provided that the relevant Seller may, on 10 days’ written notice specify that any Obligor that is then an Excluded Obligor is, from the expiry of such notice, no longer an Excluded Obligor.

“Excluded Receivables” means (i) Receivables originated by a Seller in respect of which the Obligor is an Excluded Obligor and (ii) any German Receivables which do not meet the Core Eligibility Criteria.

“Expenses” means:

(a) in respect of the Closing Date, subject to any agreed caps, the reasonable expenses incurred or to be incurred by the Master Purchaser in connection with the purchase of the Receivables pursuant to the Swiss Receivables Purchase Agreement and the issue of Notes on or about such date, including the properly incurred fees payable to the Styron Security Trustee and the properly incurred fees payable in respect of legal counsel to the Instructing Party and the Styron Security Trustee;

(b) in respect of the German Closing Date, subject to any agreed caps, the reasonable expenses incurred or to be incurred by the Master Purchaser in connection with the purchase of the Receivables pursuant to the German Receivables Purchase Agreement and the issue of Notes on or about such date, including the properly incurred fees payable to the Styron Security Trustee and the properly incurred fees payable in respect of legal counsel to the Instructing Party and the Styron Security Trustee;

(c) in respect of the Dutch Closing Date, subject to any agreed caps, the reasonable expenses incurred or to be incurred by the Master Purchaser in connection with the purchase of the Receivables pursuant to the Dutch Receivables Purchase Agreement and the issue of Notes on or about such date, including the properly incurred fees payable to the Styron Security Trustee and the properly incurred fees payable in respect of legal counsel to the Instructing Party and the Styron Security Trustee;

(d) in respect of the U.S. Closing Date, subject to any agreed caps, the reasonable expenses incurred or to be incurred by the Master Purchaser in connection with the purchase of the Receivables pursuant to the U.S. Intermediate Transfer Agreement and the issue of Notes on or about such date, including the properly incurred fees payable to the Styron Security Trustee and the
properly incurred fees payable in respect of legal counsel to the Instructing Party and the Styron Security Trustee;

(e) in respect of each Determination Period, the reasonable expenses incurred or to be incurred by the Master Purchaser in connection with the purchase of the Receivables pursuant to the Master Receivables Purchase Agreement and the issue of Notes on or about such date and the properly incurred fees payable to the Styron Security Trustee and the properly incurred fees payable in respect of legal counsel to the Instructing Party and the Styron Security Trustee;

(f) any taxes due and payable by the Master Purchaser in connection with the purchase of Receivables pursuant to the Master Receivables Purchase Agreement and the issue of the Notes;

(g) all reasonable fees, costs and expenses to be incurred in the winding-up of the Master Purchaser; and

(h) in respect of sub-clause 15.1.2(b) (Post-Enforcement Payments Priorities) of the Styron Security Deed only, an amount to be paid to the Collection Account Bank equal to all debit balances on the Pledged Accounts (as defined in the Styron Germany Account Pledge Agreement, German Account Pledge Agreement and the Trinseo Export German Account Pledge Agreement) which might result from re-debits following returned collection orders from cheques or direct debits or from incorrect bank transfers insofar as they relate to Collections in connection with the Pledged Accounts as defined in the Styron Germany Account Pledge Agreement, the German Account Pledge Agreement and the Trinseo Export German Account Pledge Agreement.

“Facility Limit” means USD 200,000,000.

“FATCA” means IRC Sections 1471 through 1474, as of the Dutch Closing Date (or any amended or successor version that is substantively comparable and any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the IRC.

“Fee Letter” means the fee letter dated on or around the Dutch Closing Date between, among others, the Sellers, the Master Purchaser and the Regency Noteholder.

“Final Discharge Date” means the date on which the Styron Security Trustee notifies the Master Purchaser and the Secured Creditors that it is satisfied that all the Secured Amounts and all other moneys and other liabilities (whether actual or contingent) due or owing by the Master Purchaser have been paid and discharged in full.

“Final Legal Maturity Date” means 28 May 2019.

“First Offer Date” means the date on which the Initial Note Issue Notice is served pursuant to the Variable Loan Note Issuance Deed.

“Floating Charge” means the floating charge created by the Master Purchaser in favour of the Styron Security Trustee pursuant to Clause 5 (Creation of Floating Charge) of the Styron Security Deed.
“**Force Majeure Event**” means an event beyond the reasonable control of the person affected including strike, lock-out, sit-in, labour dispute, act of God, war, insurrection, riot, epidemic, civil commotion, governmental directions and regulations, malicious damage, accident, breakdown of plant or machinery, computer software, hardware or system failure, earthquake, fire, flood, storm and other circumstances affecting the supply of goods or services.

“**Framework Deed**” and “**Master Definitions and Framework Deed**” means this Deed.

“**Framework Provisions**” means the provisions set out in clauses 3 to 8 and 11 to 25 of the Framework Deed.

“**Funding Agreement**” means the agreement dated 12 December 1997, as amended and restated on 21 September 2005 between, among others, the Regency Noteholder and Deutsche International Corporate Services (Ireland) Limited.

“**GAAP**” means, with respect to any Person, generally accepted accounting principles applicable to such Person (including generally accepted accounting principles applicable to such Person by law) or the consolidated group of which such Person is a member, as such principles may change from time to time.

“**German Closing Date**” has the meaning given to it in the German Receivables Purchase Agreement.

“**German Account Pledge Agreement**” means the Account Pledge Agreement executed by the Current Swiss Seller, the Master Purchaser and the Styron Security Trustee with respect to the Collection Accounts of the Current Swiss Seller dated 17 August 2010.

“**German Collection Accounts**” means the Collection Accounts owned by the German Seller, which receive Collections related to the German Purchased Receivables sold by the German Seller to the Master Purchaser pursuant to the German Receivables Purchase Agreement.

“**German Funding Date**” means the day falling one Business Day after the day the first Offer is delivered under the German Receivables Purchase Agreement or such other date as may be agreed by the German Seller and the Cash Manager.

“**German Purchase Rate**” means 99%.

“**German Purchased Receivables**” means the Receivables purchased by the Master Purchaser, including for the avoidance of doubt the Receivables purchased under Clause 10.2 (**Further Assurances**) of the German Receivables Purchase Agreement, on the terms of the German Receivables Purchase Agreement.

“**German Receivables**” means Receivables originated by the German Seller.

“**German Receivables Purchase Agreement**” means the German receivables purchase agreement dated 24 May 2011, as amended and restated on or around the Dutch Closing Date between the German Seller, the Current Swiss Seller, the Investment Manager, the Master Purchaser and the Styron Security Trustee.
“German Security Assignment and Trust Agreement” means the agreement so named dated on or about the German Closing Date between the Master Purchaser, the Styron Security Trustee, the Regency Noteholder and the Styron Noteholder.

“German Seller” means Trinseo Deutschland Anlagengesellschaft mbH (formerly Styron Deutschland Anlagengesellschaft mbH), incorporated in Germany, in its capacity as seller of Receivables to the Master Purchaser under the German Receivables Purchase Agreement.

“German Seller Credit and Collection Procedures” means the Seller’s Credit and Collection Procedures with respect to the German Seller.

“German Servicer” means the person appointed by the Master Purchaser under the German Servicing Agreement to manage and provide administration and collection services in relation to the Purchased Receivables purchased by the Master Purchaser pursuant to the German Receivables Purchase Agreement.

“German Servicer Default” means the occurrence of any of the events described in Schedule 2 hereto as if each reference therein to “Swiss Servicer” was a reference to “German Servicer”, each reference to “Swiss Receivables Purchase Agreement” was a reference to “German Receivables Purchase Agreement” and each reference to “Swiss Servicing Agreement” was a reference to “German Servicing Agreement”.

“German Servicer’s Daily Report” means any document prepared by the German Servicer in accordance with Clause 7.2 (German Servicer’s Daily Reports) of the German Servicing Agreement, provided that all data required to be included in the German Servicer’s Daily Report shall be consolidated in the Swiss Servicers’ Daily Report.

“German Servicer’s Monthly Report” means any document prepared by the German Servicer in accordance with Clause 7.1 (German Servicer’s Monthly Reports) of the German Servicing Agreement provided that all data required to be included in the German Servicer’s Monthly Report shall be consolidated in the Swiss Servicers’ Monthly Report.

“German Servicing Agreement” means the German Servicing Agreement dated 14 May 2011, as amended and restated on or around the Dutch Closing Date, relating to the German Purchased Receivables between the Master Purchaser, the German Servicer and the Styron Security Trustee relating to the German Purchased Receivables.

“German VAT Rate” means the applicable rate of VAT as set out in the German VAT Act (Umsatzsteuergesetz).

“Goodyear Company” means any of:

(a) Debica S.A. Tyre Company T.C.;
(b) Goodyear Canada Inc.;
(c) Goodyear Dalian Tire Co Ltd;
Governmental Authority means any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

Guarantee Event has the meaning given to it in the Guarantee Agreement.

Guarantee Agreement means the agreement dated 12 August 2010, as amended and restated on 24 May 2011, 30 May 2013 and on the 2016 Amendment Effective Date to which the Guarantor, the Styron Security Trustee, the Master Purchaser and Regency Noteholder are party.

Guarantor means the Parent, as guarantor, under the Guarantee Agreement.

Guarantor Covenants means the covenants made by the Guarantor contained in Schedule 2 (Covenants) of the Guarantee Agreement.

Guarantor Warranties means the warranties made by the Guarantor contained in Schedule 1 (Representations and Warranties) of the Guarantee Agreement.

Guidelines means:

(a) guideline S-02.123 in relation to interbank loans of 22 September 1986 (Merkblatt S-02-.123 vom 22 September 1986 betreffend Zinsen von Bankguthaben, deren Gläubiger Banken sind (Interbankguthaben));

(b) guideline S-02.132 in relation to issuance stamp duty on fixed deposits of 1 April 1993 (Merkblatt S-02.132 vom 1. April 1993 betreffend Emissionsabgabe auf Festgeldanlagen bei inländischen Banken);

(c) guideline S-02.130.1 in relation to accounts receivables of Swiss debtors of April 1999 (Merkblatt S-02.130.1 vom April 1999 Geldmarktpapiere und Buchforderungen inländischer Schuldner);

(d) guideline S-02.122.1 in relation to bonds of April 1999 (Merkblatt S-02.122.1 vom April 1999 betreffend Obligationen);

(e) guideline S-02.122.2 in relation to customer credit balances of April 1999 (Merkblatt S-02.122.2 vom April 1999 betreffend Kundenguthaben);
(f) guideline S-02.128 in relation to syndicated credit facilities of January 2000 ( Merkblatt S-02.128 vom Januar 2000 Steuerliche Behandlung von Konsortialdarlehen, Schuldcheindarlehen, Wechseln und Unterbeteiligungen ); and

(g) circular letter No. 15 in relation to bonds and derivatives of 7 February 2007 ( Kreisschreiben Nr. 15 vom 7. Februar 2007 betreffend Obligationen und derivative Finanzinstrumente als Gegenstand der direkten Bundessteuer, der Verrechnungssteuer sowie der Stempelabgaben ), each as issued, amended or substituted from time to time.

“ Haulage Company ” means any company or other person employed by a Seller to deliver chemical products to Obligors.

“ Holder ” means the person registered in the Register maintained by the Registrar in relation to a Note as the duly registered holder of such Note or, if more than one person is so registered, the first-named of such persons.

“ Initial Conditions Precedent ” means the conditions set out in Schedule 9 ( Initial Conditions Precedent ), which are applicable to the Closing Date.

“ Initial Note Issue Notice ” means a notice of an Initial Offer delivered by the Master Purchaser to each Noteholder in accordance with Clause 4.1 ( Initial Offer ) of the Variable Loan Note Issuance Deed.

“ Initial Noteholders ” means the initial Regency Noteholder and the initial Styron Noteholder.

“ Initial Offer ” means each initial offer by the Master Purchaser in accordance with Clause 5.1 ( Initial Offer ) of the Variable Loan Note Issuance Deed.

“ Initial Principal Amount ” means, in relation to any Note, the Principal Amount Outstanding of such Note on the Swiss Funding Date.

“ Initial Purchase Price ” has the meaning specified in clause 3.1(a) of the Swiss Master Receivables Purchase Agreement, clause 3.1 of the Dutch Receivables Purchase Agreement or clause 3.1 of the U.S. Intermediate Transfer Agreement (as applicable) (or, in the case of the German Receivables Purchase Agreement or the U.S. Receivables Purchase Agreement, as applicable, the meaning given to the term “ Purchase Price ”).

“ Initial Purchase Price Payment Request ” means a request made by a Seller pursuant to Clause 3.3(d) ( Initial Purchase Price Payment Request ) of the Swiss Master Receivables Purchase Agreement, Clause 3.2(d) ( Purchase Price Payment Request ) of the German Receivables Purchase Agreement, Clause 3.2(d) ( Purchase Price ) of the Dutch Receivables Purchase Agreement or Clause 3.2(d) ( Purchase Price Payment Request ) of the U.S. Intermediate Transfer Agreement (as applicable);

“ Initial Subscription Price ” means the amount which a Noteholder is required to pay for each $1 or €1 in Initial Principal Amount of the relevant Notes as specified in the relevant Initial Offer.

“Insolvency Event” in respect of a company means:

(a) such company is unable or admits its inability to pay its debts as they fall due (after taking into account any grace period or permitted deferral), or suspends making payments on any of its debts; or

(b) such company is (or is deemed to be) unable to pay its debts as they fall due within the meaning of Section 214 of the Irish Companies Act 1963 or Section 2(3) of the Irish Companies Amendment (Act) 1990; or

(c) a moratorium is declared in respect of any indebtedness of such company; or

(d) the value of the assets of such company falls to less than the amount of its liabilities; or

(e) such company otherwise becomes insolvent; or

(f) the commencement of negotiations with one or more creditors of such company with a view to rescheduling any indebtedness of such company other than in connection with any refinancing in the ordinary course of business; or

(g) any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the appointment of an Insolvency Official in relation to such company or in relation to the whole or any part of the undertaking or assets of such company except, in the case of the Regency Noteholder, the application to the Court under paragraph 12 or the filing of notice of intention to appoint an administrator under paragraph 26 of Schedule B1 to the Insolvency Act by the Master Purchaser or its directors, or the appointment or an administrative receiver by the Styron Security Trustee following any such application or notice; or

(ii) an encumbrancer (excluding, in relation to the Master Purchaser, the Styron Security Trustee or any Receiver) taking possession of the whole or in the opinion of the Styron Security Trustee any substantial part of the undertaking or assets of such company; or

(iii) the making of an arrangement, composition or compromise (whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditor of such company, a conveyance to or assignment for the creditors of such company generally or the making of an application to a court of competent jurisdiction for protection from the creditors of such company generally other than in connection with any refinancing in the ordinary course of business; or

(iv) any distress, execution, attachment or other process being levied or enforced or enforced or imposed upon or against the whole or any part of the undertaking or assets of such company (excluding, in relation to
the Master Purchaser, by the Styron Security Trustee or any Receiver); or

(h) any procedure or step is taken, or any event occurs, analogous to those set out in (a) to (f) above, in any jurisdiction.

“Insolvency Law” means law relating to bankruptcy, insolvency, administration, receivership, examination, administrative receivership, reorganization, winding up or composition, moratorium or adjustment of debts or the rights of creditors generally (whether by way of voluntary arrangement or otherwise). For the avoidance of doubt, the term “Insolvency Law” shall include the Insolvency Regulation.

“Insolvency Official” means, a liquidator, provisional liquidator, administrator, administrative receiver, examiner, receiver, receiver or manager, compulsory or interim manager, nominee, supervisor, trustee, conservator, guardian or other similar officer in respect of such company or in respect of any arrangement, compromise or composition with any creditors or any equivalent or analogous officer under the law of any jurisdiction.


“Instructing Party” means (i) the Regency Noteholder or (ii) if the Styron Noteholder and Regency Assets Designated Activity Company confirm to the Styron Security Trustee in writing that there are no Regency Notes outstanding and the Regency Noteholder has no further obligations to subscribe for further Notes, such other person as the Secured Creditors (other than the Styron Security Trustee) shall unanimously agree and notify to the Styron Security Trustee.

“Interest Period” means each period from (and including) a Monthly Payment Date (or the Swiss Funding Date) to (but excluding) the next (or first) Monthly Payment Date.

“Investment Manager” means the person appointed by the Sellers to accept the Purchase Price with respect to Purchased Receivables on their behalf and to perform various other services related to the collection and distribution of such funds, being Styfco at the U.S. Closing Date.

“Investment Manager Operating Accounts” means the following accounts:

(a) in respect of euro:

| Account Name: | Trinseo Finance Luxembourg SARL Swiss Branch |
| Bank: | Deutsche Bank AG, Frankfurt, Germany |
| SWIFT: | DEUTDEFF |
| IBAN: | a/c Number: |

(b) in respect of US Dollar:

| Account Name: | Trinseo Finance Luxembourg SARL Swiss Branch |
| Bank: | Deutsche Bank AG, Frankfurt, Germany |
or such other account or account of the Investment Manager with a bank as may, following 10 Business Days’ prior written notification to the Master Purchaser, the Styron Security Trustee and the Cash Manager, be utilised for the time being for the purposes of payment to any Seller of amounts due and payable to it under the relevant Master Receivables Purchase Agreement.

“Invoice” means the account for payment sent by or on behalf of a Seller to an Obligor specifying the goods supplied, the amount due to be paid in respect thereof by the Obligor including any VAT chargeable in respect of those goods and the due date for such payment.


“Large Obligor” means an Obligor in respect of which:

(a) the Outstanding Balance of Purchased Receivables relating to such Obligor which are Delinquent Receivables constitute at least 5% of the aggregate Outstanding Balance of all Purchased Receivables; or

(b) the Outstanding Balance of Purchased Receivables relating to such Obligor which are Defaulted Receivables constitute at least 5% of the aggregate Outstanding Balance of all Purchased Receivables.

“Ledgers” means the Distribution Ledgers and “Ledger” means any one of them.

“Liabilities” means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including reasonable legal fees and any Taxes and penalties incurred by that person.

“Liquidity Facility Agreement” means the liquidity facility agreement dated on or about the 11 August 2010, as amended and restated on or about the Extension Date (as defined in the amendment deed to the Framework Deed dated on or around 4 February 2016), between the Regency Noteholder, the Liquidity Facility Provider and Deutsche International Corporate Services (Ireland) Limited.

“Liquidity Facility Provider” means HSBC Bank plc.

“Loss and Dilution Reserve” means, on any date, an amount equal to:

\[
\text{Loss and Dilution Reserve} = (\text{LDRR} \times \text{NERB})
\]

where:

LDRR = the Loss and Dilution Reserve Ratio on such date; and
NERB = the Net Eligible Receivables Balance at the close of business of the Investment Manager on such date.

“Loss and Dilution Reserve Ratio” means, on any date, the sum of:

(a) the greater of (i) the Loss Reserve Floor and (ii) Loss Reserve Ratio; plus
(b) the greater of (i) the Dilution Reserve Floor and (ii) Dilution Reserve Ratio.

“Loss Horizon Ratio” means, as of any Monthly Reporting Date, the sum of (i) the preceding five (5) months of aggregate sales divided by (ii) the Net Eligible Receivables Balance as at the end of the current Determination Period.

“Loss Reserve Floor” means 10%.

“Loss Reserve Ratio” means, as of any Monthly Reporting Date, a percentage calculated in accordance with the following formula:

\[
\text{LRR} = \text{LHR} \times \text{AD} \times \text{SF}
\]

where:

LRR = the Loss Reserve Ratio;
LHR = the Loss Horizon Ratio;
AD = the “Average Default”, defined as the highest three-month rolling average Default Ratio that occurred during the period of twelve (12) consecutive Monthly Periods immediately preceding such earlier Monthly Reporting Date; and
SF = the Applicable Stress Factor.

“LPA” means the Law of Property Act 1925.

“Mandate” means the resolutions, instructions and signature authorities relating to the Master Purchaser Accounts in the form of the document set out in Schedule 1 to the Account Bank Agreement.

“Master Purchaser” means Styron Receivables Funding Designated Activity Company, a company registered in Ireland with registration number 486138, whose registered office is at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

“Master Purchaser Account Bank” means HSBC Bank plc.

“Master Purchaser Account Mandate” means the resolutions, instructions and signature authorities relating to the Master Purchaser Account in the form of the document set out in Schedule 1 (Master Purchaser Account Mandate) of the Account Bank Agreement.
“Master Purchaser Accounts” means the accounts so named with the Master Purchaser Account Bank (so long as it is an Eligible Institution) specified in the Account Details or such other account or accounts as may, with the prior written consent of the Styron Security Trustee, be designated by the Master Purchaser as such an account.

“Master Purchaser Covenants” means the covenants of the Master Purchaser set out in Schedule 7 of this Framework Deed.

“Master Purchaser Enforcement Event” means an Event of Default.

“Master Purchaser EUR Account” means the account so named with the Master Purchaser Account Bank (so long as it is an Eligible Institution) specified in the Account Details or such other account or accounts as may, with the prior written consent of the Styron Security Trustee, be designated by the Master Purchaser as such account.

“Master Purchaser USD Account” means the account so named with the Master Purchaser Account Bank (so long as it is an Eligible Institution) specified in the Account Details or such other account or accounts as may, with the prior written consent of the Styron Security Trustee, be designated by the Master Purchaser as such account.

“Master Purchaser Receivables Power of Attorney” means a power of attorney substantially in the form of Schedule 4 to a Master Receivables Purchase Agreement (or, with respect to the U.S. Receivables Purchase Agreement, Part B of Schedule 4 thereto).

“Master Purchaser Security Document” means the Styron Security Deed, the German Security Assignment and Trust Agreement and the U.S. Security Agreement.

“Master Purchaser Warranties” means the representations and warranties of the Master Purchaser set out in Schedule 7 of this Deed and “Master Purchaser Warranty” means any of them.

“Master Receivables Purchase Agreement” means the Swiss Receivables Purchase Agreement, the German Receivables Purchase Agreement, the Dutch Receivables Purchase Agreement, the U.S. Receivables Purchase Agreement, the U.S. Intermediate Transfer Agreement or any other master receivables purchase agreement to which a Seller, the Master Purchaser and the Styron Security Trustee are a party, as the context may require.

“Material Adverse Effect” means a material adverse effect on:

(a) the collectability of the Receivables or any significant portion thereof,

(b) the ability of a Seller, the Styron Noteholder, the Parent or a Servicer to perform any of its respective material obligations under the Transaction Documents to which it is a party,

(c) the legality, validity or enforceability of the Transaction Documents (including, the validity, enforceability or priority of any of the Encumbrances
granted thereunder) or the rights of the Regency Noteholder, the Liquidity Facility Provider or the Styron Security Trustee under the Transaction Documents,

and for the avoidance of doubt, an event of default under the Credit Agreement (or any replacement credit agreement, notes of indebtedness or other debt issued from time to time) shall not constitute a Material Adverse Effect unless any of (a) to (c) are also applicable.

“Minimum Long-term Rating” means, in respect of any person, such person’s long term unsecured, unsubordinated, unguaranteed debt obligations being rated, in the case of Moody’s, “Aa3”, and in the case of S&P, “AA-”.

“Minimum Short-term Rating” means, in respect of any person, such person’s short term unsecured, unsubordinated, unguaranteed debt obligations being rated at least, in the case of Moody’s, “Prime-1”, and in the case of S&P, “A-1”.

“Monthly Payment Date” means 18 September 2010 and the 18th of each month thereafter or, if such day is not a Business Day, the next Business Day.

“Monthly Payment Date Payments Priorities” means the provisions relating to the order of priority of payments set out in Paragraph 11 (Payments from Distribution Ledgers on a Monthly Payment Date) of Part 5 (Payments Priorities) of Schedule 1 (Services to be provided by the Cash Manager) of the Cash Management Agreement.

“Monthly Reporting Date” means, in respect of each Determination Period, the twelfth Business Day of the month immediately following that Determination Period.

“Moody’s” means Moody’s Investors Service Limited or the successor to its rating business.

“Net Eligible Receivables Balance” means, as of any Determination Date, the amount equal to the Receivables Pool on such date less (a) outstanding balances of customer deposits which are not Collections, if any, (b) Unapplied Credits, in respect of any Eligible Receivables which are Purchased Receivables, if any, and (c) the Aggregate Obligor Overconcentration Amount on such Determination Date.

“Non-Bank Rules” means the Ten Non-Bank Rule and the Twenty Non-Bank Rule.

“Non-Conforming Receivable” has the meaning specified in clause 7.1 of the Master Receivables Purchase Agreement.

“Non-Investment Grade Country” means an Unrestricted Country or an Eligible Country that has a sovereign debt rating of less than “BBB-” from S&P or “Baa3” from Moody’s.

“Normal Concentration Limit” has the meaning set out in paragraph (u) of Schedule 3.

“Note Certificates” means the certificates evidencing the Notes.
“Note Interest Rate” means, in respect of any Monthly Payment Date, the interest rate applicable for the Interest Period ending on such Monthly Payment Date in respect of a Note, as calculated by the Cash Manager on or prior to each Monthly Payment Date as being the sum of (i) the Note Refinancing Rate and (ii) the Usage Fee.

“Note Principal Payment” has the meaning given to it in Condition 3.

“Note Proceeds” means, in respect of the issue of the Notes or any increase in the Principal Amount Outstanding, the gross proceeds of such issue or increase.

“Note Rate” means the relevant Note Interest Rate.

“Note Refinancing Rate” means, in respect of any Payment Date, the rate determined from the following formula:

\[(A \times B) + (C \times D)\]

where

\[A = \text{the CP Rate for the relevant Interest Period;}\]

\[B = \text{the fraction, expressed as a percentage, of (i) the principal amount of the Regency USD Note (if the relevant Note is denominated in Dollars) or Regency EUR Note (if the relevant Note is denominated in Euro), the purchasing and holding of which is funded through the commercial paper markets over (ii) the Regency USD Note Principal Amount Outstanding (if the relevant Note is denominated in Dollars) or Regency EUR Note Principal Amount Outstanding (if the relevant Note is denominated in Euro);}\]

\[C = \text{the Reuters Screen Rate for the relevant Interest Period; and}\]

\[D = \text{the fraction, expressed as a percentage, of (i) the principal amount of the Regency USD Note (if the relevant Note is denominated in Dollars) or Regency EUR Note (if the relevant Note is denominated in Euro), the purchasing and holding of which is funded by drawings under the Regency Liquidity Facility Agreement over (ii) the Regency USD Note Principal Amount Outstanding (if the relevant Note is denominated in Dollars) or Regency EUR Note Principal Amount Outstanding (if the relevant Note is denominated in Euro).}\]

“Noteholders” means the Regency Noteholder and the Styron Noteholder.

“Noteholder’s Account” means the account of each Noteholder to which the Master Purchaser is to remit funds pursuant to the Variable Loan Note Issuance Deed as specified in the Account Details or as otherwise notified to the Master Purchaser and the Cash Manager.

“Notes” means the Regency Note and the Styron Note and “Note” means any of them.

“Notices Condition” means Condition 17 (Notices).
“Notices Details” means the provisions set out in Clause 8 (Notices) of this Deed.

“Notification Event” means a Perfection Event.

“Obligations” means all of the obligations of the Master Purchaser created by or arising under the Notes and the Relevant Transaction Documents.

“Obligor” means a customer of a Seller who is party to a Contract relating to the supply of products giving rise to Receivables.

“Obligor Limit” means, as of any Determination Date with respect to each Obligor having an unsecured long-term debt rating (or equivalent shadow rating) from each of S&P and Moody’s, an amount equal to (a) the applicable percentage listed opposite such Obligor’s debt rating in the chart set forth below multiplied by (b) the Aggregate Receivables Balance as of the immediately preceding Business Day:

<table>
<thead>
<tr>
<th>Long-Term Rating of Obligor</th>
<th>Equivalent Short-Term Rating</th>
<th>Applicable Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P AA- or higher</td>
<td>A-1</td>
<td>10%</td>
</tr>
<tr>
<td>Moody’s Aa3 or higher</td>
<td>P-1</td>
<td>10%</td>
</tr>
<tr>
<td>S&amp;P BBB+ or higher (but lower than AA-)</td>
<td>A-2</td>
<td>7.5%</td>
</tr>
<tr>
<td>Moody’s Baa1 or higher (but lower than Aa3)</td>
<td>P-2</td>
<td>7.5%</td>
</tr>
<tr>
<td>S&amp;P BBB- or higher (but lower than BBB+)</td>
<td>A-3</td>
<td>5%</td>
</tr>
<tr>
<td>Moody’s Baa3 or higher (but lower than Baa1)</td>
<td>P-3</td>
<td>5%</td>
</tr>
<tr>
<td>S&amp;P Lower than BBB- or Not Rated</td>
<td>Lower than A2 or Not Rated</td>
<td>3%</td>
</tr>
<tr>
<td>Moody’s Lower than Baa3 or Not Rated</td>
<td>Lower than P2 or Not Rated</td>
<td>3%</td>
</tr>
</tbody>
</table>

For purposes of calculating the foregoing:

(a) if an Obligor’s unsecured long-term debt rating (or equivalent shadow rating) results in different Obligor Limits (because of a difference in the long-term unsecured debt ratings assigned by each of S&P and Moody’s), the lower Obligor Limit shall be the Obligor Limit for such Obligor;
(b) in the case of an Obligor which is affiliated with one or more other Obligors, the foregoing Obligor Limits shall be calculated as if such Obligor and such affiliated Obligors were one Obligor; and

(c) an Obligor which does not have a long-term debt rating from S&P /or Moody’s but which has the equivalent short-term rating from such rating agency as described above shall be deemed to have the related long-term rating.

“Obligor Overconcentration Amounts” means, with respect to each Obligor as of any Determination Date, the aggregate amount by which the Outstanding Balance owed by each Obligor with respect to Eligible Receivables exceeds the applicable Obligor Limit as specified in the most recent Swiss Servicer’s Daily Report, provided that any Affiliates of an Obligor shall be treated as if they are one Obligor.

“Offer” means a written offer in substantially the form set out in Schedule 5 to the relevant Master Receivables Purchase Agreement.

“Outstanding Balance” means, in relation to a particular Billed Receivable on a particular date, the total balance of the amounts outstanding thereunder, including any amounts in respect of Value Added Tax, and in relation to a particular Unbilled Receivable, means an amount equal to the Post Goods Issued Value of the product in question excluding any amounts in respect of any applicable Value Added Tax.

“Parent” means (a) Trinseo Holding S.à r.l., a Luxembourg private limited liability company (société à responsabilité limitée) with registered office at 4, rue Lou Hemmer, L-1748 Findel, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 153.582 and having a share capital of US$ 162,815,834.12.

“Parent’s Quarterly LE Accounts” means the consolidated quarterly management accounts prepared by the Parent in the form required by the Credit Agreement as of the Closing Date or such other form as may be consented to by the Instructing Party.

“PATRIOT Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56.

“Payments Priorities” means the Post-Enforcement Payments Priorities and the Pre-Enforcement Payments Priorities.

“Perfection Event” means the occurrence of any of the events set out in Part B of Schedule 1.

“Person” means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

“Plan” means any employee pension benefit plan (other than a multiemployer plan as defined in section 4001(a)(3) of ERISA) subject to the provisions of Title IV of ERISA or section 412 of the IRC and in respect of which the U.S. Seller, the U.S.
Intermediate Transferor or any ERISA Affiliate is (or, if such plan were terminated, would under section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Post-Enforcement Payments Priorities” means the provisions relating to the order of priority of payments from the Master Purchaser Account set out in Clause 15 (Post Enforcement Payments Priorities) of the Styron Security Deed.

“Post Goods Issued Value” means the product of (i) the aggregate cost of the material used in the production of the product in question and (ii) 85%.

“Potential Dutch Servicer Default” means an event that but for the giving of notice or lapse of time or both would constitute a Dutch Servicer Default.

“Potential Event of Default” means any event which would become (with the passage of time, the giving of notice, the making of any determination or any combination thereof) an Event of Default.

“Potential German Servicer Default” means an event that but for the giving of notice or lapse of time or both would constitute a German Servicer Default.

“Potential Swiss Servicer Default” means an event that but for the giving of notice or lapse of time or both would constitute a Swiss Servicer Default.

“Potential Termination Event” means an event that but for the notice or lapse of time or both would constitute a Termination Event.

“Potential U.S. Servicer Default” means an event that but for the giving of notice or lapse of time or both would constitute a U.S. Servicer Default.

“Pre-Enforcement Payments Priorities” means the Settlement Date Payments Priorities and the Monthly Payment Date Payments Priorities.

“Prepayment” has the meaning given in Condition 9.2 of the Notes.

“Principal Amount Outstanding” means the Regency USD Note Principal Amount Outstanding, the Regency EUR Note Principal Amount Outstanding, the Styron USD Note Principal Amount Outstanding or the Styron EUR Note Principal Amount Outstanding, as the case may be.

“Programme Termination Date” means the earliest to occur of: (a) the Final Legal Maturity Date, (b) the date on which a Perfection Event in clause (b) in Part B of Schedule 1 occurs and (c) the date, following a Termination Event, that the Master Purchaser, acting on the instructions of the Instructing Party, notifies the Sellers that it is the Programme Termination Date.

“Purchase Base” means the Purchase Rate multiplied by the Eligible Pool Balance specified in the Swiss Servicers’ Daily Report (as may be adjusted in accordance with Clause 4.3(q)(vi) of the German Receivables Purchase Agreement).

“Purchase Date” means, in respect of a Receivable and its Related Rights, the date such Receivable is accepted by the Master Purchaser pursuant to the relevant Master
Receivables Purchase Agreement or, in the case of a sale of Receivables by the U.S. Seller to the U.S. Intermediate Transferor, the date such Receivable is sold or contributed to the U.S. Intermediate Transferor pursuant to the U.S. Receivables Purchase Agreement.

“Purchase Price” means, (i) in respect of each Purchased Receivable other than when used in connection with the U.S. Receivables Purchase Agreement, the Initial Purchase Price plus the Deferred Purchase Price (if applicable), and (ii) when used in respect of each Purchased Receivable in connection with the U.S. Receivables Purchase Agreement, has the meaning specified in the U.S. Receivables Purchase Agreement.

“Purchase Rate” means:

(a) prior to 1 January 2015, 1 less the fraction the numerator of which is the Total Reserves and the denominator of which is the Net Eligible Receivables Balance; and

(b) on and after 1 January 2015, 1 less the higher of: (i) the fraction the numerator of which is the Total Reserves and the denominator of which is the Net Eligible Receivables Balance; and (ii) 0.05.

“Purchased Receivable” means any Receivable which has been purchased by the Master Purchaser or purchased by or contributed to the U.S. Intermediate Transferor, as applicable, pursuant to a Master Receivables Purchase Agreement, which remains outstanding and which has not been repurchased by the relevant Seller pursuant to the relevant Master Receivables Purchase Agreement.

“Qualifying Bank” means a person or entity which effectively conducts banking activities with its own infrastructure and staff as its principal purpose and which has a banking license in full force and effect issued in accordance with the banking laws in force in its jurisdiction of incorporation, or if acting through a branch, issued in accordance with the banking laws in the jurisdiction of such branch, all in accordance with the Guidelines.

“Qualifying Investor” means a person which is beneficially entitled to interest payable to that person in respect of a Note and is (a) a person who is, by virtue of the law of a Qualifying Jurisdiction, resident for the purposes of tax in the Qualifying Jurisdiction except, in a case where the person is a body corporate, where interest payable to that person in respect of a Note is paid in connection with a trade or business which is carried on in Ireland by that body corporate through a branch or agency or (b) a qualifying company (within the meaning of section 110 of the Taxes Consolidation Act of Ireland 1997).

“Qualifying Jurisdiction” means:

(a) a member state of the European Communities other than Ireland;

(b) the United Kingdom;

(c) a jurisdiction with which Ireland has entered into a Tax Treaty that has the force of law; or
(d) a jurisdiction with which Ireland has entered into a Tax Treaty where that Tax Treaty will (on completion of necessary procedures) have the force of law.

“Rating Agencies” means Moody’s and S&P as applicable.

“Receivable” means in respect of a Seller, each amount payable (or which will, upon delivery of the relevant Invoice, or delivery of the relevant chemical products, become payable) by an Obligor for chemical products supplied or to be supplied by the relevant Seller pursuant to a Contract and all rights to, or to demand, sue for, recover, receive and give receipts for payment of any such amount or any invoice and the proceeds of payment.

“Receivables Pool” or “Pool Receivables” means the aggregate Outstanding Balances of all Purchased Receivables at any time.

“Receivables Warranties” means the representations and warranties set out in Part B of Schedule 1 to the Master Receivables Purchase Agreement.

“Receiver” means a receiver appointed by the Styron Security Trustee pursuant to clause 18 of the Styron Security Deed.

“Regency Commitment Fee” means the fee specified as such in the Fee Letter.

“Regency EUR Note” means the EUR denominated note issued by the Master Purchaser to the Regency Noteholder pursuant to the Variable Loan Note Issuance Deed.

“Regency EUR Note Additional Principal Amount” means the greater of (i) zero and (ii) the EUR Proportion of the Regency Percentage of the Purchase Base specified in the Swiss Servicers’ Daily Report delivered three Business Days prior to the relevant Roll Date or, if applicable, on the relevant Reporting Date on which a Seller makes a request pursuant to Clause 6.1.2 or 6.1.3 of the Variable Loan Note Issuance Deed less the Principal Amount Outstanding of the Regency EUR Note immediately prior to the relevant Roll Date.

“Regency EUR Note Initial Principal Amount” means the EUR Proportion of the Regency Percentage of the Purchase Base specified in the first Current Swiss Servicer’s Daily Report delivered by the Current Swiss Servicer.

“Regency EUR Note Principal Amount Outstanding” means:

(a) on the Swiss Funding Date, the Regency EUR Note Initial Principal Amount; and

(b) on any day following the Swiss Funding Date, the Regency EUR Note Principal Amount Outstanding as at the end of the immediately preceding day:

(i) plus (if such day is a Settlement Date), the amount of any Regency EUR Note Additional Principal Amount paid by the Regency Noteholder on such day; and
(ii) minus (if such day is a Roll Date) the Regency EUR Note Redemption Amount paid to the Regency Noteholder on such day.

"Regency EUR Note Redemption Amount" means:

(a) prior to the occurrence of a Termination Event that is continuing, the greater of (i) zero and (ii) the Principal Amount Outstanding of the Regency EUR Note immediately prior to the relevant Roll Date less the EUR Proportion of the Regency Percentage of the Purchase Base specified in the Swiss Servicers’ Daily Report delivered three Business Days prior to the relevant Roll Date; and

(b) following the occurrence of a Termination Event that is continuing, the EUR Proportion of the Regency Percentage of the balance stood to the credit of the Master Purchaser Accounts following payment of items first to seventh in the Pre-Enforcement Payments Priorities on the relevant Monthly Payment Date.

"Regency Note Interest Amount" means, in respect of any Monthly Payment Date, in respect of a Regency Note, the aggregate of the results of the following formula being applied in respect of each $1 or €1 of Principal Amount Outstanding of the relevant Regency Note that was outstanding at any point during the relevant Interest Period (rounded to the nearest eurocent, half a eurocent being rounded up):

\[
((A / 360) \times (B \times C))
\]

where

\[A = \text{the exact number of days during the relevant Interest Period that such } \$1 \text{ or } \€1 \text{ of Principal Amount Outstanding was outstanding;}
\]

\[B = \text{such } \$1 \text{ or } \€1 \text{ of Principal Amount Outstanding of the relevant Regency Note, as the case may be; and}
\]

\[C = \text{the relevant Note Interest Rate;}
\]

plus any part of the Regency Note Interest Amount in respect of the immediately preceding Monthly Payment Date not paid on such immediately preceding Monthly Payment Date, plus the amount of Default Interest due on such unpaid amount.

"Regency Noteholder" means the holder for the time being of the Regency Note.

"Regency Note Redemption Amount" means the Regency EUR Note Redemption Amount or the Regency USD Note Redemption Amount as applicable.

"Regency Noteholder Related Debt" means any notes or other securities or instruments issued or any other debt incurred by the Regency Noteholder (including any liquidity facility agreement or credit support agreement) or any hedging agreement entered into by the Regency Noteholder in connection with the funding provided or to be provided pursuant to the Variable Loan Note Issuance Deed.

"Regency Notes" means the Regency USD Note and the Regency EUR Note.
“Regency Percentage” means:
(a) in respect of the Regency EUR Note, 100% minus the Styron Percentage for the Styron EUR Note;
(b) in respect of the Regency USD Note, 100% minus the Styron Percentage for the Styron USD Note; or
(c) if in respect of both the Regency EUR Note and the Regency USD Note, the weighted average (by reference to the principal amount of each Note) of the percentages in (a) and (b) above.

“Regency USD Note” means the US Dollar denominated note issued by the Master Purchaser to the Regency Noteholder pursuant to the Variable Loan Note Issuance Deed.

“Regency USD Note Additional Principal Amount” means the greater of (i) zero and (ii) the USD Proportion of the Regency Percentage of the Purchase Base specified in the Swiss Sellers’ Daily Report delivered three Business Days prior to the relevant Roll Date or, if applicable, on the relevant Reporting Date on which a Seller makes a request pursuant to Clause 6.1.2 or 6.1.3 of the Variable Loan Note Issuance Deed less the Principal Amount Outstanding of the Regency USD Note immediately prior to the relevant Roll Date.

“Regency USD Note Initial Principal Amount” means the USD Proportion of the Regency Percentage of the Purchase Base specified in the first Current Swiss Seller’s Daily Report delivered by the Current Swiss Seller.

“Regency USD Note Principal Amount Outstanding” means:
(a) on the Swiss Funding Date, the Regency USD Note Initial Principal Amount Outstanding; and
(b) on any day following the Swiss Funding Date, the Regency USD Note Principal Amount Outstanding as at the end of the immediately preceding day:

(i) plus (if such day is a Settlement Date), the amount of any Regency USD Note Additional Principal Amount paid by the Regency Noteholder on such day; and

(ii) minus (if such day is a Roll Date) the Regency USD Note Redemption Amount paid to the Regency Noteholder on such day.

“Regency USD Note Redemption Amount” means:
(a) prior to the occurrence of a Termination Event that is continuing, the greater of (i) zero and (ii) the Principal Amount Outstanding of the Regency USD Note immediately prior to the relevant Roll Date less the USD Proportion of the Regency Percentage of the Purchase Base specified in the Swiss Sellers’ Daily Report delivered three Business Days prior to the relevant Roll Date; and
following the occurrence of a Termination Event that is continuing, the USD Proportion of the Regency Percentage of the balance stood to the credit of the Master Purchaser Accounts following payment of items *first to seventh* in the Pre-Enforcement Payments Priorities on the relevant Monthly Payment Date.

“Register” means the register maintained by the Registrar pursuant to the Variable Loan Note Issuance Deed.

“Registrar” means TMF Administration Services Limited.

“Regulatory Direction” means, in relation to any person, a direction or requirement of any Governmental Authority with whose directions or requirements such person is accustomed to comply.

“Related Contract Rights” means, in relation to a Receivable, any rights (including rights of retention of title) under or relating to the Contract to which such Receivable relates.

“Related Rights” has the meaning given in clause 2.1(d) (*Offer, Acceptance, Sale and Purchase*) of the relevant Master Receivables Purchase Agreement other than the U.S. Receivables Purchase Agreement, and, when used in respect of each U.S. Purchased Receivable in connection with the U.S. Receivables Purchase Agreement, has the meaning given in clause 2.1(e) (*Offer, Acceptance, Sale and Purchase or Contribution*) of the U.S. Receivables Purchase Agreement.

“Related Security” means with respect to any Purchased Receivable:

(a) all of the relevant Seller’s interest in any goods (including returned goods) relating to any sale giving rise to such Purchased Receivable;

(b) all security interest or liens and property subject thereto from time to time purporting to secure payment of such Purchased Receivable, whether pursuant to the Contract related to such Purchased Receivable or otherwise;

(c) all guarantees, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Purchased Receivable whether pursuant to the Contract related to such Purchased Receivable or otherwise; and

(d) the Contract and all other books, records and other information (including computer programmes, tapes, discs, data processing software and related property and rights) relating to such Purchased Receivable and the related Obligor.

“Relevant” means:

(a) when used in relation to the execution of or the entering into of a Transaction Document and in conjunction with a reference to any Transaction Party, a Transaction Document which such Transaction Party is required to execute or enter into or has executed or entered into; and
and references to “Relevant Transaction Documents” and cognate expressions shall be construed accordingly.

“Relevant Daily Report” means the Swiss Sellers’ Daily Report delivered three Business Days prior to the date of determination or, if applicable, on the relevant Reporting Date on which a Seller makes an Initial Purchase Price Payment Request.

“Relevant Interest Amount” means, depending on the context:

(a) the Regency Note Interest Amount; or
(b) the Styron Note Interest Amount.

“Relevant Senior Costs Amount Proportion” means, in respect of any Purchased Receivable, an amount equal to (i) the Senior Costs Amount for the Determination Period in which a Collection in respect of such Receivable is multiplied by (ii) the fraction, the numerator of which is such Collection and the denominator of which is the aggregate of all Collections received in such Determination Period.

“Removal Notice” has the meaning set out in the Styron Security Deed.

“Reporting Date” means a Monthly Reporting Date or a Daily Reporting Date, as the case may be.

“Required Filings” means in respect of the Master Purchaser:

(a) the filing of prescribed particulars of the security interests created by the Master Purchaser under the Styron Security Deed with the Irish Registrar of Companies in accordance with the provisions of Section 99 of the Irish Companies Act 1963 and payment of the associated fees; and
(b) the filing of a notice with the Irish Revenue Commissioners in respect of the security interests created under the Styron Security Deed in accordance with Section 1001 of the Taxes Consolidation Act 1997.

“Requirement of Law” in respect of any Person shall mean:

(a) any law, treaty, rule, requirement or regulation;
(b) a notice by or an order of any court having jurisdiction;
(c) a mandatory requirement of any regulatory authority having jurisdiction; or
(d) a determination of an arbitrator or Governmental Authority;
in each case applicable to or binding upon that Person or to which that person is subject or with which it is customary for it to comply.

“Retiring Cash Manager” means the Cash Manager or any successor whose appointment is terminated pursuant to the Cash Management Agreement other than by termination at the Final Discharge Date.

“Reuters Screen Rate” means:

(a) in relation to LIBOR, the British Bankers’ Association Interest Settlement Rate for the relevant currency and period; and

(b) in relation to EURIBOR, the percentage per annum determined by the Banking Federation of the European Union for the relevant period;

in each case displayed on the appropriate page of the Reuters screen, and if such page is replaced or such service ceases to be available the Instructing Party may specify another page or service displaying the appropriate rate, provided that if, in either case, that rate is less than zero, LIBOR and/or EURIBOR, as the case may be, shall be deemed to be zero; and

(c) in relation to LIBOR and/or EURIBOR, as the case may be, if such page or service ceases to be available and no alternate page or service is available, then the rate of interest shall be the determined in accordance with Clause 12.5 of the Liquidity Facility Agreement.

“Revenue Ledger” means the ledger in the books of the Master Purchaser so named.

“Right” means any asset, agreement, property or right.

“Roll Date” means each Monthly Payment Date and each other date determined in accordance with Section B, Clause 6.4.4 of the Variable Loan Note Issuance Deed.

“Rolling Average Turnover Ratio” means:

(a) the sum of the last three (3) months of Purchase Receivables, divided by

(b) the sum of the last three (3) months of Collections, multiplied by

(c) 30.

“Sanctions” means the sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any of the Sanctions Authorities.

“Sanctions Authorities” means:

(i) the United States government;

(ii) the United Nations;

(iii) the European Union;

(iv) the United Kingdom;
(v) Switzerland;
(vi) Hong Kong; and
(vii) the respective Governmental Authorities of any of the foregoing, including without limitation, OFAC, the US Department of State and Her Majesty’s Treasury.

“SEC” means the United States Securities and Exchange Commission.

“Secondary VAT Liability” means a liability of the Master Purchaser for VAT remaining unpaid in the bankruptcy of a Swiss Seller and relating to VAT included in the Receivables assigned and transferred by the relevant Swiss Seller to the Master Purchaser in accordance with the Swiss Receivables Purchase Agreement.

“Secured Amounts” means the aggregate of all moneys and Liabilities which from time to time are or may become due, owing or payable by the Master Purchaser to each, some or any of the Secured Creditors under the Notes or the Transaction Documents.

“Secured Creditors” means the Styron Security Trustee in its own capacity and as trustee on behalf of those persons listed as entitled to payment by the Master Purchaser in Clause 15 (Post-Enforcement Payments Priorities) of the Styron Security Deed.

“Securitisation Availability Period” means the period from and including the Swiss Funding Date to (but excluding) the Programme Termination Date.

“Security” means the security created in favour of the Styron Security Trustee pursuant to the Styron Security Deed, the German Security Assignment and Trust Agreement and the U.S. Security Agreement.


“Seller” means each of:
(a) the Swiss Sellers;
(b) the German Seller;
(c) the Dutch Seller;
(d) the U.S. Seller;
(e) the U.S. Intermediate Transferor; and
(f) any other entity in its capacity as a seller of Receivables to the Master Purchaser under a Master Receivables Purchase Agreement, together the “Sellers”.

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“Seller and Servicer Party Agent” means the Parent appointed to act on behalf of each Seller and Servicer Party in relation to the Transaction Documents pursuant to Clause 3 (Seller and Servicer Party Agent) of this Deed.

“Seller Permitted Encumbrance” means:

(a) any Encumbrance created by a Seller by or pursuant to the Transaction Documents;
(b) any netting or set-off arrangement pursuant to which the Collection Account Bank is permitted to deduct the amount of any normal account fees owed to it or chargebacks on account of provisional credits, in each case, in connection with a Collection Account from amounts standing to the credit of such Collection Account;
(c) any other Encumbrance over the Collection Accounts provided such Encumbrance is subordinated to any Encumbrance granted in favour of the Security Trustee over the Collection Accounts; and
(d) any Encumbrance over the Transaction Documents (including a Seller’s rights, if any, to Deferred Purchase Price).

“Seller’s Credit and Collection Procedures” means the origination, credit and collection procedures employed by the relevant Seller from time to time in relation to the provision and sale of chemical products and related services as attached to this Deed as Appendix A, as may be amended with the consent of the Cash Manager from time to time.

“Senior Costs Amount” means the amounts payable in items one through seven of Schedule 1 Paragraph 11.1 (Payment from Distribution Ledgers on a Monthly Payment Date) of the Cash Management Agreement.

“S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business or the successor to its rating business.

“Servicer” means each Swiss Servicer, the German Servicer, the Dutch Servicer or the U.S. Servicer (as the context may require).

“Servicer Default” means a Dutch Servicer Default, a German Servicer Default, a Swiss Servicer Default or a U.S. Servicer Default, as applicable.

“Servicing Agreement” means the Dutch Servicing Agreement, the German Servicing Agreement, the Swiss Servicing Agreement or the U.S. Servicing Agreement, as the context requires.

“Settlement Date Payments Priorities” means the provisions relating to the order of priority of payments set out in Paragraph 10 (Payments from Distribution Ledgers on a Settlement Date) of Part 5 (Payments Priorities) of Schedule 1 (Services to be provided by the Cash Manager) of the Cash Management Agreement.

“Settlement Date” means:
(a) each day on which a Swiss Servicers’ Daily Report is delivered or Initial Purchase Price or Deferred Purchase Price is paid;

(b) the Swiss Funding Date;

(c) each Roll Date; and

(d) the day falling three Business Days after the day an Initial Purchase Price Payment Request is delivered by a Seller.

“Solvency Certificate” means each solvency certificate executed by a Seller in the form set out in Schedule 2 to the relevant Master Receivables Purchase Agreement.

“Special Concentration Limit” has the meaning set out in paragraph (u) of Schedule 3.

“Specified Office” means, in relation to any Person:

(a) the office specified against its name in the Notices Details; or

(b) such other office as such Person may specify in accordance with the Transaction Documents.

“Spot Rate” means the Cash Manager’s spot rate of exchange for the purchase of one specified currency with another specified currency in the London foreign exchange market.

“Standard Documentation” means the standard terms and conditions of the Sellers set out in Schedule 11 (Standard Documentation) and such other documentation as may be approved in writing by the Cash Manager from time to time.

“Styron EUR Note” means the EUR denominated note issued by the Master Purchaser to the Styron Noteholder pursuant to the Variable Loan Note Issuance Deed.

“Styron EUR Note Additional Principal Amount” means as at any date of determination the amount by which the Styron EUR Note Required Amount exceeds the Styron EUR Note Principal Amount Outstanding.

“Styron EUR Note Initial Principal Amount” means the EUR Proportion of the Styron Percentage of the Purchase Base specified in the first Current Swiss Servicer’s Daily Report delivered by the Current Swiss Servicer.

“Styron EUR Note Principal Amount Outstanding” means:

(a) on the Swiss Funding Date, the Styron EUR Note Initial Principal Amount; and

(b) on any day following the Swiss Funding Date, the Styron EUR Note Principal Amount Outstanding as at the end of the immediately preceding day:
(i) plus (if such day is a Settlement Date) the amount of any Styron EUR Note Additional Principal Amount paid by the Styron Noteholder on such day;

(ii) minus (if such day is a Settlement Date) the Styron EUR Note Redemption Amount paid to the Styron Noteholder on such day.

“Styron EUR Note Redemption Amount” means:
(a) prior to the occurrence of a Termination Event that is continuing, the amount, if any, by which the Styron EUR Note Principal Amount Outstanding exceeds the Styron EUR Note Required Amount less the Outstanding Balance of all German Purchased Receivables which have become Written-Off Receivables since the date of determination immediately preceding the last Settlement Date on which the Principal Amount Outstanding of the Styron EUR Notes have been adjusted; and
(b) following the occurrence of a Termination Event that is continuing, the EUR Proportion of the Styron Percentage of the balance stood to the credit of the Master Purchaser Accounts following payment of items first to eleventh in the Pre-Enforcement Payments Priorities on the relevant Monthly Payment Date.

“Styron EUR Note Required Amount” means, as at any date of determination, the following amount:
(a) the EUR Equivalent of the Purchase Base (specified in the Relevant Daily Report) multiplied by the Styron Percentage and by the EUR Proportion; plus
(b) the Outstanding Balance of all German Purchased Receivables multiplied by the German Purchase Rate; less
(c) the product of:
   (i) the EUR Equivalent of the Purchase Base (specified in the Relevant Daily Report); and
   (ii) the fraction:
       (A) the numerator of which is the Outstanding Balance of the German Purchased Receivables which are Eligible Receivables; and
       (B) the denominator of which is the EUR Equivalent of the Eligible Pool Balance,

but which shall from 1 January 2015, at any time where the Regency Note remains outstanding or the Regency Noteholder has any obligations to subscribe for further Notes, always be at least 5 per cent of the Outstanding Balance of all German Purchased Receivables.

“Styron Germany Account Pledge Agreement” means the Styron Germany Account Pledge Agreement executed by the German Seller, the Master Purchaser and
the Styron Security Trustee with respect to the German Collection Accounts on 24 May 2011.

“Styron Notes” means the Styron USD Note and the Styron EUR Note.

“Styron Notes Initial Principal Amount” means the Styron EUR Note Initial Principal Amount or the Styron USD Note Initial Principal Amount as applicable.

“Styron Note Interest Amount” means, in respect of any Monthly Payment Date, in respect of a Styron Note the aggregate of the results of the following formula being applied in respect of each $1 or €1 Principal Amount Outstanding of the relevant Styron Note that was outstanding at any point during the relevant Interest Period (rounded to the nearest eurocent, half a eurocent being rounded up):

\[
( \left( \frac{A}{360} \right) \times (B \times C) )
\]

where

\( A \) = the exact number of days during the relevant Interest Period that such $1 or €1 of Principal Amount Outstanding was outstanding;

\( B \) = such $1 or €1 of Principal Amount Outstanding of the relevant Styron Note, as the case may be; and

\( C \) = the Note Interest Rate in respect of such Monthly Payment Date;

plus any part of the Styron Note Interest Amount in respect of the immediately preceding Monthly Payment Date not paid on such immediately preceding Monthly Payment Date, plus the amount of Default Interest due on such unpaid amount.

“Styron Noteholder” means the holder for the time being of the Styron Notes.

“Styron Note Redemption Amount” means the Styron EUR Note Redemption Amount or the Styron USD Note Redemption Amount as applicable.

“Styron Percentage” means:

(a) in respect of the Styron EUR Note; or

(b) in respect of the Styron USD Note,

the percentage notified to the Master Purchaser pursuant to Clause 6.4 (Notification of Styron Percentage) of the Variable Loan Note Issuance Deed in respect of such Note.

“Styron Security Deed” means the deed so named dated 12 August 2010, as amended and restated 24 May 2011 and on or around the Dutch Closing Date between the Master Purchaser, the Styron Security Trustee, the Regency Noteholder and the Styron Noteholder.

“Styron Security Trustee” means the Law Debenture Trust Corporation plc or any other Person acting as security trustee from time to time pursuant to the Styron Security Deed.
“Styron Security Trustee Termination Event” has the meaning set out in the Styron Security Deed.

“Styron USD Note” means the US Dollar denominated note issued by the Master Purchaser to the Styron Noteholder pursuant to the Variable Loan Note Issuance Deed.

“Styron USD Note Additional Principal Amount” means the greater of (i) zero and (ii) the USD Proportion of the Styron Percentage of the Purchase Base specified in the Swiss Servicers’ Daily Report delivered three Business Days prior to the relevant Roll Date or, if applicable, on the relevant Reporting Date on which a Seller makes an Initial Purchase Price Payment Request less the Principal Amount Outstanding of the Styron USD Note immediately prior to the relevant Roll Date.

“Styron USD Note Initial Principal Amount” means the USD Proportion of the Styron Percentage of the Purchase Base specified in the first Current Swiss Servicer’s Daily Report delivered by the Current Swiss Servicer.

“Styron USD Note Principal Amount Outstanding” means:

(a) on the Swiss Funding Date, the Styron USD Note Initial Principal Amount; and

(b) on any day following the Swiss Funding Date, the Styron USD Note Principal Amount Outstanding as at the end of the immediately preceding day:

(i) plus (if such day is a Settlement Date) the amount of any Styron USD Note Additional Principal Amount paid by the Styron Noteholder on such day;

(ii) minus (if such day is a Settlement Date) the Styron USD Note Redemption Amount paid to the Styron Noteholder on such day.

“Styron USD Note Redemption Amount” means:

(a) prior to the occurrence of a Termination Event that is continuing, the greater of (i) zero and (ii) the Principal Amount Outstanding of the Styron USD Note immediately prior to the relevant Settlement Date less the USD Proportion of the Styron Percentage of the Purchase Base specified in the Swiss Servicers’ Daily Report delivered three Business Days prior to the relevant Roll Date; and

(b) following the occurrence of a Termination Event that is continuing, the USD Proportion of the Styron Percentage of the balance stood to the credit of the Master Purchaser Accounts following payment of items first to eleventh in the Pre-Enforcement Payments Priorities on the relevant Roll Date.

“Sub-contractor” means any sub-contractor, sub-agent, delegate or representative.

“Subsidiary” means any corporation or other entity of which securities having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at the time directly or indirectly owned by a Seller.
“Successor Master Purchaser Account Bank” means an entity appointed in accordance with Clause 20 (Successor Master Purchaser Account Bank) or Clause 21 (Master Purchaser Account Bank may appoint Successors) of the Account Bank Agreement to act as successor account bank under the Account Bank Agreement.

“Successor Cash Manager” means an entity identified in accordance with Clause 20 (Identification of Successor Cash Manager) of the Cash Management Agreement and appointed in accordance with Clause 21 (Appointment of Successor Cash Management) of the Cash Management Agreement to perform the Cash Management Services.

“Successor Styron Security Trustee” means an entity appointed in accordance with Clause 26 (Styron Security Trustee’s Retirement & Removal) of the Styron Security Deed to act as successor trustee under the Styron Security Deed.

“Supplemental Deed” means a deed supplemental to the Styron Security Deed.

“Swiss Code of Obligations” or “CO” means the Swiss Federal Code of Obligations of 30 March 1911, as amended from time to time.

“Swiss Collection Accounts” means the Collection Accounts owned by the Swiss Sellers, which receive Collections related to the Swiss Purchased Receivables sold by the Swiss Sellers to the Master Purchaser pursuant to the Swiss Receivables Purchase Agreement.

“Swiss Federal Act on Debt Collection and Bankruptcy” or “DEBA” means the Swiss Federal Act on Debt Collection and Bankruptcy of 11 April 1889, as amended from time to time.

“Swiss Funding Date” means the day falling two Business Days after the day the first Offer is delivered under the Swiss Receivables Purchase Agreement or such other date as may be agreed by the Swiss Sellers and the Instructing Party.

“Swiss Purchased Receivables” means the Receivables purchased by the Master Purchaser on the terms of the Swiss Receivables Purchase Agreement.

“Swiss Receivables” means Receivables originated by a Swiss Seller.

“Swiss Receivables Purchase Agreement” means the receivables purchase agreement dated 12 August 2010, as amended and restated on 24 May 2011, 30 May 2013 and on the 2016 Amendment Effective Date between the Swiss Sellers, the Master Purchaser, the Investment Manager and the Styron Security Trustee.

“Swiss Sellers” means each of (i) Trinseo Europe GmbH (formerly Styron Europe GmbH), incorporated in Switzerland and (ii) Trinseo Export GmbH, incorporated in Switzerland, each in its capacity as seller of Receivables to the Master Purchaser under the Swiss Receivables Purchase Agreement, and shall include both such sellers or either of them, as the context may require. For the avoidance of doubt, references to the Swiss Seller in the German Receivables Purchase Agreement shall include both Swiss Sellers.
“Swiss Seller Credit and Collection Procedures” means the Sellers’ Credit and Collection Procedures with respect to a Swiss Seller.

“Swiss Servicers” means each Person designated as such under the Swiss Servicing Agreement.

“Swiss Servicer Default” means the occurrence of any of the events described in Schedule 2 hereto.

“Swiss Servicer Fee Percentage” means 0.25 per cent.

“Swiss Servicer Fees” means the fees referred to in clause 13 of the Swiss Servicing Agreement.

“Swiss Servicer Report” means the Swiss Servicers’ Daily Report or the Swiss Servicers’ Monthly Report (as the case may be).

“Swiss Servicers’ Daily Report” means any document prepared by a Swiss Servicer in accordance with Clause 7.2 (Swiss Servicers’ Daily Reports) of the Swiss Servicing Agreement additionally including all the data required to be contained in the German Servicer’s Daily Report, the Dutch Servicer’s Daily Report and the U.S. Servicer’s Daily Report.

“Swiss Servicers’ Monthly Report” means a report in substantially the form of the Excel spreadsheet attached to the email from Caponi@Trinseo.com to victoria.lindsell@hsbcib.com; graham.s.walton@hsbcib.com; rebecca.andrew@hsbcib.com; aanand.kanani@hsbc.com and Frisch@trinseo.com, with the subject “Monthly Report August 2016- Styron AR Securitization and Offer” on 29 September 2016 adjusted to include all relevant data for the Accessing Swiss Seller and containing all the data required to be included in the German Servicer’s Monthly Report, the Dutch Servicer’s Monthly Report, the U.S. Servicer’s Monthly Report and such additional information with respect to the Purchased Receivables as the Master Purchaser or the Instructing Party may reasonably request from time to time and prepared by the Swiss Servicer and delivered to the Master Purchaser and the Instructing Party in accordance with Clause 7.1 (Swiss Servicers’ Monthly Reports) of the Swiss Servicing Agreement.

“Swiss Servicing Agreement” means the Swiss Servicing Agreement dated 12 August 2010, as amended and restated on 30 May 2013 and on the 2016 Amendment Effective Date, relating to the Swiss Purchased Receivables between the Master Purchaser, the Swiss Servicers and the Styron Security Trustee.

“Swiss VAT Rate” means the applicable rate of VAT as set out in VATA 2010.

“TARGET” means Trans-European Automated Real-time Gross Settlement Express Transfer system.

“TARGET Day” means a day on which the TARGET system is open for settlement of payments in Euro.

“TARGET System” means the Trans-European Automated Real-time Gross Settlement Express Transfer system.
“Tax Authority” means any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function (including, Her Majesty’s Revenue and Customs).

“Tax Credit” means any credit received by a Transaction Party from a Tax Authority in respect of any Tax paid by such Transaction Party.

“Tax Deduction” means any deduction or withholding on account of Tax.

“Taxes” means any present or future taxes, levies, duties, charges, fees, deductions or withholdings of any nature whatsoever imposed or levied by or on behalf of Switzerland, the United Kingdom, Ireland, any other Eligible Country or the United States of America, together with any interest, charges or penalties thereon and “Tax” and “Taxation” and similar words shall be construed accordingly.

“Tax Event” has the meaning given to it in Condition 5 of the Notes.

“Tax Treaty” means a double taxation treaty into which Ireland has entered which contains an article dealing with interest or income from debt claims.

“Ten Non-Bank Rule” means the rule that the aggregate number of creditors of a Swiss Borrower under the Finance Documents which are not Qualifying Banks must not at any time exceed 10 (ten), all in accordance with the meaning of the Guidelines.

“Termination Event” means the occurrence of any of the events set out in Part A of Schedule 1.

“Total Facility Limit” means USD 500,000,000.

“Total Reserves” means, as of the Determination Date, an amount equal to the sum of the Carrying Cost Reserve as at such date plus the Loss and Dilution Reserve as at such date.

“Transaction” means the connected transactions contemplated by the Transaction Documents.

“Transaction Documents” means:

(a) the Swiss Receivables Purchase Agreement;
(b) the German Receivables Purchase Agreement;
(c) the Dutch Receivables Purchase Agreement;
(d) the U.S. Receivables Purchase Agreement;
(e) the U.S. Intermediate Transfer Agreement;
(f) the Swiss Servicing Agreement;
(g) the German Servicing Agreement;
(h) the Dutch Servicing Agreement;
(i) the U.S. Servicing Agreement;
(j) the Master Definitions and Framework Deed;
(k) the Variable Loan Note Issuance Deed;
(l) the Cash Management Agreement;
(m) the Styron Security Deed;
(n) the German Security Assignment and Trust Agreement;
(o) the U.S. Security Agreement;
(p) the Account Bank Agreement;
(q) the Guarantee Agreement;
(r) the Corporate Services Agreement;
(s) each Account Control Agreement;
(t) the Fee Letter;
(u) the Master Purchaser Receivables Power of Attorney;
(v) the U.S. Intermediate Transferor Receivables Power of Attorney;
(w) the Notes; and
(x) any other document so designated by the Cash Manager and the Master Purchaser.

“Transaction Party” means any person who is a party to a Transaction Document and “Transaction Parties” means some or all of them.

“Transfer Period” means a period of two months from the termination or the appointment of a Cash Manager, as the case may be.

“Treaty” means the Treaty establishing the European Community, as amended.

“Trinseo Entity” means the Parent and each of its Affiliates.

“Trinseo Export German Account Pledge Agreement” means an Account Pledge Agreement executed by the Pledgor, the Master Purchaser and the Styron Security Trustee with respect to the Collection Accounts dated on or about the 2016 Amendment Effective Date.

“Trinseo Party” means each Trinseo Entity which is party to a Transaction Document.
“Trust Corporation” means a corporation entitled by the rules made under the Public Trustee Act 1906 to act as a custodian trustee or entitled pursuant to any other legislation applicable to a trustee in any jurisdiction other than England and Wales to act as trustee and carry on trust business under the laws of the country of its incorporation.

“Trust Proceeds” means all recoveries, receipts and benefits received by the Styron Security Trustee by virtue of the Trust Property save for monies or other assets which it is entitled to retain for its own account or which are earmarked for receipt by a third party other than as part of the Trust Property.

“Trust Property” means the Covenant to Pay, the Master Purchaser Covenants, the Master Purchaser Warranties, the Security and all proceeds of the Security.

“Trustee Acts” means the Trustee Act 1925 and the Trustee Act 2000;

“Twenty Non-Bank Rule” means the rule that the aggregate number of creditors (including the Lenders), other than Qualifying Banks, of a Swiss Borrower under all outstanding debts relevant for classification as debenture (Kassenobligation) (within the meaning of the Guidelines), such as (intragroup) loans, facilities or private placements (including under the Finance Documents) must not at any time exceed 20 (twenty), all in accordance with the meaning of the Guidelines.

“UCC” or “Uniform Commercial Code” means the Uniform Commercial Code as in effect from time to time in the applicable jurisdiction.

“UK Account Control Deed” means the deed so named dated on or about the Closing Date between the Chargor, the Master Purchaser, the Chargee and the Styron Security Trustee.

“UK Collection Account Bank” means Deutsche Bank AG London, acting through its office at 1 Great Winchester Street, London EC2N 2DB.

“Unapplied Credit” means, on any date, the aggregate amount of outstanding credit notes issued to Obligors as of such date which have not been applied to reduce or off-set the Outstanding Balance of Receivables owed by any Obligor.

“Unbilled Purchase Rate” means the Purchase Rate.

“Unbilled Receivables” means a Receivable with respect to which:

(a) the relevant Seller has received a purchase order from the Obligor for chemical products;

(b) the goods have been delivered by the relevant Seller to the Obligor and a delivery note for the products has been signed by the Obligor and retained by the relevant Haulage Company; and

(c) the Obligor has become obligated to pay for the products in accordance with the relevant Contract,

but in respect of which the relevant Seller has not yet issued an Invoice to the Obligor.
“Unbilled Receivables Limit” means an aggregate cap limit of 20% of the Receivables Pool.

“Unbilled Receivables Overconcentration Amount” means, on any Determination Date, the aggregate amount of Receivables owed by Obligors in respect of Receivables which were Unbilled Receivables on the day the Offer in respect of such Receivables was made to the Master Purchaser exceeds the Unbilled Receivables Limit.

“Unrestricted Country” means the countries listed in Schedule 5 or such other countries as agreed between the Sellers and the Regency Noteholder (acting reasonably and in good faith) from time to time, or any Eligible Country so designated from time to time by the Regency Noteholder (acting reasonably and in good faith), and, for the avoidance of doubt, for such period of time as may be designated by the Regency Noteholder (acting reasonably and in good faith).

“U.S.” means the United States of America.

“U.S. Account Control Agreement” means each Deposit Account Control Agreement by which the U.S. Seller has created security over the U.S. Collection Accounts and any other account control agreements entered into among the U.S. Seller, the U.S. Intermediate Transferor, the Master Purchaser, the Styron Security Trustee and the relevant Collection Account Bank.

“Usage Fee” means the fee specified as such in the Fee Letter.

“U.S. Collection Accounts” means the Collection Accounts owned by the U.S. Seller, which receive Collections related to the Purchased Receivables sold or contributed by the U.S. Seller to the U.S. Intermediate Transferor pursuant to the U.S. Receivables Purchase Agreement.

“U.S. Closing Date” has the meaning given to it in the U.S. Receivables Purchase Agreement.

“USD Equivalent” means, as of any date, the amount obtained by applying the rate for converting the relevant currency into USD at:

(a) in the case of the Swiss Servicers’ Monthly Report, the most recently determined internal month end rate of a Swiss Seller;

(b) in the case of the Swiss Servicers’ Daily Report, the Spot Rate of exchange for that currency as at 9am in London on the preceding Business Day as notified by the Cash Manager to the Sellers on such Business Day;

(c) in the case of the Dutch Servicer’s Monthly Report, the most recently determined internal month end rate of the Dutch Seller; and

(b) in the case of the Dutch Servicer’s Daily Report, the Spot Rate of exchange for that currency as at 9am in London on the preceding Business Day as notified by the Cash Manager to the Sellers on such Business Day.
“USD Proportion” means, in respect of an amount, that amount multiplied by the fraction the numerator of which is aggregate Outstanding Balance of all Purchased Receivables denominated in US Dollars and the denominator of which is aggregate Outstanding Balance of all Purchased Receivables (calculated using the USD Equivalent of any Outstanding Balance denominated in a currency other than US Dollars).

“U.S. Funding Date” means the day falling two Business Days after the day the first Offer is delivered under the U.S. Receivables Purchase Agreement or such other date as may be agreed by the U.S. Seller and the Cash Manager.

“U.S. Insolvency Event” means with respect to any Person, the occurrence of the following:

(a) such Person shall voluntarily commence any case, proceeding or other action, or present a petition or make an application under any Insolvency Law:

   (i) relating to bankruptcy, insolvency, court protection, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, examination, liquidation, administration, administrative receivership, dissolution, court protection, composition, declaration or other similar relief with respect to it or any of its debts; or

   (ii) seeking the appointment of a liquidator, receiver, administrative receiver, examiner, security trustee, custodian, compulsory manager, administrator or other similar official for it or for all or any substantial part of its assets;

(b) there shall be commenced, presented or made against such Person any case, proceeding or other action referred to in (a) above which is not dismissed by the relevant court, tribunal or authority within sixty (60) days after its commencement;

(c) there shall be commenced against such Person any case, proceeding or other action seeking issuance of a warrant of attachment, sequestration, distress, expropriation, execution, distraint or similar process against all or any substantial part of its assets which is not dismissed within sixty (60) days after its commencement; or

(d) a moratorium is declared in respect of any of its debt.

“U.S. Intermediate Transfer Agreement” means the intermediate receivables purchase agreement dated on or about the U.S. Closing Date, among the U.S. Intermediate Transferor, the Master Purchaser and the Investment Manager.

“U.S. Intermediate Transferor Receivables Power of Attorney” means a power of attorney substantially in the form of Part A of Schedule 4 to the U.S. Receivables Purchase Agreement.

“U.S. Primary Transaction Documents” means:

(a) the U.S. Receivables Purchase Agreement;

(b) the U.S. Intermediate Transfer Agreement; and

(c) the U.S. Servicing Agreement.

“U.S. Purchased Receivables” means the Receivables purchased by or contributed to the U.S. Intermediate Transferor on the terms of the U.S. Receivables Purchase Agreement.

“U.S. Receivables Purchase Agreement” means the receivables purchase agreement dated on or about the U.S. Closing Date among the U.S. Seller, the Investment Manager and the U.S. Intermediate Transferor.

“U.S. Security Agreement” means the Security Agreement dated on or about the U.S. Closing Date between the Master Purchaser and the Styron Security Trustee.

“U.S. Seller” means Trinseo LLC (formerly Styron LLC), a Delaware limited liability company, in its capacity as seller of Receivables to the U.S. Intermediate Transferor under the U.S. Receivables Purchase Agreement.

“U.S. Seller Credit and Collection Procedures” means the Seller’s Credit and Collection Procedures with respect to the U.S. Seller.

“U.S. Servicer” means the Person designated as such under the U.S. Servicing Agreement.

“U.S. Servicer Default” means the occurrence of any of the events described in Schedule 2 hereto as if each reference therein to “Swiss Servicer” was a reference to “U.S. Servicer”, each reference to “Swiss Receivables Purchase Agreement” was a reference to “U.S. Receivables Purchase Agreement” or “U.S. Intermediate Transfer Agreement” and each reference to “Swiss Servicing Agreement” was a reference to “U.S. Servicing Agreement”.

“U.S. Servicer Report” means a U.S. Servicer’s Monthly Report or U.S. Servicer’s Daily Report as the case may be.

“U.S. Servicer’s Daily Report” means any document prepared by the U.S. Servicer in accordance with Clause 7.2 (U.S. Servicer’s Daily Reports) of the U.S. Servicing Agreement, provided that all data required to be included in the U.S. Servicer’s Daily Report shall be consolidated in the Swiss Servicers’ Daily Report.

“U.S. Servicer’s Monthly Report” means any document prepared by the U.S. Servicer in accordance with Clause 7.1 (U.S. Servicer’s Monthly Reports) of the U.S. Servicing Agreement, including, for the avoidance of doubt, any consolidated monthly report delivered by or on behalf of all of the Servicers, provided that all data
required to be included in the U.S. Servicer’s Monthly Report shall be consolidated in the Swiss Servicers’ Monthly Report.

“**U.S. Servicing Agreement**” means the servicing agreement to be dated on or about the U.S. Closing Date, among the U.S. Servicer, the U.S. Seller, U.S. Intermediate Transferor and the Master Purchaser, relating to the U.S. Purchased Receivables.

“**U.S. Servicer Fees**” means the fees referred to in clause 14 of the U.S. Servicing Agreement.

“**U.S. Transaction Documents**” means:

(a) the U.S. Receivables Purchase Agreement;
(b) the U.S. Intermediate Transfer Agreement;
(c) the U.S. Servicing Agreement;
(d) the U.S. Security Agreement;
(e) each U.S. Account Control Agreement;
(f) the U.S. Intermediate Transferor Receivables Power of Attorney;
(g) the Master Receivables Power of Attorney given by the U.S. Seller; and
(h) any other document so designated by the U.S. Seller, the Cash Manager and the Master Purchaser.

“**Value Added Tax**” and “**VAT**” shall be construed as a reference to value added tax under the laws of any jurisdiction.

“**VATA 2010**” means the Swiss Value Added Tax Act 2010 (as amended).

“**Variable Loan Note Issuance Deed**” means the variable loan note issuance deed dated the Closing Date and as amended and restated on 24 May 2011, 30 May 2013 and on or about the 2016 Amendment Effective Date between the Master Purchaser, the Registrar, the Cash Manager, the Styron Security Trustee and the Noteholders.

“**VAT Group**” means a group for the purposes of the VAT Grouping Legislation.


“**Written-off Receivable**” means any Purchased Receivable (i) in respect of which the relevant Obligor is insolvent or is in bankruptcy, liquidation, administration or any analogous proceedings or (ii) in respect of which a declaration has been made (or ought to have been made) by the relevant Seller that such Receivable is irrecoverable in accordance with the related Seller’s Credit and Collection Policies.

2.2 Any reference in any Transaction Document to:
“administration”, “bankruptcy”, “liquidation”, “dissolution”, “receivership” or “winding-up” of a person shall be construed so as to include any equivalent or analogous proceedings (including any suspension of payments) under the laws of the jurisdiction in which such person is incorporated (or, if not a company or corporation, domiciled) or any jurisdiction in which such person has its principal place of business.

“agreed form” means, in relation to any documents, the draft of the document which has been agreed between the relevant parties thereto and initialled on their behalf for the purpose of identification.

“Clause”, “Recital”, “Appendix” or “Schedule” in any Transaction Document is, subject to any contrary indication, a reference to a Clause of, or a recital or appendix or schedule to, the relevant Transaction Document.

an event (howsoever defined) “subsisting” or “continuing” is if that event which has occurred but has not been remedied (if capable of remedy) or waived.

“EUR” or “€” or “euro” means the currency introduced at the commencement of the third stage of European Economic and Monetary Union as of 1 January 1999 pursuant to the Treaty establishing the European Communities as amended by the Treaty on European Union.

“holding company” means, in relation to a company or corporation, any other company or corporation in respect of which it is a subsidiary.

“including” shall be construed as meaning including without limitation.

“indebtedness” shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent.

a person shall be construed as being “insolvent” if such person goes into administration, bankruptcy, liquidation, dissolution, receivership or winding-up or such person is unable to pay its debts as they fall due or such person’s liabilities exceed its assets.

“month” is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month save that, where any such period would otherwise end on a day which is not a Business Day, it shall end on the next Business Day, unless that day falls in the calendar month succeeding that in which it would otherwise have ended, in which case it shall end on the preceding Business Day; provided that, if a period starts on the last Business Day in a calendar month or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that later month (and references to “months” shall be construed accordingly).

“or” shall be construed as meaning “and/or.”

“person” or “Person” shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing.
“Pounds Sterling”, “pounds”, “sterling”, “GBP” or “£” means the lawful currency as at the date of this Deed of the United Kingdom and Northern Ireland.

“stamp duty” shall be construed as a reference to any stamp, registration or other documentary Tax or other similar Taxes or duties (including any penalty or interest payable in connection with any failure to pay or any delay in paying out any of the same).

“subsidiary” of a company or corporation shall be construed as a reference to any company or corporation (a) which is controlled, directly or indirectly, by the first-mentioned company or corporation; or (b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or (c) which is a subsidiary of another subsidiary of the first-mentioned company or corporation and for these purposes a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs or to control the composition of its board of directors or equivalent body.

“US Dollars”, “dollars”, “USD” or “$” means the lawful currency of the United States as at the date of this Deed.

2.3 Where a definition is stated to mean an amount (the “first amount”) which is the greater of zero and another amount (the “second amount”) if the second amount is also zero or is a negative amount, the first amount shall be deemed to mean zero.

2.4 When used in any of the Transaction Documents, the terms “relevant Settlement Date”, “relevant Determination Date” or “relevant Determination Period” will mean the Settlement Date, relative to a particular Determination Date or Determination Period, or the Determination Date relative to a particular Determination Period or Settlement Date or the Determination Period relative to a particular Determination Date or Settlement Date as the case may be.

2.5 Where a denominator in any fraction to be used in connection with any calculation in a definition is zero, the relevant fraction will be zero.

2.6 The headings in any Transaction Document shall not affect its interpretation. References to Clauses, Schedules and Articles in any Transaction Document shall, unless its context otherwise requires, be construed as references to the Clauses of, Schedules to, and Articles of such document.

2.7 Unless the context otherwise requires, words denoting the singular number only shall include the plural number also and vice versa, words denoting one gender only shall include the other genders and words denoting persons only shall include firms, corporations and other organised entities, whether separate legal entities or otherwise, and vice versa.

2.8 Unless the context otherwise requires, any reference in any Transaction Document to:

(a) any agreement or other document shall be construed as a reference to the relevant agreement or document as the same may have been, or may from time to time be, replaced, extended, amended, varied, novated, supplemented or superseded;
(b) any statutory provision or legislative enactment shall be deemed also to refer to any re-enactment, modification or replacement thereof and any statutory instrument, order or regulation made thereunder or under any such re-enactment;

(c) any party to a Transaction Document shall include references to its successors, permitted assigns and any person deriving title under or through it; references to the address of any person shall, where relevant, be deemed to be a reference to its address as current from time to time;

(d) a person shall include a reference to an individual, a partnership, a corporation, a business trust, a joint stock company, a trust, an unincorporated association, a joint venture, a governmental authority and any other entity of whatever nature, as the context may require;

(e) unless stated otherwise, any provision setting forth an obligation to pay an amount in respect of remuneration or costs or charges or expenses shall be inclusive of any applicable amount in respect of VAT or similar Tax charged or chargeable in respect thereof at any rate; and

(f) the provisions contained in any schedule or appendix to any Transaction Document have effect as if they had been incorporated in such Transaction Document.

2.9 Unless expressly agreed otherwise, interest rates and discount factors refer to a calculation in arrears on the basis of actual days elapsed and 360 days per annum for transactions denominated in Euros and 365 days per annum for transactions denominated in Sterling.

2.10 A reference to a Determination Period or Determination Date in any definition or other provision of any other Transaction Document shall, to the extent such Determination Period or Determination Date would fall prior to the Swiss Funding Date, such reference shall be construed as a reference to a complete calendar month and the last day of a complete calendar month respectively.

2.11 Unless otherwise specified, any reference in a Transaction Document to a time of day shall be to the time in London on that day.

3. AGREEMENT

The parties hereto acknowledge that the provisions contained in Clauses 3 to 8 and Clauses 10 to 25 (inclusive) shall, save where there is an express provision to the contrary, have effect with regard to and apply in respect of, each Transaction Document (as the same shall be amended, varied or supplemented from time to time in accordance with the terms thereof) as though the same were set out therein in full mutatis mutandis.

4. JURISDICTION

4.1 Submission to Jurisdiction
Unless expressly otherwise agreed in any of the Transaction Documents, each party agrees that the English courts shall have exclusive jurisdiction to settle any dispute (including claims for set-off and counterclaim) which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, each of the Transaction Documents (other than the U.S. Transaction Documents), to the extent that it is incorporated in any such document, or otherwise arising in connection with the same and for such purposes irrevocably submits to the jurisdiction of the English courts.

4.2 **Forum Conveniens and Enforcement Abroad:**

Unless expressly otherwise agreed in any of the Transaction Documents, each party:

(a) waives any objection to the choice of or submission to the English courts on the grounds of inconvenient forum or otherwise as regards proceedings in connection with any Transaction Documents (other than the U.S. Transaction Documents); and

(b) agrees that a judgment, declaration or order (whether interim or final) of an English court in connection with any Transaction Document (other than the U.S. Transaction Documents) is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

4.3 **Agents for Service of Process:**

Without prejudice to any other mode of service:

(a) unless expressly otherwise agreed in any of the Transaction Documents, each of the Sellers and the Servicers appoints the following as their respective agents for service of process relating to any proceedings before the English courts pursuant to Clause 4 and agrees to maintain the process agent in England notified to the Instructing Party:

Trinseo UK Limited
06649750
THE GRANARIES NELSON STREET
PE30 5DY KINGS LYNN
UNITED KINGDOM.

(b) unless expressly otherwise agreed in any of the Transaction Documents the Master Purchaser appoints the following as their respective agent for service of process relating to any proceedings before the courts of England pursuant to Clause 4 and agrees to maintain the process agent in England notified to the Instructing Party:

HSBC Bank plc, 8 Canada Square, London E14 5HQ Attn: Ingram Lyons, Product Control, Level 2.

(c) each party agrees that any failure by a process agent to notify any party of the process shall not invalidate the proceedings concerned; and
5. PARTIES TO CASH MANAGEMENT AGREEMENT

5.1 Better preservation and enforcement of rights

The Noteholders agreed to become a party to the Cash Management Agreement only for the better preservation and enforcement of their rights under the Cash Management Agreement and shall not assume any liabilities or obligations under the Cash Management Agreement.

6. CHANGE OF STYRON SECURITY TRUSTEE

If there is an appointment of a Successor Styron Security Trustee in accordance with the terms of the Styron Security Deed, each of the Transaction Parties shall execute such documents and take such action as the Successor Styron Security Trustee and the outgoing Styron Security Trustee may reasonably require for the purposes of vesting in the Successor Styron Security Trustee the benefit of the Transaction Documents and the rights, powers and obligations of the Styron Security Trustee under the Transaction Documents, and releasing the outgoing Styron Security Trustee from its future obligations under the Transaction Documents.

7. FURTHER ASSURANCES

Each of the parties agrees to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, deeds, agreements, consents, notices or authorisations as may be required by law or as may be necessary in:

(a) the reasonable opinion of the Master Purchaser or the Cash Manager; or

(b) the opinion of the Styron Security Trustee (acting in its sole discretion),

to implement or give effect to each Transaction Document and the transactions contemplated thereby.

8. NOTICES

8.1 Any notice to be given by one party to any other party under, or in connection with, any Transaction Document shall be in writing and signed by or on behalf of the party giving it. Any such notice shall be served by sending it by fax to the number set out in Clause 8.2, or delivering it by hand, or sending it by pre-paid recorded delivery or registered post, to the address set out in Clause 8.2, or (if an email address is set out in Clause 8.2 or later notified by the relevant Transaction Party to the other Transaction Parties) by sending an electronic mail (“email”) to the email address set out in Clause 8.2 and in each case marked for the attention of the relevant party (or as otherwise notified from time to time in accordance with the provisions of this Clause 8.1). Any notice so served by hand, fax, post or email shall be deemed to have been duly given:

(a) in the case of delivery by hand, when delivered;
(b) in the case of fax, at the time of transmission;

(c) in the case of pre-paid recorded delivery or registered post, at 10.00 a.m. (London Time) on the second Business Day following the date of posting;

(d) in the case of email, at the time of electronic receipt,

provided that in each case where delivery by hand, fax or email occurs after 6.00 p.m. (London Time) on a Business Day or on a day which is not a Business Day, service shall be deemed to occur at 9.00 a.m. on the next following Business Day.

References to time in this Clause are to local time in the country of the addressee.

All notices shall be copied to the Master Purchaser, the Sellers, each Swiss Servicer, the German Servicer, the U.S. Servicer, the Dutch Servicer and the Cash Manager.

8.2 The addresses, email address and fax numbers of the parties for the purpose of Clause 8.1 are as follows:

<table>
<thead>
<tr>
<th>THE CURRENT SWISS SELLER, THE CURRENT SWISS SERVICER AND CHARGOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRINSEO EUROPE GMBH</td>
</tr>
<tr>
<td>Address: TrinseoEurope GmbH</td>
</tr>
<tr>
<td>Zugerstrasse 231</td>
</tr>
<tr>
<td>8810 Horgen Switzerland</td>
</tr>
<tr>
<td>Fax: +1 989 638 6356</td>
</tr>
<tr>
<td>Email: <a href="mailto:frisch@trinseo.com">frisch@trinseo.com</a>;</td>
</tr>
<tr>
<td>For the attention of: Johanna Frisch</td>
</tr>
<tr>
<td>with a copy to: Trinseo Senior Regional Counsel</td>
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<tr>
<td>Dana M. Eddis</td>
</tr>
<tr>
<td>Address: Trinseo LLC</td>
</tr>
<tr>
<td>Suite 300</td>
</tr>
<tr>
<td>1000 Chesterbrook Blvd.</td>
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<tr>
<td>Berwyn PA 19380</td>
</tr>
<tr>
<td>Tel: +1 610 240 3231</td>
</tr>
<tr>
<td>Email: <a href="mailto:DMEddis@trinseo.com">DMEddis@trinseo.com</a></td>
</tr>
<tr>
<td>with a further copy to: David Stasse</td>
</tr>
<tr>
<td>(<a href="mailto:dstasse@trinseo.com">dstasse@trinseo.com</a>;)</td>
</tr>
</tbody>
</table>
and, if the notice or communication relates to the Styron Operating Accounts, a further copy to:

**Adrian Mendez**  
Trinseo Europe GmbH  
Zugerstrasse 231  
8810 Horgen  
Switzerland  
Amendez@trinseo.com  
+41 44 718 3637  
+41 78 606 2940

**THE ACCEDING SWISS SELLER, THE ACCEDING SWISS SERVICER AND THE PLEDGOR**

**TRINSEO EXPORT GMBH**  
Address: TrinseoEurope GmbH  
Zugerstrasse 231  
8810 Horgen  
Switzerland  
Fax: +1 989 638 6356  
Email: frisch@trinseo.com;  
For the attention of: Johanna Frisch  
with a copy to: Trinseo Senior Regional Counsel  
Dana M. Eddis  
Address: Trinseo LLC  
Suite 300  
1000 Chesterbrook Blvd.  
Berwyn PA 19380  
Tel: +1 610 240 3231  
Email: DMEddis@trinseo.com  
with a further copy to: David Stasse  
(dstasse@trinseo.com;)  
and, if the notice or communication relates to the Styron Operating Accounts, a further copy to:  
Adrian Mendez  
Trinseo Europe GmbH  
Zugerstrasse 231  
8810 Horgen  
Switzerland  
Amendez@trinseo.com  
+41 44 718 3637  
+41 78 606 2940
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<th>THE GERMAN SELLER AND THE GERMAN SERVICER</th>
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<tr>
<td>TRINSEO DEUTSCHLAND ANLAGENGESELLSCHAFT MBH</td>
<td>Address: c/o Trinseo Europe GmbH Zugerstrasse 231 8810 Horgen Switzerland</td>
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<td>Fax: +41 44 718 3740</td>
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<td></td>
<td>Email: <a href="mailto:frisch@trinseo.com">frisch@trinseo.com</a></td>
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<td>Address: Trinseo LLC Suite 300 1000 Chesterbrook Blvd. Berwyn, PA 19380</td>
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<th>THE DUTCH SELLER AND THE DUTCH SERVICER</th>
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<td>TRINSEO NETHERLANDS B.V.</td>
<td>Address: c/o Trinseo Europe GmbH Zugerstrasse 231 8810 Horgen Switzerland</td>
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<td>Fax: +41 44 718 3740</td>
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<td>THE U.S. SELLER AND THE U.S. SERVICER</td>
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<td><a href="mailto:DMEddis@trinseo.com">DMEddis@trinseo.com</a></td>
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<th>THE U.S. INTERMEDIATE TRANSFEROR</th>
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<td><strong>TRINSEO U.S. RECEIVABLES COMPANY SPV LLC</strong></td>
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<td>with a copy to:</td>
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<td>Trinseo Senior Regional Counsel</td>
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| **THE MASTER PURCHASER AND CHARGE**E | **Address:** | Trinseo LLC  
Suite 300  
1000 Chesterbrook Blvd.  
Berwyn, PA 19380 |
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<tr>
<th><strong>THE MASTER PURCHASER AND CHARGE</strong>E</th>
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| **STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY** | **Address:** | 3 4th Floor  
Kilmore House  
Park Lane  
Spencer Dock  
Dublin 1  
Ireland |
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<tr>
<td><strong>Fax:</strong></td>
<td>+353 (1) 6146250</td>
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<td><strong>Tel:</strong></td>
<td>+353 (1) 6146240</td>
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<tr>
<td><strong>Email:</strong></td>
<td><a href="mailto:Ireland@tmf-group.com">Ireland@tmf-group.com</a></td>
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<tr>
<th><strong>REGENCY NOTEHOLDER</strong></th>
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| **REGENCY ASSETS DESIGNATED ACTIVITY COMPANY** | **Address:** | 6 5th Floor  
Pinnacle 2  
Eastpoint Business Park  
Dublin 3  
Ireland |
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<td><strong>Email:</strong></td>
<td><a href="mailto:corporate.services@db.com">corporate.services@db.com</a></td>
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<tr>
<th><strong>MASTER PURCHASER ACCOUNT BANK AND CASH MANAGER</strong></th>
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| **HSBC BANK PLC** | **Address:** | 8 Canada Square  
London  
E14 5HQ |
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<td><strong>Fax:</strong></td>
<td>020 7992 4642</td>
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<td><strong>Tel:</strong></td>
<td>020 7991 2993</td>
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| **Email:**           | victoria.lindsell@hsbcib.com  
                          | rebecca.andrew@hsbcib.com  
                          | ingram.lyons@hsbcib.com |
| **For the attention of:** | Rebecca Andrew  
                          | Victoria Lindsell |
| **with a copy to:**  | Ingram Lyons        |
| **Tel:**             | 020 7991 9834        |
| **Fax:**             | 020 7991 4140        |

**THE STYRON SECURITY TRUSTEE**

**THE LAW DEBENTURE TRUST CORPORATION P.L.C.**

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| **Address:**         | Fifth Floor          
                          | 100 Wood Street       
                          | London                
                          | EC2V 7EX              |
| **Fax:**             | +44 (0) 207 606 0643  |
| **For the attention of:** | Trust Management T.C. 
                          | 123441                |

**THE PARENT**

**TRINSEO HOLDING S.A R.L**

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| **Address:**         | Trinseo Europe GmbH  
                          | Zugerstrasse 231      
                          | 8810 Horgen            
                          | Switzerland           |
| **Fax:**             | +1 989 638 6356       |
| **Email:**           | frisch@trinseo.com    |
| **For the attention of:** | Johanna Frisch       |
| **with a copy to:**  | Trinseo Senior Regional Counsel  
                          | Dana M. Eddis         |
|                      | Trinseo LLC           
                          | Suite 300             
                          | 1000 Chesterbrook Blvd. 
                          | Berwyn, PA 19380       |

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<th><strong>Tel:</strong></th>
<th>+1 610 240 3231</th>
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<tr>
<td><strong>Email:</strong></td>
<td><a href="mailto:DMEddis@trinseo.com">DMEddis@trinseo.com</a></td>
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<tr>
<td><strong>Address:</strong></td>
<td>Trinseo Europe GmbH Zugstrasse 231 8810 Horgen Switzerland</td>
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<td><strong>Fax:</strong></td>
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**THE CORPORATE ADMINISTRATOR AND REGISTRAR**

| **Address:** | 3 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland |
| **Fax:** | +353 (1) 614 6250 |
| **For the attention of:** | The Administrator |

**THE INVESTMENT MANAGER AND THE STYRON NOTEHOLDER**

| **Address:** | c/o Trinseo Europe GmbH Zugstrasse 231 8810 Horgen Switzerland |
| **Fax:** | +41 44 718 3740 |
| **Email:** | frisch@trinseo.com |
| **For the attention of:** | Johanna Frisch |
| **with a copy to:** | Trinseo Senior Regional Counsell Dana M. Eddis |
| **Address:** | Trinseo LLC Suite 300 1000 Chesterbrook Blvd. Berwyn, PA 19380 |
| **Tel:** | +1 610 240 3231 |
A party may notify any of the other parties to any of the Transaction Documents of a change to its name, relevant addressee, address, email address or fax number for the purposes of this Clause 8.2, provided that such notice shall only be effective on:

(a) the date specified in the notice as the date on which the change is to take place; or

(b) if no date is specified or the date specified is less than five Business Days after the date on which notice is given, the date following five Business Days after notice of any change has been given.

9. YIELD PROTECTION INDEMNITIES

9.1 The Master Purchaser hereby agrees from time to time to indemnify the Regency Noteholder for, and to pay to it on demand, an amount equal to all amounts payable by the Regency Noteholder under and in accordance with the terms of (i) any costs, increased costs, broken funding costs or reduced rates of return incurred or suffered directly or indirectly by the Regency Noteholder of the payment of any part of any Regency Note prior to or after the maturity date thereof (including, for the avoidance of doubt relating to any Regency Noteholder Related Debt being paid prior to or after its scheduled maturity) or the failure of the Master Purchaser to issue the Regency Notes specified in the Initial Note Issue Notice or increase the principal amount of the Regency Notes as specified in an Additional Note Issue Notice; and (ii) any additional or termination cost payable to the provider of any swap, cap, collar, floor or other hedging arrangement entered into by the Regency Noteholder in connection with any regency Noteholder Related Debt (together, "Break Costs") provided that such Break Costs have not arisen as a direct result of the negligence, default or recklessness of the Regency Noteholder. If the Regency Noteholder is obliged to make any payment of Break Costs then it shall in good faith use reasonable endeavours to take such reasonable steps as may reasonably be open to it to mitigate or avoid the effects of such payment of Break Costs by placing any monies received on deposit until such Regency Noteholder Related Debt is due.

9.2 If after the date hereof, the Regency Noteholder is charged any fee, expense or increased cost pursuant to any Regency Noteholder Related Debt on account of any other party to such Regency Noteholder Related Debt having determined that the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any court, governmental authority, central bank or comparable agency or regulatory authority charged with the interpretation or administration thereof taking effect after the Swiss Funding Date, or compliance by such party with any guideline request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency or regulatory authority taking effect after the Swiss Funding Date (a "Relevant Change"), has or would have the effect of reducing the rate of return on such party’s (or its holding company’s) capital as a consequence of such party’s obligation in respect of such Regency Noteholder Related Debt, to a level below that which such party could have achieved but for such
Relevant Change, then, within thirty (30) days of demand by the Regency Noteholder the Master Purchaser shall pay to the Regency Noteholder, an amount equal to each such amount charged to the Regency Noteholder pursuant to the terms of the relevant Regency Noteholder Related Debt (together, “Increased Costs”). Notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or any foreign regulatory authorities, in each case pursuant to Basel III and (iii) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms and any law or regulation which implements either of them, shall in each case be deemed to be a “Relevant Change,” regardless of the date enacted, adopted or issued.

9.3 Any demand made by the Regency Noteholder under Clause 9.1 or, as the case may be, Clause 9.2 shall be accompanied by a statement signed by a duly authorised signatory of the Regency Noteholder giving (to the extent that such information is within its possession and knowledge and that disclosure of such information would not involve the breach of any duty of confidentiality owed by the Regency Noteholder to any other person) reasonable particulars of:

(a) in the case of a demand under Clause 9.1, the calculation of the claim for reimbursement; and

(b) in the case of a demand made under Clause 9.2, the Relevant Change and how the relevant amount has been calculated, together with any supporting documentation.

Each amount certified by the Regency Noteholder as being due under this Clause 9 shall, in the absence of manifest error, be conclusive evidence of the amount so claimed.

9.4 Each party which is entitled to receive Increased Costs pursuant to Clause 9 shall, in consultation with the Master Purchaser, take all reasonable steps to mitigate any circumstances which would result in any Increased Costs becoming payable under or pursuant to Clause 9.

10. DEFAULT INTEREST

10.1 If any sum due and payable by the Master Purchaser, the Swiss Sellers, the Dutch Seller, the Swiss Servicers or the Dutch Servicer is not paid on the due date therefor in accordance with the provisions of the relevant Transaction Documents or if any sum due and payable by the Master Purchaser, the Swiss Sellers, the Dutch Seller, the Swiss Servicers or the Dutch Servicer under any judgment or decree of any court in connection herewith is not paid on the date of such judgment or decree, the period beginning on such due date or, as the case may be, the date of such judgment or
decree and ending on the date upon which the obligation of the Master Purchaser, the relevant Swiss Seller, the Dutch Seller, the relevant Swiss Servicer or the Dutch Servicer to pay such sum (the balance thereof for the time being unpaid being herein referred to as an unpaid sum) is discharged shall be divided into successive periods, each of which (other than the first) shall start on the last day of the preceding period and the duration of each of which shall be selected by the person to whom such sum is payable.

10.2 During each such period relating thereto as is mentioned in Clause 10.1 an unpaid sum shall bear interest at the rate per annum which is the sum of two per cent. and the London Interbank offered rate for deposits in US Dollars for the period for which such rate is to be determined which appears on the applicable Reuters screen or such other page as may replace the applicable Reuters screen at or about 11.00 a.m. provided that, if, for any such period, no such offered rate appears on such Reuters screen, the rate of interest applicable to such unpaid sum shall be the rate per annum at which HSBC Bank plc, was offering to prime banks in the London Interbank Market deposits in the currency in which such unpaid sum is denominated for the period for which such rate is to be determined.

10.3 Any interest which shall have accrued under Clause 10.2 in respect of an unpaid sum shall be due and payable and shall be paid by the Master Purchaser, the relevant Swiss Seller, the Dutch Seller, the relevant Swiss Servicer or the Dutch Servicer (as the case may be) at the end of the period by reference to which it is calculated or on such other dates as the Person to whom such sum is owed may specify by written notice to the Master Purchaser, the relevant Swiss Seller, the Dutch Seller, the relevant Swiss Servicer or the Dutch Servicer (as the case may be).

11. SWISS SELLERS, DUTCH SELLER, SWISS SERVICERS AND DUTCH SERVICER INDEMNITIES AND UNDERTAKING BY THE MASTER PURCHASER

11.1 Indemnities by the Swiss Sellers

Without limiting any other rights that the Master Purchaser, the Regency Noteholder, the Styron Security Trustee or the Instructing Party or any of their respective Affiliates or members or any of their respective officers, directors, employees or advisors (each, an “Indemnified Party”) may have hereunder or under the other Transaction Documents, or under applicable law, each Swiss Seller hereby agrees to indemnify each Indemnified Party from and against any and all costs, expenses, claims, losses, damages and liabilities (including properly incurred lawyers’ fees of the Styron Security Trustee and reasonable lawyer’s fees of each other Indemnified Party of one counsel per Indemnified Party per jurisdiction) (all of the foregoing being collectively referred to as “Indemnified Amounts”) arising out of or resulting from the Swiss Receivables Purchase Agreement or any other Transaction Document or the use of proceeds of purchases or reinvestments or the ownership of Receivables originated by the relevant Swiss Seller or of the Notes or in respect of any Receivable originated by the relevant Swiss Seller or any Contract relating thereto, excluding, however, (a) Indemnified Amounts which have resulted from gross negligence or wilful misconduct on the part of such Indemnified Party, (b) recourse for Receivables which are not collected, not paid or uncollectible on account of the insolvency, bankruptcy or financial inability to pay of the applicable Obligor, (c) any income
taxes or any other tax or fee measured by income incurred by such Indemnified Party arising out of or as a result of the Swiss Receivables Purchase Agreement or any other Transaction Document or the ownership of Receivables or Notes or in respect of any Receivable or any Contract or (d) Indemnified Amounts resulting from a breach by the Indemnified Party in respect of its obligations under any Transaction Documents. Without limiting or being limited by the foregoing (but subject to the exclusions contained in (a) through (d) above), each Swiss Seller shall pay on demand to each Indemnified Party without any set off, deduction, counterclaim or withholding any and all amounts necessary to indemnify such Indemnified Party from and against any and all Indemnified Amounts relating to or resulting from any of the following:

(a) the characterisation in any Swiss Servicer Report or other written statement made by or on behalf of that Swiss Seller of any Swiss Purchased Receivable as an Eligible Receivable or as included in the Receivables Pool which, as of the date of such Swiss Servicer Report or other statement, is not an Eligible Receivable or should not be included in the Receivables Pool;

(b) any representation or warranty or statement made or deemed made by that Swiss Seller (or any of its officers) under or in connection with any Transaction Document which shall have been incorrect in any material respect when made;

(c) the failure by that Swiss Seller to comply with any applicable law, rule or regulation with respect to any Pool Receivable originated by the relevant Swiss Seller or the related Contracts, or the failure of any Pool Receivable originated by the relevant Swiss Seller or the related Contract to conform to any such applicable law, rule or regulation; or the failure by the relevant Swiss Seller to pay, remit or account for any taxes related to or included in a Receivable originated by the relevant Swiss Seller, when due;

(d) the failure to vest (i) in the Master Purchaser effective title in the Swiss Purchased Receivables originated by that Swiss Seller and the Related Security and the Collections with respect to Receivables originated by the Dutch Seller free and clear of any Encumbrances other than Seller Permitted Encumbrances or (ii) in the Styron Security Trustee a first priority perfected security interest as provided in the Master Purchaser Security Documents;

(e) the failure, when so required in accordance with the Transaction Documents, to have properly notified any Obligor of the transfer, sale or assignment of any Swiss Purchased Receivable originated by that Swiss Seller pursuant to the Transaction Documents to the extent such notice is required to perfect the same under any applicable law and for the purposes of this paragraph (e), “perfect” means to render actionable, publish and allow the setting up of the purchaser’s interest in, and right to collect payment under, the assets which are the subject of such transfer, sale and assignment, and to make actionable, publish and allow the setting up of such transfer, sale and assignment as against Obligors and other third parties, including any liquidator, administrator, trustee in bankruptcy or other insolvency official under any applicable law;
(f) any dispute, claim, counterclaim, set off or defence (other than discharge in insolvency of the Obligor) of the Obligor to
the payment of any Receivable originated by that Swiss Seller in, or purporting to be in, the Receivables Pool (including
a defence based on such Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor
enforceable against it in accordance with its terms), or any other claim whether of the Obligor or any third party resulting
from the sale of chemical products related to such Receivable or the furnishing or failure to furnish such merchandise or
services or relating to collection activities with respect to such Receivable (if such collection activities were performed by
that Swiss Seller or any of its Affiliates acting as Swiss Servicer);

(g) any failure of that Swiss Seller to perform its duties or obligations under the Contracts;

(h) any product liability, property damage, personal injury, consequential loss or other claim arising out of or in connection
with the chemical products which are the subject of any Contract of that Swiss Seller;

(i) the commingling of Collections of Purchased Receivables originated by that Swiss Seller at any time with other funds;

(j) any investigation, litigation or proceeding related to the Swiss Receivables Purchase Agreement or any other Transaction
Document or the use of proceeds of purchases or reinvestments or the ownership of Receivables originated by that Swiss
Seller or Notes or in respect of any Receivable originated by that Swiss Seller or Related Security or any Contract relating
thereto (including in connection with the preparation of a defence or appearing as a third party witness in connection
therewith and regardless of whether such investigation, litigation or proceeding is brought by that Swiss Seller, an
Indemnified Party or any other Person or an Indemnified Party is otherwise a party thereto);

(k) any failure of that Swiss Seller to comply with its covenants contained in this Deed or any other Transaction Document;

(l) any claim brought by any Person other than an Indemnified Party arising from any activity by that Swiss Seller or any
agent or delegate of that Swiss Seller in servicing, administering or collecting any Swiss Purchased Receivable; and

(m) any claim arising out of any failure by that Swiss Seller to obtain a consent from the relevant Obligor to the transfer, sale
or assignment of any Receivable originated by that Swiss Seller pursuant to the Transaction Documents.

If any event occurs in respect of which indemnification may be sought from a Swiss Seller, the Indemnified Party shall (in each
case to the extent it is lawful to do so) notify in writing and consult with the relevant Swiss Seller within a reasonable time after
the relevant Indemnified Party becomes aware of such event.

11.2 **Indemnities by the Swiss Servicers**

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Without limiting any other rights that the Master Purchaser, the Regency Noteholder, the Styron Security Trustee or the Instructing Party or any of their respective Affiliates or members or any of their respective officers, directors, employees or advisors (each, a “Special Indemnified Party”) may have hereunder or under applicable law, and in consideration of its appointment as a Swiss Servicer under the Swiss Servicing Agreement, each Swiss Servicer hereby agrees to indemnify each Special Indemnified Party from and against any and all claims, losses and liabilities (including properly incurred lawyers’ fees of the Styron Security Trustee and reasonable lawyer’s fees of each other Special Indemnified Party of one counsel per Special Indemnified Party per jurisdiction) (all of the foregoing being collectively referred to as “Special Indemnified Amounts”) arising out of or resulting from any of the following (excluding, however, (a) Special Indemnified Amounts to have resulted from gross negligence or willful misconduct on the part of such Special Indemnified Party, (b) recourse for Receivables which are not collected, not paid or uncollectible on account of the insolvency, bankruptcy or financial inability to pay of the applicable Obligor, (c) any income taxes or any other tax or fee measured by income incurred by such Special Indemnified Party arising out of or as a result of this Deed or any other Transaction Document or the ownership of Receivables or Notes or in respect of any Receivable or any Contract, or (d) Special Indemnified Amounts resulting from a breach by the Special Indemnified Party in respect of its obligations under any Transaction Documents):

(a) any representation made or deemed made by that Swiss Servicer pursuant to the Swiss Agreement or any other Transaction Document which shall have been incorrect in any respect when made or any other representation or warranty or statement made or deemed made by that Swiss Servicer under or in connection with the Swiss Servicing Agreement or any other Transaction Document which shall have been incorrect in any material respect when made;

(b) the failure by that Swiss Servicer to comply with any applicable law, rule or regulation with respect to any Swiss Purchased Receivable or Contract;

(c) any failure of that Swiss Servicer to perform its duties or obligations in accordance with the provisions of the Swiss Servicing Agreement or any other Transaction Document;

(d) the commingling of Collections of Swiss Purchased Receivables at any time by that Swiss Servicer with other funds;

(e) any breach of an obligation of that Swiss Servicer reducing or impairing the rights of the Master Purchaser, the Regency Noteholder, the Styron Security Trustee or the Instructing Party with respect to any Pool Receivable or the value of any Pool Receivable;

(f) any Swiss Servicer Fees or other costs and expenses payable to any replacement Swiss Servicer, to the extent in excess of the Swiss Servicer Fees payable to that Swiss Servicer pursuant to the Swiss Servicing Agreement; or

(g) payment of any claim brought by any Person other than a Special Indemnified Party arising from any activity by that Swiss Servicer or its Affiliates in servicing, administering or collecting any Swiss Purchased Receivable.
If any event occurs in respect of which indemnification may be sought from a Swiss Servicer, the Special Indemnified Party shall (in each case to the extent it is lawful to do so) notify in writing and consult with the relevant Swiss Servicer within a reasonable time after the relevant Special Indemnified Party becomes aware of such event.

11.3 Indemnities by the Dutch Seller

Without limiting any other rights that the Indemnified Parties may have hereunder or under the other Transaction Documents, or under applicable law, the Dutch Seller hereby agrees to indemnify each Indemnified Party from and against any Indemnified Amounts arising out of or resulting from the Dutch Receivables Purchase Agreement or any other Transaction Document or the use of proceeds of purchases or reinvestments or the ownership of Receivables originated by the Dutch Seller or of the Notes or in respect of any Receivable originated by the Dutch Seller or any Contract relating thereto excluding, however, (a) Indemnified Amounts which have resulted from gross negligence or wilful misconduct on the part of such Indemnified Party, (b) recourse for Receivables which are not collected, not paid or uncollectible on account of the insolvency, bankruptcy or financial inability to pay of the applicable Obligor, (c) any income taxes or any other tax or fee measured by income incurred by such Indemnified Party arising out of or as a result of the Dutch Receivables Purchase Agreement or any other Transaction Document or the ownership of Receivables or Notes or in respect of any Receivable or any Contract or (d) Indemnified Amounts resulting from a breach by the Indemnified Party in respect of its obligations under any Transaction Documents. Without limiting or being limited by the foregoing (but subject to the exclusions contained in (a) through (d) above), the Dutch Seller shall pay on demand to each Indemnified Party without any set off, deduction, counterclaim or withholding any and all amounts necessary to indemnify such Indemnified Party from and against any and all Indemnified Amounts relating to or resulting from any of the following:

(a) the characterisation in any Dutch Servicer Report or other written statement made by or on behalf of the Dutch Seller of any Dutch Purchased Receivable as an Eligible Receivable or as included in the Receivables Pool which, as of the date of such Dutch Servicer Report or other statement, is not an Eligible Receivable or should not be included in the Receivables Pool;

(b) any representation or warranty or statement made or deemed made by the Dutch Seller (or any of its officers) under or in connection with any Transaction Document which shall have been incorrect in any material respect when made;

(c) the failure by the Dutch Seller to comply with any applicable law, rule or regulation with respect to any Pool Receivable originated by the Dutch Seller or the related Contracts, or the failure of any Pool Receivable originated by the Dutch Seller or the related Contract to conform to any such applicable law, rule or regulation; or the failure by the Dutch Seller to pay, remit or account for any taxes related to or included in a Receivable originated by the Dutch Seller, when due;
(d) the failure to vest (i) in the Master Purchaser effective title in the Receivables originated by the Dutch Seller and the Related Security and the Collections with respect to Receivables originated by the Dutch Seller free and clear of any Encumbrances other than Seller Permitted Encumbrances or (ii) in the Styron Security Trustee a first priority perfected security interest as provided in the Master Purchase Security Documents;

(e) the failure, when so required in accordance with the Transaction Documents, to have properly notified any Obligor of the transfer, sale or assignment of any Dutch Purchased Receivable originated by the Dutch Seller pursuant to the Transaction Documents to the extent such notice is required to perfect the same under any applicable law and for the purposes of this paragraph (e), “perfect” shall have the same meaning as in Clause 11.1(e) above;

(f) any dispute, claim, counterclaim, set off or defence (other than discharge in insolvency of the Obligor) of the Obligor to the payment of any Receivable originated by the Dutch Seller in, or purporting to be in, the Receivables Pool (including a defence based on such Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim whether of the Obligor or any third party resulting from the sale of chemical products related to such Receivable or the furnishing or failure to furnish such merchandise or services or relating to collection activities with respect to such Receivable (if such collection activities were performed by the Dutch Seller or any of its Affiliates acting as Dutch Servicer);

(g) any failure of the Dutch Seller to perform its duties or obligations under the Contracts;

(h) any product liability, property damage, personal injury, consequential loss or other claim arising out of or in connection with the chemical products which are the subject of any Contract of the Dutch Seller;

(i) the commingling of Collections of Purchased Receivables originated by the Dutch Seller at any time with other funds;

(j) any investigation, litigation or proceeding related to the Dutch Receivables Purchase Agreement or any other Transaction Document or the use of proceeds of purchases or reinvestments or the ownership of Receivables originated by the Dutch Seller or Notes or in respect of any Receivable originated by the Dutch Seller or Related Security or any Contract relating thereto (including in connection with the preparation of a defence or appearing as a third party witness in connection therewith and regardless of whether such investigation, litigation or proceeding is brought by the Dutch Seller, an Indemnified Party or any other Person or an Indemnified Party is otherwise a party thereto);

(k) any failure of the Dutch Seller to comply with its covenants contained in this Deed or any other Transaction Document;
any claim brought by any Person other than an Indemnified Party arising from any activity by the Dutch Seller or any
agent or delegate of the Dutch Seller in servicing, administering or collecting any Dutch Purchased Receivable; and

any claim arising out of any failure by the Dutch Seller to obtain a consent from the relevant Obligor to the transfer, sale
or assignment of any Receivable originated by the Dutch Seller pursuant to the Transaction Documents.

If any event occurs in respect of which indemnification may be sought from the Dutch Seller, the Indemnified Party shall (in each
case to the extent it is lawful to do so) notify in writing and consult with the Dutch Seller within a reasonable time after the
relevant Indemnified Party becomes aware of such event.

11.4 Indemnities by the Dutch Servicer

Without limiting any other rights that the Special Indemnified Parties may have hereunder or under applicable law, and in
consideration of its appointment as Dutch Servicer under the Dutch Servicing Agreement, the Dutch Servicer hereby agrees to
indemnify each Special Indemnified Party from and against any and all Special Indemnified Amounts arising out of or resulting
from any of the following (excluding, however, (a) Special Indemnified Amounts to have resulted from gross negligence or wilful
misconduct on the part of such Special Indemnified Party, (b) recourse for Receivables which are not collected, not paid or
uncollectible on account of the insolvency, bankruptcy or financial inability to pay of the applicable Obligor, (c) any income taxes
or any other tax or fee measured by income incurred by such Special Indemnified Party arising out of or as a result of this Deed or
any other Transaction Document or the ownership of Receivables or Notes or in respect of any Receivable or any Contract, or
(d) Special Indemnified Amounts resulting from a breach by the Special Indemnified Party in respect of its obligations under any
Transaction Documents):

(a) any representation made or deemed made by the Dutch Servicer pursuant to the Dutch Servicing Agreement or any other
Transaction Document which shall have been incorrect in any respect when made or any other representation or warranty
or statement made or deemed made by the Dutch Servicer under or in connection with the Dutch Servicing Agreement or
any other Transaction Document which shall have been incorrect in any material respect when made;

(b) the failure by the Dutch Servicer to comply with any applicable law, rule or regulation with respect to any Dutch
Purchased Receivable or Contract;

(c) any failure of the Dutch Servicer to perform its duties or obligations in accordance with the provisions of the Dutch
Servicing Agreement or any other Transaction Document;

(d) the commingling of Collections of Dutch Purchased Receivables at any time by the Dutch Servicer with other funds;

(e) any breach of an obligation of the Dutch Servicer reducing or impairing the rights of the Master Purchaser, the Regency
Noteholder, the Styron Security
Trustee or the Instructing Party with respect to any Pool Receivable or the value of any Pool Receivable;

(f) any Dutch Servicer Fees or other costs and expenses payable to any replacement Dutch Servicer, to the extent in excess of the Dutch Servicer Fees payable to the Dutch Servicer pursuant to the Dutch Servicing Agreement; or

(g) payment of any claim brought by any Person other than a Special Indemnified Party arising from any activity by the Dutch Servicer or its Affiliates in servicing, administering or collecting any Receivable.

If any event occurs in respect of which indemnification may be sought from the Dutch Servicer, the Special Indemnified Party shall (in each case to the extent it is lawful to do so) notify in writing and consult with the Dutch Servicer within a reasonable time after the relevant Special Indemnified Party becomes aware of such event.

12. FEES, COSTS, EXPENSES AND TAXATION

12.1 Fees

(a) The Sellers (or the Investment Manager on their behalf) shall on the earlier to occur of the U.S. Funding Date or the Dutch Funding Date pay to HSBC Bank plc, a structuring and commitment fee in the amount specified in the Fee Letter together with all other costs and expenses (including reasonable legal costs and expenses) referred to in the Fee Letter (the “Funding Date Fees and Expenses”).

(b) All invoices submitted to any Seller under this Clause 12 shall be in reasonable detail.

(c) If any Seller does not pay any of the fees referred to in paragraphs (a) or (b) of Clause 12.1 and paragraph (a) of Clause 12.2, the Master Purchaser hereby undertakes that it shall pay such fees to HSBC Bank plc or the Regency Noteholder (as the case may be) to the extent that they have not been paid by a Seller.

12.2 Costs and Expenses in relation to the Swiss Sellers and the Swiss Servicers

Without prejudice to the provisions of the other Transaction Documents, each Swiss Seller and each Swiss Servicer shall on demand pay by way of indemnity on a gross of Tax basis all, claims, liabilities, losses, damages suffered by and all costs, fees and expenses (including legal expenses) (i) incurred by (provided in the case of paragraphs (a), (c) and (d) below such costs, fees and expenses are reasonably incurred) the Master Purchaser and the Regency Noteholder and (ii) incurred or chargeable by (provided in the case of paragraphs (a), (c) and (d) below such costs, fees and expenses are properly incurred) the Styron Security Trustee in connection with:

(a) any variation, consent or approval, or any steps taken with a view to any variation, consent or approval, in each case relating to or in connection with any of the Transaction Documents or any related document which was requested by or required by that Swiss Seller or that Swiss Servicer;
12.3 **Costs and Expenses in relation to the Dutch Seller and the Dutch Servicer**

Without prejudice to the provisions of the other Transaction Documents, the Dutch Seller and the Dutch Servicer shall on demand pay by way of indemnity on a gross of Tax basis all, claims, liabilities, losses, damages suffered by and all costs, fees and expenses (including legal expenses) (i) incurred by (provided in the case of paragraphs (a), (c) and (d) below such costs, fees and expenses are reasonably incurred) the Master Purchaser and the Regency Noteholder and (ii) incurred or chargeable by (provided in the case of paragraphs (a), (c) and (d) below such costs, fees and expenses are properly incurred) the Styron Security Trustee in connection with:

(a) any variation, consent or approval, or any steps taken with a view to any variation, consent or approval, in each case relating to or in connection with any of the Transaction Documents or any related document which was requested by or required by the Dutch Seller or the Dutch Servicer;

(b) the preservation or enforcement of, or any action taken to preserve or enforce, any of their rights under any of the Transaction Documents or any related documents;

(c) the exercise by the Master Purchaser, the Regency Noteholder, the Styron Security Trustee, or the Instructing Party of its rights to monitor compliance by the Dutch Seller or the Dutch Servicer with its obligations under the Transaction Documents; and

(d) any audit by any such party or any relevant auditors in relation to transaction cash flows, the performance of the Purchased Receivables originated by the Dutch Seller, Collections with respect to Receivables originated by the Dutch Seller and procedures relating to such Collections,

and (for the avoidance of doubt) the relevant Dutch Seller or Dutch Servicer shall pay to the Master Purchaser, the Regency Noteholder and the Styron Security Trustee, as appropriate, such amount as shall represent any value added tax, sales tax, purchase tax or other similar taxes or duties associated with such costs, fees and expenses (if any) howsoever charged to, or suffered by, the Master Purchaser, the Regency Noteholder and the Styron Security Trustee (other than any Tax on the net income of the Master Purchaser, the Regency Noteholder and the Styron Security Trustee).
Dutch Seller, Collections with respect to Receivables originated by the Dutch Seller and procedures relating to such Collections,

and (for the avoidance of doubt) the Dutch Seller and the Dutch Servicer shall pay to the Master Purchaser, the Regency Noteholder and the Styron Security Trustee, as appropriate, such amount as shall represent any value added tax, sales tax, purchase tax or other similar taxes or duties associated with such costs, fees and expenses (if any) however charged to, or suffered by, the Master Purchaser, the Regency Noteholder and the Styron Security Trustee (other than any Tax on the net income of the Master Purchaser, the Regency Noteholder and the Styron Security Trustee).

12.4 Duties and Taxes

Without prejudice to the provisions of the other Transaction Documents, each Swiss Seller or the Dutch Seller or all of them jointly and severally (as applicable) shall pay any stamp, documentary, transfer, excise, registration, filing and other similar duties, levies, fees or Taxes to which:

(a) any of the Relevant Transaction Documents or any related documents; or

(b) any purchase of Receivables from a Swiss Seller under the Swiss Receivables Purchase Agreement or from the Dutch Seller under the Dutch Receivables Purchase Agreement (as applicable); or

(c) any transaction contemplated under the Transaction Documents and the related documents including the assignment, release, resale or re-assignment of any Receivable originated by that Seller; or

(d) the enforcement of the rights of the Master Purchaser, the Regency Noteholder and the Styron Security Trustee,

may be subject or give rise and each Swiss Seller or the Dutch Seller or all of them jointly and severally (as applicable) shall fully indemnify the Master Purchaser, the Regency Noteholder and the Styron Security Trustee, on a gross of Tax basis, from and against any losses or liabilities which any of them may properly incur or otherwise suffer as a result of any delay in paying or omission to pay such duties, levies, fees or taxes (other than any Tax on the net income of the Master Purchaser, the Regency Noteholder and the Styron Security Trustee). The indemnities specified in paragraphs (a), (b) and (d) above shall be given by each applicable Seller with respect to the Receivables which it has originated and the Transaction Documents to which it is a party. The indemnities specified in paragraphs (a), (c) and (d) above shall be given by both Sellers on a joint and several basis with respect to the Transaction Documents to which both are parties or neither of them are parties.

12.5 Value Added and Sales Tax

(a) Any amounts stated in any Relevant Transaction Document to be payable, or payable in connection with any Relevant Transaction Document, by a Swiss Seller, the Dutch Seller, a Swiss Servicer or the Dutch Servicer are exclusive of value added tax, sales tax, purchase tax or other similar taxes or duties and accordingly, to the extent that any such taxes arise in respect of such
payments, such Swiss Seller, the Dutch Seller, such Swiss Servicer, or the Dutch Servicer (as the case may be) shall, in addition, pay any amount properly charged in respect of any such taxes or duties.

(b) Any amounts stated in any Relevant Transaction Document to be payable by the Master Purchaser, the Regency Noteholder and the Styron Security Trustee are unless otherwise expressly provided in any Relevant Transaction Document exclusive of value added tax, sales tax, purchase tax or other similar taxes or duties.

12.6 Grossing-Up

(a) All payments made by a Swiss Seller, the Dutch Seller, a Swiss Servicer or the Dutch Servicer to the Master Purchaser, the Regency Noteholder, the Styron Security Trustee, and the Instructing Party under or in connection with any Relevant Transaction Document shall be made in full without any deduction or withholding in respect of Taxes (or otherwise) unless the deduction or withholding is required by law in which event such Swiss Seller, the Dutch Seller, such Swiss Servicer or the Dutch Servicer (as applicable) shall:

(i) ensure that the deduction or withholding does not exceed the minimum amount legally required; and

(ii) forthwith pay to the Master Purchaser, the Regency Noteholder, the Styron Security Trustee, or the Instructing Party such additional amount (other than any Tax on the net profit of the Master Purchaser, the Regency Noteholder, the Styron Security Trustee, or the Instructing Party) so that the net amount received by the Master Purchaser, the Regency Noteholder, the Styron Security Trustee, or the Instructing Party as the case may be, will equal the full amount which would have been received by it had no such deduction or withholding been made.

For the purposes of Swiss withholding taxes this clause shall be read to mean that the payment obligations of the relevant Swiss Seller stated in any Transaction Document are minimum payment obligations net of any mandatory reduction on account of Swiss withholding taxes and the corresponding amount of Swiss withholding tax (based on the increased amount) is remitted by such Swiss Seller to the tax authority.

(b) Each Swiss Seller and each Swiss Servicer hereby undertakes to indemnify the Master Purchaser, the Regency Noteholder, the Styron Security Trustee and the Instructing Party, in respect of any withholding or deduction on account of Tax on the payment of any amount due in respect of any Purchased Receivable originated by the relevant Swiss Seller or otherwise due under any Relevant Transaction Document such that the Master Purchaser, the Regency Noteholder, the Styron Security Trustee and the Instructing Party, as the case may be, receives the same amount that it would have received had there been no such withholding or deduction.

(c) The Dutch Seller and the Dutch Servicer hereby undertake to indemnify the Master Purchaser, the Styron Security Trustee and the Instructing Party, in respect of any withholding or deduction on account of Tax on the payment of
any amount due in respect of any Purchased Receivable originated by the Dutch Seller or otherwise due under any Relevant Transaction Document such that the Master Purchaser, the Styron Security Trustee and the Instructing Party, as the case may be, receives the same amount that it would have received had there been no such withholding or deduction.

(d) All payments made to a Swiss Seller, the Dutch Seller, a Swiss Servicer or the Dutch Servicer by the Master Purchaser, the Regency Noteholder, the Styron Security Trustee or the Instructing Party under or in connection with any Relevant Transaction Document shall be made in full without any deduction or withholding in respect of Taxes (or otherwise) unless the deduction or withholding is required by law in which event the Master Purchaser, the Regency Noteholder, the Styron Security Trustee or the Instructing Party, as the case may be, shall ensure that the deduction or withholding does not exceed the minimum amount legally required. For the avoidance of doubt, save as otherwise expressly provided in any Relevant Transaction Document none of the Master Purchaser, the Regency Noteholder, the Styron Security Trustee or the Instructing Party shall be obliged to gross up any such payment following any such deduction or withholding.

12.7 Tax Credits

If any of the Swiss Sellers, the Dutch Seller, the Swiss Servicers or the Dutch Servicer pays any additional amount (an “Additional Payment”) under paragraph (a) of Clause 12.5 and the Master Purchaser, the Regency Noteholder, the Styron Security Trustee, or the Instructing Party, as the case may be, effectively obtains a refund of Tax or credit against Tax on its overall net income by reason of that Additional Payment (a “Tax Credit”) and the Master Purchaser, the Regency Noteholder, the Styron Security Trustee or the Instructing Party, as the case may be, is able to identify such Tax Credit as being attributable to such Additional Payment, then the Master Purchaser, the Regency Noteholder, the Styron Security Trustee or the Instructing Party, as the case may be, shall reimburse the relevant Swiss Seller, the Dutch Seller, the relevant Swiss Servicer or the Dutch Servicer (as the case may be) such amount as the Master Purchaser, the Regency Noteholder, the Styron Security Trustee or the Instructing Party, as the case may be, shall determine to be the proportion of such Tax Credit as will leave it, after that reimbursement, in no better or worse position than it would have been in if that Additional Payment had not been required. The Master Purchaser, the Regency Noteholder, the Styron Security Trustee or the Instructing Party, as the case may be, shall use reasonable efforts to claim any Tax Credit and, if it does so claim, shall have absolute discretion as to the extent, order and manner in which it does so but shall in no circumstances be liable to any of the Swiss Sellers, the Dutch Seller, the Swiss Servicers or the Dutch Servicer for not doing so.

12.8 After Tax Amount

In the event that any taxing authority seeks to charge to Tax any sum paid to the Master Purchaser, the Regency Noteholder, the Styron Security Trustee or the Instructing Party as a result of the indemnities contained herein then the amount so payable shall be grossed up by such amount as to ensure that after payment of the Tax so charged (and taking account of the Tax effect of any loss giving rise to the right to
such an indemnity) there shall be left a sum equal to the amount that would otherwise be payable under such indemnity or obligation.

12.9 Notwithstanding anything else to the contrary in any Transaction Document, none of the U.S. Seller, U.S. Servicer, U.S. Intermediate Transferor, Swiss Sellers, Swiss Servicers and Chargor, German Seller, German Servicer, Dutch Seller, Dutch Servicer, Parent, Guarantor, the Styron Security Trustee or the Master Purchaser shall be required to pay any additional amounts, gross-up, indemnity payment or other similar amount with respect to any Tax imposed under the laws of the United States that is an Excluded Tax, as such term is defined in the U.S. Intermediate Transfer Agreement.

13. **WAIVERS; REMEDIES CUMULATIVE**

13.1 No failure or delay by any party hereto in exercising any right, power or privilege under any Transaction Document to which it is a party or available at law shall impair such right, power or remedy or operate as a waiver thereof. The single or partial exercise of any right, power or remedy under this Deed or any Transaction Document to which it is a party or at law shall not preclude any other or further exercise thereof or the exercise of any other right, power or remedy under this Deed or any Transaction Document to which it is a party or at law.

13.2 The rights of any party to any Transaction Document shall not be capable of being waived otherwise than by an express waiver in writing or by a waiver in such other form as may be agreed by the parties to the relevant Transaction Document for the purposes of minimising or avoiding liability to stamp tax.

13.3 The rights, powers and remedies provided in this Deed and any Transaction Document to which it is a party are cumulative and may be exercised as often as they are considered appropriate and are in addition to any rights and remedies provided by law.

14. **APPOINTMENT OF PARENT BY SELLER AND SERVICER PARTIES; MODIFICATION AND WAIVER**

14.1 Each Swiss Seller, each Swiss Servicer, the Pledgor, the German Seller, the German Servicer, the Dutch Seller, the Dutch Servicer, the U.S. Seller, the U.S. Servicer, the Investment Manager, the Styron Noteholder (collectively the “Seller and Servicer Parties” and each a “Seller and Servicer Party”) by its execution of this Deed irrevocably appoints the Parent (acting through one or more authorised signatories) to act on its behalf as its agent in relation to the Transaction Documents and irrevocably authorises:

(a) the Parent on its behalf to supply all information concerning itself contemplated by the Transaction Documents and to give all notices and instructions, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Seller and Servicer Party notwithstanding that they may affect the relevant Seller and Servicer Party, without further reference to or the consent of that Seller and Servicer Party;
(b) each other party to this Deed to give any notice, demand or other communication to that Seller and Servicer Party pursuant to the Transaction Documents to the Parent;

(c) where the Parent takes any action under sub-paragraph (a) above (other than the provision of information) it shall procure that each relevant Seller and Servicer Party provides a Solvency Certificate in form and substance satisfactory to the Cash Manager in relation thereto,

(d) each of the Seller and Servicer Parties (other than the Investment Manager and Styron Noteholder) agrees that it shall not revoke the appointment of the Parent to take the action specified in sub-paragraph (a) above in any circumstances,

and in each case the Seller and Servicer Party shall be bound as though the Seller and Servicer Party itself had given the notices and instructions or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

The Investment Manager and Styron Noteholder may, with 30 Business Days prior written notice to the Parent and each other Party hereto, revoke the appointment of the Parent to take any action under sub-paragraph (a) above (other than the provision of information).

For the purpose of this Clause 14.1 each “Seller and Servicer Party” releases the Parent from the restrictions under Section 181 German Civil Code (Bürgerliches Gesetzbuch — BGB).

14.2 Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Seller and Servicer Party Agent or given to the Seller and Servicer Party Agent under any Transaction Document on behalf of another Seller and Servicer Party or in connection with any Transaction Document (whether or not known to any other Seller and Servicer Party and whether occurring before or after such other Seller and Servicer Party became a Seller and Servicer Party under any Transaction Document) shall be binding for all purposes on that Seller and Servicer Party as if that Seller and Servicer Party had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Seller and Servicer Party Agent and any other Seller and Servicer Party, those of the Seller and Servicer Party Agent shall prevail.

14.3 Unless otherwise specified in the Styron Security Deed, no amendment, modification, waiver or variation of any or all of the Transaction Documents shall be effective unless:

(a) it is in writing and signed by or on behalf of the Parent as Seller and Servicer Party Agent on behalf of each of the Seller and Servicer Parties and each other party to the relevant Transaction Document to be so modified, waived or varied or intialled for identification on behalf of such parties or in such other form as may be agreed by the parties to the relevant Transaction Document for the purposes of minimising or avoiding any liability to stamp tax; and
such amendment, modification, waiver or variation complies with the requirements of clause 29 of the Styron Security Deed.

14.4 The Master Purchaser agrees with the Sellers that the Sellers may request an increase in the Facility Limit from time to time and the Master Purchaser shall, subject to conditions to be agreed, use its commercially reasonable endeavours to agree to such increases with the Regency Noteholder and the Styron Noteholder (subject to the credit and business approval processes of the Liquidity Facility Provider) and shall not require any increase in the fees on such additional amounts from the fee levels set out in the Transaction Documents or any increase in the CP Rate or Reuters Screen Rate from that set out above or any other alteration to the terms in a manner that is or could be reasonably expected to be adverse to any Seller.

15. ENTIRE AGREEMENT

Each and every Transaction Document sets out the entire agreement and understanding between the parties in respect of the subject matter of the agreements contained therein and supersedes any previous agreement between the parties relating to the subject matter therein. It is agreed that:

(a) no party has entered into any Transaction Document in reliance upon any representation, warranty or undertaking of any other party which is not expressly set out or referred to in any such Transaction Document;

(b) except for breach of an express representation or warranty under any Transaction Document no party shall have any claim or remedy under any of the Transaction Documents in respect of misrepresentation (whether negligent or otherwise, and whether made prior to or at the time of execution of the Transaction Documents) or untrue statement made by any other party; and

(c) this Clause shall not exclude any liability for fraudulent misrepresentation.

16. NO LIABILITY

Notwithstanding any other provision of this Deed or any other Transaction Document, no recourse under any obligation, covenant, or agreement of any party (acting in any capacity whatsoever) contained in any Transaction Document shall be had against any shareholder, officer, director, employee or agent of the Master Purchaser or the Regency Noteholder or the Styron Security Trustee as such, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that each Transaction Document is a corporate obligation of the relevant party and no personal liability shall attach to or be incurred by the shareholders, officers, agents, employees or directors of any party as such, or any of them, under or by reason of any of the obligations, covenants or agreements contained in any Transaction Document, or implied therefore, and that any and all personal liability for breaches by such party of any such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent, employee or director is hereby expressly waived by the other parties as a condition of and consideration for the execution of this Deed.
17. **LIMITED RECOVERY AND NON-PETITION IN FAVOUR OF REGENCY NOTEHOLDER**

17.1 Notwithstanding any other provision of this Deed, each of the parties hereto (other than the German Seller and the German Servicer) hereby agrees with the Regency Noteholder that it shall not, until the expiry of two years and one day after payment of all sums outstanding and owing under the latest maturing commercial paper notes issued by the Regency Noteholder pursuant to its Programme Documents (as defined below):

(a) take any corporate action or other steps or legal proceedings for the winding-up, dissolution, examinership or reorganisation of or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer to the Regency Noteholder or of any or all its revenues and assets; or

(b) have any right to take any steps for the purpose of obtaining payment of any amounts payable to it under this Deed by the Regency Noteholder and shall not take any steps to recover any debts whatsoever owing to it by the Regency Noteholder.

17.2 Notwithstanding any other provision of this Deed, each party hereto (other than the Regency Noteholder, the German Seller and the German Servicer) agrees and acknowledges with the Regency Noteholder that:

(a) it will only have recourse in respect of any amount, claim or obligation due or owing to it by the Regency Noteholder (the “Claims”) to the extent of available funds pursuant to the Regency Noteholder’s programme documents in respect of its USD$20,000,000,000 asset-backed commercial paper notes issuance programme (the “Programme Documents”) subject to and in accordance with the terms thereof and after all other prior ranking claims in respect thereof have been satisfied and discharged in full;

(b) following the application of funds following enforcement of the security interests created over the Regency Noteholder’s assets under the relevant Programme Documents, subject to and in accordance with the provisions relating to the application of funds specified therein, the Regency Noteholder will have no assets available for payment of its obligations under such documents and this Deed other than as provided for pursuant to the Programme Documents and any Claims will accordingly be extinguished to the extent of any shortfall; and

(c) the obligations of the Regency Noteholder under the Programme Documents and this Deed will not be obligations or responsibilities of, or guaranteed by, any other person or entity.

17.3 Notwithstanding any other provision of this Deed no recourse under any obligation, covenant or agreement of the Regency Noteholder contained in this Deed shall be had against any shareholder, member, officer, director, employee or agent of the Regency Noteholder, by the enforcement of any assessment or by any legal proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this
Deed is a corporate obligation of the Regency Noteholder, and that no personal liability shall attach to or be incurred by the shareholders, members, officers, directors, employees or agents of the Regency Noteholder, as such, or any of them under or by reason of any of the obligations, covenants or agreements of the Regency Noteholder contained in this Deed or implied therefrom and that any and all personal liability for breaches by the Regency Noteholder of any of such obligations, covenants or agreements, either at any applicable law or by statute or constitution of every such shareholder, member, officer, director, employee or agent is hereby expressly waived as a condition of and in consideration for the execution of this Deed.

17.4 Notwithstanding any other provision of this Deed or any Transaction Document, each of the parties hereto (other than the German Seller and the German Servicer) agrees and acknowledges that the provisions of Clauses 16 and 17 of this Deed shall survive and shall not be extinguished by the termination of this Deed and shall continue to bind the parties thereafter.

17.5 For the avoidance of doubt, Clause 22 (Limited Recourse and No-Petition in Favour of Regency Noteholders) of the German Receivables Purchase Agreement binds the German Seller and Clause 1.4(h) of the German Servicing Agreement binds the German Servicer.

18. MISCELLANEOUS PROVISIONS

18.1 Evidence of indebtedness

In any proceeding, action or claim relating to any Transaction Document a statement as to any amount due which is certified as being correct by an officer of the Instructing Party, shall, unless otherwise provided in the Transaction Document or this Deed, or in the case of manifest error, be prima facie evidence that such amount is in fact due and payable.

18.2 Severability

Any provision of any Transaction Document or this Deed which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, each of the parties hereto hereby waives any provision of law but only to the extent permitted by law which renders any provision of any Transaction Document prohibited or unenforceable in any respect.

18.3 Assignability

(a) Save as specifically provided in any Transaction Document and subject to sub-paragraph 18.3(b) below, none of the Swiss Sellers, the German Seller, the Dutch Seller, the German Servicer, the Dutch Servicer, the Swiss Servicers, Regency Noteholder or the Master Purchaser shall be entitled to assign any of its rights or transfer any of its obligations under any of the Transaction
Documents without the prior written consent of the Cash Manager, and prior written notice being given to Moody’s and S&P.

(b) The Regency Noteholder may assign its rights or transfer its obligations under the Transaction Documents to any person subject to obtaining the prior written consent of the Parent (in its sole discretion) provided that the consent of the Parent shall not be required in respect of assignments or transfer (i) to Affiliates provided such arrangement or transfer shall not increase the Master Purchaser’s cost of funding, (ii) following a Termination Event which has occurred and which is continuing or (iii) to HSBC Bank plc or its Affiliates.

(c) Each assignor or transferee shall notify the Cash Manager and the Parent of any assignment or transfer under paragraph (a) or paragraph (b) of Clause 18.3. Each assignor or transferee may, in connection with any such assignment or transfer, disclose to the assignee or transferee or potential assignee or transferee any information relating to the relevant Swiss Seller, the German Seller, the Dutch Seller, the German Servicer, the Dutch Servicer or the relevant Swiss Servicer, including the Receivables, furnished to such assignor or transferee by or on behalf of the relevant Swiss Seller, the German Seller, the Dutch Seller, the relevant Swiss Servicer, the German Servicer or the Dutch Servicer provided that, prior to any such disclosure, the assignee or transferee or potential assignee or transferee agrees to observe the confidentiality of such information which is confidential in accordance with Clause 20 below.

18.4 Set-Off

(a) Except as otherwise provided in the Transaction Documents and subject to paragraph (b) of this Clause 18.4, all payments required to be made under the Transaction Documents shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim, save as provided by mandatory provisions of law.

(b) The Master Purchaser, the Regency Noteholder, the Instructing Party and the Styron Security Trustee may (in addition to any other rights it may have) at any time after a Termination Event has occurred and is subsisting, set-off, appropriate and apply any deposits and any other indebtedness held or owing by such Person (acting in its capacity as such) to, or for the account of, a Swiss Seller, the German Seller, the Dutch Seller, the German Servicer, the Dutch Servicer or a Swiss Servicer against any amount owing by that Seller, the German Servicer, the Dutch Servicer or the relevant Swiss Servicer, as the case may be, to such Person.

18.5 Styron Noteholder, Master Purchaser, Swiss Sellers, Swiss Servicers, Dutch Seller and Dutch Servicer Set-Off

(a) The Master Purchaser may, at any time, unless notified to the contrary by the Instructing Party, set-off its obligation to pay Initial Purchase Price to a Swiss Seller or the Dutch Seller against its right to receive any amount of Initial
Subscription Price or Additional Subscription Price from the Styron Noteholder.

(b) The Master Purchaser may, on any Monthly Payment Date, unless notified to the contrary by the Instructing Party, set-off its obligation to pay any Styron USD Note Redemption Amounts or Styron EUR Note Redemption Amounts to the Styron Noteholder against its right to receive Collections from each Seller.

(c) The Styron Noteholder, the Master Purchaser, each Swiss Servicer, each Swiss Seller, the Dutch Servicer and the Dutch Seller may, on any Settlement Date, unless notified to the contrary by the Instructing Party:

(i) set-off the Styron Noteholder’s obligation to pay any Additional Principal Amount under the Styron Note against the Master Purchaser’s obligation to pay Initial Purchase Price or Deferred Purchase Price to a Swiss Seller or the Dutch Seller on such Settlement Date;

(ii) set-off each Swiss Servicer’s obligation to pay Collections to the Master Purchaser against the Master Purchaser’s obligation to pay any amounts due to the Styron Noteholder pursuant to the Styron Note; and

(iii) set-off any amounts in accordance with Clause 3.3(c) of the Swiss Receivables Purchase Agreement, Clause 3.2(c) of the Dutch Receivables Purchase Agreement, Clause 4.3 of the Swiss Servicing Agreement or Clause 4.3 of the Dutch Servicing Agreement.

18.6 Regulation

(a) From 1 January 2015, the Sellers undertake to the Master Purchaser and the Noteholders that each of them will, whilst any of the Notes remain outstanding ensure the Noteholders have readily available access to all materially relevant data on the credit quality and performance of the individual Purchased Receivables, cash flows and collateral supporting the Transaction, as well as such tests on the cash flows and collateral values supporting the Notes (for the purpose of which, “materially relevant data” has the meaning given to it in Article 122a of Directive 2006/48/EC or any successor thereto) provided that no Seller shall be in breach of the undertakings given pursuant to this Clause 19.6 if due to events, actions or circumstances beyond such Seller’s control, such Seller is not able to comply with such undertakings, subject always to any requirement of law.

(b) The Sellers and the Servicers covenant with the Cash Manager to provide it with all information which it may reasonably require to comply with requirements of law or regulation as to the disclosure of information including (but not limited to) pursuant to European Regulation 1060/2009 (as amended from time to time).
19. **COUNTERPARTS**

Each of the Transaction Documents, including this Deed, can be executed in any number of counterparts and by the parties to it on separate counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument. Delivery of a counterpart of any Transaction Document, including this Deed, by e-mail attachment or fax shall be an effective mode of delivery.

20. **CONFIDENTIALITY**

None of the parties shall, and they shall procure that none of their agents or representatives shall, during the continuance of any of the Transaction Documents or after the termination of any of them, disclose to any person, firm or company whatsoever any information relating to the business, finances or other matters of a confidential nature of any other party to this Deed of which it may in the course of its duties under this Deed or any Transaction Document or otherwise have become possessed and all the parties shall use all reasonable endeavours to prevent any such disclosure, **provided however that** the provisions of this Clause 20 shall not apply:

(a) to the disclosure of any information which is expressly permitted or required by the Transaction Documents to any person who is a party to any of the Transaction Documents or is required in relation to the transactions envisaged by the Transaction Documents;

(b) to the disclosure of any information already known to the recipient otherwise than as a result of entering into or negotiating any of the Transaction Documents **provided that** the recipient has not, to the knowledge of the party disclosing information, acquired such information in breach of any contractual obligation of confidentiality;

(c) to the disclosure of any information which is or becomes public knowledge otherwise than as a result of the conduct of the recipient or as a result of a breach of this Agreement;

(d) to the extent that the recipient is required to disclose the same pursuant to any law or regulation or order of any court or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank or any governmental or other regulatory authority (including any official bank examiners or regulators) or stock exchanges or Rating Agency or any other rating organisation to whom disclosure is required by applicable law in order to issue or maintain a credit rating, provided such disclosure is made strictly in accordance and solely to ensure compliance, with the provisions of the relevant law (including, for the avoidance of doubt, Rule 17g-5 of the General Rules and Regulations promulgated by the Securities Exchange Act of 1934);

(e) to the disclosure of information in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;

(f) to the extent that the recipient needs to disclose the same for the protection or enforcement of any of its rights under any of the Transaction Documents;
(g) to the disclosure of any information to any provider of liquidity, credit enhancement, hedging or other facilities (subject to them being informed of the confidential nature of such information and being subject to confidentiality restrictions consistent with this Clause 20);

(h) to the disclosure of any information to professional advisers who receive the same under a duty of confidentiality;

(i) to the disclosure of any information with the written consent of the parties hereto in form and substance satisfactory to the Instructing Party; and

(j) to the disclosure of any information reasonably disclosed to a prospective provider of Regency Noteholder Related Debt, a prospective or a substitute Instructing Party or Styron Security Trustee (provided it is disclosed on the basis that the recipient will hold it confidential and will not use it in the course of its business).

21. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

In relation to each Transaction Document governed by English law, a person who is not a party to such Transaction Document shall, unless otherwise expressly provided in a Transaction Document, have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the terms thereof.

22. **STYRON SECURITY TRUSTEE PARTY TO TRANSACTION DOCUMENTS**

22.1 Better preservation and enforcement of rights

Except where any Transaction Document provides otherwise, the Styron Security Trustee has agreed to become a party to each Transaction Document to which it is a party only for the better preservation and enforcement of its rights under such Transaction Document and shall not assume any liabilities or obligations under any Transaction Document unless such obligation or liability is expressly assumed by the Styron Security Trustee in such Transaction Document.

22.2 Styron Security Trustee has no responsibility

The Styron Security Trustee shall not have any responsibility for any of the obligations of the other Transaction Parties and the other Transaction Parties acknowledge that the Styron Security Trustee has no such responsibility and that the Styron Security Trustee is entitled to the protections contained in and on the terms set out in the Styron Security Deed.

22.3 Styron Security Deed governs the Styron Security Trustee

Each of the parties hereto agrees that the exercise or performance or non-exercise or non-performance of any of the trusts, powers, authorities, duties, discretions or obligations of, or the giving of any consents by the Styron Security Trustee and the Styron Security Trustee’s liability in relation to the same shall in the case of each Transaction Document to which it is a party be subject to the detailed provisions of the Styron Security Deed and, in the event of any conflict, the provisions of the Styron Security Deed shall prevail.
23. **TRUSTEE ACT**

In relation to each Transaction Document governed by English law and which creates or purports to create a trust or fiduciary relationship, the parties hereto agree that to the fullest extent permitted by law, none of the provisions of the Trustee Act 2000 shall apply to the trust or fiduciary relationship created by such Transaction Document or to the role of the trustee or fiduciary in relation to such trust or fiduciary relationship. The disapplication of the Trustee Act 2000 as provided by this Clause 23 shall constitute an exclusion of the provisions of the Trustee Act 2000 for the purposes of that Act.

24. **RESTRICTION ON ENFORCEMENT OF SECURITY, NON-PETITION AND LIMITED RECOLUENCE IN FAVOUR OF THE MASTER PURCHASER**

24.1 **No proceedings against the Master Purchaser**

Notwithstanding any other provision of this Deed or any Transaction Documents, only the Styron Security Trustee may pursue the remedies available under the general law or under the Styron Security Deed, the German Security Assignment and Trust Agreement or the U.S. Security Agreement to enforce the Security and no Transaction Party shall be entitled to proceed directly against the Master Purchaser to enforce the Security. Each Transaction Party (other than the Master Purchaser, the German Seller, the German Servicer, and the Styron Security Trustee) agrees with and acknowledges to each of the Master Purchaser and the Styron Security Trustee, and the Styron Security Trustee agrees with and acknowledges to the Master Purchaser, that:

(a) none of the Transaction Parties (nor any person on their behalf, other than the Styron Security Trustee where appropriate) are entitled, otherwise than as permitted by the Transaction Documents, to direct the Styron Security Trustee to enforce the Security or take any proceedings against the Master Purchaser to enforce the Security;

(b) none of the Transaction Parties (other than the Styron Security Trustee acting in accordance with the provisions of the Styron Security Deed, the German Security Assignment and Trust Agreement or the U.S. Security Agreement) shall have the right to take or join any person in taking any steps against the Master Purchaser for the purpose of obtaining payment of any amount due from the Master Purchaser to any of such Transaction Parties;

(c) until the date falling two years after the Final Discharge Date none of the Transaction Parties nor any person on their behalf shall initiate or join any person in initiating an Insolvency Event or the appointment of an Insolvency Official in relation to the Master Purchaser other than a Receiver appointed under clause 18 (Appointment and Removal of Administrator and Receiver) of the Styron Security Deed; and

(d) none of the Transaction Parties shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Payments Priorities not being complied with.

24.2 **Limited Recourse**
(a) Each Transaction Party (other than the Master Purchaser, the German Seller, the German Servicer and, in accordance with the provisions of the Styron Security Deed, the Styron Security Trustee) agrees with each of the Master Purchaser and the Styron Security Trustee, and the Styron Security Trustee agrees with the Master Purchaser, that notwithstanding any other provision of any Transaction Document, all obligations of the Master Purchaser to such Transaction Party, including, without limitation, the Obligations, are limited in recourse as set out below:

(i) it will have a claim only in respect of the Charged Property and will not have any claim, by operation of law or otherwise, against, or recourse to any of the Master Purchaser’s other assets or its contributed capital;

(ii) sums payable to each Transaction Party in respect of the Master Purchaser’s obligations to such Transaction Party shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Transaction Party and (b) the aggregate amounts received, realised or otherwise recovered by or for the account of the Master Purchaser in respect of the Charged Property whether pursuant to enforcement of the Security or otherwise, net of any sums which are payable by the Master Purchaser in accordance with the Payments Priorities in priority to or pari passu with sums payable to such Transaction Party; and

(iii) upon the Styron Security Trustee giving written notice to the Relevant Transaction Parties that it has determined in its sole opinion, that there is no reasonable likelihood of there being any further realisations in respect of the Charged Property (whether arising from an enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Relevant Transaction Documents, the Relevant Transaction Party shall have no further claim against the Master Purchaser in respect of any such unpaid amounts and such unpaid amounts shall be extinguished and discharged in full.

The provisions of this Clause 24 (Restriction on Enforcement of Security, Non-Petition and Limited Recourse in Favour of the Master Purchaser) shall survive termination of the Transaction Documents.

(b) For the avoidance of doubt Clause 21 (Restriction on Enforcement of Security, Non-Petition and Limited Recourse in Favour of the Master Purchaser) binds the German Seller and Clause 15.4 (Subordination of German Servicer’s Rights and Non Petition Undertaking) of the German Servicing Agreement binds the German Servicer.

25. PROVISIONS RELATING TO THE TRANSACTION DOCUMENTS

25.1 Acknowledgement of the Security

Each Transaction Party:
(a) acknowledges the Security created by the Master Purchaser Security Documents;

(b) undertakes to the Styron Security Trustee not to do anything inconsistent with the Security or the terms of the Transaction Documents;

(c) acknowledges that the Security is held by the Styron Security Trustee for the benefit of all the Secured Creditors and that any Receiver shall be appointed by the Styron Security Trustee for the benefit of all the Secured Creditors; and

(d) acknowledges the existence of the rights conferred on the Noteholders by Condition 6.3 (*Consequences of Delivery of an Enforcement Notice*) and Condition 8 (*No action by Noteholders or any other Secured Creditor*).

25.2 Secured Creditors and Transaction Documents

Each Secured Creditor shall be deemed to have notice of, all of the provisions of the Transaction Documents.

25.3 Receipt

The Styron Security Trustee is hereby authorised to execute on behalf of the Secured Creditors a receipt in respect of all or part only of the Secured Amounts, as may be appropriate from time to time.

25.4 Recoveries after Enforcement

Except for moneys paid out by the Styron Security Trustee pursuant to the Post-Enforcement Payments Priorities, all monies received or recovered by the Secured Creditors in respect of the Secured Amounts after delivery of an Enforcement Notice (whether by way of set-off, retention, compensation, balancing of accounts or otherwise) shall forthwith be paid to (and pending such payment held on trust for) the Styron Security Trustee.

26. GOVERNING LAW

This Deed and any non-contractual obligations arising herefrom shall be governed by, and construed in accordance with, English law.

27. FAILURE TO SATISFY INITIAL CONDITIONS PRECEDENT

27.1 Termination

If the Initial Conditions Precedent have not been satisfied or waived by the Instructing Party prior to 26 August 2010 the Transaction Parties hereby agree that, with effect from 26 August 2010, subject to Clause 27.2 (*Continuing obligations*) and Clause 27.3 (*Accrued liabilities*) and notwithstanding anything else contained in the Transaction Documents:

(a) each Transaction party is irrevocably released and discharged from all covenants, undertakings, representations, warranties, liabilities and obligations owed to the other parties (or any of them) to the Transaction Documents
arising under the Transaction Documents, whether, without limitation, in contract, tort or otherwise;

(b) the rights and entitlements of each party to the Transaction Documents against the other parties to the Transaction Documents in respect of the Transaction Documents are irrevocably waived and cancelled; and (c) the Transaction Documents are terminated, without giving rise to any liabilities as a result of such termination and discharge, other than as set out herein.

27.2 Continuing obligations

The termination of the Transaction Documents pursuant to Clause 27.1 is without prejudice to any provision of such Transaction Documents which expressly states that it will survive the termination of such Transaction Document, or which reserves the rights of the parties to such Transaction Document in the event that any payment made to them under or pursuant to the Transaction Document is subsequently challenged.

27.3 Accrued liabilities

The termination of the Transaction Documents is without prejudice to any rights and liabilities under the Transaction Documents accrued prior to 26 August 2010 and will not give rise to any liabilities as a result of such termination other than as set out herein.
IN WITNESS of which this Deed has been executed and delivered as a deed by the parties to it on the date above mentioned.

[all signature blocks removed for the purposes of amendment]
The occurrence of any of the following events shall constitute a Termination Event:

(a) **Non-Payment**: a Seller or a Servicer fails to pay any amount due under any of the Transaction Documents within three (3) Business Days after the earlier of that Seller or that Servicer becoming aware of such default and the receipt by that Seller or that Servicer (as the case may be) of written notice by or on behalf of the Master Purchaser requiring the same to be remedied;

(b) **Misrepresentation**: any representation or warranty made or deemed to be made by the Parent, the Styron Noteholder, a Seller or a Servicer (or any of their respective officers) under or in connection with this Deed or any other Transaction Document or any information or report delivered by the Parent, the Styron Noteholder, that Seller or that Servicer pursuant to this Deed or any other Transaction Document shall prove to have been incorrect or untrue in any material respect when made or deemed made or delivered, unless such representation or warranty relates solely to one or more specific Receivables incorrectly characterised as Eligible Receivables and in the case of the representations and warranties contained in paragraphs (a) and (i) of Schedule 1 Part A of the Master Receivables Purchase Agreement, the breach of such representation or warranty is capable of being cured and is in fact cured (without any adverse impact on the Master Purchaser, the Regency Noteholder, the Liquidity Provider, the Styron Security Trustee or the Instructing Party or the collectability of the Receivables) within fifteen (15) Business Days after the first date on which the relevant Seller obtains knowledge or receives written notice of such breach from any Affected Person);

(c) **Breach of Obligations**:

(i) A Seller, the Styron Noteholder or a Servicer shall fail to perform or observe any other term, covenant or agreement contained in this Deed or any other Transaction Document (other than as referred to in paragraph (ii) below) on its part to be performed or observed and any such failure shall remain unremedied fifteen (15) days, **provided that** failure of a Seller or a Servicer (as the case may be) to perform or observe any covenant contained in clauses 4.3 (g), (h), and (m) of a Master Receivables Purchase Agreement (excluding the U.S. Receivables Purchase Agreement and the U.S. Intermediate Transfer Agreement) or clauses 4.3(g), (i) and (n) of the U.S. Receivables Purchase Agreement and the U.S. Intermediate Transfer Agreement (as the case may be) shall not be entitled to the benefit of such 15-day period; or

(ii) a Seller shall fail to perform or observe any covenant or agreement contained in clauses 4.3(g), (h) or (m) of the relevant Master Receivables Purchase Agreement (excluding the U.S. Receivables Purchase Agreement and the U.S. Intermediate Transfer Agreement) or clauses 4.3(g), (i) and (n) of the U.S. Receivables Purchase Agreement and the U.S. Intermediate Transfer Agreement (as the case may be), in each case, on its part to be performed or
observed and any such failure shall remain unremedied for five (5) Business Days;

(d) Cross Acceleration: an event shall occur or condition shall exist under any agreement or instrument relating to any Debt of the Parent, the Styron Noteholder, a Seller or a Servicer which is outstanding in a principal amount of at least USD 30,000,000 or its equivalent in another Approved Currency in aggregate, and, as a result of such event or condition, the maturity of such Debt is accelerated; or any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), redeemed, purchased or defeased, or an offer to repay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof;

(e) Valid Security: either:

(i) the Styron Security Trustee shall, for any reason cease to have a valid and perfected first priority Encumbrance in all of the property, assets and rights of any kind of the Master Purchaser; or

(ii) any Account Control Agreement does not, or ceases to create, a valid and perfected first priority Encumbrance in favour of the Master Purchaser or the Styron Security Trustee (as applicable) in respect of the Collection Accounts;

(f) Invalidity: any material provision of any of the Transaction Documents is, or becomes, for any reason, invalid or unenforceable and the Master Purchaser, the Instructing Party, the Liquidity Facility Provider, the Styron Security Trustee or the Regency Noteholder would be materially prejudiced by such provision becoming invalid or unenforceable;

(g) Change of Control: a Change of Control occurs that is not previously approved by the Instructing Party;

(h) Judgment: one or more judgments for the payment of money exceeding an amount in the sum of USD 30,000,000 (except to the extent covered by insurance as to which the insurer has acknowledged in writing it will cover the entire amount of any such judgment) shall be rendered against the Styron Noteholder, a Seller or a Servicer and the same shall remain undischarged for a period of 45 consecutive days during which execution shall not be effectively stayed, or any action shall be taken by a judgment creditor to attach or levy upon any assets of the relevant Seller or Servicer to enforce any such judgment;

(i) Material Adverse Change: any event or series of events (whether related or not) occurs which in the reasonable opinion of the Instructing Party will have a Material Adverse Effect;

(j) Servicer Default: any Servicer Default occurs;

(k) Trigger Events: as of any Determination Date either:

(i) the 3 month rolling average of the Collection Ratio as at such Determination Date falls below 35%; or
(ii) the 3 month rolling average of the Default Ratio as at such Determination Date exceeds 2%; or

(iii) the 3 month rolling average of the Dilution Ratio as at such Determination Date exceeds 3.5%, or

(iv) the 3 month rolling average of the Delinquency Ratio as at such Determination Date exceeds 4%,

provided that in the case of (ii) and (iv), there shall not be a Termination Event if:

(A) there would not be an excess if the aggregate of each of the Purchased Receivables relating to one Large Obligor are excluded from the relevant calculation; and

(B) in the case of (ii), the Default Ratio as at the immediately preceding Determination Date did not exceed 1.5%, or in the case of (iv) the Delinquency Ratio as at the immediately preceding Determination Date did not exceed 3%.

(l) Perfection Events : any Perfection Event occurs;

(m) Asset Shortfall : an Asset Shortfall occurs;

(n) Master Purchaser Enforcement Event : any Master Purchaser Enforcement Event occurs;

(o) Misuse of Collection Accounts : a Seller or a Servicer withdraws, makes payment, or otherwise deals with funds standing in the balance of a Collection Account other than in a manner authorised under the Transaction Documents or otherwise without the prior written consent of the Master Purchaser and the Instructing Party, save that such withdrawal, payment or dealing with funds, if made as a result of a technical or administrative error, may be remedied within 1 Business Day. The Master Purchaser, the Sellers and the Servicers agree that during period beginning on the Closing Date and ending on the day following the fourth Monthly Payment Date, the occurrence of the events or circumstances outlined in this paragraph (o) shall not constitute a Termination Event provided the Sellers and the Servicers have used reasonable endeavours to prevent such occurrence;

(p) Spanish Collection Account : there is no Account Control Agreement in place in respect of the Collection Account at the Madrid branch of the Collection Account Bank by 23 September 2010 or the Collections credited to the Madrid branch of the Collection Account Bank prior to an Account Control Agreement being put in place in respect of it are not transferred to the Collection Account denominated in EUR held at the Frankfurt branch of the Collection Account Bank on the Business Day following receipt of such Collections into such Collection Account unless the failure to transfer is caused by an administrative or technical error or some other disruption to the financial markets or payment operations and the transfer is made within three Business Days of its due date;
(q) **German Tax Indemnity**: for the purposes of the German Receivables Purchase Agreement, the German Servicing Agreement and any Account Control Agreement relating to the German Seller only, the German Servicer’s outstanding liability under Clause 13.3(h) of the German Servicing Agreement is equal to or greater than €2,500,000; and

(r) **Failure to fund by Styron Noteholder**: the Styron Noteholder fails to pay (or advance) any amount due from it as and when due under the Styron Notes or the Variable Loan Note Issuance Deed.
PART B
PERFECTION EVENTS

The occurrence of any of the following events shall constitute a Perfection Event:

(a) **Attachment**: all or any part of the property, business, undertakings, assets or revenues of a Seller or a Servicer having an aggregate value in excess of USD 30,000,000 has been attached as a result of any distress or execution being levied or any encumbrance taking possession or similar attachment and such attachment has not been lifted within thirty (30) days, unless in any such case the Instructing Party certifies that in its reasonable opinion such event will not materially prejudice the ability of a Seller or a Servicer to observe or perform its obligations under the Transaction Documents or the enforceability, collectability or origination of the Receivables;

(b) **Insolvency**: any Seller or any Servicer is or becomes or is declared to be insolvent or over-indebted (value of its assets is lower than the value of its liabilities) (including bankruptcy and suspension of payments) or is or becomes unable to pay its debts as they fall due or threatens to suspend making payments (whether of principal or interest) with respect to all or any class of its debts;

(c) **Composition**: any Seller or any Servicer convenes a meeting of its creditors or proposes or makes any arrangement or composition with, or any assignment for the benefit of, or any moratorium with its creditors (other than (i) for the purposes of a solvent reconstruction or amalgamation on such terms and within such period as may previously have been approved in writing by the Instructing Party or (ii) for the purposes of an intra-group restructuring, provided that (for the purposes of (ii) (A) the Sellers and the Parent shall continue to have the same ultimate holding company as prior to the intra-group restructuring, and (B) the intra-group restructuring will not have a Material Adverse Effect on the Parent or the Sellers) which do not, in the opinion of the Instructing Party, have a Material Adverse Effect and have previously have been approved in writing by the Instructing Party) or any other corporate action is taken or any legal proceedings are commenced by a Seller or a Servicer with a view to any such composition, arrangement, assignment or moratorium being made;

(d) **Winding Up, Administration**: a petition (other than a petition which is dismissed or stayed within thirty (30) days of being instituted or which is frivolous or vexatious or which would not result in a Material Adverse Effect) is presented or other formal steps are taken for the purpose of considering a resolution or other preparatory steps are taken for legal proceedings are commenced for the liquidation, dissolution, administration or reorganisation of a Seller or a Servicer (other than (i) for the purposes of a solvent reconstruction or amalgamation on such terms and within such period as may previously have been approved in writing by the Instructing Party or (ii) for the purposes of an intra-group restructuring, provided that (for the purposes of (ii) (A) the Sellers and the Parent shall continue to have the same ultimate holding company as prior to the intra-group restructuring, and (B) the intra-group restructuring will not have a Material Adverse Effect on the Parent or the Sellers);

(e) **Analogous Proceedings**: an event analogous to any of the events specified in paragraphs (a), (b), (c) or (d) occurs under the laws of any relevant jurisdiction;
Encumbrance: any of the Sellers or the Servicers creates or grants any Encumbrance or permits any Encumbrance to arise over or in relation to:

(i) any Purchased Receivable;
(ii) any right, title or interest of the Master Purchaser in relation to a Purchased Receivable;
(iii) any proceeds of or sums received or payable in respect of a Purchased Receivable; or
(iv) the interest of the Master Purchaser in any amount from time to time standing to the credit of the Collection Accounts, other than pursuant to the Account Control Agreement or a Seller Permitted Encumbrance;

Dispute: a Seller disputes, in any manner, the validity or efficacy of any sale and purchase of a Receivable under a Master Receivables Purchase Agreement;

Illegality: it becomes impossible or unlawful for a Seller or a Servicer to continue its business or discharge its obligations as contemplated by the Transaction Documents and as a result, in the reasonable opinion of the Instructing Party, there is, or is likely to be, a Material Adverse Effect on the ability of a Seller or a Servicer to perform their respective obligations under the Transaction Documents or the enforceability, collectability or origination of the Receivables is or is likely to be materially prejudiced.

Set off by Collection Account Bank: a Collection Account Bank exercises any right of set off against funds standing in the balance of any Collection Account other than as contemplated pursuant to an Account Control Agreement, other than in relation to account fees charged directly to the relevant Collection Account, and such set off is not repaid into the relevant Collection Account within 8 Business Days.
SCHEDULE 2
SWISS SERVICER DEFAULTS

The occurrence of any of the following events shall constitute a Swiss Servicer Default:

(a) Any Swiss Servicer:
   (i) shall fail to perform or observe any term, covenant or agreement under the Swiss Receivables Purchase Agreement or the Swiss Servicing Agreement and such failure shall remain unremedied for five (5) Business Days; or
   (ii) shall fail to make when due any payment or deposit to be made by it under the Swiss Receivables Purchase Agreement and the Swiss Servicing Agreement and such failure shall remain unremedied for two Business Days; or
   (iii) shall fail to deliver any Swiss Servicer Report when required and such failure shall remain unremedied for two Business Days or one Business Day in respect of Swiss Servicer Reports being delivered on a Daily Reporting Date (unless previously agreed between the Swiss Servicer and Master Purchaser that such Swiss Servicer Report shall be delivered at a later date or if such late delivery is due solely to computer or other technical failure, such failure shall remain unremedied for five Business Days).

(b) Any representation or warranty made or deemed made by a Swiss Servicer under or in connection with the Swiss Receivables Purchase Agreement or Swiss Servicing Agreement or any other Transaction Document or any information or report delivered by a Swiss Servicer pursuant to the Swiss Receivables Purchase Agreement and Swiss Servicing Agreement or any other Transaction Document shall prove to have been incorrect or untrue in any material respect when made or deemed made or delivered unless the breach of such representation or warranty is capable of being cured and is in fact cured (without any adverse impact on the Master Purchaser, the Regency Noteholder, the Liquidity Provider, the Styron Security Trustee or the Instructing Party or the collectability of the Receivables) within fifteen (15) Business Days after the first date on which the relevant Seller obtains knowledge or receives written notice of such breach from any Affected Person.

(c) Any Swiss Servicer shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against a Swiss Servicer seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganisation, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganisation or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 30 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or a Swiss Servicer shall take any
corporate or other action to authorize any of the actions set forth above in this paragraph (c).

(d) An event shall occur or condition shall exist under any agreement or instrument relating to any Debt of a Swiss Servicer which is outstanding in a principal amount of at least USD 30,000,000 in the aggregate and, as a result of such event or condition, the maturity of such Debt is accelerated; or any such Debt shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), redeemed, purchased or defeased, or an offer to repay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof.

(e) There shall have occurred any event which causes an Account Control Agreement to cease to be in full force and effect or the Account Control Agreement ceases to be a valid, first priority, perfected Encumbrance, except where such an event is a result of termination of the relevant account by the Collection Account Bank, in which case the relevant Swiss Servicer must procure within 30 days that:

(i) a replacement account is opened with another account bank on terms satisfactory to the Master Purchaser; and

(ii) a new Account Control Agreement is entered into as a valid, first priority, perfected Encumbrance with respect to any replacement account on terms satisfactory to the Master Purchaser,

(f) There shall have occurred any event which may have a Material Adverse Effect on the ability of a Swiss Servicer to collect Pool Receivables or otherwise perform its obligations under the Swiss Receivables Purchase Agreement and Swiss Servicing Agreement and the other Transaction Documents or any provision of any Transaction Document applicable to a Swiss Servicer shall cease to be effective and valid and binding on the relevant Swiss Servicer.

(g) One or more judgments for the payment of money in an aggregate amount in excess of USD 30,000,000 shall be rendered against a Swiss Servicer or any combination thereof, and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be taken by a judgment creditor to attach or levy upon any assets of the relevant Swiss Servicer to enforce any such judgment.
SCHEDULE 3
ELIGIBILITY CRITERIA IN RESPECT OF RECEIVABLES

In order for a Receivable to meet the Eligibility Criteria, the Receivable or, as the case may be, the relevant Contract from which it is derived must satisfy the following criteria on the last date of the relevant Determination Period unless otherwise agreed between the relevant Seller and the Cash Manager:

(a) **The Obligor**: The Obligor must be an Eligible Obligor who is a resident in an Unrestricted Country or an Eligible Country, may neither be an Affiliate of either Parent or a Seller nor a government or a government subdivision or government agency;

(b) **Obligor in default**: The Obligor may not be an obligor of Defaulted Receivables the aggregate Outstanding Balance of which is in excess of 40% of the aggregate Outstanding Balance owed by such Obligor;

(c) **Corporate**: The Obligor must be a corporation, limited liability company, business trust or other Person other than an individual;

(d) **No current accounts**: There are no current or running accounts between the relevant Seller and the Obligor;

(e) **No public procurement or intra-group loans**: The Receivable does not originate under a Contract subject to any applicable public procurement laws or pursuant to an intra-group loan;

(f) **No Defaulted Receivables**: The Receivable is not a Delinquent Receivable or a Defaulted Receivable (which, for purposes of determining whether such Receivable is a Non-Conforming Receivable (as defined in the related Master Receivables Purchase Agreement), shall be determined solely as of the related Purchase Date);

(g) **Obligation to Pay**: The following conditions are met:

(i) the relevant Seller has received a purchase order from the Obligor for chemical products;

(ii) the goods have been delivered by the relevant Seller to the Obligor and a delivery note for the products has been signed by the Obligor and retained by the relevant Haulage Company; and

(iii) the Obligor became obliged to pay for the products in accordance with the relevant Contract.

(h) **Payment Term**: In the case of a Receivable that is not an Unbilled Receivable, the Receivable must be evidenced by an invoice and is required to be paid in full within 120 days of the original billing date thereof.

(i) **Bona fide obligation**: The Receivable must represent a *bona fide* obligation of the Obligor to pay (i) in the case of a Billed Receivable, the stated amount or (ii) in the case of an Unbilled Receivable, the amount calculated in the manner set forth in the related Contract as the amount due with respect thereto.
(j) **No lien**: The Receivable must not be subject to any Encumbrance other than Seller Permitted Encumbrance;

(k) **Conformity**: The Receivable must be in conformity in all material respects with all applicable laws, rules and regulations in effect and with respect to which none of the Swiss Sellers, German Seller, the Dutch Seller, the U.S. Seller, the German Servicer, the Dutch Servicer, the U.S. Servicer, the Swiss Servicers or the Obligor is in violation of any such law, rule or regulation in any material respect;

(l) **Title**: The Receivable arises under a Contract which, together with such Receivable, is in full force and effect and constitutes the legal, valid and binding obligation of the Obligor of such Receivable and is not subject to any dispute, offset, counterclaim or defence whatsoever (except the potential discharge in bankruptcy of such Obligor) and the Obligor has no right to return the related goods for any reason other than that such goods do not conform to the terms of such Contract;

(m) **Freely assignable**: Title to or ownership of, as applicable, the Receivable is freely assignable to the Master Purchaser without the need for the consent of or notice to the Obligor or any other person, or where consent is required to assign the Receivable, such consent is obtained;

(n) **Business**: The Receivable must arise from the sale of chemical products of the relevant Seller in the ordinary course of its business;

(o) **Contract**: The Contract underlying the Receivable is (unless the relevant Obligor is listed in Schedule 12 (Approved Non-Standard Documentation Obligors), as may be amended from time to time with the consent of the Cash Manager, and the relevant Contract has been approved by the Cash Manager) in the form of the Standard Documentation and has not been extended, rewritten or otherwise modified for credit related reasons from the original terms thereof other than any modifications for the purpose of protecting the interest of the Master Purchaser or except as permitted by the relevant Seller’s Credit and Collection Procedures. The Contract underlying the Receivable does not contain any confidentiality provisions or prohibitions on assignment which may prejudice the sale or enforcement or collectability of the Receivable or the Related Security or the creation or enforceability of a first priority security interest thereover, except where such provision has been waived by the relevant Obligor;

(p) **Non-interest bearing**: The Receivable is a non-interest bearing obligation other than in respect of interest charged for late payment;

(q) **Credit and Collection Procedures**: Any credit given in respect of the Receivable constitutes normal payment extension only and was granted in conformity with the relevant Seller’s Credit and Collection Procedures;

(r) **Unsecured**: The Receivable is unsecured other than by way of retention of title;

(s) **No bill of exchange or promissory note**: The Receivable is not represented by a bill of exchange or promissory note or similar document due delivery of which is required to achieve a true sale or endorsement of such Receivable;
(t) **Governing law**: The Receivable and the Contract relating to it are governed by, in the case of the Swiss Receivables Purchase Agreement, Swiss law, in the case of the German Receivables Purchase Agreement, German law, in the case of the Dutch Receivables Purchase Agreement, Dutch law, and in the case of the U.S. Receivables Purchase Agreement, the laws of one of the states of the U.S. or of the District of Columbia;

(u) **Concentration limit**: subject, for any Obligor, to the Obligor Limits which may exceed the Normal Concentration Limit in accordance with the definition of Obligor Limit, the aggregate Outstanding Balance of the Receivables owed by the same Obligor and which remain outstanding, may not exceed three (3) per cent. of the Outstanding Balance of all Eligible Receivables (the “**Normal Concentration Limit**”) or such other higher percentage for such Obligor designated in Schedule 4 hereto (a “**Special Concentration Limit**”), provided that, affiliated Obligors shall be treated as if they were one Obligor. The Cash Manager may, at its sole discretion, reduce or cancel a Special Concentration Limit upon 3 Business Days’ notice to the relevant Seller. Any Special Concentration Limit held by an Obligor shall immediately be cancelled in the event that such Obligor is assigned an unsecured long-term debt rating below Baa3 or Moody’s BBB-1 by S&P. Further Special Concentration Limits can be only be added with the written consent of the Cash Manager.

(v) **Performance of obligations**: The relevant Seller has satisfied and fully performed all obligations with respect to such Receivable required to be fulfilled by it other than customary warranty obligations, and no further action (other than, in the case of an Unbilled Receivable, the processing and mailing of an invoice) is required to be performed by any person with respect thereto other than payment thereon by, the applicable Obligor.

(w) **Countries Limit**: if the Obligor for which the Receivable relates is not from an Unrestricted Country, the aggregate Outstanding Balance of such Receivable and all other Purchased Receivables for which the Obligor is not from Unrestricted Countries, will not at the next following Settlement Date be in excess of the Countries Limit (but any such Receivable shall be ineligible only to the extent of such excess).

(x) **Currencies Limit**: if the Receivable is a Currency Receivable, the aggregate Outstanding Balance of such Receivable and all other Purchased Receivables that are Currency Receivables, will not at the next following Settlement Date be in excess of the Currency Limit (but any such Receivable shall be ineligible only to the extent of such excess).

(y) **Country Credit Rating Limit**: if the Obligor for which the Receivable relates is from a Non-Investment Grade Country, the aggregate Outstanding Balance of such Receivable and all Purchased Receivables for which the Obligor is from a Non-Investment Grade Country, will not at the next following Settlement Date be in excess of 10% of the USD Equivalent of the Outstanding Balances of the Purchased Receivables (but any such Receivables shall be ineligible only to the extent of such excess);

(z) **Unbilled Receivables Limit**: if the Obligor for which the Receivable relates was an Unbilled Receivable on the day the Offer in respect of that Receivable was made, the
aggregate Outstanding Balance of such Receivable and all other Purchased Receivables which were Unbilled Receivables on the day the Offer in respect of them was made exceeds the Unbilled Receivables Limit (but any such Receivables shall be ineligible only to the extent of such excess);

(a) **Denomination**: the Receivable must:

(i) be denominated in one of the Approved Currencies, the Collections in respect of which are paid by the relevant Obligor into a Collection Account; or

(ii) be a Currency Receivable the Collections in respect of which are paid by the relevant Obligor into a Currency Receivables Collection Account;

such Collection Account or, as the case may be, Currency Receivables Collection Account being secured by an Account Control Agreement (substantially on the same terms as the UK Account Control Deed (taking into account any differences required by applicable laws) which a counsel qualified in the relevant jurisdiction has opined to the Instructing Party, the Styron Security Trustee and the Master Purchaser creates a valid security interest over the relevant account) in respect of which the relevant branch of the Collection Account Bank has provided an acknowledgement (in a form approved by the Instructing Party) and subject in the case of Currency Receivables to the Currencies Limit in (x) above;

(bb) **German and Dutch Purchased Receivables**: all Receivables purchased pursuant to the German Receivables Purchase Agreement and the Dutch Receivables Purchase Agreement must be denominated in Euros; and

(cc) **Excluded Receivable**: the Receivable is not an Excluded Receivable.
Receivables owed by The Dow Chemical Company, Dow Deutschland Anlagengesellschaft mbH, Dow Europe GmbH and Dow Hellas A.E. have, collectively, a Special Concentration Limit of 10% of the Outstanding Balance of all Eligible Receivables.
Austria
Belgium Bulgaria
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Federal Republic of Germany
Greece
Hungary
Ireland
Israel
Italy
Latvia
Lithuania
Luxembourg
Norway
Poland
Portugal
Romania
Slovak Republic
Slovenia
South Africa
Spain
Sweden
Switzerland
The Netherlands
United Kingdom
SCHEDULE 6
ELIGIBLE COUNTRIES

Belarus
Canada
Egypt
India
Russia
South Korea
Taiwan
Turkey
United States
SCHEDULE 7
MASTER PURCHASER REPRESENTATIONS, WARRANTIES AND COVENANTS

PART A
REPRESENTATIONS AND WARRANTIES

Corporate Representations and Warranties of the Master Purchaser

1. **INCORPORATION**
   
   The Master Purchaser, a limited liability was incorporated under the laws of Ireland on 29 June 2010.

2. **CENTRE OF MAIN INTERESTS**
   
   The Master Purchaser has its “centre of main interests”, as that term is used in Article 3(1) of the EU Insolvency Regulation, in Ireland.

3. **TAX RESIDENCE**
   
   The Master Purchaser is a company which is and has, since incorporation, been resident for tax purposes solely in Ireland.

4. **MANAGEMENT AND ADMINISTRATION**
   
   The Master Purchaser’s management, the places of residence of the directors of the Master Purchaser and the place at which meetings of the board of directors of the Master Purchaser are held are all situated in Ireland.

5. **NO ESTABLISHMENT, SUBSIDIARIES, EMPLOYEES OR PREMISES**
   
   The Master Purchaser has no “establishment”, as that term is used in Article 2(h) of the EU Insolvency Regulation outside of Ireland, no subsidiaries, no employees and no premises.

6. **LITIGATION**
   
   No litigation, arbitration or administrative proceedings of or before any court, tribunal or governmental body have been commenced or are pending or threatened against the Master Purchaser or any of its assets or revenues which may have a Material Adverse Effect on the Master Purchaser, any Relevant Transaction Document, the Notes, or any Assigned Rights or which may have a significant effect on the financial position of the Master Purchaser.

7. **SOLVENCY**
   
   No Insolvency Event has occurred in respect of the Master Purchaser and no Insolvency Event will occur in respect of the Master Purchaser in consequence of its entering into the Relevant Transaction Documents or purchasing Receivables under the Master Receivables Purchase Agreement.
8. **NO ENCUMBRANCES**

No Encumbrance exists over or in respect of any asset of the Master Purchaser save as permitted by the Relevant Transaction Documents.

9. **MASTER PURCHASER’S ACTIVITIES**

The Master Purchaser has not engaged in any activities since its incorporation other than:

(a) those incidental to its registration under the Irish Companies Acts 1963—2009;
(b) other appropriate corporate steps;
(c) the authorisation of the issue of the Notes and the authorisation and execution of the Relevant Transaction Documents; and
(d) the activities referred to in or contemplated by the Relevant Transaction Documents.

10. **FINANCIAL STATEMENTS**

The Master Purchaser has not since incorporation prepared any Financial Statements and has not paid any dividends or made any distributions since incorporation.

11. **NO ADVERSE CHANGE**

Since the date of its incorporation there has been no adverse change in the financial position or prospects of the Master Purchaser.

12. **CONSENTS**

The Master Purchaser has obtained and maintained in effect all authorisations, approvals, licences and consents required in connection with its business and the consummation of the transactions contemplated by the Relevant Transaction Documents and the Notes pursuant to any Requirement of Law or any Regulatory Direction applicable to the Master Purchaser in Ireland and in each other jurisdiction in which the Master Purchaser carries on business.

13. **TAXATION**

The Master Purchaser is not registered or liable to be registered (or part of any registration), and will not voluntarily become registered (or part of any registration), for VAT in the United Kingdom. The Master Purchaser is not, and will not be, treated as a member of any VAT Group.

14. **NO GOVERNMENTAL INVESTIGATION**

No governmental or official investigation or inquiry concerning the Master Purchaser is, so far as the Master Purchaser is aware, progressing or pending or has been threatened which may have a Material Adverse Effect on the Master Purchaser, any Relevant Transaction Document, the Notes or any of the Assigned Rights.
15. TAX STATUS

The Master Purchaser is a qualifying company within the meaning of section 110 of the Taxes Consolidation Act 1997 of Ireland (as amended).
16. **CORPORATE POWER**

The Master Purchaser has the requisite power and authority to:

(a) enter into each Relevant Transaction Document; and

(b) create and issue the Notes and the Security,

and to undertake and perform the obligations expressed to be assumed by it under such Relevant Transaction Documents.

17. **AUTHORISATION**

All acts, conditions and things required to be done, fulfilled and performed in order:

(a) to enable the Master Purchaser lawfully to issue, distribute and perform the terms of the Notes;

(b) to enable the Master Purchaser lawfully to enter into each Relevant Transaction Document;

(c) to enable the Master Purchaser lawfully to exercise its rights under and perform and comply with the obligations expressed to be assumed by it in the Relevant Transaction Documents;

(d) to ensure that the obligations expressed to be assumed by it in the Notes and the Relevant Transaction Documents are legal, valid, binding and enforceable against it subject to the reservations set out in the Matheson Ormsby Prentice legal opinion dated on or about the U.S. Funding Date relating to the Transaction; and

(e) to make the Notes and the Relevant Transaction Documents admissible in evidence in Ireland,

have been done, fulfilled and performed and are in full force and effect or, as the case may be, have been effected, and no steps have been taken to challenge, revoke or cancel any such authorisation obtained or effected.

18. **EXECUTION**

The Relevant Transaction Documents have been duly executed by the Master Purchaser and the Master Purchaser is not a party to any agreement, indenture, contract, mortgage, deed or other instrument other than the Transaction Documents.

19. **NO BREACH OF LAW OR CONTRACT**

The entry by the Master Purchaser into and the execution (and, where appropriate, delivery) of the Relevant Transaction Documents, the performance by the Master Purchaser of its obligations under the Relevant Transaction Documents and the
creation and issue of the Notes and the Security do not and will not conflict with or constitute a breach or infringement or a default by the Master Purchaser of:

(a) the Master Purchaser’s Memorandum and Articles of Association; or
(b) any Requirement of Law or any Regulatory Direction,

where such conflict, breach, infringement or default may have a Material Adverse Effect on the Master Purchaser, any Relevant Transaction Document, the Notes or any Assigned Rights.

20. VALID AND BINDING OBLIGATIONS

The obligations expressed to be assumed by the Master Purchaser under the Relevant Transaction Documents are legal and valid limited recourse obligations, binding on it and enforceable against it in accordance with their terms, except:

(a) as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally;
(b) as such enforceability may be limited by the effect of general principles of equity; and
(c) obligations relating to stamp duties may be void by virtue of Section 117 of the Stamp Act 1891.

21. NOTES VALID AND BINDING

The Notes constitute legal and valid limited recourse obligations, binding on it and enforceable against it in accordance with their terms, except:

(a) as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally;
(b) as such enforceability may be limited by the effect of general principles of equity; and
(c) obligations relating to stamp duties may be void by virtue of Section 117 of the Stamp Act 1891.

22. STATUS OF NOTES

The Notes will constitute secured obligations of the Master Purchaser in accordance with the terms of the Security Deed.

23. PURPOSES

The Relevant Transaction Documents have been entered into by the Master Purchaser solely for business or other commercial purposes of the Master Purchaser.
24. **ARMS’ LENGTH TRANSACTIONS, PURPOSES**

The Relevant Transaction Documents have been entered into by the Master Purchaser in good faith for the benefit of the Master Purchaser and on arms’ length commercial terms.

25. **CROSS DEFAULT**

The Master Purchaser is not in breach of or default under any agreement, indenture, contract, mortgage, deed or other instrument to which it is a party or which is binding on it or any of its assets to an extent or in a manner which would be reasonably likely to have a Material Adverse Effect on the Master Purchaser, any Relevant Transaction Document or any of the Assigned Rights or the Notes.

26. **COMPLIANCE WITH RELEVANT TRANSACTION DOCUMENTS**

The Master Purchaser has complied with the terms of the Relevant Transaction Documents.

27. **SECURITY**

Each of the Styron Security Deed, the German Security Assignment and Trust Agreement and the U.S. Security Agreement validly creates the Encumbrances in respect of the assets of the Master Purchaser which it purports to create except that no representation is given as to whether or not such Encumbrances are fixed or floating charges.

28. **ENCUMBRANCES VALID AND BINDING**

The Encumbrances created by the Styron Security Deed, the German Security Assignment and Trust Agreement and U.S. Security Agreement are legal and valid obligations, binding on it and enforceable against it in accordance with their respective terms and not liable to be avoided or otherwise set aside in the event of any Insolvency Event in relation to the Master Purchaser subject as to enforcement to the effect of applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally and general principles of equity.

29. **RANKING OF CLAIMS**

The claims of the Secured Creditors against the Master Purchaser will rank in priority to the claims of unsecured creditors of the Master Purchaser as provided in the Security Deed.

30. **CHOICE OF LAW**

Subject to the reservations set out in the Matheson Ormsby Prentice legal opinion dated on or about the Swiss Funding Date relating to the Transaction:

(a) the choice of English law, Swiss law, German law and U.S. law respectively as the governing law of the Transaction Documents, as applicable, will be recognised and enforced in Ireland; and
any judgment obtained in England in relation to any Transaction Document will be recognised and enforced in Ireland.

31. **FILINGS**

Save for the Required Filings in respect of the Master Purchaser under the laws of Ireland it is not necessary that any Relevant Transaction Document be filed, recorded or enrolled with any court or other authority in Ireland.

32. **CONSENTS**

The Master Purchaser does not require the consent of any other party or the consent, licence, approval or authorisation of any Governmental Authority in connection with the creation and issue of the Notes, the entering into or performance of the Relevant Transaction Documents.

33. **STAMP, REGISTRATION AND SIMILAR TAXES**

Under the laws of Ireland, it is not necessary that any stamp, registration or similar tax be paid on or in relation to the Relevant Transaction Documents or any of them.

34. **EVENT OF DEFAULT**

No Event of Default or Potential Event of Default has occurred.
PART B COVENANTS

Corporate Covenants of the Master Purchaser

The Master Purchaser shall:

1. FINANCIAL STATEMENTS AND TAX ELECTIONS

   (a) Preparation of Financial Statements

      cause to be prepared in respect of each of its financial years, financial statements for audit purposes in such form as will comply with Irish statutory requirements;

   (b) Delivery of Financial Statements

      as soon as the same become available, but in any event within 14 days of the date specified under Irish statutory law for the filing of financial statements deliver to the Investment Manager and the Styron Security Trustee two copies of its Financial Statements for such financial year and deliver to the Investment Manager, the Styron Security Trustee, the Instructing Party and the Regency Noteholder as soon as practicable following the issue or giving of the same two copies of every balance sheet, profit and loss account, source and application of funds statement (if any), report or other notice, statement, circular or document issued or given to any holder of securities or creditors generally of the Master Purchaser;

   (c) Certificate to accompany Financial Statements

      on the Determination Date immediately preceding each anniversary of the Closing Date and otherwise forthwith on request by the Styron Security Trustee deliver a certificate signed by two directors of the Master Purchaser stating that no Event of Default or Potential Event of Default has occurred (or, if such is not the case, specifying the particulars of any Event of Default or Potential Event of Default);

2. CONDUCT

   at all times carry on and conduct its affairs in a proper and efficient manner in compliance with any Requirement of Law and any Regulatory Direction from time to time in force in Ireland or in any other jurisdiction in which it carries on business and in compliance with its constitutional documents;

3. CONSENTS

   obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations, approvals, licences and consents necessary under any Requirement of Law and any Regulatory Direction from time to time in force in Ireland or in any other applicable jurisdiction:

   (a) in connection with its business; and

   (b) to enable it lawfully to enter into and perform its obligations under the Relevant Transaction Documents and the Notes or to ensure the legality, validity, enforceability or admissibility in evidence in Ireland of the Relevant...
4. **AUTHORISED SIGNATORIES**

deliver to the Styron Security Trustee (with a copy to the Investment Manager) on the Closing Date and thereafter upon any change of the same, a list of Authorised Signatories of the Master Purchaser together with a specimen signature of each Authorised Signatory;

5. **REGISTERED OFFICE, HEAD OFFICE AND CENTRE OF MAIN INTERESTS**

maintain its registered office, its head office and its “centre of main interests”, as that term is used in Article 3(1) of the EU Insolvency Regulation, in Ireland and will not move such offices to another jurisdiction;

6. **BOARD MEETINGS, MANAGEMENT AND ADMINISTRATION**

hold all meetings of the board of directors of the Master Purchaser in Ireland and not hold any such meeting outside Ireland and procure that the Master Purchaser’s management, the places of residence of the directors of the Master Purchaser and the place where the Master Purchaser effects its central management and decision-making are all, at all times, situated in Ireland;

7. **NO FOREIGN ESTABLISHMENT**

not establish any “establishment”, as that term is used in Article 2(h) of the EU Insolvency Regulation, outside of Ireland; and

8. **GENERAL NEGATIVE COVENANTS**

not until after the Final Discharge Date, save to the extent permitted by the Relevant Transaction Documents or with the prior written consent of the Styron Security Trustee:

(a) carry on any business or enter into any documents other than those contemplated by the Relevant Transaction Documents;

(b) except as contemplated by the Transaction Documents, sell, convey, transfer, lease, assign or otherwise dispose of or agree or attempt or purport to sell, convey, transfer, lease or otherwise dispose of or use, invest or otherwise deal with any of its properties, assets or undertaking or grant any option or right to acquire the same;

(c) grant, create or permit to exist any Encumbrance over (including the grant of security or trust over or the occurrence of execution or diligence in respect of) the Assigned Rights other than any Permitted Encumbrance;

(d) pay dividends or make other distributions to its members out of profits available for distribution and then only in the manner permitted by its constitutional documents of Association and by applicable laws;
(e) incur or permit to subsist any indebtedness whatsoever;

(f) make any loans, grant any credit or give any guarantee or indemnity to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any other person;

(f) consolidate or merge with any other person;

(g) surrender any losses to any other company;

(h) have any employees or premises or have any subsidiary or become a director of any company;

(i) have an interest in any bank account other than the Accounts unless such account or interest is charged to the Trustee on terms acceptable to it;

(j) amend, supplement or otherwise modify its constitutional documents;

(k) permit the validity or effectiveness of the Styron Security Deed or of the Security to be impaired or to be amended, hypothecated, subordinated, terminated or discharged; or

(l) prejudice its status as a qualifying company within the meaning of section 110 of the Taxes Consolidation Act 1997 of Ireland.
Transaction Document Covenants of the Master Purchaser

The Master Purchaser shall:

9. **COMPLIANCE WITH RELEVANT TRANSACTION DOCUMENTS**

   at all times comply with and perform all its obligations under the Relevant Transaction Documents and the Notes and use all reasonable endeavours to procure that the other Transaction Parties, other than the Styron Security Trustee, comply with and perform all their respective obligations under the Relevant Transaction Documents;

10. **EXERCISE RIGHTS**

   preserve or exercise or enforce its rights under and pursuant to the Notes and the Relevant Transaction Documents;

11. **DEALING WITH STYRON SECURITY TRUSTEE**

   (a) **Inspection by Styron Security Trustee**

      upon reasonable notice, during normal business hours allow the Styron Security Trustee and any persons appointed by the Styron Security Trustee access to such books of account and other business records relating to the Assigned Rights or the Benefit of the Assigned Rights as the Styron Security Trustee or any such persons may reasonably require and to the extent that such business records are in its possession or it is able to obtain possession;

   (b) **Information to Styron Security Trustee**

      at all times give to the Styron Security Trustee such information, opinions, certificates and other evidence as the Styron Security Trustee and any persons appointed by the Styron Security Trustee shall reasonably require (and which it is reasonably practicable to produce) for the purposes of the discharge of the duties, trusts, powers, authorities and discretions vested in the Styron Security Trustee by or pursuant to the Styron Security Deed or any other Relevant Transaction Document;

12. **NOTIFICATION OF BREACH OF MASTER PURCHASER WARRANTIES AND UNDERTAKINGS**

   immediately notify the Investment Manager, the Styron Security Trustee and the Instructing Party if the Master Purchaser becomes aware of any breach of the Master Purchaser Warranties or of any breach of any undertaking given by the Master Purchaser in any Relevant Transaction Documents;

13. **LEGAL PROCEEDINGS**

   (a) **Notification of Legal Proceedings**

      if any legal proceedings are instituted against it by any of its creditors or in respect of any of the Assigned Rights, including any litigation or claim calling into question in any material way the Master Purchaser’s interest therein, immediately:
(i) notify the Investment Manager, the Calculation Agent, the Styron Security Trustee and the Instructing Party of such proceedings; and

(ii) notify the court and any receiver appointed in respect of the property the subject of such proceedings of the interests of the Styron Security Trustee in the Assigned Rights;

(b) Join in Legal Proceedings

if the Styron Security Trustee so requires the Master Purchaser will join in any legal proceedings brought by the Styron Security Trustee against any person;

14. EXECUTION OF FURTHER DOCUMENTS

perform any act required by any Requirement of Law or any Regulatory Direction to be performed, and so far as permitted by applicable law, execute such further documents and perform such further acts as may be reasonably incidental to, or reasonably necessary in the opinion of the Styron Security Trustee to give effect to, the Relevant Transaction Documents;

15. NOTIFICATION OF EVENT OF DEFAULT

deliver notice to the Styron Security Trustee, the Instructing Party, the Regency Noteholder and the Investment Manager forthwith upon becoming aware of any Event of Default or Potential Event of Default without waiting for the Styron Security Trustee to take any further action;

16. NO ENCUMBRANCES

not create or permit to subsist any Encumbrance in respect of the Master Purchaser Account or any assets of the Master Purchaser other than pursuant to the Styron Security Deed, the German Security Assignment and Trust Agreement and the U.S. Security Agreement or save as permitted by the Relevant Transaction Documents;

17. NO VARIATION AND TERMINATION OF RELEVANT TRANSACTION DOCUMENTS

not until the Final Discharge Date, save to the extent permitted by the Relevant Transaction Documents or with the prior written consent of the Styron Security Trustee:

(a) terminate, repudiate, rescind or discharge any Relevant Transaction Document;

(b) vary, novate, amend, modify or waive any material provision of any Relevant Transaction Document;

(c) permit any person to do any of the things specified in Paragraph (a) or (b); or

(d) permit any person who has obligations under the Relevant Transaction Documents to be released from such obligations other than in accordance with
the terms of the applicable Relevant Transaction Document and any applicable Requirement of Law or Regulatory Direction; and

18. **FILINGS**

effect all Required Filings in respect of the Master Purchaser and file, record or enroll each Relevant Transaction Document required to be filed, recorded or enrolled with any court or other authority in Ireland and ensure that such Required Filings and such other filings, recordings or enrolments are at all times maintained in accordance with any applicable Requirement of Law or Regulatory Direction.
Asset Covenants of the Master Purchaser

The Master Purchaser shall:

19. **BOOKS OF ACCOUNT**

   maintain, or procure that the Investment Manager maintains, clear and unambiguous records and books of account in respect of the Assigned Rights and all Collections received in respect of the Assigned Rights;

20. **NOTIFICATION OF LITIGATION**

   promptly notify the Servicers, the Styron Security Trustee and the Regency Noteholder if the Master Purchaser receives, after the Closing Date in respect of any Assigned Rights, any notice of any litigation in relation to any of such Assigned Rights including any litigation or claim calling into question the Master Purchaser’s interest in any Assigned Rights;

21. **PARTICIPATION IN LITIGATION**

   if reasonably required to do so by a Servicer, the Styron Security Trustee and the Regency Noteholder participate in or join in and lend its name to, and take such other steps as may be required by the Servicers, the Styron Security Trustee, the Instructing Party and the Regency Noteholder (as the case may be) in relation to any action (through the courts or otherwise) relating to any Assigned Rights after the Closing Date in respect of such Assigned Rights, including participation in any legal proceedings to the extent necessary for defending or contesting any litigation in relation to such Assigned Rights including any litigation or claim calling into question in any material way the Master Purchaser’s interest in any such Assigned Rights;

22. **INTERESTS IN THE ASSIGNED RIGHTS**

   at all times own and exercise its rights in respect of the Assigned Rights and its interest in the Assigned Rights and perform and comply with its obligations in respect of the Assigned Rights under the terms of the Relevant Transaction Documents;

23. **FURTHER ACTION**

   perform any act incidental to or necessary in connection with the other covenants contained in this Schedule 10 (Master Purchaser Covenants) or any act required by any law, regulation or order of any court to be performed; and

24. **NEGATIVE COVENANT**

   not until the Final Discharge Date, save to the extent permitted by the Transaction Documents, permit any person other than the Master Purchaser and the Styron Security Trustee to have any interest in the Assigned Rights.
Covenants of the Master Purchaser in respect of the Notes

The Master Purchaser shall:

25. **NOTIFICATION OF NON PAYMENT**

procure that the Investment Manager, German Servicer, the Dutch Servicer and the U.S. Servicer notify the Styron Security Trustee forthwith if they do not, on or before the due date for payment in respect of the Notes or any of them, receive unconditionally the full amount in US Dollars or Euro, as applicable, of the monies payable on such due date under the Notes;

26. **NOTIFICATION OF LATE PAYMENT**

if unconditional payment to the Investment Manager, the German Servicer, the Dutch Servicer, the U.S. Servicer, the Styron Security Trustee or any Noteholder of any sum due in respect of the Notes is made after the due date for such payment, forthwith give notice to the Regency Noteholder that such payment has been made;

27. **NOTIFICATION OF REDEMPTION OR REPAYMENT**

not less than the number of days specified in the relevant Conditions prior to the redemption or Payment Date in respect of any Note, give to the Styron Security Trustee notice in writing of the amount of such redemption or repayment pursuant to the Conditions;

28. **TAX OR OPTIONAL REPAYMENT**

if the Master Purchaser gives notice to the Styron Security Trustee that it intends to redeem the Notes pursuant to Condition 3.1 (Redemption at the Option of the Master Purchaser) or Condition 3.4 (Redemption due to Tax Event), provide such information to the Styron Security Trustee as the Styron Security Trustee requires in order to satisfy itself of the matters referred to in those Clauses;

29. **ABILITY TO TAX**

promptly give notice to the Styron Security Trustee:

(a) if it is required by law to effect a Tax Deduction in respect of any payment due in respect of the Notes; or

(b) if it would not be entitled to relief for Tax purposes in Ireland for any material amount which it is obliged to pay, or is treated as receiving for Tax purposes in Ireland under the Transaction Documents; or becomes aware that it is or may become liable to Tax; or

(c) if, as a result of any change of law or official practice in any jurisdiction which occurs or which the Master Purchaser discovers (in each case) after the date hereof, it becomes liable to Tax, or incurs any increased liability to Tax, in respect of its income or activities or in respect of any of the Assigned Rights;
and take such action as may be required by the Styron Security Trustee in respect thereof; and

30. **INSTRUCTING PARTY**

while any of the Notes remain outstanding, give notice, or procure that notice is given, to the Instructing Party of:

(a) any proposed amendment to the Transaction Documents which is not of a formal, minor or technical nature or made to correct a manifest error;

(b) the Notes of any class being repaid in full;

(c) the delivery of a Swiss Servicer Default, German Servicer Default, Dutch Servicer Default or U.S. Servicer Default;

(d) the delivery of a notice pursuant to Clause 14 (Termination of Appointment) of the Swiss Servicing Agreement, the German Servicing Agreement or the Dutch Servicing Agreement or pursuant to Clause 15 (Termination of Appointment) of the U.S. Servicing Agreement;

(e) the appointment of a Successor Trustee or a Successor Investment Manager;

(f) the occurrence of any Cash Control Event, Perfection Event or Termination Event;

(g) the occurrence of any Event of Default or Potential Event of Default; and

(h) the delivery of an Enforcement Notice.
SCHEDULE 8
EVENTS OF DEFAULT

1. the Master Purchaser fails to pay an amount of principal or interest or any other amount in respect of the Notes; or

2. the Master Purchaser defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Transaction Documents and such default (a) is, in the opinion of the Styron Security Trustee, incapable of remedy or (b) being a default which is, in the opinion of the Styron Security Trustee, capable of remedy, remains unremedied for 5 days or such longer period as the Styron Security Trustee may agree after the Styron Security Trustee has given written notice thereof to the Master Purchaser; or

3. an Insolvency Event occurs with respect to the Master Purchaser; or

4. it is or will become unlawful for the Master Purchaser to perform or comply with any of its obligations under or in respect of the Notes or the Transaction Documents.
SCHEDULE 9
INITIAL CONDITIONS PRECEDENT

1. The Seller
   (a) Copies of the latest versions of the articles of association of the Seller certified by the Commercial Register to be a true and up to date copy of the original (where such certification by the Commercial Register shall be dated no earlier than 10 calendar days prior to the Swiss Funding Date).
   (b) Copies of the resolutions, in form and substance satisfactory to the Instructing Party, of the management of the Seller authorising the execution, delivery and performance of the Relevant Transaction Documents, certified by an officer of the relevant company as of the Closing Date and the Swiss Funding Date which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded.
   (c) A certificate as to the incumbency and signature of the officers or other employees authorised to sign the Relevant Transaction Documents on behalf of the Seller and any certificate or other document to be delivered pursuant thereto, certified by the company secretary or a manager of the Seller together with evidence of the incumbency of such company secretary or director.
   (d) A copy of an up to date certified Commercial Register excerpt in respect of the Seller dated no earlier than 10 calendar days prior to the Swiss Funding Date.
   (e) Solvency Certificates in respect of the Seller in the form set out in Schedule 2 to the Master Receivables Purchase Agreement, one dated the Closing Date and one dated the Swiss Funding Date.
   (f) Delivery of a closing certificate dated the Swiss Funding Date from the Seller.
   (g) A copy of the latest audited financial statements of the Seller.

2. Parent
   (a) Certified copies of the latest version of the articles of association of the Parent certified by any manager of the Parent to be a true and up to date copy of the original.
   (b) Copies of the resolutions, in form and substance satisfactory to the Instructing Party, of the board of managers of the Parent authorising the execution, delivery and performance of the Relevant Transaction Documents, certified by a manager of the relevant company as of the Closing Date and the Swiss Funding Date which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded.
   (c) A certificate as to the incumbency and signature of the managers or other attorneys authorised to sign the Relevant Transaction Documents on behalf of the Parent and any certificate or other document to be delivered pursuant thereto, certified by any manager of the Parent together with evidence of the incumbency of such manager.
(d) Up to date Commercial Register excerpts in respect of the Parent dated no earlier than 10 calendar days prior to the Swiss Funding Date.

(e) Solvency certificates in respect of the Parent, one dated the Closing Date and one dated the Swiss Funding Date, in such form as may be approved by the Instructing Party.

(f) A certificate from the Luxembourg Register of commerce and companies certifying the status of non bankruptcy (faillites) of the Parent.

3. The Master Purchaser

(a) Certified copies of the latest versions of the memorandum and articles of association of the Master Purchaser together with the certificate of incorporation and any certificate change of name certified by the company secretary or a director of the Master Purchaser to be a true and up to date copy of the original.

(b) Copies of the resolutions, in form and substance satisfactory to the Instructing Party, of the boards of directors of the Master Purchaser authorising the execution, delivery and performance of the Relevant Transaction Documents, certified by an officer of the relevant company as of the Closing Date and the Swiss Funding Date which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded.

(c) A certificate as to the incumbency and signature of the officers or other employees authorised to sign the Relevant Transaction Documents on behalf of the Master Purchaser and any certificate or other document to be delivered pursuant thereto, certified by the company secretary or a director of the Master Purchaser together with evidence of the incumbency of such company secretary or director.

(d) A certified copy of the power of attorney granted by the Master Purchaser to the attorneys of the Master Purchaser authorised to sign the Transaction Documents on behalf of the Master Purchaser.

(e) A solvency certificate in respect of the Master Purchaser in the form set out in Schedule 2 to the Master Receivables Purchase Agreement, one dated the Closing Date and one dated the Swiss Funding Date.

(f) Delivery of a closing certificate dated the Swiss Funding Date from the Master Purchaser.

4. Legal Opinions and Reports

(a) Clifford Chance English transaction legal opinion addressed to HSBC Bank plc, the Master Purchaser, the Regency Noteholder and the Styron Security Trustee as to the enforceability of the Transaction Documents governed by English law dated the Swiss Funding Date.

(b) Walder Wyss & Partners Swiss transaction legal opinion as to true sale addressed to HSBC Bank plc, the Master Purchaser, the Regency Noteholder and the Styron Security Trustee dated the Swiss Funding Date.
(c) Walder Wyss & Partners Swiss tax opinion addressed to HSBC Bank plc, the Master Purchaser, the Regency Noteholder and the Styron Security Trustee dated the Swiss Funding Date.

(d) Matheson Ormsby Prentice Irish transaction legal opinion addressed to, among others, HSBC Bank plc, the Master Purchaser, the Regency Noteholder and the Styron Security Trustee on the capacity and authority of the Master Purchaser dated the Swiss Funding Date.

(e) Matheson Ormsby Prentice Irish tax opinion addressed to, among others, HSBC Bank plc, the Master Purchaser, the Regency Noteholder and the Styron Security Trustee dated the Swiss Funding Date.

(f) Matheson Ormsby Prentice Irish legal opinion addressed to, among others, HSBC Bank plc and the Regency Noteholder, in respect of Regency Assets Designated Activity Company and the Liquidity Facility Agreement dated on or prior to the Swiss Funding Date.

(g) Homburger Swiss legal opinion addressed to HSBC Bank plc, the Master Purchaser, the Regency Noteholder and the Styron Security Trustee on the capacity and authority of the Seller dated the Swiss Funding Date.

(h) Loyens & Loeff Luxembourg legal opinion addressed to, HSBC Bank plc, the Master Purchaser, the Regency Noteholder and the Styron Security Trustee on the capacity and authority of the Parent dated the Swiss Funding Date.

(i) A legal review report relating to the location of Obligors.

(j) A legal review summary in respect of the Receivables.

(k) Clifford Chance Frankfurt legal opinion on the enforceability of the German Account Pledge Agreement.

(l) Clifford Chance Madrid legal opinion on the enforceability of the Spanish Account Control Agreement.

5. Fees

(a) Compliance with the terms of the Fee Letter, including the payment in full of all fees, expenses and other amounts payable under the Fee Letter on or prior to the Swiss Funding Date.

(b) Evidence that the fees, costs and expenses then due from each Swiss Seller have been paid or will be paid by the Swiss Funding Date.

6. General

(a) Due execution and delivery of the Transaction Documents (each in a form satisfactory to the Instructing Party) by the respective parties thereto, and all documentation to be delivered therewith (in a form satisfactory to the Instructing Party).
(b) Confirmation from each of the Rating Agencies that upon execution of the Variable Loan Note Issuance Deed, the Regency Notes will maintain their then current rating.

(c) In the opinion of the Investment Manager, there having been no material adverse change or development which could affect the Seller or the Master Purchaser.

(d) Issuance by the Master Purchaser of the Styron Note and the Regency Note and confirmation of payment by the Regency Noteholder.

(e) Evidence of execution of and satisfaction of the conditions precedent to the Liquidity Facility Agreement and Master Receivables Purchase Agreement.

(f) The delivery of the Investment Manager’s Daily Report three days prior to the Swiss Funding Date.

(g) The accuracy and completeness of all material representations set forth in the Transaction Documents by reference to the facts and circumstances existing as at the date such representations are given.

(h) The Master Purchaser Warranties are true on the Closing Date and on the Swiss Funding Date.

(i) Delivery of an Offer pursuant to the Master Receivables Purchase Agreement.

(j) Receipt by the Master Purchaser of acknowledgements from the Collection Account Bank in respect of Account Control Agreements relating to Collection Accounts held at branches of the Collection Account bank in Frankfurt, London and Madrid.
SCHEDULE 10
ADDITIONAL CONDITIONS PRECEDENT

(a) No Termination Event or Potential Termination Event or Event of Default or Potential Event of Default shall have occurred and be continuing unwaived.

(b) The Aggregate Note Principal Amount Outstanding including the Additional Principal Amount requested will not exceed the Total Facility Limit and the Aggregate Regency Note Principal Amount Outstanding including the Additional Principal Amount requested will not exceed the Facility Limit.

(c) In the case of the Regency Noteholder only, any Styron Note Additional Principal Amount relating to the request is available and paid by the Styron Noteholder.

(d) The Transaction Documents remain valid and binding.

(e) An Initial Purchase Price Payment Request from the Seller relating to the relevant Settlement Date has been duly signed.

(f) A solvency certificate in respect of the Master Purchaser dated the Settlement Date.

(g) The delivery of the Investment Manager’s Daily Report three days prior to the relevant Settlement Date.

(h) The Master Purchaser representations are true on the relevant Settlement Date.
1. **Interpretation of Trade Terms**

   Trade terms shall be interpreted in accordance with INCOTERMS 2010. If this Contract does not specify trade terms as defined in INCOTERMS 2010, risk of loss shall pass to Buyer upon delivery into the custody of the carrier.

2. **Seller’s Commitments**

   2.1 Seller undertakes that the Product will at the time of delivery meet Seller’s then current Sales Specifications. Seller will notify Buyer if Sales Specifications are changed. All descriptions, drawings, photographs, illustrations, performance and technical data, dimensions, weights and the like, contained in any promotional or technical literature issued by Seller are subject to variation without notice and are not designed to constitute Sales Specifications.

   2.2 Seller will supply Buyer with current Material Safety Data Sheets (MSDS) regarding the Product.

   2.3 Subject to Section 7 hereof, Seller will convey the Product with good title, free from any lawful lien or encumbrance.

3. **Responsible Practices**

   3.1 Buyer will (i) familiarise itself with any product literature or information Seller provides under Seller’s product stewardship program, including MSDS. (ii) follow safe handling, use, selling, storage, transportation, and disposal practices, including special practices as Buyer’s use of the Product requires, and instruct its employees, contractors, agents and Buyers in these practices and (iii) take appropriate action to avoid spills or other dangers to persons, property or the environment. Seller may cancel this Contract on 15 days notice if Buyer fails to comply with any of its commitments under this subsection.

   3.2 Notwithstanding the provisions of Article 5 of this Contract, Buyer will indemnify Seller for all claims, damages and related costs, including reasonable attorney fees, arising out of Buyer’s noncompliance with any of its commitments under Article 3.1 above.

4. **Patents/Trademarks**

   Seller warrants only that the manufacture of the Product covered by this Contract does not infringe any Letters Patent of the country of manufacture. Buyer assumes all responsibility for use of any design, trademark, trade name, or part thereof, appearing on the Product at Buyer’s request.

5. **Warranty/Liability**

   5.1 The commitments set out in Articles 2 and 4 above are Seller’s sole warranties in respect of the Product, ANY OTHER CONDITION OR WARRANTY AS TO THE QUALITY OF THE PRODUCT SUPPLIED UNDER THIS CONTRACT OR FITNESS FOR ANY PARTICULAR PURPOSE WHETHER ARISING UNDER STATUTE OR OTHERWISE, IS EXCLUDED. Articles 192 – 196 and Art. 197 - 209 of the Swiss Code of Obligations (warranty with regard to title transfer and against defects of the purchase object) are explicitly excluded and do not apply.

   5.2 Buyer shall inspect the Product supplied under this Contract immediately after delivery. If any of the supplied Product is rejected because of nonconformity to specifications, Buyer shall have the right to return it to Seller only after inspection by Seller and receipt of definite shipping instructions from Seller, such inspection to be made and instructions to be given by Seller within thirty (30) days after written notice of rejection by Buyer. Either, (1) failure to give written notice of any claim within thirty (30) days from the date of delivery or, (2) use of the Product supplied under this Contract, constitutes an
unqualified acceptance of such Product by Buyer and a waiver by Buyer of all claims against Seller in respect of such Product. In case after inspection Seller decides that Buyer has a right to return the Product because of its non-conformity to specifications, Seller has the right to choose between remediation of the non-conformity of the originally delivered Product or delivery of a new Product to Buyer.

5.3 In the event of any liability by either party whether arising from breach of contract or from statutes it is agreed that the maximum amount of damages recoverable shall be limited to the contract price for the Product with respect to which damages are claimed. In no event shall either Seller or Buyer be liable for indirect, consequential, special, punitive or exemplary damages in connection with or arising out of this Contract.

6. Price and Terms

6.1 Seller may change the previously agreed price, terms and conditions of payment or of transportation, or the minimum requirement per shipment at any time, by fifteen (15) days prior written notice to Buyer, Buyer’s failure to make written objection to the change prior to the effective date shall be considered acceptance. If Buyer objects within the 15 day period, Seller shall have the option (a) to continue to supply on the terms and conditions in effect prior to the announced change, or (b) to cancel the affected Product quantities immediately and shall advise Buyer accordingly within fifteen (15) days from receipt of Buyer’s written objection.

6.2 Seller reserves the right by written notice given at any time before shipment to increase the price under this Contract if there is any increase in the price or cost of the Product to Seller by virtue of foreign exchange fluctuations, currency regulations, changes in duties or taxes, increase in the cost of raw materials, labour or transport or any other causes beyond the control of Seller. If Buyer is of the opinion that any such increase in price is unreasonable, it may object to such increase by written notice given within fifteen (15) days of the date of receipt of Seller’s notice; Seller shall then have the option to continue to supply Buyer at the price currently in effect if willing to do so or to cancel the Contract immediately in writing.

7. Title

7.1 If Products are delivered to destinations in Switzerland or to other destinations where reservation of title of goods is not permissible, title to the Products shall pass at the same time as the risk of loss passes to Buyer.

7.2 If Products are delivered to destinations outside of Switzerland and if permissible under the laws of the country of destination, title to the Product shall remain with Seller until payment in full has been received by Seller. Until the title to the Product has transferred

(a) the Product shall so far as practicable be kept separate from other goods on the premises of Buyer so as to be readily identifiable as goods of Seller and

(b) Buyer shall be entitled to resell the Product in the ordinary course of business or to use the Product in any process provided that such liberty shall be deemed automatically terminated without the need for notice if Buyer shall fail to make any payment when it becomes due, or shall default in due performance or observance of any other obligation under this Contract, or shall enter into or apply for liquidation or receivership. Seller may then by notice in writing to Buyer terminate the Contract. Upon such termination Seller shall be entitled to enter upon Buyer’s premises in order to remove any of the Product to which Seller has retained title and for this purpose Buyer shall afford Seller all reasonable assistance to locate and take possession of the Product.

7.3 Upon termination of Buyer’s liberty to resell or use the Product it shall promptly place the Product at Seller’s disposal and Seller shall be entitled to enter upon Buyer’s premises for the purpose of removing the Product.
7.4 For the purpose of the foregoing paragraphs of this Condition and in the absence of evidence to the contrary Product supplied by Seller to Buyer at any time shall be deemed to have been resold, used or processed in the order in which Product was supplied. Nothing herein shall give Buyer the right to return the Product to Seller.

8. **Schedule of Deliveries**
   Buyer shall schedule deliveries of the Product uniformly throughout the calendar year. Not more than ten percent (10%) of the annual quantity of the Product shall be scheduled for delivery in any calendar month, except with Seller’s prior written consent.

9. **Transportation**
   Where the price provides for absorption by Seller of any portion of the freight charges or where Seller provides the transportation equipment at its cost, Seller shall have the right to select the means of transportation. Where the price provides for payment by Buyer of any portion of the freight charges, the freight charges will be those in effect at the date of shipment.

10. **Delivery Equipment**
    During the time that Seller’s delivery equipment is in the possession of Buyer, Buyer shall be liable to Seller for damages or destruction of such equipment attributable to Buyer. All repairs to equipment shall be made under the supervision or direction of Seller.

11. **Force Majeure**
    In the event of accident, mechanical breakdown of facilities, fire, flood, strike, labour trouble, riot, revolt, war, acts of governmental authority, acts of God, or contingencies beyond the reasonable control of the party affected interfering with the performance of this Contract the quantity of Product provided for in this Contract shall be reduced by the amount so affected without liability but the Contract shall otherwise remain unchanged. The decision of the party affected as to the quantities of Product affected shall be final and binding.

12. **Governmental Controls**
    If the price, freight allowance or terms of payment or any price increase or change in freight allowance or terms of payment under this Contract or Seller’s ability to make any such increase or change, should be altered or prohibited by reason of any law, government decree, order or regulation, Seller may cancel this Contract upon fifteen (15) days written notice. However, at its option Seller may by written notice elect to postpone the effective date of any price increase or proposed change to the extent so prevented until such date or dates as it is not so prevented. By electing to postpone rather than cancel, Seller will not waive its right to cancel thereafter because of such continued or further alterations or prohibitions.

13. **Non-performance**
   13.1 If Buyer fails to perform any of the terms of this Contract when due, Seller may, at its option, decline to make further deliveries against this Contract except for cash, or may recall or defer shipments until such default is made good, or may treat such default as final refusal to accept further shipments and cancel this Contract.

   13.2 Seller reserves the right, without prejudice to Buyer’s liability to pay on the due date, to charge interest on any overdue balance at a rate of LIBOR plus 5% Such rights are in addition and without prejudice to any other rights Seller may have under this Contract.

14. **Performance by Affiliates**
    At Seller’s option, any Contract obligation may be performed by TRINSEO Europe GmbH, Horgen, Switzerland, or any of its Affiliates. “Affiliates” means any entity that directly or indirectly, through one or more intermediaries, now or hereafter, controls or is controlled by.
or is under common control with TRINSEO Europe GmbH or any entity controlling Trinseo Europe GmbH. For the purposes herein, the term “control” (including the terms “controls”, “controlled by”, and “under common control with”) means the possession, direct or indirect of at least 50% of the ownership. Any deliveries made under this Section 14 may be invoiced by such Affiliate and shall constitute performance of this Contract by Seller.

15. Assignment/Transfer
Save in relation to a transfer and/or assignment of this Contract or any rights and/or obligations hereunder (and any information relating hereto) in connection with (i) a securitization, factoring or alike financial transaction, or (ii) the sale, divestment and/or reorganization of all or part of the business to which this Contract relates, in each case by Seller, this Contract is neither transferable nor assignable by either party without the other party’s prior written consent except that Buyer hereby consents to Seller’s potential future assignment of (a) some or all of Seller’s obligations hereunder to an Affiliate, or (b) this Contract including all of the Seller’s rights and obligations to an Affiliate.

16. Non-waiver
Failure to exercise any rights under this Contract upon any occasion shall not waive the right to exercise the same on another occasion.

If any provision of this Contract should be held invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected. Any invalid or unenforceable provision shall be replaced with a new provision which will allow the parties to this Contract to achieve the intended economic result in a legally valid and effective manner.

18. Applicable Law and Venue
This Contract shall be governed by and construed in accordance with the laws of Switzerland excluding its conflict of laws provisions. The United Nations Convention on Contracts for the International Sale of Goods (1980) shall not apply to this Contract.

Exclusive venue for all disputes arising from the Contract and any sales contract concluded hereunder shall be Zurich, Switzerland. The Seller shall also be entitled, however, to take legal action before the competent court having jurisdiction for the Buyer’s registered office.

19. Controlling Terms & Amendments
By ordering any of the Product detailed in this Contract, Buyer agrees to all the terms and conditions set forth herein which override any additional or different terms or conditions included in Buyer’s purchase order or referred to by Buyer. Any amendments or additions to this Contract shall be valid only if in writing and signed by both parties.
I. Geltungsbereich


II. Angebot, Muster, Garantien, Vertragsschluss
2. Die in Datenblättern, Broschüren und anderem Werbe- und Informationsmaterial enthaltenen Informationen und Daten dienen nur als Richtschnur und werden nur dann verbindlicher Vertragsinhalt, wenn wir dem ausdrücklich schriftlich zugestimmt haben.
3. Eigenschaften von Mustern sind nur dann verbindlich, wenn sie ausdrücklich vereinbart wurde.
5. Der Vertrag ist erst dann für uns verbindlich, wenn wir die Auftragsbestätigung schriftlich erteilen. Mündliche Abreden bedürfen der schriftlichen Bestätigung durch uns.

III. Preise, Zahlung, Verzug, Beendigung bei Insolvenzantrag
1. Die Preise verstehen sich ausschließlich gesetzlicher Mehrwertsteuer, äußerer Verpackung und Versandkosten (ab Werk).
5. Wir sind zur Erfüllung des Vertrages solange nicht verpflichtet, wie der Käufer seinen Pflichten auch aus anderen Verträgen mit uns nicht vereinbarungsgemäß nachkommt, insbesondere fällige Rechnungen nicht bezahlt.
6. Der Käufer kann nur mit solchen Ansprüchen aufrechnen oder ihretwegen die Zahlung zurückhalten, die schriftlich unbestritten oder rechtskräftig festgestellt sind.
8. Dieser Kaufvertrag endet automatisch, wenn ein Antrag auf Eröffnung eines Insolvenzverfahrens über das Vermögen des Käufers gestellt wird und das zuständige Insolvenzgericht daraufhin Sicherungsmaßnahmen gemäß §§ 21, 22 InsO anordnet.

IV. Lieferung und Lieferzeiten, Verpackung, Gefahrübergang
1. Für Art und Umfang der Lieferung ist unsere schriftliche Auftragsbestätigung maßgebend. Wir sind zu Teillieferungen berechtigt, soweit sie für den Käufer zumutbar sind.
2. Lieferfristen gelten nur annähernd, sofern sie nicht ausdrücklich schriftlich als verbindlich zugesagt wurden. Die Lieferzeit beginnt mit der Absendung unserer Auftragsbestätigung, jedoch nicht vor Klärung aller für die Durchführung des Vertrages wesentlichen Fragen im Zusammenhang mit vom Käufer vorzunehmenden Handlungen. Insbesondere beginnt die Lieferzeit nicht, bevor wir vom Käufer oder dessen Vertreter alle für die
Lieferung benötigten Informationen erhalten bzw. bevor der Käufer nachweist, dass er, soweit erforderlich, vertragsgemäß ein Akkreditiv eröffnet oder eine Vorauszahlung bzw. Sicherheit geleistet hat.

3. Die Lieferfrist ist eingehalten, wenn bis zu ihrem Ablauf der Leistungsgegenstand unser Werk verlassen hat oder unsere Lieferbereitschaft mitgeteilt ist.


5. Falls Lieferung einer Gesamtmenge in mehreren Abrufen vereinbart ist, hat der Käufer die Einzellieferungen gleichmäßig über das Kalenderjahr zu verteilen. Falls in einem Kalendermonat mehr als 10% des jährlichen Lieferumfangs abgerufen werden soll, bedarf dies unserer vorherigen, schriftlichen Zustimmung.

6. Wir bestimmen die Art der Verpackung und des Verpackungsguts.


9. Wir sind auch nicht verpflichtet, auf Geheiß des Käufers an Dritte zu liefern.

V. **Mängelansprüche, Pflichten des Käufers bei Mängelanzeige durch seine Kunden, Aufwendungsersatz, Haftung**


2. Sollte die Ware Mängel aufweisen, können wir nach unserer Wahl als Nacherrichtung die Mängel beseitigen oder mangelfreien Ersatz leisten. Erst wenn dies wiederholt fehlschlagen oder unzumutbar sein sollte und es sich nicht nur um unerhebliche Mängel handelt, ist der Käufer nach Maßgabe der gesetzlichen Vorschriften zum Rücktritt oder zur Minderung berechtigt. § 478 BGB bleibt unberührt.


6. Mängelansprüche bestehen nicht bei nur unerheblicher Abweichung von der vereinbarten Beschaffenheit und/oder bei nur unerheblicher Beeinträchtigung der Brauchbarkeit. Wir haften nicht für die Eignung der Ware für die vom Käufer beabsichtigten Zwecke, es sei denn, der beabsichtigte Zweck ist schriftlicher Vertragsinhalt.


9. Ist der Käufer berechtigt, Schadensersatz statt der Leistung zu verlangen oder vom Vertrag zurückzutreten, so muss er sich auf unser Verlangen binnen angemessener Frist erklären, ob und wie er von diesen Rechten Gebrauch machen wird. Erklärt er sich nicht fristgerecht oder besteht er auf der Leistung, ist er zur Ausübung dieser Rechte erst nach fruchtlosem Ablauf einer weiteren angemessenen Nachfrist berechtigt.


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verursacht, beträgt die Verjährungsfrist für Mängelansprüche 5 Jahre. §§ 438 Abs. 3, 479 und 634 a Abs. 3 BGB bleiben unberührt.

10. Falls dem Käufer wegen einer von uns zu vertretenden Verzögerung ein Schaden entsteht, kann er für jede volle Woche der Verzögerung 0,5%, insgesamt aber höchstens 5% vom Rechnungswert desjenigen Teils der Leistung verlangen, der infolge der Verpätung nicht rechtzeitig oder nicht vertragsgemäß benutzt werden kann.

11. Eine weitgehende Haftung auf Schadensersatz als in den vorstehenden Absätzen dieser Ziffer V. vorgesehen, ist - ohne Rücksicht auf die Rechtsnatur des geltend gemachten Anspruchs - ausgeschlossen.


VI. Eigentumsvorbehalt


2. Be- und Verarbeitung der Vorbehaltsware erfolgen für uns als Hersteller im Sinne des § 950 BGB, ohne uns zu verpflichten. Die be-/verarbeitete Ware gilt als Vorbehaltsware im Sinne dieser Bedingungen. Wird die Vorbehaltsware mit anderen, uns nicht gehörenden Gegenständen verarbeitet oder untrennbar vermengt/verbunden, so erwerben wir das Miteigentum an der neuen Sache im Verhältnis des Rechnungswertes der Vorbehaltsware zum Rechnungswert der anderen verwendeten Gegenstände zum Zeitpunkt der Verarbeitung oder Vermengung/Verbindung. Wird die Vorbehaltsware mit anderen, uns nicht gehörenden Gegenständen zu einer einheitlichen Sache verbunden oder untrennbar vermengt und ist diese Sache als Hauptsache anzusehen, so überträgt uns der Käufer hiermit anteilmäßig Miteigentum, soweit die Hauptsache ihm gehört. Der Käufer verwahrt das so entstandene Eigentum unentgeltlich für uns mit.


Wird die abgetretene Forderung in eine laufende Rechnung aufgenommen, so tritt der Käufer bereits jetzt einen der Höhe nach dieser Forderung entsprechenden Saldo aus dem Kontokorrent an uns ab.

Der Käufer ist bis zu unserem Widerruf, der jederzeit und ohne besondere Begründung zulässig ist, berechtigt, die uns abgetretene Forderung einzuziehen. Er ist auf uns Verlangen verpflichtet, seinen Kunden die Vorausabtretung an uns anzusehen und uns die zur Geltendmachung der Forderung erforderlichen Auskünfte und Unterlagen zur Verfügung zu stellen.

4. Übersteigt der Wert der für uns bestehenden Sicherheiten unsere Forderungen insgesamt um mehr als 10%, geben wir auf Verlangen des Käufers entsprechende Sicherheiten nach unserer Wahl frei.


6. Der Käufer ist verpflichtet, die Vorbehaltsware gegen alle üblichen Risiken, insbesondere gegen Feuer, Einbruchs- und Wassergefahren auf eigene Kosten angemessen zu versichern, sie pfleglich zu behandeln und sie ordnungsgemäß zu lagern.


VII. Leistung durch verbundene Unternehmen


VIII. Beachtung von Sicherheits- und sonstigen Vorschriften

1. Soweit im Einzelfall nicht abweichend vereinbart, ist der Käufer für die Beachtung gesetzlicher und behördlicher Vorschriften sowie anerkannter Praktiken bezüglich Einfuhr, Transport, Lagerung, Handhabung, Verwendung und Entsorgung der Ware verantwortlich.

2. Der Käufer ist zudem verpflichtet,
   • sich mit allen von uns gestellten Produktinformationen einschließlich Material Safety Data Sheet (MSDS) vertraut zu machen,
   • seinen Mitarbeitern, Auftragnehmern, Agenturen und Kunden ausreichende Anweisungen zum Umgang mit den Produkten zu erteilen,
   • geeignete Maßnahmen zur Verhütung von schädlichen Umwelteinwirkungen und anderen Gefahren für Personen oder Vermögenswerte durch unsere Ware zu treffen.

4. Der Käufer haftet gegenüber uns für alle Schäden, die infolge der Missachtung der Sicherheitsvorschriften durch ihn entstehen und stellt uns von entsprechenden Inanspruchnahmen Dritter frei.

**IX. Übertragung von Rechten, Markenbenutzung**

1. Die Übertragung der Rechte des Käufers aus der Vertragsbeziehung ist nur mit unserer vorherigen, schriftlichen Zustimmung zulässig.


**X. Vertraulichkeit, Vertragsstrafe, Datenschutz**


2. Wir sind berechtigt, die im Zusammenhang mit der Geschäftsbeziehung erhaltenen Daten unter Beachtung der gesetzlichen Vorgaben zu verarbeiten, zu speichern oder zu übermitteln, soweit dies für den Vertragszweck oder zur Wahrung unserer berechtigten Interessen erforderlich ist und kein Grund zur Annahme besteht, dass ein überwiegendes, schutzwürdiges Interesse des Käufers dies verbietet.

3. In diesem Zusammenhang können wir Ihre persönlichen Daten innerhalb unserer weltweit tätigen Unternehmensgruppe sowohl an mit uns verbundenen Unternehmen als auch an im In- und Ausland ansässige Dritte, die für uns Dienstleistungen erbringen, übermitteln. In einigen Ländern gelten möglicherweise weniger strenge Datenschutzbestimmungen für Ihre persönlichen Daten. Wir treffen mit Dritten entsprechende vertragliche Vereinbarungen, die diese verpflichten, die datenschutzrechtlichen Erfordernisse zu beachten, soweit dies geboten ist.

**XI. Rechtswahl, Gerichtsstand**

1. Es gilt ausnahmslos das für die Rechtsbeziehungen inländischer Vertragspartner maßgebliche Recht der Bundesrepublik Deutschland; die Anwendung des UN-Kaufrechtsübereinkommens vom 11.4.1980 wird ausgeschlossen.

**ORDER ACKNOWLEDGEMENT**

<table>
<thead>
<tr>
<th>Customer order number / Votre Reference Bestellnummer</th>
<th>Styron Order entry contact</th>
</tr>
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<tr>
<td>450200888-X</td>
<td>MARION VON GILSA / +49-6196-9693131</td>
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<table>
<thead>
<tr>
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<tr>
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<tr>
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<table>
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<tr>
<th>Delivery Terms</th>
<th>Means of transport</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>DDP / TERNEUZEN</td>
<td>SILOTRUCK</td>
<td>EURO</td>
</tr>
</tbody>
</table>

| Payment Terms | |
|---------------|- 10 DAYS AFTER DATE OF INVOICE LESS 2.0% - DIRECT DEBIT |

<table>
<thead>
<tr>
<th>Item Pos</th>
<th>Quantity &amp; description</th>
<th>Gross &amp; Net quantity</th>
<th>Price per unit</th>
<th>Delivery date</th>
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<tbody>
<tr>
<td>01</td>
<td>1,922 KILOS X 0,001 TONNEN Acrylonitrile - ST</td>
<td>1,922 KG 1,922 MT</td>
<td>EUR/MT</td>
<td>31 OCT 2012</td>
</tr>
</tbody>
</table>

WE THANK YOU FOR THIS ORDER WHICH IS ACCEPTED SUBJECT TO OUR GENERAL TERMS AND CONDITIONS.

NOUS VOUS REMERCIIONS DE VOTRE COMMANDE QUE NOUS ACCEPTONS SELON NOS CONDITIONS GENERALES DE VENTE.

WIR DANKEN IHNEN FUER IHREN AUFTRAG, DEN WIR GEMAESS UNSEREN ALLGEMEINEN GESCHAETSBEDINGUNGEN ENTGEGENNEHMEN.
GENERAL TERMS AND CONDITIONS

1. Interpretation of Trade Terms
Trade terms shall be interpreted in accordance with Incoterms 2000. Title shall pass to Buyer at the same time as the risks of loss or damage under Incoterms 2000. If this Sales Contract does not specify trade terms as defined in Incoterms 2000, title and risk of loss shall pass to Buyer upon delivery into the custody of the carrier.

2. Seller’s Commitments
2.1. Seller undertakes that the Product will at the time of delivery meet Seller’s then current Sales Specifications. Seller will notify Buyer if Sales Specifications are changed. All descriptions, drawings, photographs, illustrations, performance and technical data, dimensions, weights and the like, contained in any promotional or technical literature issued by Seller are subject to variation without notice and are not designed to constitute Sales Specifications.

2.2. Seller will supply Buyer with current Material Safety Data Sheets (MSDS) regarding the Product.

3. Responsible Practices
3.1. Buyer will (i) familiarise itself with any product literature or information Seller provides under Seller’s product stewardship program, including MSDS, (ii) follow safe handling, use, selling, storage, transportation and disposal practices, including special practices as Buyer’s use of the Product requires and instruct its employees, contractors, agents and customers in these practices and (iii) take appropriate action to avoid spills or other dangers to persons, property or the environment. Seller may cancel this Contract on 15 days notice if Buyer fails to comply with any of its commitments under this subsection.

3.2. Notwithstanding the provisions of Section 5 hereof, Buyer will indemnify Seller for all claims, damages and related costs, including reasonable attorney fees, arising out of Buyer’s non-compliance with any of its commitments under Section 3.1 above.

4. Patents/Trademarks
Seller warrants only that the manufacture of the Product covered by this Contract does not infringe any Letters Patent of the country of manufacture. Buyer assumes all responsibility for use of any design, trademark, trade name, or part thereof, appearing on the Product at Buyer’s request.

5. Warranty/Liability
5.1. The commitments set out in Sections 2 and 4 above are Seller’s sole warranties in respect of the Product. ANY OTHER CONDITION OR WARRANTY AS TO THE QUALITY OF THE PRODUCT SUPPLIED UNDER THIS CONTRACT OR FITNESS FOR ANY PARTICULAR PURPOSE WHETHER ARISING UNDER STATUTE OR OTHERWISE, IS EXCLUDED.

5.2. Buyer shall inspect the Product supplied under this Contract immediately after delivery. If any of the supplied Product is rejected because of non-conformity to specifications, Buyer shall have the right to return it to Seller only after inspection by Seller and receipt of definite shipping instructions from Seller such inspection to be made and instructions to be given by Seller within thirty (30) days after notice of rejection by Buyer. Either (1) failure to give written notice of any claim within thirty (30) days from the date of delivery, or (2) use of the Product supplied under this Contract, constitutes an unqualified acceptance of such Product by Buyer and a waiver by Buyer of all claims in respect of such Product.

5.3. In the event of any liability by either party whether arising from breach of contract or from statutes it is agreed that the maximum amount of damages recoverable shall be limited to the contract price for the Product with respect to which damages are claimed. In no event shall either Seller or Buyer be liable for indirect, consequential, special, punitive or exemplary damages in connection with or arising out of this Contract.

6. Price and Terms
6.1. Seller may change the previously agreed price, terms and conditions of payment or of transportation, or the minimum requirement per shipment at any time, by fifteen (15) days prior written notice to Buyer. Buyer’s failure to make written objection to the change prior to the effective date shall be considered acceptance. If Buyer objects within the fifteen (15) day period, Seller shall have the option (a) to continue to supply on the terms and conditions in effect prior to the announced change, or (b) to cancel the affected Product quantities immediately and shall advise Buyer accordingly within fifteen (15) days from receipt of Buyer’s written objection.

6.2. Seller reserves the right by written notice given at any time before shipment, to increase the price under this Contract, if there is any increase in the cost of raw materials, labor or transport or any other causes beyond the control of Seller. If Buyer is of the opinion that any such increase in price is unreasonable, it may object to such increase by written notice given within fifteen (15) days of the date of receipt of Seller’s notice. Seller shall then have the option to continue to supply Buyer at the price currently in effect, if willing to do so or to cancel the Contract immediately upon notice to Buyer in writing.

7. Schedule of Deliveries
Buyer shall schedule deliveries of the Product uniformly throughout the calendar year. Not more than ten percent (10%) of the annual quantity of the Product shall be scheduled for delivery in any calendar month, except with Seller’s prior written consent.

8. Transportation
Where the price provides for absorption by Seller of any portion of the freight charges, or where Seller provides the transportation equipment at its cost. Seller shall have the right to select the means of transportation. Where the price provides for payment by Buyer of any portion of the freight charges, the freight charges will be those in effect at the date of shipment.

9. Delivery Equipment
During the time that Seller’s delivery equipment is in the possession of Buyer. Buyer shall be liable to Seller for damages or destruction of such equipment attributable to Buyer. All repairs to equipment shall be made under the supervision or direction of Seller.
10. Force Majeure
In the event of accident, mechanical breakdown of facilities, fire, flood, strike, labor trouble, riot, revolt, war, acts of governmental authority, acts of God, or contingencies beyond the reasonable control of the party affected, interfering with the performance of this Contract, the quantity of Product provided for in this Contract shall be reduced by the amount so affected without liability, but the Contract shall otherwise remain unchanged. The decision of the party affected as to the quantities of Product affected shall be final and binding.

11. Governmental Controls
If the price, freight allowance, or terms of payment, or any price increase, or change in freight allowance, or terms of payment under this Contract, or Seller’s ability to make any such increase or change, should be altered or prohibited by reason of any law, government decree, order or regulation, Seller may cancel this Contract upon fifteen (15) days written notice. However, at its option, Seller may by written notice elect to postpone the effective date of any price increase or proposed change to the extent so prevented until such date or dates as it is not so prevented. By electing to postpone rather than cancel. Seller will not waive its right to cancel thereafter because of such continued or further alterations or prohibitions.

12. Non-performance
12.1. If Buyer fails to perform any of the terms of this Contract when due, Seller may, at its option, decline to make further deliveries against this Contract, except for cash, or may recall or defer shipments until such default is made good, or may treat such default as final refusal to accept further shipments and cancel this Contract.
12.2. Seller reserves the right, without prejudice to Buyer’s liability to pay on the due date, to charge interest on any overdue balance of a rate equal to the one month EURIBOR interest for the currency invoiced, as fixed on the last business day of the month preceding the date of payment, plus five percent (5%) points. Such right is in addition and without prejudice to any other rights Seller may have under this Contract.

13. Performance by Affiliates
At Seller’s option, any Sales Contract obligation may be performed by Styron Holding B.V. or any of its affiliates. Any deliveries made under this condition may be invoiced by such affiliate and shall constitute performance of this Contract by Seller.

14. Non-transferable
This Contract is neither transferable not assignable by Buyer without Seller’s prior written consent.

15. Non-waiver
Failure to exercise any rights under this Contract upon any occasion shall not waive the right to exercise the same on another occasion.

Should any provision of this Contract be held invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected. Any invalid or unenforceable provision shall be replaced with a new provision which will allow the parties to this Contract to achieve the intended economic result in a legally valid and effective manner.

17. Applicable Law and Jurisdiction
This Contract shall be governed by and construed in accordance with the laws of the Netherlands. Any disputes arising out of this Contract shall be submitted to the competent courts of Rotterdam, the Netherlands. The United Nations Convention on Contracts for the International Sale of Goods (1980) shall not apply to this Contract.

18. Controlling Terms & Amendments
By ordering any of the Product detailed in this Contract, Buyer agrees to all the terms and conditions contained on both sides of this document which override any additional or different terms or conditions included in Buyer’s purchase order or referred to by Buyer. Seller explicitly rejects Buyer’s terms and conditions. Any amendments or additions to this Sales Contract shall be valid only if in writing and signed by both parties.
**STYRON**

**CONDITIONS OF SALE**

**CONTRACT DEFINED**: The following Conditions of Sale apply to the sale of Products by Styron LLC or its affiliate ("Styron") to Customer except to the extent superseded by an applicable written contract executed by Styron. Any terms and conditions stated by Customer in any purchase order or document related to the Product that are in conflict with, different from, or in addition to, these Conditions shall not be binding unless separately and expressly accepted in writing by Styron. Except as otherwise expressly agreed in writing by Styron, upon Styron’s acceptance by Styron of the quantity of Product specified on Customer’s purchase order, such quantity, together with these Conditions and all other provisions of any applicable Styron documents) on or to which these Conditions are printed or attached, will constitute the Contract between Styron and Customer. Except as otherwise expressly agreed in writing by Styron, Styron’s acceptance of Customer’s purchase order is expressly conditioned on Customer’s acceptance of these Conditions.

**STYRON’S COMMITMENTS TO CUSTOMER**: (a) The Product when shipped will meet Styron’s then current Product sales specifications ("Specifications"), (b) Styron will convey the Product with good title, free from any law fill lien or encumbrance; and (c) Product delivered, and title and risk of loss pass, to Customer F.O.B. Styron’s Shipping Facility, except Styron pays freight and selects carrier. Styron will notify Customer if the Specifications are changed after receipt of a purchase order. Styron will supply Customer with current material safety data sheets (“MSDS”). Styron reserves the right to charge the Specifications or properties of any Product at any time on at least thirty (30) days notice. If the change is not acceptable, Customer may terminate the Contract with respect to the changed Product by giving written notice to Styron. Styron also warrants that it will comply with all applicable laws and governmental rules, regulations and orders. **STYRON MAKES NO OTHER WARRANTIES REGARDING THE PRODUCT, WHETHER OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANT ABILITY, OR OTHERWISE, AND NONE WILL BE IMPLIED.**

**CUSTOMER’S COMMITMENTS TO STYRON**: Customer will pay for the Product on the agreed payment terms. Customer agrees to notify Styron, in writing, within ten (10) days after receipt of any of Customer’s invoices, if it disputes any such invoice, in whole or in part and to specify the nature of the dispute. If (a) Customer does not pay on time or (b) Customer’s financial responsibility becomes unsatisfactory and Styron deems itself insecure, then Styron may defer shipments, accelerate the due date on amounts owed Styron, require cash payments or other security, call any existing letter of credit held by Styron, and/or terminate this Contract without liability and without waiving any other remedies Styron may have against Customer. Customer agrees to pay all of Styron’s collection costs including reasonable legal fees and costs Styron may charge Customer the maximum interest allowed by law on all overdue amounts. Customer will be solely responsible for determining the suitability of Product in Customer’s formulations and applications prior to use. Customer shall promptly, and in any event prior to use and/or commingling inspect Product shipments for any damage to packaging, shortage or non-conformance to this Contract.

**INDEMNIFICATION**: Customer will indemnify Styron against any liability (whether strict or otherwise) for any claim, loss or expense (including reasonable attorney’s fees) on account of any injury, disease or death of persons (including Customer’s employees) or damage to property (including Customer’s) arising out of: Customer’s unloading, storage, handling, sale or use of the Product (except to the extent caused by Styron’s gross negligence); any failure by Customer to disseminate safety and health information as required hereby, and/or Customer’s failure to comply with the export compliance obligations set forth herein. Styron shall have no liability for any claim arising out of or in Connection with this Contract unless Customer gives Styron notice of the claim, setting forth fully the facts on which it is based, by the earlier of (a) thirty (30) days after the date such facts were discovered or reasonably should have been discovered, or (b) ninety (90) days after receipt of the Product. Styron’s liability for defective or nonconforming Product, whether or not based on negligence, will not exceed the purchase price of the Product involved in the claim and **NEITHER PARTY WILL BE LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES.** The foregoing provisions will survive termination of this Contract.

**CHANGES TO TERMS**: Styron may increase Price, charge transportation or payment terms, and/or charge the notice provision, by giving Customer at least fifteen (15) days prior notice. A temporary Voluntary Allowance (“IVA”) from the current Price of any Product may be instituted, changed, or withdrawn by Styron at any time, with or without notice, and shall not be deemed a change of Price.

**FORCE MAJEURE**: Performance is excused when (a) there is any contingency beyond the reasonable control of Styron or Customer (including, for example, war or hostilities, acts of God, accident, fire, explosion, public protest, breakage of equipment, pandemic, acts of terrorism, activity of a governmental authority (including, for example, the passage of legislation or the failure to grant an export license), or labor difficulties) which interferes with Styron’s or Customer’s production, supply, transportation or consumption practice; or (b) Styron is unable to obtain raw materials, power or energy on terms Styron deems commercially acceptable. During Times when performance is excused all quantities of affected Product will be eliminated front this Contract without liability and Styron will allocate its supplies of raw materials and Product among their various uses in any manner that Styron determines is fair and reasonable, but this Contract will otherwise remain in effect. Styron will not be obligated to obtain raw materials, intermediates, or Product from other sources, or to allocate raw materials, intermediates, or Product from Styron’s internal use. The foregoing provisions shall in no event relieve Customer of its obligation to timely pay in-full a Product invoice.

**ASSIGNMENT**: This Contract is not transferable or assignable by either party without prior written consent of the non-assigning party; however, Styron shall have the right to assign this Contract to a wholly-owned subsidiary of Styron, or to a purchaser or other successor to a significant portion of Styron’s assets involved in the manufacture of the Product, without the consent of Customer. Additionally, any corporate restructuring which has the primary purpose of changing the name of Styron shall not be deemed an assignment and shall be freely permitted.

**GENERAL**: Customer warrants that (a) it understands and shall comply with the requirements of the U.S. Foreign Corrupt Practices Act and all other applicable anti-bribery and anti-corruption laws of the jurisdictions under which Customer is or may be acting hereunder, and (b) it will comply with all U.S. laws, regulations, rules and orders regarding export control. This Contract shall be governed and construed in accordance with the internal laws of Delaware. The United Nations Convention on Contracts for the international Sale of Goods (1980) shall not apply to this Contract. Exclusive venue for all disputes arising out of or in connection with this Contract shall be in any State or Federal court in Delaware.

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SCHEDULE 12
APPROVED NON-STANDARD DOCUMENTATION OBLIGORS

Subject in each case to review and approval in writing by the Cash Manager of the relevant non-standard contracts
SCHEDULE 13
ACCOUNT DETAILS

Account No:
IBAN no:
Currency: USD
Type of Account: Current

Account No:
IBAN no:
Currency: EUR
Type of Account: Current
FORM OF BANK MANDATE

Deposit Accounts

Styron Receivables Funding Designated Activity Company

THIS BANK MANDATE is made [*] 2016

BY:

(1) TRINSEO EUROPE GMBH (formerly STYRON EUROPE GMBH), a limited liability company incorporated in Switzerland, having its registered office at Zugerstrasse 231, CH-8810 Horgen, Switzerland, (the “Current Swiss Servicer”);

(2) TRINSEO EXPORT GMBH, a limited liability company incorporated in Switzerland, having its registered office at Zugerstrasse 231, CH-8810 Horgen, Switzerland (the “Acceding Swiss Servicer”);

(3) TRINSEO DEUTSCHLAND ANLAGENGESELLSCHAFT MBH (formerly STYRON DEUTSCHLAND ANLAGENGESELLSCHAFT MBH), incorporated in Germany as a limited liability company (Gesellschaft mit beschränkter Haftung), registered at the “local court (Amtsgericht) of Tostedt under HRB 202609 and having its business address at Bützflether Sand, 21683 Stade, Germany (the “German Servicer”);

(4) TRINSEO NETHERLANDS B.V. (formerly STYRON NETHERLANDS B.V.), a limited liability company incorporated in The Netherlands, having its registered office at Herber H. Dowweg 5, 4530 AA Terneuzen, The Netherlands (the “Dutch Servicer”);

(5) TRINSEO LLC (formerly STYRON LLC), a Delaware limited liability company, having an office at 1000 Chesterbrook Boulevard, Suite 300, Berwyn, Pennsylvania 19312 (the “U.S. Servicer” and together with the Current Swiss Servicer, the Acceding Swiss Servicer, the German Servicer and the Dutch Servicer, the “Servicers”);

(6) STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY, a company incorporated in Ireland with registration number 486138, where registered office is at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland (the “Company”); and

(7) HSBC BANK PLC (the “Bank”).

TO: The Bank

1. The Company has opened the following deposit accounts in its name at the Bank:

   (a) a Euro deposit account entitled “Styron Receivables Funding Limited re Styron Europe GmbH Euro a/c”
Account No: 
IBAN no: 
Currency: EUR 
Type of Account: Current

(b) a Dollar deposit account entitled “Styron Receivables Funding Limited re Styron Europe GmbH Dollar a/c”

Account No: 
IBAN no: 
Currency: EUR 
Type of Account: Current

(each as from time to time renewed, redesignated or renumbered, a “Deposit Account”).

2. The Bank agrees that it will operate the Deposit Accounts in accordance with this Mandate and each of the parties hereto acknowledges that this Mandate is given on the basis that the Bank complies with the procedures set out herein and that this Mandate replaces any previous Mandate signed or instructions given by the Company in relation to the Deposit Accounts.

3. The Company has:

(a) appointed the Servicers to make deposits from time to time on behalf of the Company with the Bank; and

(b) granted the Servicers authority to agree to rates and maturities on the Deposit Accounts with the Bank and to instruct the Bank to make repayments in accordance with Clause 5,

until further notice to the contrary from the Company.

4. The funds paid to the Bank to be deposited in the Deposit Account will be made from the accounts as set out in Schedule 2 hereto, which shall include any accounts from time to time redesignated or renumbered (the “Collection Accounts”).

5. The Company hereby instructs the Bank to repay any maturing deposits to the Collection Account denominated in the relevant currency until further instructions are received from the Company to the contrary. The Servicers are not authorised to amend any instructions under the terms of this Mandate without the agreement of the Company.

6. The Company, the Servicers and the Bank acknowledge that the Bank has been provided with the names and signatures of those agents of the Servicers as set out in Part B of Schedule 1 (“B List Signatories”) and those agents of the Company as set out in Part A of Schedule 1 (“A List Signatories”) who have been authorised by the Company to execute and send notices, statements and directions (“Notices”) in connection with this Mandate on the Company’s behalf (each an “Authorised Signatory”).

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7. The Authorised Signatories may be changed at any time, and from time to time, by delivery to the Bank of a replacement schedule signed by any two outgoing or continuing A List Signatories.

8. Reliance by the Bank upon a Notice apparently or purportedly signed by the Authorised Signatories in accordance with the terms of this Mandate shall operate as a discharge of the Bank in relation to any notice relied and duly acted upon by it.

9. If any notice or instruction received by the Bank under, and in accordance with, this Mandate is in the Bank’s view unclear or ambiguous, the Bank may in its absolute discretion and without any liability on its part either (i) act upon what it believes in good faith to be the intent of such notice or instruction, or (ii) delay acting on such notice or instruction pending clarification of the unclear or ambiguous element thereof.

10. The Bank waives all rights of set-off, lien (including pledge rights and any other security rights), combination, consolidation, merger or counterclaim it may have or hereafter acquire in respect of monies held in the Deposit Accounts.

11. In the performance of this Mandate the Bank may rely on a notice or communication appearing or purporting to be given under and in accordance with this Mandate and believed by the Bank in good faith to be genuine and the Bank shall have no obligation to make enquiries as to the justification, validity or contents of any notices delivered to it pursuant to this Mandate.

12. The persons issuing this Mandate agree not to take any action or proceedings against the Bank in connection with any dispute arising out of the operation of this Mandate provided that the Bank shall have exercised reasonable skill and care in performing the Mandate.

13. The Bank agrees that it shall not take any corporate action or other legal steps or legal proceedings for the bankruptcy, winding-up, dissolution, re-organisation, examinership, appointment of a receiver, administrator, administrative receiver, examiner, liquidator, sequestrator or other similar officer of the Company or of any or all of the Company’s assets or participate in any proceedings nor seek any judgment against the Company for the purposes of enforcing payment of any amounts payable to it by the Company under this Mandate for the purpose of recovering any debts whatsoever owing to it by the Company.

14. The terms of this Mandate may be amended or revoked only by an instrument in writing signed by an A List Signatory and the Bank.

15. The Company undertakes upon the request of the Bank to execute such further documentation for the purposes of this Mandate as the Bank may reasonably require.

16. The Bank shall supply confirmations to the Servicers and the Company relating to the Deposit Accounts, either by facsimile, or by any other method agreed between the Bank, the Company and the Servicers.

17. Any notices, including written directions to the Bank to be given pursuant to this Mandate, shall be sufficiently served if sent by pre-paid post or facsimile transmission.
and shall be deemed to be given (in the case of any notice by facsimile transmission) when dispatched and (in the case of any notice by post) when received, and shall be sent:

(a) in the case of the Bank, to the address of its office as set out above, for the attention of Rebecca Andrew/Graham Walton (facsimile number +44 20 7992 4642);

(b) in the case of the Company, to the address of its office as set out above (facsimile number +353 (1) 6146250) with a copy to Rebecca Andrew/Graham Walton at HSBC Bank plc, 8 Canada Square, London, E14 5HQ (facsimile number +44 20 7992 4642);

(c) in the case of the Current Swiss Servicer and the Acceding Swiss Servicer, to the address of its office as set out above, for the attention of Johanna Frisch (facsimile number +41 44 718 3740);

(d) in the case of the German Servicer, to the address of its office as set out above, for the attention of Johanna Frisch (facsimile number +41 44 718 3740);

(e) in the case of the Dutch Servicer, to the address of its office as set out above, for the attention of Johanna Frisch (facsimile number +41 44 718 3740); and

(f) in the case of the U.S. Servicer, to the address of its office as set out above, for the attention of Johanna Frisch (facsimile number +41 44 718 3740).

18. This Mandate may be executed in any number of counterparts and by different parties on separate counterparts and all such counterparts together shall constitute one and the same instrument; a set of counterparts which together contain signatures of all the parties hereto shall be lodged with the Bank and the Master Purchaser.

19. This Mandate shall be governed by and construed in accordance with the laws of England.

Trinseo Europe GmbH

Trinseo Export GmbH
Trinseo Deutschland Anlagengesellschaft MBH

Trinseo Netherlands B.V.

Trinseo LLC

Styron Receivables Funding Designated Activity Company

Agreed by:

HSBC Bank plc
## SCHEDULE 1 FORM OF AUTHORISED PERSONS
### AUTHORISED PERSONS

#### PART A

<table>
<thead>
<tr>
<th>Name</th>
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<tr>
<td>Sam Sengupta</td>
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<td>Keat Cheng Chin</td>
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<td>John Hackett</td>
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<td>Kevin Butler</td>
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#### PART B

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<td>Current Swiss Servicer</td>
<td>Martin Pugh</td>
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<td>Dr Isabel Hacker</td>
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<td></td>
<td>Christian Page</td>
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<tr>
<td>Acceding Swiss Servicer</td>
<td>Martin Pugh</td>
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<td></td>
<td>Dr Isabel Hacker</td>
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<td>Dutch Servicer</td>
<td>Walter Bosschieter</td>
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<td></td>
<td>Frans Kempenaars</td>
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<td>Frans Hordies</td>
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<td>Ruud Van Beelen</td>
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<td>Ulrich Alfred Plotzke 3</td>
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<td>US Servicer</td>
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<td></td>
<td>Chris Pappas</td>
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2 Must sign jointly with Rudolf Marinus van Domburg
3 Must sign jointly with Rudolf Marinus van Domburg
### SCHEDULE 2 COLLECTION ACCOUNTS

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</tr>
<tr>
<td></td>
<td>Bank: Deutsche Bank AG, Frankfurt, Germany</td>
<td>Bank: Deutsche Bank AG, Frankfurt, Germany</td>
</tr>
<tr>
<td></td>
<td>IBAN:</td>
<td>IBAN:</td>
</tr>
<tr>
<td></td>
<td>SWIFT:</td>
<td>SWIFT:</td>
</tr>
<tr>
<td><strong>Acceding Swiss Servicer</strong></td>
<td>Account number:</td>
<td>Account number:</td>
</tr>
<tr>
<td></td>
<td>Bank: Deutsche Bank AG, Frankfurt, Germany</td>
<td>Bank: Deutsche Bank AG, Frankfurt, Germany</td>
</tr>
<tr>
<td></td>
<td>IBAN:</td>
<td>IBAN:</td>
</tr>
<tr>
<td></td>
<td>SWIFT:</td>
<td>SWIFT:</td>
</tr>
<tr>
<td><strong>German Servicer</strong></td>
<td>N/A</td>
<td>Account number:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bank: Deutsche Bank AG, Frankfurt, Germany</td>
</tr>
<tr>
<td></td>
<td></td>
<td>IBAN:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SWIFT:</td>
</tr>
<tr>
<td><strong>Dutch Servicer</strong></td>
<td>N/A</td>
<td>Account number:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bank: Deutsche Bank AG, Amsterdam, Netherlands</td>
</tr>
<tr>
<td></td>
<td></td>
<td>IBAN:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SWIFT:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Account number:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bank: Deutsche Bank AG, Brussels, Belgium</td>
</tr>
<tr>
<td></td>
<td></td>
<td>IBAN:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SWIFT:</td>
</tr>
<tr>
<td><strong>US Servicer</strong></td>
<td>Account number:</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Bank: Deutsche Bank Trust Co, New York, USA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>IBAN:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SWIFT:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Account number:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bank: Bank of America N.A.</td>
<td></td>
</tr>
<tr>
<td>IBAN:</td>
<td>SWIFT:</td>
<td></td>
</tr>
<tr>
<td>-------</td>
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</tr>
</tbody>
</table>

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1.0 PURPOSE

The purpose of this policy is to define the requirements for establishing and maintaining credit lines and payment terms for Trinseo’s customers. This policy also provides a framework for:

- The regular screening and rating of the financial health of our customers
- The mitigation of customers risk by providing both a prior assessment of the counterparty we are selling to and the deployment of mitigation action plans for potentially defaulting customers in order to secure Trinseo Account Receivable asset.
- A common methodology across all the globe for all the Trinseo Businesses for determination of Credit Limits
- A common methodology across all the globe for the calculation of the bad debt reserve (BDR)
- Alternative payment requirements for accommodating sales to customers who do not qualify for credit with Trinseo.

2.0 SCOPE

This Policy applies to all customers of Trinseo across all businesses and all geographical areas. All organizations within Trinseo responsible for the sales, marketing, contract approval, order acceptance, scheduling and shipment of products must adhere to the policy and guidelines below.

3.0 POLICY

In order to facilitate the flow of orders and shipment of products, Trinseo policy provides a credit facility to all customers who demonstrate both the ability to pay and history of timely payments of debts. The credit department will evaluate all new customers to determine what payment terms and methods will be required and what level of credit will be established.

The credit department will also periodically review customer financial standing and re-evaluate credit limits and/or payment terms of existing customers, take into consideration customer requirements and manage risk as financial and business conditions change. In its day-to-day operations, the credit department will consistently adhere to all company policies regarding fair and equitable treatment in customer communications and relations.

3.1 Global Customer Credit Risk Assessment Process

The Global customer credit risk assessment process provides a standard approach to assessing the financial health of Customers and determining the maximum grantable credit limit. This section outlines the Process as well as the allocation of roles and responsibilities between the different functions and credit team. The detailed description of that process is outlined in the “Trinseo Global Credit Procedure” document (Annex 1).

The Credit assessment Template (CAT) is the standard tool for calculation of the maximum grantable credit limit for customers where needed credit limit is greater than 100,000 USD.
If the required credit limit is 100,000 USD or below, the credit decision should be based on credit agency reports such as D&B, Coface, Creditreform or BVD (Amadeus, Orbis etc...) and/or other factors such as pay habits, long term relationship, references or others.

4.0 RESPONSIBILITY

The corporate credit team is responsible for managing the credit review and approval process and accounts receivable balance to minimize collection exposure in accordance with the overall corporate operational and financial objectives.

Credit Managers make decisions concerning credit limits, acceptable levels of risk and terms of payments. It is Credit Managers responsibility to:

- Determine credit ceilings.
- Set up credit-rating criteria.
- Set up and ensure compliance with a corporate credit policy.
- Set and enforce payment terms, including cash discounts
- Revoke credit limits and/or hold shipments, when political, economic and financial conditions are adverse, or when the credit risk is not acceptable
- Design, implement and enforce company internal control procedures regarding Accounts Receivable management
- Oversee the Payment Receipt and Handling process (PR&H) and lead collections when appropriate
- Consult with Business management to set and enforce appropriate order control procedures and business rules consistent with Business Strategies
- Negotiate repayment schedules as appropriate
- Provide on time and accurate management performance reporting
- Define, design and implement information systems to manage orders, accounts receivable and credit process effectively
- Establish Bad Debt Reserve and Accounts Receivable write-off procedures

Credit analysts assess and make decisions about customer credit applications using a range of criteria including purpose of application, credit viability, customer payment history, customer credit-worthiness etc. It is Credit Analyst responsibility to:

- Gather information;
- Read financial statements;
- Assess, analyze and interpret financial information;
- Evaluate / analyze risk versus reward to support Businesses
- Keeping company credit exposures within set risk limits;
- Undertake various operational tasks in order to support the Credit Managers

The credit department will authorize all communications with the customers and determine which financial information is required, and what level of credit limit will be approved.

4.1 Payment Receipt and Handling (“PR&H”) Role

The role and responsibility of each function within the money collection and Accounts Receivable discrepancy resolution is described in the PR&H process.

Businesses have the responsibility for collecting the Accounts Receivable created by each sale, with Customer Financial Services overseeing the PR&H process and leading collections when appropriate.
TRINSEO.

4.2 Business, Sales & Marketing Role

The sales department is responsible for ensuring that the credit application form is submitted to the credit department (When needed) for a prospective new customer, in advance of order acceptance and in accordance with the Customer Credit Application Procedure. The Field seller also is responsible for instructing the customer regarding the respective roles and requirements of the credit, order administration and sales departments for introducing the customer to the appropriate representative of these departments.

Business Management will provide support to Credit management team in any activity described in 4.0. Business Management is expected to assist in the development of customers specific credit strategies and to enforce the internal control practices referred to in this document.

5.0 GUIDELINES

5.1 Credit Limits and Payment Terms

A credit evaluation is performed by the Credit Department in order to recommend credit limit, payment terms, and any other conditions of sale specific to the customer. The proposal is communicated to the field seller and approved by the appropriate DOA levels holder. Once approved an E-mail informing the Sales Representatives should be sent out, informing all of the appropriate people involved for shipment.

The Credit assessment Template (CAT) is the standard tool for calculation of the credit limit for customers. 3 years financials data is needed to get the most relevant picture of the company financial health. If CAT cannot generate a risk rating and a maximum grantable credit limit due to insufficient financial data, next level approval must be obtained if the needed credit limit is above 100’000 USD.

The standard credit practice within Trinseo is an open credit limit without a secured interest. Based on the assessment of the financial standing of the customer, the credit department has the discretion to require some tangible security instruments in order to continue the credit approval process. The additional security requirements can include, but are not limited to, any of the following:

a) Irrevocable letter of credit
b) Bank or other financial institution guarantee
c) Corporate or parent company guarantee
d) Personal guarantee of owners or principals
e) Secured collateral interest

The standard corporate payment terms of sale are net 30 days from date of invoice (product shipment) by company check or wire transfer. However, in order to comply with the Country or industry common practices a certain range of payment terms can be granted accordingly.

Refer to Area Credit Policy.

Temporary situations can occur where the credit line is not adequate to cover the short-term business requirements. In these situations, it is up to the credit department who should work in conjunction with the sales team to recommend the most relevant required actions.

All other non-standard terms or conditions should be treated as business cases and therefore require approval from the Credit Director or Group VP Finance & Treasurer and/or VP Business Directors as per the respective DOA.

5.2 Credit Limit Approval
TRINSEO.

The Chief Financial Officer of Trinseo is authorized to approve the credit matters set out in this Policy and, in accordance with the Authorization and Approvals Matter Policy, is authorized to delegate responsibility for the administration of it to members of the Treasury Team. As such, each credit team member has been assigned a Delegation of Authority (DOA) DOA Type R12 – Credit Limits, and is authorized to approve the credit limit and the related credit matters up to their assigned DOA in the DOA Repository.

Under this Policy, the Delegation of DOA Type R12 cannot exceed the following maximum thresholds:

<table>
<thead>
<tr>
<th>Maximum</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD 1,000,000.00</td>
<td>New Credit Staff (3 months period)</td>
</tr>
<tr>
<td>USD 3,000,000.00</td>
<td>Credit Analysts</td>
</tr>
<tr>
<td>USD 5,000,000.00</td>
<td>Credit Managers</td>
</tr>
<tr>
<td>USD 5,000,000.00</td>
<td>Treasury Managers</td>
</tr>
<tr>
<td>USD 10,000,000.00</td>
<td>Global Credit Director</td>
</tr>
<tr>
<td>USD 20,000,000.00</td>
<td>VP Finance &amp; Treasurer</td>
</tr>
<tr>
<td>USD 30,000,000.00</td>
<td>Executive VP CFO</td>
</tr>
<tr>
<td>USD 50,000,000.00</td>
<td>CEO</td>
</tr>
<tr>
<td>Over 50,000,000.00</td>
<td>Board of Directors</td>
</tr>
</tbody>
</table>

Credit limit under this Policy is defined as “the maximum financial risk to be incurred with a customer”, which should be enough to cover the sum of Accounts Receivable, plus product shipped and not yet invoiced, plus consignment inventory in customer possession, plus guarantees given by Trinseo to third parties for trade sales transactions (contingent liability), plus loans and other financial obligations.

### 5.3 Alternatives to Credit

The result to the credit evaluation may be a denial of credit to a customer who is assessed as being a too risky or whose level of risk is indeterminable due to insufficient or lack of financial information or background history. The denial of credit does not constitute, and therefore will not be communicated as, a rejection of the customer.

Alternatively, certain secured payment terms can be proposed and/or approved by the credit department and granted to these customers:

a) Cash in Advance (CIA) – payment is delivered to Trinseo and receipt of funds is confirmed by the customer service (Receivable specialist) prior to orders release for the product shipment.

b) Cash on Delivery (COD): Certified funds payment is made directly to the freight carrier with a check certified by an approved bank of financial institution at the time the product is delivered to the customer.

c) Avalized Draft: bill of exchange to which the aval of an approved bank of financial institution was added. This has value of bank guarantee for the related payment.

### 5.4 Credit Control (Holds and Releases)

The credit department is responsible for setting up the appropriate credit order controls in order to trigger an account block or put an order or a shipment on credit hold due to any of the following reasons:
a) Credit Limit is or will be exceeded
b) Payments are overdue or inconsistent
c) Customer faces negative financial path or operational setback
d) Termination of the business relationship with the customer
e) Any other reassessment of risk by the credit department

Due to the sensitive nature of credit hold status, only the credit team members or field sellers can communicate this information to the customer.

The credit department will notify the field seller and customer service representative of any decision of keeping an order on credit hold. The credit department will closely work with the customer service and sales departments to effectively resolve the identified credit issues that caused the credit hold.

No orders or shipments with a credit hold status can be released or shipped without approval from the credit department.

5.5 Bad Debts Reserve

A general reserve is established by allocating specific percentages based upon risk category and aging buckets. The specific reserve is determined after taking into consideration the category defined for the critical account. The reserve % and related customer category are listed as below:

<table>
<thead>
<tr>
<th>Customer Category</th>
<th>Risk Category</th>
<th>Past Due Buckets</th>
<th>Reserve %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Critical accounts General Reserve</td>
<td>Risk Category 1 &amp; 2</td>
<td>Past dues 31 to 60 days</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>Risk Category 3</td>
<td>Past dues more than 60 days</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Past due buckets</td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Risk Category 4 &amp; 5</td>
<td>Past dues 1 to 30 days</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Past dues 31 to 60 days</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Past dues more than 60 days</td>
<td>30%</td>
</tr>
<tr>
<td>Critical accounts Specific Reserve</td>
<td>Write-off</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Serious Financial problem</td>
<td>High probability of bankruptcy or already on Chap11</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Heavy past dues (requires special attention)</td>
<td>Allocated percentage could be higher depending on judgment of the Credit Manager</td>
<td>&gt;10%</td>
</tr>
<tr>
<td></td>
<td>Down payment plan</td>
<td></td>
<td>30%</td>
</tr>
</tbody>
</table>

6.0 Appendix

1. Global Customer Assessment procedure
   a) EMEA regional credit procedures
   b) APAC regional credit procedures
   c) NAA regional credit procedures
   d) LAA regional credit procedures
Responsible Treasury

Date Effective:

Author: Solange Regorsek Tagro – Global Credit Director  Signature:
### General Task Information for Customer Credit Assessment

<table>
<thead>
<tr>
<th>Team responsible for this process</th>
<th>Credit Management Team</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role responsible for this task</td>
<td>Credit Manager and Credit Analyst</td>
</tr>
<tr>
<td>Process Flow Diagram name</td>
<td>TBD</td>
</tr>
</tbody>
</table>

#### Input forms/documents required
- Front End Filter Questionnaire
- New liable request form or/and Customer Credit Data Questionnaire
- Financial Statements and/or “Customer Financial Information” template
- External Credit Check or Credit Rating Data (Coface, D&B, Orbis etc...)
- Internet search of Customer (if available)
- Internet VAT number validation
- Customer Business Registration Details (if required)
- Sales Contracts / Frame Agreement / Purchase Order (if required)
- Request form for PT change

#### Computer system or spreadsheet used
- Customer Assessment Template (Excel Format)
- Customer Credit Decision & Recommendation (Power Point Format)
- INCA
- SAP

#### Credit Management Team Process
- Trinseo Global Credit Policy

#### Output forms/documents produced
- Customer Credit Decision & Recommendation (Credit Limit, Payment Term, Securities and Recommendations).

### Task trigger (how you know when to start this task)

1. New customer as per the business Qualification Process or inactive liable code being reactivated.

2. Customer qualified Trinseo based on a sample and Credit Limit need to be set up.

3. A periodic Customer or Corporate review which is triggered by the Credit Risk Score whereby Customers are reviewed on the following cycle:

<table>
<thead>
<tr>
<th>Credit Risk Score</th>
<th>Frequency of Re-assessments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Very Low</td>
<td>2 Years</td>
</tr>
<tr>
<td>2 – Low</td>
<td>2 Years</td>
</tr>
<tr>
<td>3 – Medium</td>
<td>1 Years</td>
</tr>
<tr>
<td>4 – High</td>
<td>1 Year</td>
</tr>
<tr>
<td>5 - Very High</td>
<td>6 Months if an open payment term was granted to the customer</td>
</tr>
</tbody>
</table>

4. Credit limit review where the total exposure is very close or exceeding the granted credit limit.

5. Substantial change in the sales and/or criticality of the customers where there is no valid score in the system

6. Early Warning Signal
Each credit team member is authorised to approve the credit limit and the related credit matter up to assigned Delegation Of Authority.

Delegation Of Authority

<table>
<thead>
<tr>
<th>Amount</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD 1,000,000</td>
<td>New Credit staff (3 months period)</td>
</tr>
<tr>
<td>USD 3,000,000</td>
<td>Credit Analyst</td>
</tr>
<tr>
<td>USD 5,000,000</td>
<td>Credit Manager</td>
</tr>
<tr>
<td>USD 5,000,000</td>
<td>Treasury Manager</td>
</tr>
<tr>
<td>USD 10,000,000</td>
<td>Global Credit Leader</td>
</tr>
<tr>
<td>USD 20,000,000</td>
<td>VP Finance &amp; Treasurer</td>
</tr>
<tr>
<td>USD 30,000,000</td>
<td>Executive VP CFO</td>
</tr>
<tr>
<td>USD 50,000,000</td>
<td>CEO</td>
</tr>
<tr>
<td>Over USD 10,000,000</td>
<td>Board of Directors</td>
</tr>
<tr>
<td>Step</td>
<td>Instruction</td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
</tr>
<tr>
<td>1.</td>
<td>New Customer and Re-activating liable account in Inca</td>
</tr>
<tr>
<td></td>
<td>Field Sellers will request a new liable account creation for a prospective customer as part of the business qualification process. A credit assessment may also be requested if a customer is in the process of being re-activated in Inca, and there is no valid Credit Risk Score in SAP or the Credit Risk Score is to expire shortly (in 3 months).</td>
</tr>
<tr>
<td>2.</td>
<td>Customer has qualified Trinseo based on a sample</td>
</tr>
<tr>
<td></td>
<td>A sample liable account has been created as per the customer’s supplier qualification process. If our products fit with the customer requirement and they agree to enter in business relationship with Trinseo and prior to accepting the first order from them, a credit assessment is required in order to set up the relevant Credit Limit and Payment Term.</td>
</tr>
<tr>
<td>3.</td>
<td>Periodic Customer Credit Assessments</td>
</tr>
<tr>
<td></td>
<td>Periodic Customer or Corporate credit reviews are required as part of the internal credit review cycle or may be triggered by Credit management Team for other reasons during the cycle (e.g., possible change in customer circumstances, early warning signal etc...).</td>
</tr>
<tr>
<td></td>
<td>With respect to the customer re-assessment or the Corporate Review at the internal credit review cycle, rolled out on a monthly basis.</td>
</tr>
<tr>
<td></td>
<td>Prior to commencing the review ensure that the customer file and any notes which have been added to the customer folder on the Trinseo server and/or customer Outlook folder are read and familiarise yourself with the recent history of the customer/related entities/group.</td>
</tr>
<tr>
<td></td>
<td>A periodic credit assessment of a Customer is only required if there has been sales in the last 12 months. If there have been no sales with the customer for 12 months, the liable account should be inactivated in the system.</td>
</tr>
<tr>
<td></td>
<td>In Inca mark the liable account as inactive as per the related process.</td>
</tr>
<tr>
<td>4.</td>
<td>Credit Limit Review</td>
</tr>
<tr>
<td></td>
<td>Credit limit review is required where the total exposure is very close or exceeding the granted credit limit. A credit assessment could also be triggered by a substantial change in the sales and/or criticality of the customers where there is no valid score in the system. The credit assessment is only required if:</td>
</tr>
<tr>
<td>Step</td>
<td>Instruction</td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
</tr>
</tbody>
</table>
| 5.   | Each time a credit assessment is being completed, the following data should be gathered: | Credit Data Questionnaire  
Financial Statements  
Company Financial Information Template  
Credit Agency Report |
|      | • The Customer passes through the front-end filter.  
• Current credit limit was based on financials more than 12 months old.  
• However there may be instances where the FS request a Customer credit assessment, when normally it would not be required (intend to grow business, change in payment term, prices increase, etc...). In such instances, if there is a Business need, the credit assessment may be completed. Confirm whether the Customer already has a valid Credit Risk Score. If the Credit Risk Score is current, check the age the financials used for the last assessment. If these financials are less than 12 months old base your new credit limit on the last assessment. Update Inca with the needed credit limit. Next review date is automatically calculated as per the internal credit review cycle. | |
|      | • New credit data questionnaire: In the case of a Corporate Review, a credit data questionnaire is requested for each liable account. Also ensure to get one credit data questionnaire from each business dealing with the customer.  
• Request financial statements from related the Field Seller, if not available to the credit agency (last 3 years financials if possible). If the assessment has been initiated as part of the internal credit review cycle, this request should be made to the field seller or the key account manager. It is the sales department responsibility to obtain financial statements in case they are not available in the data provider platform in use, however the Credit Management Team may provide assistance when requested. “Customer financial information” template can be provided to the FS for use.  
• Complete an internet search to identify any current news about the company. This should include a review of the customer’s website. | |
| 6.   | Methods to obtain Financial Information: | Template – Non-disclosure Agreement |
|      | • Must of customers’ financials in Europe could be retrieved directly from the BVD platform.  
• If the customer is listed on stock exchange, financial information may be published on the internet otherwise it may be available directly from the Customer. | |
<table>
<thead>
<tr>
<th>Step</th>
<th>Instruction</th>
<th>Example Ref. (copy of your report etc or other examples of docs)</th>
</tr>
</thead>
</table>
|      | • If the customer is unwilling to give financial data directly to FS, they may be comfortable to send this information directly to the CMT upon signing of a Non-disclosure Agreement.  
• Ask whether the customer is willing to provide some key financial information. If so, email the ‘Company Financial Information’ Template.  
• Ask whether CMT Staff can visit the customer and view the financials on-site. | |
| 7.   | **Credit Data Questionnaire**  
Credit Data Questionnaire provided by the FS should contain sufficient background information to complete the assessment.  
The following information should be completed in order to have a better understanding of the customer:  
• Trinseo Business dealing with the customer  
• Customer status: Prospective / Existing / Previous  
• Legal entity name of the company that Trinseo is dealing with.  
• Criticality data  
• Guarantees held  
• Comments about the Customer. Any information that could help CMT to get a better understanding of the customer.  
• If the questionnaire indicates that Trinseo has a Parent Company Guarantee (PCG) from the Customer, the original should be obtained and filed by Trinseo CMT. A credit assessment should be completed based on the financials from the parent in order to determine if the PCG is valid and/or if a Credit Limit could be granted to the customer (depending on the group structure.) | |
| 8.   | **Parent/Subsidiary/Legal Entity**  
In case a Customer does not produce separate financials or provides weak financials, if the Customer belongs to a group, the financials of the Parent entity can only be used if:  
• A Parental Guarantee has been provided that covers all Orders and Agreements for all Trinseo entities.  
• The Group has a cash pooling system. This practise is very usual in certain countries such as Germany (This is typically acknowledged in the financial notes of the Annual Report.)  
• The parent has guaranteed the debts of it subsidiary via a Letter of Liability (some countries allow parent entities to officially lodge a Letter of Liability to cover the debt of subsidiaries. This is typically acknowledged in the financial notes of the Annual Report.) | |
<table>
<thead>
<tr>
<th>Step</th>
<th>Instruction</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.</td>
<td><strong>Credit Assessment Template (CAT)</strong></td>
</tr>
</tbody>
</table>

Complete the customer credit assessment using the Customer Credit Template (CAT). The CAT is a standardized template designed to simplify the credit assessment process. The information required to complete this form may come from various sources.

Key points to note regarding completion of each section:

**Section A**
- Select all Businesses dealing with the customer: This information should be provided by business. It also could be retrieved via Business Object or Data Warehouse.
- Ensure that the reason for credit assessment is selected.

**Section B**
- It is vital that Trinseo knows with which legal entity it has a contractual relationship. If there is doubt about the legal entity that requires the credit assessment, request confirmation from the field seller.
- Ensure the corporate structure is reviewed with each credit assessment and that the parent company is correctly identified.

**Section C**
- Using the rating from the Credit Agency Report, translate this rating into an internal Risk Score. Use the ‘External Ratings’ spreadsheet to determine how the rating should be translated into an internal score.

**Section D**
- Consult the customer web site to get as much Information about the company as possible.
### General Task Information for Customer Credit Assessment

<table>
<thead>
<tr>
<th>Step</th>
<th>Instruction</th>
<th>Example Ref. (copy of your report etc or other examples of docs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Use the credit agency report and corporate structure information to confirm the ownership structure. Information about the size of the company could also be get from this report</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Section E</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Whilst the FS will provide an estimated forward looking spend, where possible, obtain from SAP ABAP report or Business Object the total sales of the past year with the customer.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Because the range in the ‘criticality fields’ is quite wide, where there are actual values shown in the credit data questionnaire, add this to the remarks/comments section.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Section F</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Always enter financial data in the local currency of the Customer in the “Financial Data” of the CAT.</td>
<td>Customer Credit Assessment Template</td>
</tr>
<tr>
<td></td>
<td>• Only input financials where both the balance sheet and profit &amp; loss statement for the same period are available. Partial financials or key data from part-year results could also be used. A comment should be entered in the Section I.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Use the Blumberg screen (if available) or SAP transaction TM08 to obtain the exchange rate with USD as of the customer account closing date where required</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Review securities provided, in particular obtain copies of any parent company guarantees; confirm they are still valid; what they cover and if they have an expiring date.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Check if it is updated in SAP transaction “TM31”, Table “692”.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• A Credit Risk Score cannot be calculated unless there are at least two consecutive years of financial statements provided. If this is not available, the Credit Risk Score will be “No Data”.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Section G</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Ensure that Early Warning Signals have been validated prior to being selected.</td>
<td></td>
</tr>
</tbody>
</table>
### Section H
- Any changes to the automatically calculated risk score or criticality score needs to be justified using the provided comments field provided.
- Select the Final Risk Score from the drop-down list. The “Overall Risk Score” is the same as the Risk Rating. However the score “No Data” could be given due to lack of financial information. Financial risk category will automatically appear when select the risk score:
  - 1 = Very Low Risk
  - 2 = Low Risk
  - 3 = Medium risk
  - 4 = High Risk
  - 5 = Very High Risk
  - 9 = No Data
- “Computed Credit Limit” & “Optimal Timely Payment” are the two methodologies used to calculate the maximum exposure that should be incurred.
- “Supported Credit Limit” is the actual maximum Credit Limit grantable to the customer.
- The ‘Next Review Date’ is the expiring date of the risk score. This is determined as per the Trinseo Credit Policy.

### Section I
- Three areas should be covered in the comments section:
  - Background of Customer; what they buy from Trinseo and any bankruptcy proceedings, court rulings, and positive/negative information.
  - Describe and comment Criticality.
  - Review of financials and any qualitative information considered relevant. If parent financials were reviewed, add a comment confirming the level of health of the parent.

### Section J
- Comment on the criticality score, risk score and overall risk score.
- Provide the final “Credit Decision”
- Provide any further recommendations

---

10. **Credit Decision & Recommendation Approval**

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Customer Credit Risk Assessment 8 Company Use Only

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<table>
<thead>
<tr>
<th>Step</th>
<th>Instruction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Once the credit assessment is complete, add the information to the Customer “Credit Decision &amp; Recommendation” and proceed as follows:</td>
<td></td>
</tr>
<tr>
<td>- If the requested (or needed) Credit Limit is below or equal to DOA, email the credit assessment outcome to the FS, CSR and RS and Management (only attach the “Credit Decision &amp; Recommendation” if the risk score is 4 or No Data). Update Inca and/or SAP with the relevant items.</td>
<td></td>
</tr>
<tr>
<td>- If the requested (or needed) Credit Limit is above the DOA, a documented approval request should be sent via the “Customer Credit Decision &amp; Recommendation” template to the next level.</td>
<td></td>
</tr>
<tr>
<td>***If parent financials have been obtained and reviewed, these are to be included. The Corporate Structure should also be added to the “Customer Credit Decision &amp; Recommendation” where available.</td>
<td></td>
</tr>
<tr>
<td>Once the Credit Assessment has been reviewed by Management, the final Credit Risk Score, the Requested Credit Limit and the Credit Recommendation have been agreed and approved, the Credit Assessment Template and Credit Recommendation Template are to be updated as necessary. Email the final outcome to the FS, CSR, RS and copy Management where Risk score is 4, 5 or No Data.</td>
<td></td>
</tr>
<tr>
<td>Place a hardcopy of the finalised “Customer Credit Decision &amp; Recommendation” into the customer file.</td>
<td></td>
</tr>
<tr>
<td>11. Follow up of Credit Recommendations</td>
<td></td>
</tr>
<tr>
<td>Make sure that credit recommendations are actioned.</td>
<td></td>
</tr>
<tr>
<td>For those recommendations where there are specific action items, such as obtaining financials, guarantees, undertakings, letters of comfort or specific information to clarify the company situation, the responsible Credit team Member is to follow up with the Business until the action has been completed.</td>
<td></td>
</tr>
<tr>
<td>Results of the action should be assessed to determine if the Credit Risk of the customer has reduced as a result of the action being executed.</td>
<td></td>
</tr>
<tr>
<td>***Do not forget to update the system (Inca and/or SAP) and the Master Progress report</td>
<td></td>
</tr>
</tbody>
</table>

Customer Credit Risk Assessment 9 Company Use Only

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Pre-Collection Procedure for Customer Facing Role

Introduction/Purpose
This document describes one of the Customer Service Work Processes, that when applied consistently provides predictable outputs and a reduction in process variability. Executing this process effectively will maximize value creation and enable employees to successfully execute the tasks required for daily operations.

Scope
This procedure describes the detailed activities required for securing payment information on target invoices prior to their due dates. It is extremely important to perform pre-collection activities on targeted invoices to increase Dow’s cash flow, reduce days sales outstanding (DSO), and increase percent current.

Please note: Any payment information entered into the Credit Sufficiency Matrix will only take into effect 10 days prior to the due date. This is only applicable for those areas utilizing the Credit Sufficiency Matrix

On a daily basis, each Receivable Specialist is responsible for identifying invoices that meet requirements for pre-collections (i.e. invoices coming due within the next 10 days and are over $100,000 USD). The Receivable Specialist, with the assistance of the Supporting Activities Leveraged Team, will need to secure payment information on those invoices.

Pre-collection activities should be intensified at month-end, quarter-end, and year-end in order to minimize the accounts receivable exposure, increase cash flow, and reduce DSO.

It is the decision of the Receivable Specialist, with input from the respective Credit Manager, to opt to pre-collect all invoices on the account versus big ticket items only. Situations where pre-collections are a priority: customer receives consolidated invoices, customer is high risk, customer routinely pays late or has excuses, customer invoices frequently have errors which prevent payments from being processed on time.
Pre-Collection Procedure for Customer Facing Role, continued

Related Documents

Exceptions:

North America
Pacific

Flow Chart:

Pre-Collection Flow Chart

Job Aids:

Creating a Pre-Collection Report - YDT1
Reviewing DTS text - YDT2
Reviewing Customer Credit Info - YFCC
Reviewing/Identifying Account Contacts in Siebel
Reviewing Notes on Account - Siebel
Displaying Document Flow - TV81
Displaying Document History - TV81
Displaying a QM - QM03
Updating DTS YDT2
Mass Maintenance Update YFCC
Entering a SAR
Creating a Service Request with Activity Plan

Other:

Global Discrepancy Reason Codes
# Pre-Collection Procedure for Customer Facing Role, continued

## Process

The following describes the various steps required to execute this work process. These steps are for the Customer Facing Receivable Specialist role.

<table>
<thead>
<tr>
<th>Step</th>
<th>Procedures</th>
</tr>
</thead>
</table>
| 1    | - Identify a list of invoices that qualify to be pre-collected based on the requirements for your area and business. Refer to your area exception list for the requirement for the area.  
- Utilize the job aid called “Creating a Precollection Report – YDT1,” to pull a list of invoices on your RS match code.  
  - Variants have been created which will bring in the required data. Refer to your area exception list for variant name.  
- Remember to execute a report for your RS# in all clients that you have accounts in. If unsure if open receivables are located in other clients, utilize the Cross Client report that is on the PR&H website.  
  *Note:* the transaction amount and days late can change based on the business/customer exceptions. If your business or customer base does not have exceptions, the rule of invoices over $100,000 USD coming due in the next 10 days applies  
  *Note:* if the Specialized Leveraged team contacts you indicating they are starting the statement process for your customers, stop doing pre-collection on your accounts until you receive notification from the Specialized Leveraged team that they are finished. |
| 2    | - Identify any invoices/accounts that should be excluded based on previous exceptions. Refer to any area pre-collection spreadsheets for this type of Information.  
- Review DTS text, Siebel, YFCC, TV81, QM03 on the invoices identified to determine if the invoices should be excluded from pre-collections. Refer to the following job aids:  
  - Reviewing DTS Text – YDT2  
  - Reviewing Customer Credit Information – YFCC  
  - Displaying Document History – TV81  
  - Displaying Document Flow – TV81  
  - Displaying a QM – QM03  
  - Reviewing Notes on Account - Siebel |
Pre-Collection Procedure for Customer Facing Role, continued

<table>
<thead>
<tr>
<th>Step</th>
<th>Procedures</th>
</tr>
</thead>
</table>
| 3    | ● If Invoices should be excluded due to return of entire invoice or other outstanding issue on invoice, input a reason code on the invoice via YDT2 to identify the root cause as well as update DTS text with the issue.  
  ● Refer to the job aid called “Updating DTS- YDT2”  
  ● Review the “Discrepancy Reason codes” for a complete list of the discrepancy reason codes that should be applied to the item.  
  ● If additional invoices require action, repeat the process.  
  ● If multiple invoices exist with the same issue – you may use mass maintenance to update those invoices. Refer to the job aid called “Mass Maintenance Update - YFCC.” |
| 4    | ● If for any particular customer there are more than 5 invoices that need to be pre-collected, request the Specialized Leveraged Team completing supporting activities to send a statement (see Step 6) to the customer. |
| 5    | ● Contact the customer once all the investigation has taken place to secure payment information and/or identify if items are set to be paid so we receive the money prior to the due date.  
  ● Utilize Siebel to locate accounts payable contact information. Refer to the job aid “Reviewing/identifying Account contacts in Siebel” for further information.  
  ● If payment information has been received, utilize the job aid called “Mass Maintenance Update – YFCC,” to update payment information.  
  ● If the customer was contacted and a response was not received at the time of the contact, update DTS on the item(s) indicating the items were pre-collected. Utilize the job aid called, “Updating DTS – YDT2,” to record actions taken. Utilize the reason code GD for item that was pre-collected and record in segment text and DTS text the actions taken. The text information should indicate the date and to whom a contact was made to and how (i.e. phone, email, tax).  
  ● If the customer has a discrepancy or requires backup documentation proceed to the next step. |
Pre-Collection Procedure for Customer Facing Role, continued

<table>
<thead>
<tr>
<th>Step</th>
<th>Procedures</th>
</tr>
</thead>
</table>
| 6    | • If the customer requests a statement of account or proof of delivery, request the Specialized Leveraged Team performing supporting activities to complete this task via a Siebel Service Request. Utilize the job aid, “Creating a Service Request with Activity Plan” to initiate the request.  
  • If the customer requests a copy of the item (invoice/debit memo), utilize Documentum (GID) to request the copies. If there are multiple items that are needed, a Siebel Service Request can be initiated to have the Specialized Leveraged Team completing supporting activities complete the task. |
| 7    | • If customer has a discrepancy from Step 5, follow up to ensure corrective action has taken place. If sales adjustment (other than a return order) is needed, enter a SAR to the appropriate delegates, ensure that the Specialized Leveraged Team completing Sales Adjustment is the “RS” as they will receive the approvals and issue the sales adjustment(s) as necessary, refer to area exceptions. Select yourself under informational. Refer to the job aid called “Entering a SAR” for further details. Refer to the area exception spreadsheet for appropriate contact for “RS” field.  
  • If return order is needed, enter QM utilizing the QM Script, if appropriate. Refer to the CAMP website for the script as needed. |
| 8    | • Update DTS on the item(s) to indicate the actions taken. For example, if SAR or QM was entered, remember to log all information into DTS and set the appropriate follow up date. Refer to the job aid called, “Updating DTS – YDT2,” for further details on how to update this text. |
| 9    | • Retrieve “Informational” SAR from your personal email box to see completion of sales adjustment.  
  • Communicate discrepancy resolution to customer. |
Pre-Collction Procedure for Customer Facing Role, continued

Document Owner

It is the responsibility of the Payment Receipt & Handling (PR&H) Global Process & Technology Leader (GPTL) within the Customer Service Expertise Center to ensure this document is kept current and distributed to the appropriate personnel affected by these procedures.

Document History

Below are at least the last three revisions of this document, including all revisions within the last three months. Approvals require that revisions to related documents were also made.

<table>
<thead>
<tr>
<th>Date</th>
<th>Revised By</th>
<th>Changes</th>
<th>Version Number</th>
</tr>
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<tbody>
<tr>
<td>09/03/09</td>
<td>Roxann DeBeau</td>
<td>Added Pacific Area Exception</td>
<td>4</td>
</tr>
<tr>
<td>7/29/08</td>
<td>Susan Erndt</td>
<td>New format, added related documents section, and document owner section.</td>
<td>3</td>
</tr>
<tr>
<td>4/1/08</td>
<td>Susan Erndt</td>
<td>Split document by roles</td>
<td>2</td>
</tr>
<tr>
<td>10/20/07</td>
<td>Susan Erndt</td>
<td>Created Document</td>
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</table>
Collections Procedure - Customer Facing Role

Introduction/Purpose
This document describes one of the Customer Service Work Processes, that when applied consistently provides predictable outputs and a reduction in process variability. Executing this process effectively will maximize value creation and enable employees to successfully execute the tasks required for daily operations.

Scope
This procedure describes the detailed activities required for the Customer Facing Role for securing payment information on target invoices once they become due. It is extremely important to perform collection activities on targeted invoices to increase Dow’s cash flow, reduce days sales outstanding (DSO), and increase percent current.
Collections Procedure - Customer Facing Role, continued

Related Documents

**Flow Chart:**
Collections Flow Chart

**Exceptions:**
- Latin America
- North America
- EMEA
- Pacific

**Job Aids:**
- Collections Initial Report - YDT1
- Reviewing Customer Credit Info - YFCC
- Displaying Document Flow - TV81
- Displaying Document History - TV81
- Reviewing Items on Account - TB14-15
- Reviewing Item Details - YFCC
- Displaying RV Invoice - TA93
- Updating DTS - YDT2
- Updating Documents - YFCC
- Mass Maintenance Update - YFCC
- Creating Collection Follow Up Report - YDT1
- Entering a SAR
- Creating a Siebel Service Request with Activity Plan
- Determining if a QM Already Exists - QM03
- Resolving Manual Rock - YRC2
- Reviewing/Identifying Account Contacts - Siebel
- View Requests - SAR
- ACE Tool User Guide

**Other:**
- Discrepancy Reason Codes
Collections Procedure - Customer Facing Role, continued

The following describes the various steps required to execute this work process. These steps are for the Customer Facing Receivable Specialist role.

<table>
<thead>
<tr>
<th>Step</th>
<th>Procedures</th>
</tr>
</thead>
</table>
| 1    | • Identify a list of invoices that qualify for collection in the initial collection contact. Utilize transaction YDT1 to review list of invoices, refer to area exceptions:  
  • Remember to log into all clients that you have accounts assigned to your RS code to complete collections on those accounts you are assigned. If you are unsure if open receivables exists in other clients, utilize the Cross Client report on the PR&H website as appropriate. Refer to your area exceptions for any area specifics.  
  • Refer to the job aid called, “Collections Initial Report – YDT1.”  
  • The variant called, “Collections1” has been created which will bring in the required data.  
  • Once list appears, sort by customer name. If the report is lengthy, sort various ways to ensure old items are captured as well. |
### Collections Procedure - Customer Facing Role, continued

<table>
<thead>
<tr>
<th>Step</th>
<th>Procedures</th>
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</thead>
</table>
| 2    | - Start with the first customer - identify all invoices which are past due for that customer (be sure to review YFCC for any invoices coming due the current day or the week to eliminate duplicate calls). These items are 0 days late. **Be sure to complete various sorts on report in case the report is lengthy. Sort by days late in order to capture those invoices that are very old.**  
- Refer to the job aid called, “Reviewing Customer Credit Information – YFCC” for further assistance.  
- Research the invoice(s) to see if any QMs, previous adjustments, pending adjustments, payments on account exist for the invoice:  
  - If the item is a PK08 and a stop payment or insufficient funds, you will need to utilize TB14/15 to review the clearing for the customer. The customer will need to remit payment for these items again as for some reason the original payment was stopped, however, the items were still cleared from the customer's account. Refer to the job aid called, “Reviewing Items on Account – TB14/15.”  
  - Review customer account for open payments. If there are open payments on account review payments for status to see if they will automatically be applied by CISS or need manual application. Refer to your area exceptions for appropriate guidelines.  
  - Review invoice history via transaction TV81 to see if any previous adjustments have been issued. If so, take note of the adjustments. Refer to the job aids called “Displaying Document History – TV81” or “Displaying Document Flow – TV81.”  
  - Review customer account (YFCC or TB14/15) to see if adjustments are open on account. If adjustments are open, take note of adjustments – review details on previous and pending adjustments and communicate to customer when contacting them for payment information. Refer to the job aid called “Reviewing Item Details on Customer Account – YFCC” or “Reviewing items on account TB14-15.”  
  - To see if any pending QM’s exist against an invoice, retrieve the order number from the invoice (Transaction TA93), then go to transaction QM03. In the Quality Message field use =O..XXXXXXX (where XXXXXXX is the order number). Refer to the job aid called, “Determining if a QM Already Exists – QM03.” If QM is found, review the QM by viewing the QM in QM03, refer to the job aid called, “Displaying a QM – QM03.” |
## Collections Procedure - Customer Facing Role, continued

<table>
<thead>
<tr>
<th>Step</th>
<th>Procedures</th>
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</thead>
</table>
| **2, cont** | ● If QMs exist, review to determine if they require pending adjustments (returns, quality, etc). Take note to advise customer of pending issue. If QM indicates a full return of the invoice, document this on the invoice in DTS. Ensure you property code the item for root cause using Global Discrepancy Code List. Update segment text and DTS with information regarding the return. Add a follow up date to ensure follow up on the item. Refer to the job aid called, “Updating DTS-YDT2.”  
  ● Review the SAR database for any pending sales adjustments as appropriate, refer to your area exceptions for details. Refer to the job aid called “View Requests.”  
  ● Continue this research on all invoices for each customer. |
| **3** | ● If a customer statement is preferred, submit a Service Request to the Supporting Activities team for that specific customer/location. Refer to the job aid called, “Creating a Siebel Service Request with Activity Plan.”  
  ● Refer to the individual work processes on the PR&H Supporting Activities website for more details. |
| **4** | ● Contact the customer for payment information. Utilize Siebel to find the customer accounts payable contact information. Refer to the job aid called, “Reviewing/Identifying Account Contacts – Siebel” for further details. |
| **5** | ● Document contacts:  
  ● Document any requests made to the Supporting Activities team in DTS. Be sure to add a follow up date of 2 business days and the Request number from Siebel to DTS text. Refer to the job aid called, “Updating DTS-YDT2.”  
  ● If contact was made to customer and a message was left or email sent – update DTS indicating that you left a message and to whom you left a message– ensure reason code is coded as HC for left message, segment text indicates you left a message and the date that you made the contact, and add a follow up date (2 business days after initial contact). Refer to the job aid called, “Updating DTS-YDT2.”  
  ● If customer provided payment information – update the follow up dates and the credit sufficiency matrix, if this is utilized in your area. Refer to the job aid called, “Updating Documents – YFCC.”  
  ● Update the check # (if available), dollar value, payment transfer date (either mail or date being transmitted), payment method, and who was contacted and date contacted, if needed.  
  ● Add follow up date to ensure payment is received. Utilize 3 business days for e-payment or 5 business days for check payment.  
  ● Repeat for all invoices.  
  ● If any other issue arises due to the contact with the customer, i.e. need copy, price discrepancy, etc. ensure that you use the appropriate Discrepancy reason code to code the item, update DTS, follow up date, and segment text. |
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<tr>
<th>Step</th>
<th>Procedures</th>
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</table>
| 6    | - If updating many invoices on the customer’s account use mass maintenance. Refer to the job aid called, “Mass Maintenance update – YFCC” for further information.  
  - Repeat for all accounts as necessary |
| 7    | - If customer indicates issue with invoice  
  - Review the appropriate PR&H Business Rules for your area for action to be taken.  
    - Enter QM as appropriate for quality, quantity issues, etc. Use the ICAMP script. Refer to the job aid called, “Entering a QM – QM01,” for further details.  
    - Request approval for any sales adjustment via SAR, Refer to the job aid called, “Entering a SAR” for further details. Refer to your area exceptions for any exceptions to this step.  
      - Ensure that you indicate the Specialized Leveraged Team performing sales adjustment activities as the Receivable Specialist to issue the adjustment.  
      - Once sales adjustment has been issued or QM resolved, contact customer as follow up to ensure customer pays invoice as necessary. |
| 8    | - Once all initial invoices have been addressed, run another YDT1 report to capture those that have follow up dates of current day and previous.  
  - Refer to the job aid called, “Creating a Collection Follow-up Report.”  
  - The variant called, Collections2, has been created to assist with running this report.  
    - **You must update the “TO” date to the current date in the Follow up date field.**  
  - Once list appears, sort by customer name or if report is lengthy, complete various sorts to capture older items. |
### Collections Procedure - Customer Facing Role, continued

<table>
<thead>
<tr>
<th>Step</th>
<th>Procedures</th>
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</thead>
<tbody>
<tr>
<td>9</td>
<td>• Follow up actions:</td>
</tr>
<tr>
<td></td>
<td>- Use a variety of methods to contact customer. If customer was initially contacted by email, call the customer the second time. Be sure to use the phone to call the customer and leave a message if needed to ensure that a relationship is built between the customer and yourself.</td>
</tr>
<tr>
<td></td>
<td>- If Leveraged Team sent a statement, invoice copy or POD and no response was received from the customer, call the customer to follow up for payment information</td>
</tr>
<tr>
<td></td>
<td>- If a message was left, update DTS text, indicating a message was left and with whom, update the reason code with HC, update segment text, and add a follow up date of 2 business days out. If the invoice is more than 15 days past due and this is only the second time contacting customer, then at the next follow up date, escalate to field seller if a response was not received from the customer. Refer to the job aid called, “Updating DTS-YDT2.”</td>
</tr>
<tr>
<td></td>
<td>- If customer indicates they do not have enough money to pay or will not be paying as customer has different terms than we have set up or any other “red flag” issue, escalate immediately to the credit manager and field seller for assistance in collecting. Be sure to update DTS text, follow up date, reason code, and segment text with actions taken. Refer to the job aid called, “Updating DTS-YDT2.”</td>
</tr>
<tr>
<td></td>
<td>- If you receive payment information, update credit sufficiency matrix/DTS and follow up date based on date of payment. Refer to job aid called, “Updating Documents-YFCC.”</td>
</tr>
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<td></td>
<td>- Repeat for all invoices.</td>
</tr>
<tr>
<td></td>
<td>- If customer indicates they are not paying invoice due to an error on the invoice. Escalate as necessary:</td>
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<tr>
<td></td>
<td>- If for quantity/quality issues - enter QM using the ICAMP script. Refer to the job aid called, “Creating a QM-QM01.”</td>
</tr>
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<td></td>
<td>- If any other discrepancy issue (i.e price, freight, tax, etc), enter SAR as appropriate for your area, refer to the area exceptions for details. Ensure the Specialized Leveraged Team completing sales adjustment activities is the RS on the form to issue the final sales adjustment. Refer to the job aid called, “Entering SAR” for further details.</td>
</tr>
<tr>
<td></td>
<td>- Contact seller or CFS, if necessary, for assistance.</td>
</tr>
<tr>
<td></td>
<td>- If customer indicates that they need a copy of a statement, invoice, or POD, submit a Service Request.</td>
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</tbody>
</table>
Collections Procedure - Customer Facing Role, continued

<table>
<thead>
<tr>
<th>Step</th>
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</table>
| 10   | • Once items are 15 days past due and you have not received a response from the customer, escalate to the field seller for assistance in collecting the invoice.  
   • Before you escalate, ensure the following has been completed:  
     • Contact or attempt to contact your accounts payable at least twice – with a variety of different methods (phone and email).  
     • If no contact with accounts payable, try to reach another contact at the customer (i.e. supervisor, backup, or purchasing) as appropriate for your area, refer to the area exceptions.  
     • Use the appropriate contact lists if available to identify the field seller.  
   • Provide the necessary details to the field seller to assist them with collection:  
     • Invoice Number  
     • Customer PO#  
     • Product(s)  
     • Value of invoice  
     • Ship To customer/location  
     • Date of Invoice  
     • Quantity and price billed  
     • Details of contacts information (i.e. date message left for customer)  
     • Who at the customer was contacted  
   • Once email has been sent to field seller or voice mail left, update DTS indicating that the invoice was escalated to the field seller (indicate who the seller is). Refer to the job aid called, “Updating DTS – YDT2.”  
   • Update Follow up date for 2 business days and continue to follow up with field seller, until resolved.  
   • Update the “represent” field in TB02 with a 1 which means you escalated to the field seller as appropriate for your area. Refer to your area exceptions. Refer to the job aid called, “Updating DTS-YDT2,” for further information.  
   • Repeat for all invoices as necessary. |
| 11   | • Once payment information is obtained by field seller, update credit sufficiency matrix/DTS with information and set follow up date on item based on type of payment (3 days for e-payment and 5 days for check payment). Refer to the job aid called, “Updating Documents – YFCC.”  
   • Repeat for all invoices.  
   • If field seller does not have payment information but requests you to call the customer or provides other actions for you to take, perform those tasks and be sure to update DTS, follow-up date, and credit sufficiency matrix/DTS as appropriate. |
Collections Procedure - Customer Facing Role, continued

<table>
<thead>
<tr>
<th>Step</th>
<th>Procedures</th>
</tr>
</thead>
</table>
| 12   | - If invoice is open at 30 days past due and field seller was unable to assist in obtaining payment information, escalate to the Credit Manager assigned to the customer’s account via email.  
  - Before you escalate, ensure the following has been completed:  
    - Contact or attempt to contact your accounts payable at least twice - with a variety of different methods (phone and email).  
    - If no contact with accounts payable, try to reach another contact at the customer (i.e. supervisor, backup, or purchasing) as appropriate for your area, refer to the area exceptions.  
    - Request assistance from account manager via a variety of methods (i.e. email, phone) and follow up with account manager every 3 business days.  
  - Provide the necessary details to the credit manager seller to assist them with collection:  
    - In the subject line, enter “OVER 30 DAYS, CUSTOMER NAME, LIABLE#” in order to get the credit managers attention.  
    - Invoice Number  
    - Customer PO#  
    - Product(s)  
    - Value of invoice  
    - Ship To customer/location  
    - Date of Invoice  
    - Quantity and price billed  
    - Details of contacts information (i.e. date message left for customer)  
    - Who at the customer was contacted  
    - Outline efforts to work with seller to resolve  
  - Once email has been sent to the credit manager, update DTS indicating that the invoice was escalated to the credit manager (indicate who the credit manager is). Update Follow up date for 5 business days and continue to follow up with credit manager until the item has been paid. Refer to the job aid called, “Updating Documents - YFCC.”  
  - Update the segment text indicating the items were escalated to CFS.  
  - Update the “represent” field with a 2 which means you escalated to the credit manager as appropriate for your area. Refer to your area exceptions.  
  - Repeat for all invoices as necessary.  

*Note: The RS may need to get involved again at this point when the credit manager requests assistance. Remember that you are responsible for this invoice until paid, therefore, continue to follow up to ensure item is resolved.*
### Collections Procedure - Customer Facing Role, continued

<table>
<thead>
<tr>
<th>Step</th>
<th>Procedures</th>
</tr>
</thead>
</table>
| 13   | - Once payment information is obtained by credit manager, update credit sufficiency matrix/DTS with information and set follow up date on item based on type of payment (3 days for e-payment and 5 days for check payment). Refer to the job aid called, “Updating Documents - YFCC.”  
  - Repeat for all invoices.  
  - If Credit manager indicates item is on legal hold (i.e. bankrupt customer), update reason code to G7, update DTS and Segment text with necessary information from Credit Manager. Update follow up date with a date 3 months from current date and follow up with credit manager every 3 months to ensure legal items are resolved.  
  - Refer to any area exceptions for specific steps for your area. |
| 14   | - Receive ROCK for invoice greater than 7 days past due without a reason code.  
  - Investigate invoice and contact customer as appropriate and code the invoice.  
  - If payment information is received, update payment information on the invoice, by selecting the Payment Info button in ACE on the My ROCKS tab. You will be prompted to fill in the details of the payment information obtained and once you press OK, it will update SAP as well as assign a follow up date based on that payment information (3 business day for e-payment; 5 business days for check). Please refer to job aid “ACE Tool User Guide” for further instructions.  
  - Take action to resolve the invoice.  
  - Resolve the ROCK by either using the “Resolve” button in the ACE tool or manually resolving the ROCK. Refer to the job aid called, “Resolving Manual ROCK - YRC2.” |
Collections Procedure - Customer Facing Role, continued

Document Owner

It is the responsibility of the Payment Receipt & Handling (PR&H) Global Process & Technology Leader (GPTL) within the Customer Service Expertise Center to ensure this document is kept current and distributed to the appropriate personnel affected by these procedures.

Document History

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<tr>
<td>07/08/10</td>
<td>Roxann DeBeau</td>
<td>Add Latin Area Specifics</td>
<td>7</td>
</tr>
<tr>
<td>09/03/09</td>
<td>Roxann DeBeau</td>
<td>Added Pacific area specifics link</td>
<td>6</td>
</tr>
<tr>
<td>07/16/09</td>
<td>Susan Erndt</td>
<td>Updated EU/IMEA specifics</td>
<td>5</td>
</tr>
<tr>
<td>09/19/08</td>
<td>Susan Erndt</td>
<td>Added document owner</td>
<td>4</td>
</tr>
<tr>
<td>07/29/08</td>
<td>Susan Erndt</td>
<td>New format and added related documents.</td>
<td>3</td>
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<td>04/18/08</td>
<td>Susan Erndt</td>
<td>Split document by roles</td>
<td>2</td>
</tr>
<tr>
<td>11/14/07</td>
<td>Susan Erndt</td>
<td>Created Document</td>
<td>1</td>
</tr>
</tbody>
</table>
Manual Payment Allocation Procedure - Customer Facing Role

Introduction/ Purpose
This document describes one of the Customer Service Work Processes, that when applied consistently provides predictable outputs and a reduction in process variability. Executing this process effectively will maximize value creation and enable employees to successfully execute the tasks required for daily operations.

Scope
This procedure details the steps that the Customer Facing role will need to perform in order to have a payment manually applied on a customer’s account. This procedure will be used when payment backup is not available at the time of cash application in Customer Invoicing & Settlement Services (CISS).

Related Documents
Area Exceptions:
North America
Pacific

Job Aids:
Creating a List of Open Payments – YDT1
Updating DTS - YDT2
Manual Payment Allocation Procedure - Customer Facing Role, continued

The following describes the various steps required to execute this work process. These steps are for the Customer Facing Receivable Specialist role.

<table>
<thead>
<tr>
<th>Step</th>
<th>Procedures</th>
</tr>
</thead>
</table>
| 1    | • Identity an open payment (PK16) on account that has a reason code of GA. These will be identified during the manage discrepancy process.  
      • Transaction YDT1 can also be used to identify the PK16 with reason code of GA open on your RS match code. Refer to the job aid called “Creating a list of Open Payments - YDT1.”  
      o Remember to review open payments in all the clients that you are assigned accounts. Refer to the Cross Client report on the PR&H website for your area for details.  
      • You may also receive emails from the Specialized Leveraged team completing Discrepancies indicating there are open payments on the account and they need backup to resolve them. |
| 2    | • Contact the customer for the remittance detail for the payment received.  
      • Update DTS on the item(s) indicating that you have contacted the customer for the remittance information. Follow up with the customer in 2 business days if you do not receive the information. Refer to the job aid called, “Updating DTS - YDT2.” |
## Manual Payment Allocation Procedure - Customer Facing Role, continued

<table>
<thead>
<tr>
<th>Step</th>
<th>Procedures</th>
</tr>
</thead>
</table>
| 3    | - Once you receive the remittance detail, forward the remittance to the Specialized Leveraged team completing discrepancies to offset. Be sure the remittance includes the document number (whether invoice, delivery note, etc) and the value the customer is paying against this item. The team will not process the offset unless there is backup that is received from the customer. Please refer to area exceptions. For example, if you request the team to offset invoices 123 and 456 with doc # X, then you will need to have remittance detail from the customer in order for the team to accurately apply the payment.  
- In the beginning of the subject line of the email, be sure to indicate the priority by using the following as a guideline:  
  o ASAP – to be completed within 2 hours  
  o High – to be completed within 4 hours  
  o Normal – to be completed same day if received between 8am and 3pm. All requests after 3pm to be completed by noon the next business day.  
  o Low – to be completed within 48 hours  
- The team will process an offset where the payment is on account, the original invoice has been canceled and the new invoice is on the account. Please be sure to explain this situation in your email to the team. They will keep the email as backup after they offset.  
- Be sure to include the following information in your email: Refer to your area specifics for any area details.  
  Liable#:  
  Client / Company Code:  
  Document number of payment and value to be offset:  
  Document numbers to offset, if appropriate(if remittance then do not need to fill in):  
  Allocation # (if multiple items on document number(s)):  
  Date to use in offset:  
  Any special notes regarding the offset:  
  Attachments: (should be remittance detail from customer): |
Manual Payment Allocation Procedure - Customer Facing Role, continued

Document Owner

It is the responsibility of the Payment Receipt & Handling (PR&H) Global Process & Technology Leader (GPTL) within the Customer Service Expertise Center to ensure this document is kept current and distributed to the appropriate personnel affected by these procedures.

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<td>09/28/10</td>
<td>Roxann DeBeau</td>
<td>Updated “Normal” SLA to reflect completed same day if received between 8-3</td>
<td>6</td>
</tr>
<tr>
<td>09/03/09</td>
<td>Roxann DeBeau</td>
<td>Added NAA &amp; Pacific area exceptions</td>
<td>5</td>
</tr>
<tr>
<td>9/18/08</td>
<td>Susan Erndt</td>
<td>Added document owner and changed properties</td>
<td>4</td>
</tr>
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<td>Susan Erndt</td>
<td>New format and added related documents.</td>
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<tr>
<td>1/2/08</td>
<td>Susan Erndt</td>
<td>Created Document</td>
<td>1</td>
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</tbody>
</table>
Unallocated Cash Handling Procedure Styron

Introduction/ Purpose
This document describes one of the Customer Service Work Processes, that when applied consistently provides predictable outputs and a reduction in process variability. Executing this process effectively will maximize value creation and enable employees to successfully execute the tasks required for daily operations.

Scope
It often happens in the Money Collection Process that we receive payments which cannot be allocated to the correct customer accounts due to lack of information. This process shows the steps to follow in those cases.

Related Documents
**Unallocated Cash Handling Procedure Styron**, continued

**Process**
The following describes the various steps required to execute this work process.

<table>
<thead>
<tr>
<th>Step</th>
<th>Responsibility</th>
<th>Procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CISS</td>
<td>• Cash received into Styron Bank Accounts. MSC (Mumbai Service Center) cannot allocate to the correct customer account due to lack of transfer information.</td>
</tr>
<tr>
<td>2</td>
<td>CISS</td>
<td>• AR MSC will send an e-mail for all Styron payments to Gabriels Racz and Daniel Pawlak for further investigations.</td>
</tr>
<tr>
<td>3</td>
<td>RS/WPC</td>
<td>• Correct customer account and details will be provided to MSC.</td>
</tr>
<tr>
<td>4</td>
<td>CISS</td>
<td>• Cash allocation team to allocate cash as per details received.</td>
</tr>
</tbody>
</table>

Revised: 10/17/2016 1:35:04 PM  
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Document Owner

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<tbody>
<tr>
<td>20.08.12</td>
<td>Paola Tonelli/ Angelique Roctus</td>
<td>Document Created</td>
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Revised: 10/17/2016 1:35:04 PM

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Page 3 of 3

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Credit Limit Credit Block Procedure – Customer Facing Role

Introduction

This document describes one of the Customer Service Work Processes, that when applied consistently provides predictable outputs and a reduction in process variability. Executing this process effectively will maximize value creation and enable employees to successfully execute the tasks required for daily operations.

Scope

Procedure outlines how credit blocked orders will be resolved in order to provide the customer with on time delivery.

Related Documents

Flow Chart:

Manage Credit Blocked Orders
RUSH Credit Block Orders

Job Aids:

ACE Tool User Guide
Mass Maintenance Update – YFCC
Creating an Autosignature in Outlook
Reviewing Freight and Taxes - TA03
Updating DTS - YDT2
Locating a Remit To - TS07
ACE Color Coding Grid

Area Specifics:

Europe/IMEA
North America
Pacific

Process

The following describes the various steps required to execute this work process. These steps are for the Customer Facing role.
# Credit Limit Credit Block Procedure – Customer Facing Role, continued

<table>
<thead>
<tr>
<th>Step</th>
<th>Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Credit Limit</strong>&lt;br&gt;‑ Review email from credit department responding to credit limit issue on what actions are needed in order to get the order released. (The Specialized Leveraged team completing credit block activities sent them an email on your behalf).&lt;br&gt;‑ Review list of orders and shipment planning date.&lt;br&gt;    o Shipment planning dates for current date you need to follow the RUSH process.&lt;br&gt;    o Shipment planning dates 1-7 days out, follow the following steps.&lt;br&gt;        Be sure to call the customer and secure payment information. Provide details on why you are requesting payment information on invoices not due yet. If no response, get the customer’s purchasing agent and field seller involved. Keep the Customer Facing CSR in the loop so they are aware if any issues appear. It is very critical to get payment information on the invoices and escalate as necessary to resolve the credit limit issue prior to the shipment planning date.&lt;br&gt;    o All contacts to customers or internal key partners need to be logged into DTS and follow up dates added. As the shipment planning date gets closer to be within 3 days, work on issue daily until resolved. Refer to the job aid called, Updating DTS – YDT2.&lt;br&gt;    o Update the shared notes on the ROCK via the ACE tool for key partners to be able to review the details of the actions already taken. Refer to the job aid called, “ACE User Guide” for further information as well as the ACE color coding grid for appropriate information.&lt;br&gt;      To update the shared notes, right click and select ROCK comment and then shared notes.&lt;br&gt;    o Once payment information is secured, update payment information via Mass Maintenance. Refer to the job aid called, “Mass Maintenance Update – YFCC.” Once payment information is updated, the credit sufficiency matrix will work to release any pending orders if the payment information is sufficient to release orders. <em>(The auto-release feature via the credit sufficiency matrix may not be turned on for your area, please see area specifics for appropriate rules).</em> If orders do not release, then contact CFS for further information. The Credit Sufficiency Matrix cycles every 15 minutes – wait approx. 30 min after updating the matrix to see if orders release.</td>
</tr>
</tbody>
</table>
Credit Limit Credit Block Procedure – Customer Facing Role, continued

<table>
<thead>
<tr>
<th>Step</th>
<th>Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>- If resolution is not obtained by the shipment planning date (which can be found in the ACE tool), send email to the specialized leveraged team completing credit block activities to reassign the ROCK to the customer facing CSR as order has to be canceled or shipment date moved out. Be sure to copy the customer facing CSR on the email. Create an auto-signature (Refer to the job aid called, Creating an Autosignature”) using the following information: Refer to your area exceptions for appropriate functional mailbox.</td>
</tr>
<tr>
<td></td>
<td>CSR (Enter their name) –</td>
</tr>
<tr>
<td></td>
<td>The order(s) listed have not been released. Please call the customer to advise that the shipment planning date needs to be moved out or the order should be canceled:</td>
</tr>
<tr>
<td></td>
<td>Attached is the history of the actions taken:</td>
</tr>
<tr>
<td></td>
<td>- Document all DOW contact Information (i.e. who was called to assist – field seller or CFS)</td>
</tr>
<tr>
<td></td>
<td>- Customer Contacts – who at the customer was contacted</td>
</tr>
<tr>
<td></td>
<td>- Reason for the block</td>
</tr>
<tr>
<td></td>
<td>- Reason for the credit block</td>
</tr>
<tr>
<td></td>
<td>- Reason why customer did not provide payment information (i.e. only have payments scheduled on certain days of the month).</td>
</tr>
</tbody>
</table>
Credit Limit Credit Block Procedure – Customer Facing Role, continued

<table>
<thead>
<tr>
<th>Step</th>
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</thead>
<tbody>
<tr>
<td>3</td>
<td>Cash In Advance:</td>
</tr>
<tr>
<td></td>
<td>- You receive an email from the Specialized Leveraged Team completing Manage Credit Block activities regarding a Cash In Advance customer. The email details order(s) that will need to be addressed.</td>
</tr>
<tr>
<td></td>
<td>- Contact customer for pre-payment of order(s)</td>
</tr>
<tr>
<td></td>
<td>- To determine the amount the customer has to pay review the order via TA03.</td>
</tr>
<tr>
<td></td>
<td>- You need to check to see if the customer should be charged freight and taxes, if applicable, refer to area exceptions. Refer to the job aid called, “Reviewing Freight and Taxes – TA03.”</td>
</tr>
<tr>
<td></td>
<td>- Provide customer with correct payment instructions, Review your area specifics for the appropriate remit-to addresses.</td>
</tr>
<tr>
<td></td>
<td>- Follow up with Specialized Leveraged team completing Manage Credit Block activities (Refer to your area specifics for appropriate functional mailbox), to advise when customer is sending payment.</td>
</tr>
<tr>
<td></td>
<td>- Update the shared notes on the ROCK associated with the order to indicate action taken.</td>
</tr>
<tr>
<td>4</td>
<td>- Contact customer if appropriate to follow-up for payment information. The Specialized Leveraged Team completing manage credit block activities will monitor the customer’s account to find out whether or not the payment has been applied to the customer’s account. If the payment has not been applied on the customer’s account within 3 days for e-payment or 5 days for check payment, an email will be sent to the Customer Facing RS for followup.</td>
</tr>
<tr>
<td></td>
<td>- Once payment is received, forward the email received initially to the Specialized Leveraged Team completing Manage Credit Block activities via email, to close ROCK and to have them contact CFS to release order. (Refer to your area specifics for appropriate functional mailbox). Use the following canned text as a guideline:</td>
</tr>
<tr>
<td></td>
<td><strong>SLT: (Insert their team name or the person you are sending it back to)</strong></td>
</tr>
<tr>
<td></td>
<td>Please resolve ROCK(s) # XXXXX, XXXXX...The order(s) have been released from credit block and the ROCK(s) need to be resolved.</td>
</tr>
<tr>
<td></td>
<td>Thank you,</td>
</tr>
<tr>
<td></td>
<td>Your name</td>
</tr>
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Credit Limit Credit Block Procedure – Customer Facing Role, continued

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<td>Roxann DeBeau</td>
<td>Step 1: update “purchasing” with “customer’s purchasing agent”</td>
<td>7</td>
</tr>
<tr>
<td>09/02/09</td>
<td>Roxann DeBeau</td>
<td>Added Pacific Area Exception Link</td>
<td>6</td>
</tr>
<tr>
<td>11/12/08</td>
<td>Susan Erndt</td>
<td>Revised step 1 to include to review area specifics if credit sufficiency matrix is not enabled in area. Revised step 3 to include to review area specifics regarding remit to information.</td>
<td>5</td>
</tr>
<tr>
<td>09/19/08</td>
<td>Susan Erndt</td>
<td>New format, updated document owner and SLT.</td>
<td>4</td>
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Managing Credit Block Procedure for Past Dues - Customer Facing Role

Introduction
This document describes one of the Customer Service Work Processes, that when applied consistently provides predictable outputs and a reduction in process variability. Executing this process effectively will maximize value creation and enable employees to successfully execute the tasks required for daily operations.

Scope
Procedure outlines how credit blocked orders will be resolved in order to provide the customer with on time delivery. This procedure is followed by the Customer Facing Role.

Related Documents

Flow Chart:
- Manage Credit Blocked Orders
- LAA PD Credit Blocked Orders

Job Aids:
- Mass Maintenance - YFCC
- Updating DTS - YDT2
- ACE Color Coding Grid
- ACE Tool User Guide

Area Specifics:
- EMEA
- Latin America
- North America
- Pacific

Process
The following describes the various steps required to execute this work process. These steps are for the Customer Facing role.
Managing Credit Block Procedure for Past Dues - Customer Facing Role, continued

<table>
<thead>
<tr>
<th>Step</th>
<th>Procedures</th>
</tr>
</thead>
</table>
| 1    | For items with a PD or P%:  
- The Specialized Leveraged Team completing Manage Credit Block activities will be contacting the customer on behalf of the Customer Facing Role or the Customer Facing RS for payment information when invoices and/or discrepancies are blocking orders. *(Refer to your area exceptions for appropriate details)*. They will use Siebel for the appropriate accounts payable contact. If the customer does not have an email address, the Customer Facing role will receive an email to contact the customer to resolve the credit block issue.  
- Receive email in personal inbox regarding orders on hold due to past dues. The email will contain the documents currently on the customer’s account that are blocking their orders.  
- Review list of orders and review the shipment planning date. Refer to area exceptions for additional requirements.  
- If the shipment planning data is current date, follow the RUSH process.  
- Contact the customer and secure payment information on the items that are blocking the customer’s account. A list of the items blocking the account will be received via email from the Specialized Leveraged Team completing Manage Credit Block activities. If a response is not received by the customer, get customer’s purchasing agent and the field seller involved, refer to area exceptions. It is very critical to get payment information on the invoices and escalate as necessary to resolve the past due issue prior to the shipment planning date. |
| 2    | If the customer’s payment information is obtained, update payment information in DTS. Refer to the job aid called, “Mass Maintenance Update – YFCC,” If the credit sufficiency matrix logic is enabled in your area, wait 30 minutes before checking to see if the order has been released. If not, contact the Credit department for the account to advise what needs to be completed in order to get the order(s) released. If the Credit Sufficiency matrix is not enabled, contact the credit department immediately once payment information is updated in SAP for credit block resolution. *(Refer to your area specifics for appropriate information)*.  
- All contacts to customers or internal key partners need to be logged into DTS and follow up dates added. As the shipment planning date approaches to within 3 days, work on issue daily until resolved. Refer to the job aid called, “Updating DTS – YDT2” for more details on how to update DTS.  
- If necessary escalate (field seller, customer’s purchasing agent and Customer Facing CSR); if no resolution is obtained, send email to the Specialized Leveraged Team completing Manage Credit Block activities to reassign the ROCK to the Customer Facing CSR. If the Customer Facing CSR has not been involved up to this point in discussions, be sure to send them an email that details the actions that were taken in order to get the credit block resolved. *(Refer to your area specifics for appropriate functional mailbox for the leveraged team)* |
| 3    | Once credit has been resolved based on payment information recorded, the Specialized Leveraged team will resolve the ROCK via the ACE tool. |
Managing Credit Block Procedure for Past Dues - Customer Facing Role, continued

<table>
<thead>
<tr>
<th>Step</th>
<th>Procedures</th>
</tr>
</thead>
</table>
| 4    | • Receive email back from Credit Tech for the orders on credit block due to past dues, refer to area exceptions:  
  o Orders not released: contact the field seller or customer as appropriate as detailed in step 1 to get the orders released. If the orders will not be released and no resolution from the customer, email the Specialized Leveraged Team completing Manage Credit Block activities to re-assign the ROCK to the Customer Facing CSR to move the shipment out or cancel the order. Refer to your area exceptions for appropriate functional mailbox.  
  o If no resolution is obtained, in the email to the Specialized Leveraged Team completing Manage Credit Block activities ensure the following information has been given:  
    • Document all DOW contact information (i.e. who was called to assist – field seller or CFS)  
    • Customer Contacts – who at the customer was contacted  
    • Reason for the block  
    • Reason for the credit block  
    • Reason why customer did not provide payment information (i.e. only have payments scheduled on certain days of the month). |
Managing Credit Block Procedure for Past Dues - Customer Facing Role, continued

Document Owner
It is the responsibility of the Payment Receipt & Handling (PR&H) Global Process & Technology Leader (GPTL) within the Customer Service Expertise Center to ensure this document is kept current and distributed to the appropriate personnel affected by these procedures.

Document Control Responsibility
It is the responsibility of the Customer Service Expertise Center to ensure the procedures are kept current and distributed to the appropriate personnel affected by these procedures.

<table>
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<th>Date</th>
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<tr>
<td>11/26/13</td>
<td>Abbie McGuire</td>
<td>Updated step 2 of NAA exceptions (wait 2 hrs after credit sufficiency matrix is updated to send release request)</td>
<td>9</td>
</tr>
<tr>
<td>11/30/10</td>
<td>Roxann DeBeau</td>
<td>Add Latin Exceptions and requirements</td>
<td>8</td>
</tr>
<tr>
<td>09/29/10</td>
<td>Roxann DeBeau</td>
<td>Updated Step 1 &amp; 2 with “customer’s purchasing agent” instead of “purchasing” for clarification.</td>
<td>7</td>
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<tr>
<td>09/02/09</td>
<td>Roxann DeBeau</td>
<td>Added Pacific Area Exception Link</td>
<td>6</td>
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<tr>
<td>11/12/08</td>
<td>Susan Erndt</td>
<td>Reworded step 2; bullet 1 to include to review area specifics in the case credit sufficiency matrix is not enabled.</td>
<td>5</td>
</tr>
<tr>
<td>9/19/08</td>
<td>Susan Erndt</td>
<td>New format, added document owner, changed names of teams</td>
<td>4</td>
</tr>
<tr>
<td>8/7/08</td>
<td>Susan Erndt</td>
<td>New Format</td>
<td>3</td>
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<tr>
<td>4/2/08</td>
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<td>11/14/07</td>
<td>Susan Erndt</td>
<td>Created Document</td>
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Manage Discrepancies Procedure for Customer Facing Role

Introduction
This document describes one of the Customer Service Work Processes, that when applied consistently provides predictable outputs and a reduction in process variability. Executing this process effectively will maximize value creation and enable employees to successfully execute the tasks required for daily operations.

Scope
Procedure that details how discrepancies are managed/resolved by the Customer Facing role.
Related Documents

**Flow Chart:**
Manage Discrepancies flow chart

**Job Aids:**
Creating a New Discrepancy Report - YDT1
Reviewing DTS - YDT2
Display Document History - TV81
Reviewing Order Notes - TA03
Determining if QM Exists - QM03
Displaying QM - QM03
Display RV Invoice - TA93
Creating Price Inquiry - TA21
Updating DTS - YDT2
Identifying Account Contacts - Siebel
Using ICAMP Script - QM01
Entering a SAR - NAA
Creating a Follow Up Discrepancy Report - YDT1
View Requests - SAR
Updating QM - QM02
Approving a SAR
Resolving a Manual ROCK - YRC2
Creating an Uncoded Discrepancy Report - YDT1

**Exceptions:**
North America
Latin America
Europe/IMEA
Pacific

**Procedures:**
Create Sales Adjustment Procedure for Customer Facing Role
Manage Discrepancies Procedure for Customer Facing Role, continued

**Process**
The following describes the steps required to execute the procedure. This procedure is for the Customer Facing role.

<table>
<thead>
<tr>
<th>Step</th>
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| 1    | - Retrieve initial list of discrepancies (items without follow-up dates), Exclude from YDT1 items coded: DB, GT, GF, GB, CA, G7, HF, SB, H2, KB, KS, KZ and Blank:  
  - Use RS match code S..XX, where XX is the RS Code.  
  - Posting keys should be 06 and 16  
  - Follow up date: less than equal to 01/01/01  
  These reason codes are excluded as the Specialized Leveraged Team (if implemented in your area) completing managing discrepancy activities will review them first prior to the Customer Facing role doing so. Once the Specialized Leveraged Team is finished, they will code the items DU and update DTS and Segment text with their investigation if they were unable to resolve the item. If they were able to resolve, then they will request the approval appropriately.  
  - A variant called “Discrepancy1” has been created to help with this process versus filling in the above information every time.  
  - Refer to the job aid called, “Creating a report of new discrepancies – YDT1” for further details.  
  - Sort list by customer name, If your list is lengthy, then do a variety of sorts while working on your list to ensure you work on all items. Suggested that you sort A-Z; Z-A, dollar value.  
  - Review DTS on the items for actions taken by Leveraged Team to determine the next action to be taken. Refer to the job aid called, “Reviewing DTS Text – YDT2.” |
Manage Discrepancies Procedure for Customer Facing Role, continued

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<tr>
<td>2</td>
<td>• Research the discrepancy further to identify reason:</td>
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<td>o Check TV81 for previous adjustments or pending returns. Refer to the job aid called, “Reviewing Document History – TV81” for further information.</td>
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<tr>
<td></td>
<td>o Check TA03 for order notes. Refer to the job aid called, “Reviewing Order notes – TA03.”</td>
</tr>
<tr>
<td></td>
<td>o Check the invoice via TA93 for any obvious deductions, i.e. freight, tax, rush order fees, etc). Refer to the job aid called, “Displaying RV Invoice – TA93.”</td>
</tr>
<tr>
<td></td>
<td>o To see if the discrepancy is for price, take the dollar amount of the discrepancy and divide it by the quantity. If the amount comes out to a round number, like $.01/lb or $0.019999 (round to $.02), this means the customer deducted that much. If this did not calculate, proceed to the next bullet of this step in the investigation.</td>
</tr>
<tr>
<td></td>
<td>• Check TA21, to verify whether or not the price the customer paid is correct. Refer to the job aid called, “Create Price Inquiry – TA21” or use the TA21 script on the PR&amp;H Quick pad, if available. If the customer paid correctly according to TA21, refer to the “Create Sales Adjustment Procedure for Customer Facing Role” for further information, otherwise go to step 3 to have the approvals requested.</td>
</tr>
<tr>
<td></td>
<td>o Check for quantity, by dividing the amount of the discrepancy by the base price. If comes out to an even quantity, i.e. 1000 lbs, then discrepancy may be for quantity.</td>
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<td></td>
<td>o Check customer remittance in the case of cash discounts on the invoice to ensure the amount of discrepancy is accurate. Remember: if customer has discounted terms (i.e. 1% 10) the amount of the discrepancy will not match to SAP. SAP doesn’t recognize that the customer short or over paid and therefore will give the customer the amount of discount recorded on their invoice versus adjusting it for the amount short or over paid.</td>
</tr>
<tr>
<td></td>
<td>o Check YDT2 for any previous notes. Refer to the job aid, “Reviewing DTS notes – YDT2,” for further information.</td>
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<tr>
<td></td>
<td>o Check QM03 for any QM’s entered against the invoice. Refer to the job aid called “Determining if QM Exists – QM03,” for further information. Refer to the job aid called “Displaying QM – QM03,” to find out more information on the QM. If a QM exists for the discrepancy, update the QM as appropriate. Refer to the job aid called, “Updating QM – QM02.”</td>
</tr>
<tr>
<td></td>
<td>o Check the customer’s remittance for any backup provided. Refer to your area specifics for appropriate remittance locations.</td>
</tr>
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<td></td>
<td>• If unable to determine reason based on research completed, contact the customer. Refer to your Siebel account contacts to determine the appropriate contact. Refer to the job aid called, “Identifying Account Contacts – Siebel.”</td>
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</table>
### Manage Discrepancies Procedure for Customer Facing Role, continued

<table>
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<th>Step</th>
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| 3    | Once reason has been identified:  
  o Optional: A discrepancy can be coded DB if price or GT if other than price, update DTS for the reason for the discrepancy and remove the follow up date and the Specialized Leveraged Team completing discrepancy activities will pick up the discrepancy to resolve. Refer to the job aid called, “Updating DTS – YDT2,” for further information on how to update DTS.  
  o If a QM is needed, enter QM:  
    o Refer to the job aid called, “Using ICAMP Script – OMO1.”  
    o If QM already exists based on investigation in step 2, update the QM as necessary and update the discrepancy with the QM#. Refer to the job aid “Updating DTS – YDT2,” for more details on how to update DTS.  
    o On your discrepancy, please utilize a 3 business day follow up to assist response time.  
  o IfQM is not needed:  
    o If approval is needed from business or utilizing your own DOA, enter a SAR. You can access the SAR tool via the Intranet or the scripting tool, by using the “SAR” tab. Refer to your area exceptions for which type of adjustments/business use SAR.  
      * Ensure you put the “RS” as the Specialized Leveraged team creating sales adjustments.  
      * Enter yourself as “informational” if you want to receive the SAR once it has been completed.  
      * Refer to the job aid, “Entering a SAR” for more details as well as the “Create Sales Adjustment Procedure for the Customer Facing Role.”  
      * Refer to the job aid called, “Approving a SAR” if using your own DOA to approve.  
  o If discrepancy needs to be cleared and reversed back to the customer:  
    o Send a request to Specialized leveraged team completing sales adjustments with the information for the reversal of the items. This information should be filled out for each adjustment:  
      - Liable #:  
      - Invoice#:  
      - Company Code:  
      - Item number(s) (if applicable):  
      - Total adjustment amount:  
      - Reason Code:  
      - Sales Adjustment Document Type:  
      - K-conditions/Amount or New Price  
      - Payment Terms:  
      - Currency  
      - Special text requirements:  
      - Document to be offset with: (provide allocation # if multiple lines on document):  
      - Other:  |
## Manage Discrepancies Procedure for Customer Facing Role, continued

<table>
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</table>
| 4    | - Update the document with the appropriate information via YDT2. Refer to the job aid called, “Updating DTS-YDT2.”  
  - Be sure to set a follow-up date appropriately based on the reason for the discrepancy:  
  - Update the reason code with the appropriate code based on the root cause of the discrepancy.  
  - If you enter a SAR, for the discrepancy, Input a follow up date of 3 business days.  
  - Enter a QM? – set follow up date for 5 business days  
  - Contacted customer – set follow up date out 2 business days. |
| 5    | - Retrieve “informational” SAR from personal inbox. This will indicate that the SAR has been concluded and a FYI for you to review.  
  - If customer is to receive a debit or credit back for their short or over payment, contact customer to advise them to payback their unauthorized short pay or deduct credit for incorrectly over paying. This is a proactive task in order to help in the collection process. |
### Manage Discrepancies Procedure for Customer Facing Role, continued

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| 6    | - Create a follow-up report to find those discrepancies that need follow-up to ensure the item does not age.  
  - Utilize transaction YDT1 to create the report. Refer to the job aid called, “Creating a Discrepancy Follow up report – YDT1,” for further details.  
    - Utilize posting keys 06 and 16.  
    - Enter a date range in the follow up date field that consists of 1/1/01 thru the current date.  
  - A variant has also been created to help with this process versus filling in the above information every time, Variant name is “Discrepancy2” and the RS match code needs to be modified.  
  - Once report is shown, sort by follow up date to ensure all old items are worked on first in order to have current follow up dates on items.  
  - If applicable for your area, sort by items coded DU as well as these items are what the Specialized Leveraged team completing discrepancy activities were unable to research and therefore, these are “uncoded” discrepancies and need action taken on them in order to code them appropriately.  
  - Review previous actions taken on discrepancies. Refer to the job aid called, “Reviewing DTS Text – YDT2” for details on how to review any previous actions.  
  - If customer was contacted for reason for discrepancy, no response, contact the customer using another form or contact method (i.e. if email was used initially, call the customer the second time). If no response from the customer after many attempts, ask the field seller for assistance in finding out the reason for the discrepancy.  
  - Remember to update DTS with all the actions taken and with the appropriate follow up dates and reason code to ensure appropriate follow up is taken place. Refer to the Job aid. “Updating DTS – YDT2.” |
### Manage Discrepancies Procedure for Customer Facing Role, continued

<table>
<thead>
<tr>
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</table>
| 6, cont | • Follow up on any open SARs (i.e. if the approver has not approved the adjustment, either call or send them a reminder to approve the SAR). Refer to the job aid called, “View Requests – SAR,” in order to find open SARs.  
• Follow up on any open QMs. If no action was taken in the QM in a few days, be sure to log a request in the QM for an update or call the person who needs to take action to ask them to complete the QM. Refer to the job aid called, “Updating QM – QM02.”  
• Be sure to set appropriate follow-up dates after reviewing and taking any actions. DO NOT move the follow up date without taking action and logging your actions into DTS. |
| 7 | For discrepancies that have not been appropriately coded (refer to area exceptions) and are more than 15 days from the posting date, the Specialized Leveraged Team completing credit block activities will be sending a ROCK or email to the Customer Facing Role to resolve.  
• Receive ROCK for uncoded discrepancy.  
• Investigate discrepancy to find root cause of the discrepancy.  
• Take action to resolve the discrepancy  
• Code the discrepancy. Refer to the job aid called, “Updating DTS-YDT2,” to complete the update actions.  
• Resolve the ROCK by either using the “Resolve” button in the ACE tool or manually resolving the ROCK. Refer to the job aid called, “Resolving Manual ROCK – YRC2.”  
• ROCK has now been resolved. |
| 8 | • Create a list of uncoded discrepancies to ensure the items are coded appropriately.  
• Discrepancies may appear uncoded when manual application is completed or reinstated documents.  
• Refer to the job aid called, “Uncoded Discrepancy Report – YDT1,” to create a list on your RS code.  
• This should be completed bi-weekly to ensure accurate accounts.  
• Refer to the Discrepancy Reason codes for appropriate discrepancy codes to apply to discrepancies. |
| 9 | • If at any time during the research of discrepancies, it is identified that a reinstatement is required, please follow the steps below.  
• If a reinstatement is required, please refer to area exceptions for instructions on how to proceed.  
• If CISS completed the offset incorrectly (not Autocash) send an email to their functional mailbox to reinstate the items. Refer to area exception for appropriate functional mailbox. |
Manage Discrepancies Procedure for Customer Facing Role, continued

Document Owner
It is the responsibility of the Payment Receipt & Handling (PR&H) Global Process & Technology Leader (GPTL) within the Customer Service Expertise Center to ensure this document is kept current and distributed to the appropriate personnel affected by these procedures.

Document History
Below are at least the last three revisions of this document, including all revisions within the last three months. Approvals require that revisions to related documents were also made.

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<tr>
<td>04/15/11</td>
<td>Roxann DeBeau</td>
<td>Updated Step 9 – reinstatement instructions (removed funct. Mailboxes from area exceptions as they won’t be doing reinstatements)</td>
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<tr>
<td>09/29/10</td>
<td>Roxann DeBeau</td>
<td>Add Step 9 – Reinstatement instructions</td>
<td>7</td>
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<tr>
<td>06/25/09</td>
<td>Roxann DeBeau</td>
<td>Specified Area Exceptions due to MET</td>
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<tr>
<td>01/29/09</td>
<td>Roxann DeBeau</td>
<td>Updated document to add GA reason code to 680 Rock</td>
<td>5</td>
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<tr>
<td>1/3/09</td>
<td>Susan Erndt</td>
<td>Updated document with reversals (flips).</td>
<td>4</td>
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<tr>
<td>10/7/08</td>
<td>Susan Erndt</td>
<td>Updated format, added related documents, added document owner.</td>
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SCHEDULE 3


TRINSEO HOLDING S.À R.L. (FORMERLY STYRON HOLDING S. À R.L.)
(as Guarantor)

REGENCY ASSETS DESIGNATED ACTIVITY COMPANY
(as Beneficiary)

STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY
(as Master Purchaser and Beneficiary)

THE LAW DEBENUTRE TRUST CORPORATION P.L.C.
(as Styron Security Trustee and Beneficiary)

GUARANTEE AGREEMENT
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3. REPRESENTATIONS AND WARRANTIES  
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6. GOVERNING LAW  
SCHEDULE 1 REPRESENTATIONS AND WARRANTIES  
SCHEDULE 2 COVENANTS  

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<td>SCHEDULE 2 COVENANTS</td>
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</table>
THIS GUARANTEE AGREEMENT is made on 12 August 2010 as amended and restated on 24 May 2011, 30 May 2013 and 31 October 2016

BETWEEN:

(1) TRINSEO HOLDING S.A.R.L. (formerly STYRON HOLDING S.A.R.L), a Luxembourg private limited liability company (société à responsabilité limitée) with registered office at 9A, rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 153.582 and having a share capital of US$ 162,815,834.12 (the “Guarantor”);

(2) THE LAW DEBENTURE TRUST CORPORATION P.L.C., a company incorporated with limited liability in England and Wales, having its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX in its capacity as security trustee under the Styron Security Deed (the “Styron Security Trustee” and a “Beneficiary”);

(3) STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY, a limited liability company incorporated in the Republic of Ireland with registration number 486138, having its registered office at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland, and its permitted successors and assigns (the “Master Purchaser” and a “Beneficiary”); and

(4) REGENCY ASSETS DESIGNATED ACTIVITY COMPANY, a company incorporated in Ireland with registration number 272959, having its registered office at 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland (the “Regency Noteholder” and a “Beneficiary” and together with The Law Debenture Trust Corporation PLC, Styron Receivables Funding Designated Activity Company and Regency Assets Designated Activity Company, the “Beneficiaries”).

IT IS AGREED as follows:

WHEREAS:

(A) The Master Purchaser has agreed to purchase Receivables from the Sellers pursuant to the Master Receivables Purchase Agreements.

(B) The Master Purchaser will appoint or has appointed the Servicers to act for it in the performance of certain services in relation to the Receivables upon the terms and subject to the conditions contained in the Servicing Agreements.

IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Capitalised terms in this Agreement shall, except where the context otherwise requires and save where otherwise defined in this Agreement, have the meanings given to them in Clause 2.1 of the Master Definitions and Framework Deed (including any schedules to
such deed referred to or incorporated by reference to such terms in Clause 2.1) executed by, among others, each of the parties to this Agreement (the “Framework Deed”) on 12 August 2010 (as amended or amended and restated on 17 August 2010, 24 May 2011, 4 July 2012, 30 May 2013, 4 February 2016 and 31 October 2016 and as it may be further amended, varied or supplemented from time to time with the consent of the parties to it) and this Agreement shall be construed in accordance with the principles of construction set out in the Framework Deed.

1.1.2 In addition, the provisions set out in clauses 3 to 8 and 10 to 25 of the Framework Deed (the “Special Framework Provisions”) shall be expressly and specifically incorporated into this Agreement, as though they were set out in full in this Agreement. In the event of any conflict between the provisions of this Agreement and the Special Framework Provisions, the provisions of this Agreement shall prevail other than Clause 22 of the Framework Deed as it relates to the Styron Security Trustee.

1.2 This Agreement is the Guarantee Agreement referred to in the Framework Deed.

2. GUARANTEE

2.1 The Guarantor irrevocably and unconditionally guarantees as a primary and independent obligation to the Styron Security Trustee (for itself and on trust for the other Beneficiaries) the due and punctual observance and performance of all obligations, conditions and covenants on the part of:

2.1.1 each Swiss Seller contained in the Swiss Receivables Purchase Agreement and agrees to pay from time to time on first demand any and every sum or sums of money which any Swiss Seller is at any time liable to pay to the Beneficiaries under or pursuant to the Swiss Receivables Purchase Agreement and which has become due and payable and has not been paid at the time such demand is made;

2.1.2 the German Seller contained in the German Receivables Purchase Agreement and agrees to pay from time to time on first demand any and every sum or sums of money which the German Seller is at any time liable to pay to the Beneficiaries under or pursuant to the German Receivables Purchase Agreement and which has become due and payable and has not been paid at the time such demand is made;

2.1.3 the Dutch Seller contained in the Dutch Receivables Purchase Agreement and agrees to pay from time to time on first demand any and every sum or sums of money which the Dutch Seller is at any time liable to pay to the Beneficiaries under or pursuant to the Dutch Receivables Purchase Agreement and which has become due and payable and has not been paid at the time such demand is made;

2.1.4 the U.S. Seller contained in the U.S. Receivables Purchase Agreement and agrees to pay from time to time on first demand any and every sum or sums of money which the U.S. Seller is at any time liable to pay to the Beneficiaries under or pursuant to the U.S. Receivables Purchase Agreement and which has become due and payable and has not been paid at the time such demand is made;

2.1.5 the U.S. Intermediate Transferor contained in the U.S. Intermediate Transfer Agreement and agrees to pay from time to time on first demand any and every sum or sums of money which the U.S. Intermediate Transferor is at any time liable to pay to the Beneficiaries
under or pursuant to the U.S. Intermediate Transfer Agreement and which has become due and payable and has not been paid at the time such demand is made;

2.1.6 each Swiss Servicer contained in the Swiss Servicing Agreement and agrees to pay from time to time on first demand any and every sum or sums of money which that Swiss Servicer is at any time liable to pay to the Beneficiaries under or pursuant to the Swiss Servicing Agreement and which has become due and payable but has not been paid at the time such demand is made;

2.1.7 the German Servicer contained in the German Servicing Agreement and agrees to pay from time to time on first demand any and every sum or sums of money which the German Servicer is at any time liable to pay to the Beneficiaries under or pursuant to the German Servicing Agreement and which has become due and payable but has not been paid at the time such demand is made;

2.1.8 the Dutch Servicer contained in the Dutch Servicing Agreement and agrees to pay from time to time on first demand any and every sum or sums of money which the Dutch Servicer is at any time liable to pay to the Beneficiaries under or pursuant to the Dutch Servicing Agreement and which has become due and payable but has not been paid at the time such demand is made; and

2.1.9 the U.S. Servicer contained in the U.S. Servicing Agreement and agrees to pay from time to time on first demand any and every sum or sums of money which the U.S. Servicer is at any time liable to pay to the Beneficiaries under or pursuant to the U.S. Servicing Agreement and which has become due and payable but has not been paid at the time such demand is made.

2.2 The Guarantor irrevocably and unconditionally agrees as a primary and independent obligation to indemnify each Beneficiary from time to time on demand from and against any loss it incurs as a result of any of the Sellers’ or the Servicers’ obligations under or pursuant to a Master Receivables Purchase Agreement or a Servicing Agreement being or becoming void, voidable, unenforceable or ineffective as against the applicable Seller or Servicer for any reason whatsoever, save for any reason which is a consequence of such Beneficiary’s breach of a material term of the applicable Master Receivables Purchase Agreement or Servicing Agreement or such Beneficiary being negligent or acting fraudulently whether or not known to such Beneficiary or any other person, the amount of such loss being the amount which such Beneficiary would otherwise have been entitled to recover from the applicable Seller or the applicable Servicer (as applicable). The amount payable under this indemnity will not exceed the amount it would have had to pay under this Clause 2 if the amount claimed had been recoverable on the basis of a guarantee.

2.3 The Guarantor irrevocably and unconditionally agrees as a primary and independent obligation to indemnify each Beneficiary from time to time on demand from and against any and all secondary or joint liability claims made by any tax authority for any Swiss or foreign VAT unpaid by a Seller and chargeable with respect to taxable supplies of goods or services the consideration for which has been assigned as Receivables by a Seller to the Master Purchaser pursuant to a Master Receivables Purchase Agreement.

2.4 The obligations of the Guarantor herein contained shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the obligations of
a Seller or a Servicer under the applicable Master Receivables Purchase Agreement or Servicing Agreement and shall continue in full force and effect until final payment in full of all amounts owing by the Sellers or the Servicers under the applicable Master Receivables Purchase Agreement or Servicing Agreement and total satisfaction of all the actual and contingent obligations of the Sellers and the Servicers under the applicable Master Receivables Purchase Agreement and Servicing Agreement.

2.5 The obligations of the Guarantor herein contained shall not be discharged, impaired or otherwise affected by:

2.5.1 the bankruptcy, winding-up, dissolution, administration or re-organisation of a Seller, a Servicer or any other person or any change in its status, function, control or ownership;

2.5.2 any of the obligations of a Seller, a Servicer or any other person hereunder being or becoming illegal, invalid, unenforceable or ineffective in any respect;

2.5.3 time being granted or agreed to be granted to a Seller or any other person in respect of its obligations under a Master Receivables Purchase Agreement to which such Seller is a party or any other agreement;

2.5.4 time being granted or agreed to be granted to a Servicer or any other person in respect of its obligations under a Servicing Agreement;

2.5.5 any amendment to, or any variation, waiver or release of, any obligations of a Seller or any other person under a Master Receivables Purchase Agreement or any other agreement;

2.5.6 any amendment to, or any variation, waiver or release of, any obligations of a Servicer or any other person under a Servicing Agreement or any other agreement;

2.5.7 any failure to take or fully take, any security contemplated hereby or otherwise agreed to be taken in respect of the obligations of a Seller under a Master Receivables Purchase Agreement;

2.5.8 any failure to take, or fully to take, any security contemplated hereby or otherwise agreed to be taken in respect of the obligations of a Servicer under a Servicing Agreement; or

2.5.9 any other act, event or omission which, but for this Clause 2.5, might operate to discharge, impair or otherwise affect any of the obligations of the Guarantor herein contained or any other rights, power or remedies conferred upon the Beneficiaries by this Agreement.

2.6 The Guarantor agrees that, so long as any amounts are or may be owed by the Sellers or the Servicers under a Master Receivables Purchase Agreement or a Servicing Agreement, or a Seller or a Servicer is under any actual or contingent obligations hereunder or under a Master Receivables Purchase Agreement or a Servicing Agreement, the Guarantor shall not exercise any rights which the Guarantor may at any time have, by reason of the performance by it of its obligations hereunder:

2.6.1 to be indemnified by the Sellers or the Servicers; or
2.6.2 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Beneficiaries hereunder.

2.7 Any settlement or discharge given by the Beneficiaries to the Guarantor in respect of the Guarantor’s obligations under this Guarantee or any other agreement reached between the Beneficiaries and the Guarantor in relation to it shall be, and be deemed always to have been, void if any act on the faith of which the Beneficiaries gave the Guarantor that settlement or discharge or entered into that agreement is subsequently avoided by or in pursuance of any provision of law.

2.8 The Beneficiaries shall not be obliged before exercising any of the rights, powers or remedies conferred upon it in respect of the Guarantor by this Guarantee or by law:

2.8.1 to make any demand of a Seller or a Servicer;

2.8.2 to take any action or obtain judgment in any court against a Seller or a Servicer;

2.8.3 to make or file any claim or proof in a bankruptcy of a Seller or a Servicer;

2.8.4 to enforce or seek to enforce any security taken in respect of any of the obligations of a Seller under the applicable Master Receivables Purchase Agreement; or

2.8.5 to enforce or seek to enforce any security taken in respect of any of the obligations of a Servicer under the applicable Servicing Agreement.

2.9 For the avoidance of doubt none of the Sellers, the Servicers or the Guarantor shall have any liability for any obligation of an Obligor under any Receivable and nothing herein shall constitute a guarantee of, indemnity related to or similar obligation by a Seller, a Servicer or the Guarantor of any Receivable or of any Obligor.

2.10 The provisions of Clause 22 (Extension of Styron Security Trustee’s Protection) of the Styron Security Deed shall apply to this Agreement as if set out in full herein mutatis mutandis as if references therein to a Transaction Document were to this Agreement and as if references therein to the Secured Creditors were references to the Beneficiaries.

3. REPRESENTATIONS AND WARRANTIES

3.1 The Guarantor represents and warrants to the Beneficiaries, as at the date of this Agreement and on each Monthly Payment Date on the terms of the Guarantor Warranties.

3.2 The Guarantor Warranties shall remain in force until the Final Maturity Date but without prejudice to any right or remedy of the Beneficiary arising from any breach of the Guarantor Warranties prior to such date.

4. UNDERTAKINGS

4.1 The Guarantor covenants as of the date of this Agreement to the Beneficiaries, on the terms of the Guarantor Covenants.
4.2 The Guarantor Covenants shall remain in force until the Final Maturity Date but without prejudice to any right or remedy of the Beneficiaries arising from the breach of the Guarantor Covenants prior to such date.

5. GUARANTEE EVENT

5.1 Each of the events or circumstances set out in this Clause 5 shall constitute a “Guarantee Event”:

5.1.1 The Guarantor shall default in the observance or performance of any provision of this Agreement which default is not remedied within 15 days.

5.1.2 Any representation or warranty made (or deemed made) herein, or in any statement or certificate furnished by the Guarantor pursuant hereto proves untrue in any material respect as of the date of the making (or deemed making) thereof.

5.1.3 The Guarantor fails to pay any amount due under this Agreement.

5.2 The Guarantor shall immediately notify the Beneficiaries upon the occurrence of a Guarantee Event.

6. GOVERNING LAW

This Agreement and all non-contractual obligations arising out of or in connection with it shall be governed by English law.

[signature blocks deleted for the purposes of an amendment]
1. The Guarantor is a private limited liability company (société à responsabilité limitée) existing and duly incorporated under the laws of the Grand-Duchy of Luxembourg, having its registered office at 9A, rue Gabriel Lippmann, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B.153.582 with full power and authority to own its property and assets and to carry on its business as it is being conducted.

2. The Guarantor is in full compliance with the Luxembourg law dated 31 May 1999 on the domiciliation of companies, as amended (and the relevant regulations) imposing certain requirements on companies having established its registered office with a third party (other than a shareholder exercising a significant influence on the conduct of the domiciled company’s business) providing certain administrative services to such company;

3. The registered office, the principal place of management and the centre of main interest of the Guarantor (as defined in the Council Regulation 1346/2000 on insolvency proceedings (the “Regulation 1346/2000”)) is in the Grand Duchy of Luxembourg.

4. No Insolvency Event has occurred in respect of the Guarantor.

5. The Guarantor has the requisite power and authority to enter into the Guarantee Agreement and the Framework Deed and to undertake and perform the obligations expressed to be assumed by it thereunder.

6. The Guarantee Agreement and the Framework Deed have been duly executed by the Guarantor.

7. All acts, conditions and things required to be done, fulfilled and performed in order:
   
   (a) to enable the Guarantor lawfully to enter into the Guarantee Agreement and the Framework Deed;

   (b) to enable the Guarantor lawfully to exercise its rights under and perform and comply with the obligations expressed to be assumed by it in the Guarantee Agreement and the Framework Deed;

   (c) to ensure that the obligations expressed to be assumed by it under the Guarantee Agreement and the Framework Deed, are legal, valid, binding and enforceable against it subject to insolvency laws of mandatory application, have been done, fulfilled and performed and are in full force and effect or, as the case may be, have been effected and no steps have been taken to challenge, revoke or cancel any such authorisation obtained or effected.

8. The entry by the Guarantor into and the execution (and, where appropriate, delivery) of the Guarantee Agreement and the Framework Deed and the performance by the Guarantor of its obligations under the Guarantee Agreement and the Framework Deed, do not and will not conflict with or constitute a breach or infringement of any of the terms of, or constitute a default by the Guarantor under:
(a) any Requirement of Law or any Regulatory Direction;

(b) the Guarantor’s articles of association; or

(c) any agreement, indenture, contract, mortgage, deed or other instrument to which the Guarantor is a party or which is binding on it or any of its assets,

where such conflict, breach, infringement or default could reasonably be expected to result in a Material Adverse Effect.
SCHEDULE 2
COVENANTS

1. The Guarantor will comply in all material respects with all applicable laws, rules, regulations and orders and preserve and maintain its corporate existence, rights, franchises, qualifications, and privileges except to the extent that the failure so to comply or the failure so to preserve could not reasonably be expected to result in a Material Adverse Effect.

2. The Guarantor will not make any change in the character of its business that could reasonably be expected to result in a Material Adverse Effect.

3. The Guarantor agrees from time to time, at its expense, promptly to execute and deliver all further instruments and documents, and to take all further actions, that may be necessary, or that a Beneficiary may reasonably request, to perfect, protect or enable such Beneficiary to exercise and enforce its respective rights and remedies under the Guarantee Agreement or the Framework Deed.

4. The Guarantor will not amend, waive or modify any provision of the Guarantee Agreement or the Framework Deed without the prior written consent of the Beneficiaries.
Dated 12 August 2010 as amended and restated on
30 May 2013 and 31 October 2016

STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY
as Master Purchaser

TRINSEO EUROPE GmbH (FORMERLY STYRON EUROPE GmbH)
as Current Swiss Servicer

TRINSEO EXPORT GmbH
as Acceding Swiss Servicer

and

THE LAW DEBENTURE TRUST CORPORATION P.L.C.
as Styron Security Trustee

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THIS SWISS SERVICING AGREEMENT (as it may be amended, supplemented or otherwise modified from time to time, this “Agreement”) dated 31 October 2016

BETWEEN:

(1) STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY, a limited liability company incorporated in the Republic of Ireland with registration number 486138, having its registered office at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland and its permitted successors and assigns, in its capacity as the “Master Purchaser”;

(2) TRINSEO EUROPE GMBH (formerly STYRON EUROPE GMBH), a limited liability company incorporated in Switzerland, having its registered office at Zugerstrasse 231, CH-8810 Horgen, Switzerland, in its capacity as the “Current Swiss Servicer”;

(3) TRINSEO EXPORT GMBH, a limited liability company incorporated in Switzerland, having its registered office at Zugerstrasse 231, CH-8810 Horgen, Switzerland, in its capacity as the “Acceding Swiss Servicer”, together with the Current Swiss Servicer, the “Swiss Servicers”; and

(4) THE LAW DEBENTURE TRUST CORPORATION P.L.C., a company incorporated with limited liability in England and Wales, having its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX in its capacity as the “Styron Security Trustee”.

BACKGROUND

(A) The Current Swiss Seller agreed to sell and the Master Purchaser agreed to purchase certain Receivables in accordance with the terms of the receivables purchase agreement entered into between the Current Swiss Seller, the Master Purchaser, the Investment Manager and the Styron Security Trustee dated 12 August 2010, as amended and restated on 30 May 2013 and on the 2016 Amendment Effective Date and as the same may be further amended from time to time (the “Swiss Receivables Purchase Agreement”).

(B) With effect from the 2016 Amendment Effective Date, the Acceding Swiss Servicer will accede to the Swiss Receivables Purchase Agreement as a Swiss Seller.

(C) The Swiss Servicers are willing to act for the Master Purchaser in the performance of certain services in relation to the Swiss Purchased Receivables upon the terms and subject to the conditions contained in this Agreement (and those included by way of cross-reference to the Framework Deed, as defined below).

(D) The Styron Security Trustee is entering into this Agreement in order to receive the benefit of the warranties, covenants, undertakings and indemnities expressed in its favour hereunder but the Styron Security Trustee shall not assume or incur any liability whatsoever by virtue of the provisions contained in this Agreement.

PAGE 2
IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

(a) Capitalised terms in this Agreement shall, except where the context otherwise requires and save where otherwise defined in this Agreement, have the meaning given to them in Clause 2.1 of the Master Definitions and Framework Deed (including any schedules to such deed referred to or incorporated by reference to such terms in Clause 2.1) executed by, among others, each of the parties to this Agreement (the “Framework Deed”) on 12 August 2010 (as amended or amended and restated on 17 August 2010, 24 May 2011, 4 July 2012, 30 May 2013, 4 February 2016 and the 2016 Amendment Effective Date) and as it may be further amended, varied or supplemented from time to time with the consent of the parties to it and this Agreement shall be construed in accordance with the principles of construction set out in the Framework Deed. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Framework Deed, the relevant provisions of this Agreement shall prevail other than Clause 22 of the Framework Deed as it relates to the Styron Security Trustee.

(b) In addition, the provisions set out in clauses 3 to 8 and 10 to 25 of the Framework Deed (the “Special Framework Provisions”) shall be expressly and specifically incorporated into this Agreement, as though they were set out in full in this Agreement. In the event of any conflict between the provisions of this Agreement and the Special Framework Provisions, the provisions of this Agreement shall prevail other than Clause 22 of the Framework Deed as it relates to the Styron Security Trustee.

1.2 This Agreement is the Swiss Servicing Agreement referred to in the Framework Deed.

1.3 The Styron Security Trustee has agreed to become a party to this Agreement in order to receive the benefit of the warranties, covenants, undertakings and indemnities expressed in its favour, for agreeing amendments to this Agreement and for the better preservation and enforcement of the Styron Security Trustee’s rights under the Transaction Documents. However, the Styron Security Trustee shall not assume or incur any obligation or liability whatsoever by virtue of the provisions contained in this Agreement, including:

(a) **Determinations by other Transaction Parties**: any action taken or omitted by the Styron Security Trustee in reliance on any determination or calculation;

(b) **Reliance on certificates of Transaction Parties**: any action taken or omitted by the Styron Security Trustee in reliance on any certificate;

(c) **Records maintained by others**: any action taken or omitted by the Styron Security Trustee in reliance on the adequacy, suitability or accuracy of any accounts, books, records or files maintained by the Master Purchaser or any other person (other than itself) pursuant to any of the Transaction Documents;
d) **Expert advice**: any action taken or omitted by the Styron Security Trustee in reliance on any written opinion, advice, certificate or information; and

e) **Agents, delegates or nominees**: any breach of contract, wilful default, negligence or fraud by any agent, delegate or nominee employed by the Styron Security Trustee (or its sub delegate).

2. **APPOINTMENT OF SWISS SERVICERS**

2.1 **Appointment of the Swiss Servicers**

Subject to termination pursuant to Clause 14, the Master Purchaser hereby appoints each of (i) Trinseo Europe GmbH (formerly Styron Europe GmbH) and (ii) Trinseo Export GmbH to act as a Swiss Servicer in its name and on its behalf to service, collect and administer all Swiss Purchased Receivables originated by that Swiss Seller and perform all related functions with reasonable care, skill and diligence and with no less a standard of care than it would apply to service Receivables other than the Swiss Purchased Receivables and always with at least the standard of care of a prudent merchant.

2.2 Each Swiss Servicer shall (in each case in relation to the Receivables it has originated):

(a) collect and administer the respective Swiss Purchased Receivables for the Master Purchaser in accordance with the Swiss Seller Credit and Collection Procedures, applicable laws and the terms of the Transaction Documents;

(b) ensure that its respective Swiss Purchased Receivables and their related records are clearly separated and administered and can be clearly identified from the Receivables which have not been sold to the Master Purchaser;

(c) endeavour to recover at its own expense amounts due from Obligors in accordance with the Swiss Seller Credit and Collection Procedures and in particular (but without prejudice to the generality of the foregoing) exercise all enforcement measures concerning amounts due from Obligors (including the enforcement of Related Rights (if any));

(d) report to the Master Purchaser and, if so requested, to the Styron Security Trustee on the performance of the Swiss Purchased Receivables;

(e) maintain books and records in respect of the Swiss Purchased Receivables;

(f) perform periodic reporting activities in respect of the Swiss Purchased Receivables;

(g) collect all sums due in relation to the Swiss Purchased Receivables and provide administration services in relation to the Collections;

(h) pursue Obligors in respect of which there are Delinquent Receivables outstanding; and

(i) perform those other functions as more particularly described in this Agreement,
2.3 Acceptance of Appointment

Each Swiss Servicer confirms that it has received a copy of the Swiss Receivables Purchase Agreement, the Framework Deed and all of the other Transaction Documents and accepts its appointment pursuant to Clause 2.1 above on the terms and subject to the conditions of this Agreement.

2.4 Authority

Subject to Clause 2.5 below, during the continuance of its appointment, each Swiss Servicer shall, subject to the terms and conditions of this Agreement have the full power, authority and right to do or cause to be done any and all things which it reasonably considers necessary, desirable, convenient or incidental to the performance of its duties hereunder, including to manage the Swiss Purchased Receivables.

2.5 Operating and Financial Policies

Neither the Master Purchaser nor its directors and officers shall be required or obliged at any time to comply with any direction which a Swiss Servicer may give with respect to the operating and financial policies of the Master Purchaser and each Swiss Servicer hereby acknowledges that all powers to determine such policies (including the determination of whether or not any particular policy is for the benefit of the Master Purchaser) are, and shall at all times remain, vested in the Master Purchaser and its directors and officers and none of the provisions of this Agreement or the Swiss Receivables Purchase Agreement shall be construed in a manner inconsistent with this Clause 2.5.

2.6 Styron Security Trustee excluded from liability for acts of the Swiss Servicers

The parties hereto agree that the Styron Security Trustee is not responsible for the actions of the Swiss Servicers and that accordingly no party hereto shall be entitled to make any claim or take any other action against the Styron Security Trustee by virtue of each Swiss Servicer acting as the Styron Security Trustee’s agent.

3. REPRESENTATIONS AND WARRANTIES OF THE SWISS SERVICERS

3.1 In entering into this Agreement, each Swiss Servicer hereby warrants and represents to the Master Purchaser and the Styron Security Trustee on each Purchase Date (other than with respect to (i) below) as follows:

(a) **Status** : it is duly incorporated with limited liability and validly existing under the laws of Switzerland and (i) is duly qualified to do business in every jurisdiction where the nature of its business requires it to be so qualified and where an Eligible Debtor is located and, (ii) is duly qualified to do business in all other jurisdictions where the nature of its business requires it to be so qualified save where failure to do so would not have a Material Adverse Effect; it is exclusively established in Switzerland;

(b) **Capacity and authorisation** : the execution, delivery and performance by a Swiss Servicer of this Agreement or of any other Transaction Document to which it is a
party and any other documents to be delivered by it hereunder (i) are within such Swiss Servicer’s corporate powers, (ii) have been duly authorised by all necessary corporate action, (iii) do not contravene (where such contravention would have a Material Adverse Effect) (A) that Swiss Servicer’s articles of association, (B) any law, rule or regulation applicable to that Swiss Servicer, (C) any contractual restriction binding on or affecting that Swiss Servicer or its property; or (D) any order, writ, judgement, award, injunction or decree binding on or affecting that Swiss Servicer or its property; and (iv) do not result in or require the creation of any Encumbrance upon or with respect to any of its properties other than with respect to the Account Control Agreement. This Agreement has been duly executed and delivered by each Swiss Servicer;

(c) **Consents**: no authorisation or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by each Swiss Servicer of this Agreement or any other Transaction Document to which it is a party or any other document to be delivered by it hereunder;

(d) **Legal Validity**: this Agreement and any other Transaction Document to which a Swiss Servicer is a party constitutes the legal, valid and binding obligation of that Swiss Servicer enforceable against that Swiss Servicer in accordance with its terms subject to applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally;

(e) **Swiss Servicer Reports**: each Swiss Servicer Report (if prepared by a Swiss Servicer or one of its Affiliates, or to the extent that information contained therein is supplied in writing by that Swiss Servicer), information, exhibit, financial statement, document, book, record or report furnished or to be furnished at any time by or on behalf of a Swiss Servicer to the Master Purchaser in connection with this Agreement is or will be accurate in all material respects as of its date or (except as otherwise disclosed to the Master Purchaser) as of the date so furnished (or, if applicable, as of a date certain specified in such report), and no such document contains or will contain any untrue statements of a material fact or omits or will omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(f) **No Default**: no event has occurred which constitutes, or which with the giving of notice and/or the lapse of time and/or a relevant determination would constitute, a contravention of, or default under, any such law, statute, decree, rule, regulation, order, judgment, injunction, decree, resolution, determination or award by which a Swiss Servicer or any of its assets is bound or affected, being a contravention or default which could reasonably be expected to have a Material Adverse Effect;

(g) **Tax Liabilities**: all material and necessary returns have been delivered by it or on its behalf to the relevant taxation authorities and it is not in material default in the payment of any Taxes, and, to the knowledge of that Swiss Servicer, no material claim is being asserted with respect to Taxes which is not disclosed in its most recent financial statements;
(h) **Accounts**: the most recently delivered audited consolidated financial statements (including the income statement and balance sheet) of that Swiss Servicer have been prepared on a basis consistently applied in accordance with GAAP and present fairly its results for the relevant period and the state of its affairs at that date (and for the purposes of the representation and warranty given on the date of this Agreement, the most recently delivered audited consolidated financial statements of the Parent and its Subsidiaries shall be as of 31 December 2012);

(i) **No Material Adverse Change**: since its most recent audited financial statements, there has been no change in its business or operations so as to have a Material Adverse Effect on its ability to perform the obligations it will assume under this Agreement or any of the other Transaction Documents on the Swiss Funding Date, or on the enforceability or collectability of the Receivables (and for the purposes of the representation and warranty given on the date of this Agreement, the most recently delivered audited consolidated financial statements of the Parent and its Subsidiaries shall be as of 31 December 2012);

(j) **Solvency**: that Swiss Servicer is solvent, not overindebted and able and expects to be able to pay its debts as they fall due and has not suspended or threatened to suspend making payments (whether of principal or interest) with respect to all or any class of its debts and will not become insolvent, overindebted or unable to pay its debts in consequence of the entry into and performance of this Agreement, any sale of Receivables pursuant to the Swiss Receivables Purchase Agreement or any other obligation or transaction contemplated in the Transaction Documents;

(k) **No Litigation**: no actual or (to the best of its knowledge) pending or threatened litigation to which it is a party or which any third party has brought against it in any court, arbitral tribunal or public or administrative body or otherwise and which, if adversely determined will have a Material Adverse Effect on its ability to perform its obligations under the terms of the relevant Transaction Documents exists at the present time, save for any litigation adjudged to be frivolous or vexatious in the opinion of the Master Purchaser acting reasonably and in good faith;

(l) **Pari Passu Ranking**: its obligations hereunder are and will be direct unconditional and general obligations which rank equally with all its other unsecured obligations and liabilities, present or future, actual or contingent, save for unsecured obligations and liabilities accorded preference over its other unsecured obligations and liabilities pursuant to any provisions of the laws of its country of incorporation and save to the extent created pursuant to an Account Control Agreement;

(m) **No Cash Control Event**: no Cash Control Event has occurred and is continuing in relation to it; and

(n) **Eligible Receivables**: each Receivable characterised in any Swiss Servicer Report as an Eligible Receivable or included in the Eligible Pool Balance is, as of the last date of the reporting period covered by such Swiss Servicer Report, an Eligible Receivable or properly included in the Eligible Pool Balance.
4. MANAGEMENT OF RECEIVABLES

4.1 Sending of Invoices and payments into Collection Accounts

Each Swiss Servicer shall send the Invoices to the Obligors prior to the occurrence of a Perfection Event (and prior to notification to that Swiss Servicer in accordance with Clause 5.1 of the Swiss Receivables Purchase Agreement) in its own name (but on behalf of the Master Purchaser) and following the occurrence of a Perfection Event (and following notification to that Swiss Servicer in accordance with Clause 5.1 of the Swiss Receivables Purchase Agreement) in the name of the Master Purchaser, shall take or cause to be taken all such actions as may be necessary or advisable to collect each Swiss Purchased Receivable from time to time, all in accordance with applicable laws, rules and regulations, with reasonable care and diligence, and in accordance with the Swiss Seller Credit and Collection Procedures and shall ensure that the payment terms of each Swiss Purchased Receivable require payment to be made solely into one of the Swiss Collection Accounts. In connection with such Collections, the Swiss Servicers shall submit all documents necessary in support of such amounts due from the relevant Obligors.

4.2 Use of Swiss Collection Accounts

(a) Each Swiss Servicer shall procure that only monies which derive from Swiss Purchased Receivables will be paid into a Swiss Collection Account and that no Swiss Collection Account will be used for any purpose other than Collections and the payment of sums to the Swiss Collection Accounts in accordance with the terms of the Transaction Documents other than standard bank fees charged by the relevant Collection Account Bank.

(b) Each Swiss Servicer shall procure that only payments which arise pursuant to the Transaction Documents (including monies transferred from the Swiss Collection Accounts which derive from Swiss Purchased Receivables) will be paid into a Swiss Collection Account save that, prior to the occurrence of a Cash Control Event (and while such event is continuing) or a Termination Event (and while such event is continuing), each Swiss Servicer may apply any monies standing to the credit of a Swiss Collection Account in accordance with Clause 4.3(a) below.

(c) Each Swiss Servicer shall procure that, in case of any payment into a Swiss Collection Account which is not a Collection or otherwise a payment intended to be deposited into a Swiss Collection Account under the terms of the Transaction Documents, such payment is as soon as reasonably practicable (and in any event within two Business Days after receipt of such payment or notification from the relevant Swiss Seller as to the details of such payment, as applicable) deposited into an account specified by that Swiss Seller (or that such Swiss Seller is granted permission to make such a transfer, as applicable).

4.3 Payment from Swiss Collection Accounts

(a) Each Swiss Servicer shall transfer to the relevant Master Purchaser Account (i) on each Monthly Payment Date, the balance standing to the credit of each Swiss Collection Account and (ii) from the Swiss Collection Accounts, on each day on which commercial banks are open for business in Zurich, Switzerland, the lesser of
(A) the balance standing to the credit of each Swiss Collection Account and (B) the amount (without duplication, taking into account any amounts to be paid from any other Collection Account on such day) by which the sum of the Estimated Senior Costs Amount payable on the next Monthly Payment Date and any Asset Shortfall exceeds the balance standing to the credit of the Master Purchaser Accounts (excluding any amounts being debited from the Master Purchaser Accounts on such day). Prior to the Programme Termination Date, each Swiss Servicer shall be entitled following delivery of a Swiss Servicer’s Daily Report:

(i) so long as no Cash Control Event has occurred and is continuing, (A) to set off against the Collections standing to the credit of the Swiss Collection Accounts at close of business on the Business Day immediately preceding the day the Swiss Servicers’ Daily Report is delivered (to the extent they exceed the Estimated Senior Costs Amount payable on the next Monthly Payment Date and any Asset Shortfall) which would otherwise be payable to the Master Purchaser by transfer to the Master Purchaser Accounts on the next Monthly Payment Date, any Initial Purchase Price or Deferred Purchase Price of Receivables due from the Master Purchaser to that Swiss Servicer in accordance with Clause 3.3 of the Swiss Receivables Purchase Agreement on the relevant Settlement Date and (B) to transfer any such Initial Purchase Price or Deferred Purchase Price due to the Investment Manager Operating Accounts for the account of that Swiss Servicer; and

(ii) to receive and transfer amounts standing to the credit of the Master Purchaser Account at close of business on the Business Day immediately preceding the day such Swiss Servicers’ Daily Report is delivered (to the extent they exceed the Estimated Senior Costs Amount payable on the next Monthly Payment Date and any Asset Shortfall and are available for such purposes) into the Investment Manager Operating Account in accordance with Clause 3.3(c)(ii) of the Swiss Receivables Purchase Agreement.

(b) For the avoidance of doubt, if a Cash Control Event (which is continuing) or a Termination Event (which is continuing) or the Programme Termination Date occurs, on each Business Day each Swiss Servicer will pay to the Master Purchaser, by transfer to the relevant Master Purchaser Account, the aggregate amount of Collections received into the Swiss Collection Accounts on the immediately preceding Business Day.

(c) If a Swiss Servicer transfers any amount to the Master Purchaser Accounts in accordance with this Clause 4.3 and such amount is later determined by that Swiss Servicer (to the reasonable satisfaction of the Master Purchaser) to be an amount which is not a Collection, the Master Purchaser agrees that, upon request by that Swiss Servicer, it will as soon as reasonably practicable (and in any event within two Business Days after receipt of that Swiss Servicer’s request) transfer such amount to such bank account as that Swiss Servicer may direct (or allow a Swiss Seller to make such transfer) subject to the Master Purchaser having funds available in accordance with the Cash Management Agreement.
4.4 Swiss Account Control Agreements

Each Swiss Servicer shall at all times comply with the provisions of each Account Control Agreement in respect of the Collections and the Swiss Collection Accounts to which such Account Control Agreement relates.

5. RECORDS AND ACCOUNTS

5.1 Determination of Collections

On each Business Day, each Swiss Servicer will use its reasonable endeavours to calculate the aggregate amount of Collections received into the Swiss Collection Accounts on the immediately preceding Business Day. After the occurrence of a Cash Control Event (which is continuing) each Swiss Servicer will, if so requested by the Master Purchaser, notify such aggregate amount to the Master Purchaser and the Styron Security Trustee on the Business Day immediately succeeding the Business Day on which such Collections were received.

6. CALCULATIONS

6.1 On or before each Reporting Date, each Swiss Servicer shall calculate the items listed in the Swiss Servicer Report as detailed in Schedule 1.

6.2 For the purposes of satisfying its obligation under Clause 6.1 above, each Swiss Servicer shall, on any Daily Reporting Date, use the data referred to in Clause 6.1 above as such data was calculated on the immediately preceding Monthly Reporting Date.

7. REPORTS

7.1 Swiss Servicers’ Monthly Reports

On each Monthly Reporting Date, the Swiss Servicers shall prepare and provide (directly or indirectly) to the Master Purchaser the Swiss Servicers’ Monthly Report in respect of the immediately preceding Determination Period.

7.2 Swiss Servicers’ Daily Reports

(a) The Swiss Servicers shall prepare and provide (directly or indirectly) to the Master Purchaser a Swiss Servicers’ Daily Report on the day each Offer is delivered by the Swiss Sellers to the Master Purchaser pursuant to the Swiss Receivables Purchase Agreement.

(b) Provided a Termination Event has not occurred and it is not continuing, on any Business Day the Swiss Servicers may prepare and provide (directly or indirectly) to the Master Purchaser a Swiss Servicers’ Daily Report.

(c) On the third Business Day preceding each Monthly Payment Date at any time when either of the Regency EUR Note Principal Amount Outstanding and the Regency USD Note Principal Amount Outstanding are greater than zero, the Swiss Servicers
shall prepare and provide (directly or indirectly) to the Master Purchaser a Swiss Servicers’ Daily Report.

7.3 **Transmission of Swiss Servicer Reports**

The Swiss Servicers shall transmit the Swiss Servicer Reports to the Master Purchaser by electronic mail with a PDF copy attached (each an “**E-Mail Swiss Servicer Report**”). Each E-Mail Swiss Servicer Report shall:

(a) be formatted as the Master Purchaser may designate from time to time;

(b) be sent to the Master Purchaser at an electronic mail address designated by each of them respectively; and

(c) be signed by an Authorised Signatory of each Swiss Servicer, converted to PDF format, and sent by electronic mail.

Each Swiss Servicer shall prior to the Swiss Funding Date and promptly following any change to any authorised representatives, provide the Master Purchaser with a list comprising the names of its Authorised Signatories referred to in (c) and their specimen signature.

7.4 **Additional Information**

Each Swiss Servicer shall, within a reasonable period of receiving a request to that effect, provide to the Master Purchaser such additional information relevant to the Swiss Purchased Receivables (including the enforceability, collectability or origination of the Swiss Purchased Receivables), each Swiss Seller, that Swiss Servicer, or the Master Purchaser as the Master Purchaser may from time to time reasonably require for the performance of its duties on behalf of the Master Purchaser under this Agreement.

8. **ENFORCEMENT**

In the event that there is a default or failure to perform by any Obligor then each Swiss Servicer will take all reasonable steps on behalf of the Master Purchaser to recover all sums due to the Master Purchaser in respect of the Swiss Purchased Receivables and shall comply in all material respects with the Swiss Seller Credit and Collection Procedures or to the extent that those procedures are not applicable (having regard to the nature of the default or failure to perform in question) take such action as would a prudent creditor operating a business of the sale of chemical products in respect of such default or failure to perform (taking into account its commercial relationship with the Obligor). In applying such policies or taking such action in relation to any particular Obligor who is in default, each Swiss Servicer shall act as would be reasonable in operating a business of the sale of chemical products but subject to each Swiss Servicer believing on reasonable grounds and acting in good faith that to do so will enhance recovery prospects or minimise loss.
9. RECORDS AND INFORMATION

9.1 Maintenance of Records

Each Swiss Servicer shall maintain, implement and keep on its premises and under its control accounting, management and administrative information systems, procedures and records which are adequate to generate accurate, complete and reliable statistical information regarding the servicing of the portfolio of Swiss Purchased Receivables. These records and systems shall include an ability to recreate records in the event of their destruction. The information and records shall be adequate to permit the identification on each Purchase Date of each newly purchased Receivable (without prejudice to the procedure described in Clause 3 of the Swiss Receivables Purchase Agreement) and the daily identification of the aggregate of all Collections of, and any losses in relation to, the Swiss Purchased Receivables. Each Swiss Servicer will keep books of account and records in relation to the servicing and shall provide copies of such accounts and records to the Master Purchaser and fully co-operate with the Master Purchaser and provide all such other information in relation to the servicing of the Swiss Purchased Receivables and the Related Security as the Master Purchaser shall reasonably require in order to prepare interim statements, final accounts and tax returns.

9.2 Access to Records

Each Swiss Servicer will, within six months from the date hereof and once each calendar year thereafter during regular business hours as reasonably requested by the Master Purchaser, permit the Master Purchaser, or its agents or representatives:

(a) to conduct periodic reviews of the Receivables, the Contracts, the Related Security and the related books and records and collection systems of that Swiss Servicer,

(b) to examine and make copies of and abstracts from all books, records and documents (including, computer tapes and disks) in the possession or under the control of that Swiss Servicer relating to the servicing of the Swiss Purchased Receivables and the Related Security, including, the Contracts, and

(c) to visit the offices and properties of that Swiss Servicer (for the avoidance of doubt, such right to visit the offices shall not comprise any permission to use office space of that Swiss Servicer) for the purpose of examining such materials described in subparagraph (b) above, and to discuss matters relating to the Swiss Purchased Receivables and the Related Security or that Swiss Servicer’s performance hereunder with any of the officers or employees of that Swiss Servicer having knowledge of such matters.

10. UNDERTAKINGS OF THE SWISS SERVICERS

Each Swiss Servicer undertakes with the Master Purchaser and Styron Security Trustee, that, without prejudice to any of its specific obligations under this Agreement as follows:

(a) it will devote to the performance of its obligations and its exercise of the rights of the Master Purchaser in respect of Contracts and arrangements giving rise to payment obligations in respect of the Swiss Purchased Receivables and the Related Rights at least the same amount of time and attention and that there is exercised the same level
of skill, care and diligence as it would if it were administering receivables in respect of which it held the entire benefit (both legally and beneficially) and, in any event, will at least devote the standard of care of a prudent merchant to the performance of its obligations and will devote all operational resources necessary to fulfil its obligations under this Agreement and the other Transaction Documents to which it is a party;

(b) subject to Clause 10(a) and to Clause 9.1 above, it will, in discharging its obligations and performing its functions hereunder, act in accordance with the Swiss Seller Credit and Collection Procedures;

(c) it will comply with any reasonable, proper and lawful directions, orders and instructions which the Master Purchaser or the Styron Security Trustee may from time to time give to it in connection with the performance of its obligations under this Agreement, but only to the extent that compliance with those directions does not conflict with any provision of the Transaction Documents and in such circumstances, it shall promptly give notice thereof to the Master Purchaser or the Styron Security Trustee (as the case may be);

(d) it will obtain, make, take and keep in force all authorisations, approvals, consents, licences, exemptions, registrations, recordings, filings, or notarisations which are necessary for the performance of its functions, duties and obligations under this Agreement and the other Transaction Documents (other than where failure to do so would not have a Material Adverse Effect) and to ensure the validity, legality, or enforceability of its (or the Master Purchaser’s) liabilities and the rights of the Master Purchaser under the Transaction Documents and it shall perform its obligations under this Agreement and the other Transaction Documents to which it is a party in such a way as to not prejudice the continuation of any such material authorisations, approvals, consents, licences, exemptions, registrations, recordings, filings, or notarisations;

(e) in servicing the Swiss Purchased Receivables and performing its obligations under this Agreement and the other Transaction Documents to which it is a party, it will comply with all requirements of any relevant or applicable law, statutory instrument, regulation, directive, administrative requirement, licence, authorisation or order made by any government, supra national body, state, municipality, district, canton, authority, court, tribunal or arbitral body;

(f) it will make all filings, give all notices and make all registrations and other notifications required by, and will comply with any legal requirements in the performance of its obligations under, this Agreement and the other Transaction Documents to which it is a party (other than where failure to do so would not have a Material Adverse Effect);

(g) it will make all payments required to be made by it pursuant to this Agreement and the other Transaction Documents to which it is a party on their due date for payment under this Agreement or such other Transaction Documents, as the case may be, in any Approved Currency, as the case may be, for value on such day without set off or counterclaim and (unless required by law to deduct or withhold) without deduction or withholding for any Taxes or otherwise;
(h) it will give to the Master Purchaser and the Styron Security Trustee within seven Business Days after written demand by the Master Purchaser or the Styron Security Trustee, a certificate of that Swiss Servicer (substantially in the form set out in Schedule 3 to the Swiss Receivables Purchase Agreement) signed by two directors of that Swiss Servicer as to any fact or matter relating to its obligations under the Transaction Documents or otherwise within its knowledge including, that, to the best of its knowledge, as at the date of such certificate there did not exist any Cash Control Event, Perfection Event, Potential Termination Event or Termination Event (or, if such exists or existed, specifying the same) or that during the period from the date of this Agreement to the date of such certificate that Swiss Servicer has complied with all its obligations under this Agreement and the other Transaction Documents to which it is a party or (if this is not the case) specifying the respects in which it had not complied or that the application by that Swiss Servicer of any monies under its control is in compliance with the Transaction Documents;

(i) it will keep books of account and records in relation to the servicing and shall provide copies of such accounts and records to the Master Purchaser;

(j) it will fully co-operate with the Master Purchaser and provide it with such information and assistance regarding the servicing as it shall reasonably require in order to keep all registers and make all returns required by law or by relevant regulatory authorities and it shall fully co-operate with the directors of the Master Purchaser and provide them with such information in relation to the Swiss Purchased Receivables and the operation of the transactions contemplated in the Transaction Documents as they shall reasonably require in order to discharge their functions and legal obligations as directors of the Master Purchaser;

(k) subject to and in accordance with the provisions of this Agreement, it will take all reasonable steps to recover all sums due to the Master Purchaser in respect of the Swiss Purchased Receivables;

(l) it will not make any change to the Swiss Seller Credit and Collection Procedures that would impair the collectability of any Swiss Purchased Receivable or the ability of that Swiss Servicer to perform its obligations under this Agreement or under any of the other Transaction Documents to which it is a party. In the event that such Swiss Servicer makes any changes to the Swiss Seller Credit and Collection Procedures, it shall, contemporaneously with such change, provide the Master Purchaser with an updated Swiss Seller Credit and Collection Procedures and a summary of all material changes;

(m) it will take reasonable care to ensure that no action is taken by it in the course of performing its obligations and functions under this Agreement which would subject the Master Purchaser to taxation in Switzerland or in any jurisdiction from which the Swiss Servicer performs any of its functions under this Agreement;

(n) it will promptly notify the Master Purchaser if legal proceedings are initiated against it, the Swiss Seller or the Master Purchaser, which (i) are for an amount (or amounts) equal to or greater than USD 30,000,000, and (ii) might adversely affect that Swiss Seller’s, or the Master Purchaser’s title to or interest in the Swiss Purchased

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Receivables or any of the other rights acquired under the Swiss Receivables Purchase Agreement;

(o) it will promptly execute all such further documents, deeds, agreements, instruments, consents, notices or authorisations and do all such further acts and things (or procure the same) as may be necessary at any time or times in the reasonable opinion of the Master Purchaser to perfect or protect the interests of the Master Purchaser or to give effect to this Agreement or any of the other Transaction Documents to which they are a party;

(p) it will ensure that that Swiss Servicer Report (if prepared by that Swiss Servicer or one of its Affiliates, or to the extent that information contained therein is supplied by that Swiss Servicer or an Affiliate) will be accurate in all material respects as of its date or (except as otherwise disclosed to the Master Purchaser) as of the date so furnished, and that no such document will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading; and

(q) it shall use all reasonable efforts to assist the Master Purchaser in complying with its reporting obligations under Regulation (EC) No. 24/2009 of 19 December 2008 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions (the “FVC Regulation”) together with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland (the “Central Bank of Ireland”) in connection with the FVC Regulation. Without prejudice to the generality of the foregoing, each Swiss Servicer will (i) collect and provide the data specified in Article 4 of the FVC Regulation (the “Requisite Information”) in the form prescribed by the Central Bank of Ireland (as may be amended, supplemented or modified from time to time) to the Master Purchaser within 9 (nine) calendar days following 31 March, 30 June, 30 September and 31 December in each year; and (ii) assist the Master Purchaser with any queries and/or resolve any questions raised by the Central Bank of Ireland within a reasonable amount of time in connection with the Requisite Information provided by the Master Purchaser to the Central Bank of Ireland.
11. **SUB CONTRACTS**

11.1 A Swiss Servicer may only sub-contract or delegate the performance of any of its obligations under this Agreement to another person (each a "Swiss Sub-Delegate" as designated by that Swiss Servicer) if (i) that Swiss Servicer has obtained prior written consent of the Master Purchaser (acting reasonably) and the Styron Security Trustee (such approval to be given in accordance with the Styron Security Deed) and (ii) such Swiss Sub-Delegate has all licences required for the performance of the servicing delegated to it.

11.2 Each Swiss Servicer undertakes not to amend any sub-delegation agreement in respect of the services without the prior written consent of the Master Purchaser and the Styron Security Trustee.

11.3 Each Swiss Servicer shall bear all costs resulting from any such sub-delegation by it.

11.4 Each Swiss Servicer shall, where its obligations hereunder have been sub-contracted or delegated to a Swiss Sub-Delegate in accordance with Clause 11.1, remain fully liable to the Master Purchaser to the same extent and under the same terms as if the Swiss Servicer itself was servicing the Swiss Purchased Receivables.

11.5 In the case of any sub-contracting or delegation to a Swiss Sub-Delegate in accordance with Clause 11.1, (i) any reference to that Swiss Servicer shall include a reference to any such person, to the extent appropriate, and (ii) that Swiss Servicer covenants and warrants that it shall procure that any such person, to the extent appropriate, shall comply with the terms of this Agreement.

11.6 Each Swiss Servicer hereby offers to the Master Purchaser to assign, to the extent legally possible, all existing and future claims of it against any Swiss Sub-Delegate (including the collection agencies) arising out of or in connection with the relevant sub-delegation agreement as security for any and all obligations (present and future, actual and contingent) which are (or are expressed to be) or become owing by that Swiss Servicer to the Master Purchaser under this Agreement. The Master Purchaser hereby accepts such assignment.

11.7 Each Swiss Servicer shall ensure that any Swiss Sub-Delegate transfers all Collections to the relevant Swiss Collection Account.

11.8 The Master Purchaser shall not have any liability to any Swiss Sub-Delegate whatsoever in respect of any cost, claim, charge, loss, liability, damage or expense suffered or incurred by any sub agent, sub contractor or representative of that Swiss Servicer, or any such person in connection with this Agreement.

12. **LIABILITY OF SWISS SERVICERS**

12.1 **Exclusion of Liability of Swiss Servicers**

The Swiss Servicers shall have no liability for the obligations of any Obligor and nothing in this Agreement or any other agreement or document executed pursuant to or in connection with the Transaction Documents shall constitute a guarantee, or similar obligation, by that Swiss Servicer (in its capacity as Swiss Servicer) of the performance by any person (other than
that Swiss Servicer) owing any payment obligation in respect of a Swiss Purchased Receivable.

13. SWISS SERVICER FEE

13.1 Calculation of Swiss Servicer Fee

From the date of purchase of the Swiss Purchased Receivable until all Swiss Purchased Receivables have been fully collected each Swiss Servicer shall, subject to the provisions of this Agreement, in respect of each Determination Period, be entitled to a “Swiss Servicer Fee” from the Master Purchaser (inclusive of value added tax, sales tax, purchase tax or any other, similar taxes or duties) payable monthly in arrear on each Monthly Payment Date and calculated on each Determination Date in an amount equal to:

(a) if such Swiss Servicer is an affiliate of the Parent, 0.25 per cent. per annum based on the Outstanding Balance of all Swiss Purchased Receivables originated by that Swiss Servicer in the capacity of Swiss Seller on such Determination Date; and

(b) if a party (other than any sub-delegate) not affiliated to the Parent is acting as a Swiss Servicer under this Agreement, such other percentage fee per annum based on the daily Outstanding Balance of all Swiss Purchased Receivables as may be agreed upon provided that such fee shall not in any circumstances exceed 110% of the reasonable costs and expenses of that Swiss Servicer in administering and collecting the Swiss Purchased Receivables.

The Swiss Servicers shall not be entitled to reimbursement of any cost, claim, liability or expense incurred or suffered by it in the performance of its obligations under this Agreement save to the extent expressly set out in this Agreement.

13.2 Limited Recourse in respect of the Swiss Servicer Fee

For the avoidance of doubt, and without prejudice to the provisions of Clause 15.4 and the limitations set out therein, each Swiss Servicer acknowledges that its recourse against the Master Purchaser and each Swiss Servicer’s right to take any action in respect of the payment of the Swiss Servicer Fee shall be limited in the manner set out in Clause 16 (No Liability) and Clause 24 (Restriction on Enforcement of Security, Non-Petition and Limited Recourse in favour of the Master Purchaser) of the Framework Deed.

14. TERMINATION OF APPOINTMENT

14.1 Termination by Master Purchaser

If a Swiss Servicer Default has occurred and is continuing then the Master Purchaser may, at once or at any time, by notice in writing to the Swiss Servicer terminate the appointment of the Swiss Servicers under this Agreement with effect from a date (not earlier than the date of the notice) specified in the notice. If a successor Swiss Servicer has been appointed in accordance with Clause 14.7(b) below within the applicable cure period, then the related Potential Swiss Servicer Default shall be deemed to have been cured.
14.2 Notification of Obligors

Upon the occurrence of a Perfection Event which is continuing, the Master Purchaser may, at its own discretion, notify or require the Swiss Servicer to notify the Obligors that all Collections must be paid into a Master Purchaser Account or another account of the Master Purchaser as specified in writing by the Master Purchaser.

14.3 Obligation to Notify of Cash Control Event, Perfection Event or Termination Event

As soon as possible and in any event within one Business Day of a Swiss Servicer becoming aware of such fact, that Swiss Servicer shall notify the Master Purchaser and the Styron Security Trustee of the occurrence of any Cash Control Event, Perfection Event or Termination Event (which is continuing), as applicable, and shall notify such parties as soon as it becomes aware that such event ceases to be continuing.

14.4 Appointment to Terminate

Upon the termination of the appointment of the Swiss Servicers all authority and power of the Swiss Servicers under this Agreement shall be terminated and shall be of no further effect and the Swiss Servicers shall no longer hold themselves out as agents of the Master Purchaser.

14.5 Redelivery of Records

Upon termination of the appointment of the Swiss Servicers, the Swiss Servicers shall immediately deliver or make available to or, if so requested by the Master Purchaser, shall within 7 Business Days of such termination deliver to (and in the meantime shall hold as fiduciary agent of) the Master Purchaser or as it shall direct all contract records, books of account, papers, records, registers, computer tapes and discs, statements, correspondence and documents in its possession or under its control relating to the Swiss Purchased Receivables or the servicing including all original contracts and copies of the Transaction Documents in its possession, any monies then held by the Swiss Servicers on behalf of the Master Purchaser and any other assets of the Master Purchaser and shall take such further action as the Master Purchaser may reasonably direct. It is acknowledged that the Swiss Servicers may retain copies of any or all such materials that it furnishes pursuant to this Clause 14.5.

14.6 Confirmation of Certain Provisions

Any provision of this Agreement which is stated to continue after termination of this Agreement shall remain in full force and effect notwithstanding termination.

14.7 Successor Swiss Servicer

(a) It is hereby declared that the Master Purchaser shall be under no obligation to act as or to appoint a successor Swiss Servicer and shall be under no liability for not so acting or appointing.

(b) The Master Purchaser may at any time after the occurrence and during the continuance of a Swiss Servicer Default, designate as a Swiss Servicer any Person
(including itself) to succeed the Swiss Servicers or any successor Swiss Servicer, if such Person shall consent and agree to the terms hereof.

(c) The Master Purchaser agrees that if each Swiss Servicer’s appointment is terminated in accordance with Clause 14.1 above and no successor Swiss Servicer has been appointed in accordance with Clause 14.7(b), the Master Purchaser shall use all reasonable efforts to appoint another Swiss Servicer in substitution of the Swiss Servicers.

(d) The Master Purchaser further agrees with each Swiss Servicer that each of them shall comply with all reasonable directions given by the Master Purchaser in relation to the appointment of any substitute Swiss Servicer.

(e) The Master Purchaser shall be entitled (and shall if instructed to do so by the Instructing Party) from the earlier of (i) six months day from the date hereof and (ii) the occurrence of a Termination Event to appoint a warm back-up Swiss Servicer if such an appointment is deemed necessary in the Master Purchaser’s discretion acting reasonably.

14.8 Expiry

If not otherwise terminated, this Agreement shall terminate at such time as the Master Purchaser has no further interest in relation to any Swiss Purchased Receivable following the Securitisation Availability Period.

14.9 Survival of Rights and Obligations

With effect from the date of termination of this Agreement, the rights and obligations of the Swiss Servicers under this Agreement shall cease but such termination shall be without prejudice to (a) any liabilities of the Swiss Servicers to the Master Purchaser and/or the Styron Security Trustee incurred before the date of termination, and (b) any liabilities of the Master Purchaser incurred to the Swiss Servicers before the date of termination, provided that the Swiss Servicers shall have no right to withhold or set-off any amounts due to it under this Agreement against any amounts held by it on behalf of the Master Purchaser.

14.10 Fees

On termination of the appointment of the Swiss Servicers, it shall be entitled to receive all fees and other monies accrued up to the date of termination but shall not be entitled to any other or further compensation. Such monies so receivable by each Swiss Servicer shall be paid by the Master Purchaser on the dates on which they would otherwise have been payable under this Agreement subject always to the provisions of this Agreement and the other Transaction Documents. For the avoidance of doubt, such termination shall not affect the rights of the Swiss Servicers to receive payment of all amounts due to it from the Master Purchaser other than under this Agreement.
15. **FURTHER PROVISIONS**

15.1 **Rectification**

In the event that any amount paid pursuant to this Agreement shall be determined (after consultation between the parties in good faith) to have been incorrect, the parties hereto shall consult in good faith in order to agree upon an appropriate method for rectifying such error so that the amounts received by all relevant parties are those which they would have received if no such error had been made.

15.2 **Notification of Judgment Creditors of the Swiss Servicer**

Each Swiss Servicer undertakes that it shall, immediately upon it becoming aware of the same, notify the Master Purchaser in the event that (i) any person shall have obtained judgment against that Swiss Servicer in any proceedings before any court, arbitration or administrative or other body or tribunal for an amount (or amounts) equal to or greater than USD 30,000,000 and/or (ii) any person shall have applied to a court for an order over or against any Swiss Purchased Receivable purchased under the Swiss Receivables Purchase Agreement, any proceeds of or interests in any Swiss Purchased Receivable or any of the Swiss Collection Accounts and in this event, that Swiss Servicer shall advise the Master Purchaser of the need to verify that the interests of the Master Purchaser in the Swiss Purchased Receivables is known by the courts, arbitration board, or administrative or other body or tribunal. Each Swiss Servicer further undertakes that it shall supply to the Master Purchaser all such information as any of them may reasonably request in connection with the hearing of such application to enable all or any of them to intervene in such hearing.

15.3 **No Enquiries**

Each Swiss Servicer acknowledges that prior to the completion of the sale and purchase of any Receivable under the Swiss Receivables Purchase Agreement, none of the Master Purchaser or the Styron Security Trustee will make any enquiries of or in respect of any person who owes payment or other obligations in respect of a Receivable and/or as to the creditworthiness of any such person and/or any Receivable and/or the sums receivable under or stated to be receivable under any contract or arrangement relating to a Receivable.

15.4 **Subordination of each Swiss Servicer’s Rights and Non Petition Undertaking**

(a) Notwithstanding anything to the contrary in this Agreement, all payments to be made by the Master Purchaser under this Agreement shall be made by the Master Purchaser solely from funds in an Approved Currency credited to the Transaction Account which the Master Purchaser is entitled to apply in accordance with the applicable PreEnforcement Payment Priorities and subject to the provisions thereof and the Master Purchaser shall have no obligation to make any such payment except to the extent of such funds which the Master Purchaser is so entitled to apply in accordance with the Swiss Receivables Purchase Agreement and subject to the provisions thereof.

(b) Notwithstanding any other provision of this Agreement or the winding up of the Master Purchaser, no Party (other than the Master Purchaser) will take any corporate action or other steps or legal proceedings for the winding up, dissolution or reorganisation or examinership or for the appointment of a receiver, administrator,
administrative receiver, examiner, trustee, liquidator, sequestrator or similar officer of the Master Purchaser or of any or all of the
revenues and assets of the Master Purchaser nor participate in any ex parte proceedings nor seek to enforce any judgment against
the Master Purchaser.

16. GOVERNING LAW

16.1 This Agreement and any non-contractual obligations arising out of it or in connection with it are governed by, and shall be construed in accordance with, English law.

16.2 The competent English courts shall have exclusive jurisdiction to settle any dispute which may arise out of, or in connection with this Agreement.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

[all signature blocks removed for the purposes of amendment]
The form of the Swiss Servicer’s Daily Report is as attached to the email sent by Johanna Frisch of Trinseo Europe GmbH (Frisch@Trinseo.com) to Rebecca Andrew of HSBC (Rebecca.andrew@hsbcib.com) on 6 October 2016 with the subject “Trinseo Daily Report AR Sec and Offer 06 * October 2016.”
SCHEDULE 5

(1) STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY
    (as Master Purchaser)

(2) REGENCY ASSETS DESIGNATED ACTIVITY COMPANY
    (as Regency Note holder)

(3) TRINSEO FINANCE LUXEMBOURG S.À R. L., LUXEMBOURG, ZWEIGNIEDERLASSUNG HORGEN
    (FORMERLY STYRON FINANCE LUXEMBOURG S. À R. L., LUXEMBOURG, ZWEIGNIEDERLASSUNG HORGEN)
    (as Styron Noteholder)

(4) THE LAW DEBENTURE TRUST CORPORATION P. L. C.
    (as Styron Security Trustee)

(5) HSBC BANK PLC
    (as Cash Manager)

(6) TMF ADMINISTRATION SERVICES LIMITED
    (as Registrar)

VARIABLE LOAN NOTE ISSUANCE DEED
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THIS DEED is made on 12 August 2010 as amended and restated on 24 May 2011, 30 May 2013 and 31 October 2016

BETWEEN

(1) REGENCY ASSETS DESIGNATED ACTIVITY COMPANY, a company incorporated in Ireland with registration number 272959, whose registered office is at 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland (the “Regency Noteholder”);

(2) STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY, a company incorporated in Ireland with registration number 486138, whose registered office is at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland (the “Master Purchaser”);

(3) TMF ADMINISTRATION SERVICES LIMITED, a company incorporated in Ireland, whose registered office is at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland (the “Registrar”);

(4) TRINSEO FINANCE LUXEMBOURG S.À R.L., LUXEMBOURG, ZWEIGNIEDERLAẞUNG HORGEN (formerly STYRON FINANCE LUXEMBOURG S.À R.L., LUXEMBOURG, ZWEIGNIEDERLAẞUNG HORGEN), a Swiss branch, with offices located at Zugerstrasse 231, CH-8810, Horgen, Switzerland, of Trinseo Finance Luxembourg S.à r.l., a Luxembourg private limited liability company (société à responsabilité limitée) with registered office at 9A, rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 151.012 and having a share capital of USD 10,025,001 (the “Styron Noteholder”); and

(5) HSBC BANK PLC, a company incorporated in England and Wales (Company Number: 14259) having its registered office at 8 Canada Square, London E14 5HQ (the “Cash Manager”); and

(6) THE LAW DEBENTURE TRUST CORPORATION P.L.C., a company incorporated with limited liability in England and Wales, having its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX in its capacity as security trustee under the Styron Security Deed (the “Styron Security Trustee”).

INTRODUCTION:

(A) The Sellers carry on the business of originating Receivables from sales of chemical products from time to time to Obligors.

(B) The Sellers have agreed to offer and the U.S. Intermediate Transferor or the Master Purchaser has agreed to consider purchasing from time to time certain of those Receivables in accordance with the terms of the applicable Master Receivables Purchase Agreement.

(C) The Master Purchaser proposes to fund the purchase of the Receivables through the issue of the Notes and using Collections.

(D) The Master Purchaser has agreed to enter into this Agreement for the purpose of constituting and setting out the terms of the Notes.

(E) The Noteholders have agreed to enter into this Deed for the purpose of subscribing for the Notes in accordance with the terms of this Deed.
SECTION A
INTERPRETATION

1. INTERPRETATION

1.1 Master Definitions and Framework Deed

(a) Capitalised terms in this Deed shall, except where the context otherwise requires and save where otherwise defined in this Agreement, have the meanings given to them in Clause 2.1 of the Master Definitions and Framework Deed (including any schedules to such deed referred to or incorporated by reference to such terms in Clause 2.1) executed by, among others, each of the parties to this Agreement (the “Framework Deed”) on 12 August 2010 (as amended or amended and restated on 17 August 2010, 24 May 2011, 4 July 2012, 30 May 2013, 4 February 2016 and 31 October 2016 and as it may be further amended, varied or supplemented from time to time with the consent of the parties to it) and this Agreement shall be construed in accordance with the principles of construction set out in the Framework Deed.

(b) In addition, the provisions set out in clauses 3 to 8 and 10 to 25 of the Framework Deed (the “Special Framework Provisions”) shall be expressly and specifically incorporated into this Agreement, as though they were set out in full in this Agreement. In the event of any conflict between the provisions of this Agreement and the Special Framework Provisions, the provisions of this Agreement shall prevail other than Clause 22 of the Framework Deed as it relates to the Styron Security Trustee.

1.2 Variable Loan Note Issuance Deed

This is the Variable Loan Note Issuance Deed referred to in the Framework Deed.
SECTION B
THE FACILITY

2. THE FACILITY

2.1 Establishment of facility

The Noteholders grant to the Master Purchaser upon the terms and subject to the conditions hereof, a committed note issuance facility in an amount equal to the Total Facility Limit (the Regency Noteholder’s commitment being limited to the Facility Limit) during the Securitisation Availability Period. With the written agreement of the Sellers, the Master Purchaser and the Noteholders, the Total Facility Limit and Facility Limit may be increased or decreased from time to time upon the terms and subject to the conditions of the Cash Management Agreement.

2.2 Obligation to accept

Each Noteholder shall, subject to Clause 4 (Conditions Precedent) be obliged to accept the relevant Initial Offers and any Additional Offers in accordance with the terms of this Deed provided that the Aggregate Note Principal Amount Outstanding, once such request is met, will be an amount not greater than the Total Facility Limit and the Aggregate Regency Note Principal Amount Outstanding will be an amount not greater than the Facility Limit.

3. SECURITY

It is hereby agreed and acknowledged that, if and when the Noteholders accept an Initial Offer for a Note in accordance with Clause 5.3 (Acceptance of Initial Offer) below, the Noteholders are to have the benefit of the Security granted by the Master Purchaser pursuant to the Styron Security Deed in respect, inter alia, of all Secured Amounts and in their capacity as Noteholders and that in the circumstances specified in the Styron Security Deed, the Noteholders in their capacity as Noteholders shall be entitled to enforce all of the benefits accorded to them with respect to the Security pursuant to the Styron Security Deed.

4. CONDITIONS PRECEDENT

4.1 Initial Conditions Precedent

The obligations of the Noteholders to accept an Initial Offer and subscribe for the Notes to be issued by the Master Purchaser under this Deed on the Swiss Funding Date shall be conditional upon the Instructing Party confirming to the Noteholders, the Master Purchaser, the Cash Manager, and the Styron Security Trustee the compliance by all relevant parties with the Initial Conditions Precedent.

4.2 Additional Conditions Precedent

The obligations of the Noteholders to accept an Additional Offer shall be conditional upon satisfaction of the Additional Conditions Precedent.

5. INITIAL UTILISATION OF THE FACILITY

5.1 Initial Offer

The Master Purchaser shall, by providing to each of the Noteholders by no later than the close of business on the First Offer Date, an Initial Note Issue Notice in respect of each Note of each class, make Initial Offers to the Noteholders to purchase on the Swiss Funding Date:
5.1.1 in the case of the Regency Noteholder:
   (a) a Regency USD Note in a principal amount outstanding equal to the Regency USD Note Initial Principal Amount; and
   (b) a Regency EUR Note in a principal amount outstanding equal to the Regency EUR Note Initial Principal Amount; and

5.1.2 in the case of the Styron Noteholder:
   (a) a Styron USD Note in a principal amount outstanding equal to the Styron USD Note Initial Principal Amount; and
   (b) a Styron EUR Note in a principal amount outstanding equal to the Styron EUR Note Initial Principal Amount.

5.2 Specification in Initial Offer

Each Initial Offer delivered by the Master Purchaser in respect of each class pursuant to Clause 5.1 (Initial Offer) shall:

5.2.1 specify the Initial Principal Amount of the Note in respect of which the Initial Offer is made;

5.2.2 specify the Initial Subscription Price for each $1 or €1 in principal amount of the Note in respect of which the Initial Offer is made; and

5.2.3 specify the Final Legal Maturity Date of the Note which shall be the fifth anniversary of the Closing Date.

5.3 Acceptance of Initial Offer

Subject to Clauses 2.2 (Obligation to accept) and 4 (Conditions Precedent), each Noteholder shall accept the Initial Offer made to it in accordance with Clause 5.1 (Initial Offer) and each Noteholder shall purchase either Regency Notes or Styron Notes, as applicable, by making payment to the Master Purchaser of an amount equal to Principal Amount Outstanding of such Notes in the manner specified in Clause 10 (Payments) on the Swiss Funding Date subject in the case of the Styron Notes to Clause 18.5 of the Framework Deed.

6. ADDITIONAL UTILISATION OF THE FACILITY

6.1 Additional Offer

If, prior to the occurrence of the Programme Termination Date or a Termination Event that is continuing:

6.1.1 it is a Reporting Date falling no less than three Business Days prior to the next Roll Date and:
   (a) the Regency Percentage of the Purchase Base (taking into account any proposed increase or decrease in the Regency Note) is greater than the sum of the Regency USD Note Principal Amount Outstanding and the USD Equivalent of the Regency EUR Note Principal Amount Outstanding;
the USD Equivalent of the aggregate of any increases calculated pursuant to Clause 6.1.3(a) and (b) below would be greater than $3,000,000; and

(c) a Seller has sent on such Reporting Date an Initial Purchase Price Payment Request to the Master Purchaser and the conditions set out therein have been satisfied;

or

6.1.2 it is a Reporting Date following delivery of (a) an Offer pursuant to the German Receivables Purchase Agreement and there would, but for the operation of this Clause, be insufficient funds available to the Master Purchaser to pay the Purchase Price in respect of the Receivables the subject of the Offer or (b) a notice delivered by the Styron Noteholder in accordance with Clause 6.4.2(a) or 6.4.3 below,

the Master Purchaser shall, by delivering to each of the Noteholders (or, in the case of Clause 6.1.2(a), the Styron Noteholder only) by no later than the close of business on such Reporting Date, an Additional Note Issue Notice in respect of each Note of each class, make an Additional Offer to the relevant Noteholder to purchase on the day falling three Business Days after such Reporting Date in relation to Clause 6.1.2(a) only and on the next Roll Date in relation to 6.1.1 and 6.1.2(b):

6.1.3 if applicable, in the case of the Regency Noteholder:

(a) an increase in the Principal Amount Outstanding of the Regency USD Note equal to the Regency USD Note Additional Principal Amount; and

(b) an increase in the Principal Amount Outstanding of the Regency EUR Note equal to the Regency EUR Note Additional Principal Amount; and

6.1.4 if applicable, in the case of the Styron Noteholder:

(a) an increase, if any, in the Principal Amount Outstanding of the Styron USD Note equal to the Styron USD Note Additional Principal Amount; and

(b) an increase, if any, in the Principal Amount Outstanding of the Styron EUR Note equal to the Styron EUR Note Additional Principal Amount.

6.2 Specification in Additional Offer

Each Additional Note Issue Notice delivered by the Master Purchaser in respect of each class pursuant to Clause 6.1 (Additional Offer) shall:

6.2.1 specify the Additional Principal Amount of the Note in respect of which the Additional Offer is made; and

6.2.2 specify the Additional Subscription Price for each $1 or €1 in principal amount of the Note in respect of which the Additional Offer is made.

6.3 Acceptance of Additional Offer

Subject to Clauses 2.2 (Obligation to accept) and 4 (Conditions Precedent), each Noteholder shall accept an Additional Offer made to it in accordance with Clause 6.1 (Additional Offer) and each
Noteholder will, as a further instalment of the subscription price, make payment to the Master Purchaser of an amount equal to the respective Additional Principal Amount specified in such Additional Offer in the manner specified in Clause 10 (Payments) on:

6.3.1 in the case of an Additional Offer made under Clause 6.1.1, the next Monthly Payment Date; and

6.3.2 in the case of an Additional Offer made under Clause 6.1.2, the day falling three Business Days after the relevant Reporting Date.

6.4 Notification of Styron Percentage and Roll Dates

6.4.1 On the Closing Date the Styron Percentage shall be 80 per cent. or such other percentage as may be notified by the Styron Noteholder to the Master Purchaser and Cash Manager prior to the submission of the Initial Note Issue Notice by the Master Purchaser.

6.4.2 The Styron Noteholder may on no less than three Business Days’ prior written notice, notify the Master Purchaser and the Cash Manager of a decrease in the Styron Percentage provided that, on and from 1 January 2016, the outstanding principal amount of the Styron EUR Note may not be less than 5 per cent. of the Outstanding Balance of all German Purchased Receivables at any given time.

6.4.3 The Styron Noteholder may on no less than three Business Days’ written notice, notify the Master Purchaser and the Cash Manager of an increase in the Styron Percentage.

6.4.4 Prior to the occurrence of the Programme Termination Date or a Termination Event which is continuing, the Styron Noteholder may on no less than three Business Days’ written notice with respect to the next following Roll Date, notify the Master Purchaser and the Cash Manager of the Roll Date to succeed such next following Roll Date provided that (a) a Monthly Payment Date must always be a Roll Date and no Roll Date may fall less than three Business Days before or less than three Business Days after a Roll Date; (b) the Cash Manager may adjust a proposed Roll Date where it considers in its reasonable discretion that market conditions would be adverse to the issuance of commercial paper on a Roll Date proposed by the Styron Noteholder and the relevant Roll Date shall be the date so determined by the Cash Manager. For the avoidance of doubt, if, at any time, the Styron Noteholder does not make any notification in accordance with the above, the next Roll Date shall be the next Monthly Payment Date.
7. CONSTITUTION OF THE NOTES

7.1 Covenant of the Master Purchaser to perform

7.1.1 The Master Purchaser hereby constitutes the Notes in the form set out in Schedule 2 (Terms and Conditions of the Notes) and covenants in favour of the Noteholders that it will duly perform and comply with the obligations expressed to be undertaken by it in each Note and in the Conditions (and for this purpose any reference in the Conditions to any obligation or payment under or in respect of the Notes shall be construed to include a reference to any obligation or payment under or pursuant to this provision). The Master Purchaser hereby acknowledges the right of every Noteholder from time to time to the production of this Deed.

7.1.2 The covenant set out in Clause 7.1.1 shall ensure to the benefit of the Noteholders (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce the covenant set out in Clause 7.1.1.

7.2 Conditions endorsed on Notes

Each Note constituted pursuant to Clause 7.1 (Covenant of the Master Purchaser to perform) shall have the Conditions endorsed thereon.

7.3 Delivery of Note Certificates

On the Swiss Funding Date, on receipt by the Master Purchaser of the payment by the relevant Noteholder of the Initial Subscription Price, the Master Purchaser will arrange for the delivery to the Cash Manager on behalf of each Noteholder of a Note Certificate in the Principal Amount Outstanding specified on the face thereof with the Conditions attached thereto in respect of each Note being subscribed for by such Noteholder.
SECTION D
REGISTRAR PROVISIONS

8. REGISTER

8.1 Maintenance of the Register

The Registrar shall, upon receipt of all required information from the Noteholders, any subsequent holders of the Notes and the Cash Manager, maintain and update the Register in relation to the Notes, which shall be kept at its Specified Office in accordance with the Conditions and be made available by the Registrar to the Master Purchaser and the Noteholders for inspection and for the taking of copies or extracts therefrom at all reasonable times. The Register shall show the aggregate Principal Amount Outstanding, serial number and date of issue of the Note Certificates, the names and addresses of the Initial Noteholders thereof and the dates of all transfers to, and the names and addresses of, all subsequent holders of the Notes thereof, all cancellations of Note Certificates and all replacements of Note Certificates.

8.2 Registration of transfers in the Register

8.2.1 The Registrar shall receive requests for the transfer of the Notes in accordance with the Conditions and shall make the necessary entries in the Register.

8.2.2 A Noteholder and any subsequent holder of a Note shall be required to promptly report any change to its name, address or other applicable information to the Registrar.

9. REPLACEMENT NOTE CERTIFICATES

9.1 Delivery of Replacements

Subject to receipt of sufficient replacement Note Certificates the Registrar shall, upon and in accordance with the instructions of the Master Purchaser (which instructions may, without limitation, include terms as to the payment of expenses and as to evidence, security and indemnity), complete, authenticate and deliver replacement Note Certificates.

9.2 Replacement Note Certificates

The Registrar shall not deliver or issue any replacement Note Certificates:

9.2.1 if the Note Certificate being replaced has been mutilated or defaced otherwise than against surrender of the same; and

9.2.2 until the claimant has furnished the Registrar with such evidence, security and indemnity as the Master Purchaser and/or the Registrar may reasonably require and has paid such costs and expenses as may be incurred in connection with such replacement.

9.3 Replacements to be numbered

Each replacement Note Certificate shall bear a unique serial number.

9.4 Cancellation and destruction

The Registrar shall cancel and destroy each mutilated or defaced Note Certificate surrendered to it in respect of which a replacement Note Certificate has been delivered.
9.5 **Notification**

The Registrar shall notify the Master Purchaser of the delivery by it of any replacement Note Certificate specifying the serial number thereof and the serial number of the Note Certificate which it replaces.

9.6 **Replacement of Note Certificate**

If the Note Certificate issued and outstanding at any time is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the registered office of the Registrar, subject to all applicable laws, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Master Purchaser may reasonably require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.
10. **PAYMENTS**

10.1 **Payments by Master Purchaser**

Subject to Clause 11 (Taxes and Increased Costs) and notwithstanding the provisions of Condition 12 (Payments and Calculations):

10.1.1 on each date on which this Deed and the Conditions of any Note require an amount denominated in US Dollars to be paid by the Master Purchaser, the Master Purchaser shall make the same available to the Noteholders by payment in US Dollars and in immediately available, freely transferable, cleared funds to the relevant Noteholder’s Account as specified in the Account Details; and

10.1.2 on each date on which this Deed and the Conditions of any Note require an amount denominated in Euro to be paid by the Master Purchaser, the Master Purchaser shall make the same available to the Noteholders by payment in Euro and in immediately available, freely transferable, cleared funds to the relevant Noteholder’s Account as specified in the Account Details.

10.2 **Payment by the Noteholders**

On each date on which this Deed requires an amount and subject in the case of the Styron Notes to Clause 18.5 of the Framework Deed:

10.2.1 denominated in US Dollars to be paid by a Noteholder hereunder, such Noteholder shall make the same available to the Master Purchaser by payment in US Dollars and in immediately available cleared funds to the Master Purchaser USD Account; and

10.2.2 denominated in Euro to be paid by a Noteholder hereunder, the Noteholders shall make the same available to the Master Purchaser by payment in Euro and in immediately available cleared funds to the Master Purchaser EUR Account.

For the avoidance of doubt, the obligations of the Noteholders under this Clause 10.2 (Payment by the Noteholders) is several and not joint.

11. **TAXES**

11.1 **Master Purchaser to pay taxes**

The Master Purchaser shall pay all stamp duty, registration and other similar Taxes to which this Deed or any Note, or any judgment given in connection with the issue of the Notes.

11.2 **Notification of Taxes to Master Purchaser**

Each Noteholder hereby agrees promptly to notify the Master Purchaser if it becomes aware of any circumstances which could reasonably be expected to lead to a claim on the part of the Noteholders under this Clause 11 (Taxes and Increased Costs).
12. DEFAULT INTEREST AND INDEMNITY

12.1 Default Interest Periods

If any sum due and payable by the Master Purchaser hereunder to the Regency Noteholder is not paid on the due date therefor in accordance with the provisions of Clause 10 (Payments) or if any sum due and payable by the Master Purchaser under any judgment of any court in connection herewith is not paid on the date of such judgment, the period beginning on such due date or, as the case may be, the date of such judgment and ending, in either case, on the date upon which the obligation of such Master Purchaser to pay such sum (the balance thereof for the time being unpaid being herein referred to as an “unpaid sum”) is discharged shall be divided into successive periods, each of which (other than the first) shall be of the same length shall start on the last day of the preceding such period and the duration of each of which shall be selected by the Regency Noteholder.

12.2 Default Rate

During each such period relating thereto as is mentioned in Clause 12.1 (Default Interest Periods) such unpaid sum shall bear interest at the rate per annum which is the sum of 2 per cent. per annum and the Rate of Interest applicable to the relevant Regency Note pursuant to Condition 4 (Interest).

12.3 Date of Payment

Any interest which shall have accrued under Clause 12.2 (Default Rate) in respect of an unpaid sum shall be due and payable and shall be paid by the Master Purchaser at the end of the period by reference to which it is calculated or on such other dates as the Regency Noteholder may specify by written notice to the Master Purchaser.

12.4 Payment of Loss in respect of Default

The Master Purchaser undertakes to indemnify each Noteholder against any loss or expense, including legal fees, which it may reasonably and properly sustain or incur as a consequence of any default by the Master Purchaser in the performance of any of the obligations expressed to be assumed by it in this Deed, other than any loss or expense resulting from the gross negligence, default or material breach of contract on the part of such Noteholder in connection with such performance.

12.5 Notification of Default

Each Noteholder hereby agrees promptly to notify the Master Purchaser if it becomes aware of any circumstances which could reasonably be expected to lead to a claim on the part of the Noteholders under this Clause 12 (Default interest and indemnity).

13. FEES, COSTS AND EXPENSES

13.1 Legal fees

The Master Purchaser shall, from time to time on demand of each Noteholder reimburse the Noteholder for all reasonable attorney’s fees and disbursements incurred by the Noteholder in connection with the enforcement and/or preservation of any of their respective rights under this Deed or in respect of any amendment to this Deed or any of the Notes.

13.2 Commitment Fees

On each Monthly Payment Date during the Securitisation Availability Period, the Master Purchaser shall pay to the Regency Noteholder, the Regency Commitment Fee.
SECTION F
REPRESENTATIONS AND COVENANTS

14. REPRESENTATIONS AND WARRANTIES; COVENANTS

14.1 Master Purchaser Warranties

The Master Purchaser warrants in favour of each of the Noteholders on the terms of the Master Purchaser Warranties as at the date of this Deed and as at each Settlement Date except for each such warranty that is specified as being made only as of a specific date, in which case the Master Purchaser warrants as to such matter as of such date only.

14.2 Styron Noteholder Warranties

The Styron Noteholder warrants in favour of the Master Purchaser and the other Noteholders at the date of this Deed and as at each Settlement Date that it is compliant with the Twenty Non-Bank Rule (provided however that the Styron Noteholder shall not be in breach of these warranties if such number of creditors not being Qualifying Banks is exceeded solely by reason of a failure by the Regency Noteholder to comply with its obligation under Clause 15.1 (Transfers)). In addition, the Styron Noteholder makes the representations and warranties set out in Schedule 4 (Styron Noteholder Representations and Warranties) on each Roll Date.

14.3 Master Purchaser Covenants

The Master Purchaser covenants in favour of each of the Noteholders on the terms of the Master Purchaser Covenants as at the date of this Deed and on each Monthly Payment Date.

14.4 Covenants of the Noteholders

14.4.1 The Noteholders severally and not jointly hereby covenant with the Master Purchaser that, each of them will promptly inform the Master Purchaser of any change in the identity of the Noteholder’s Account.

14.4.2 The Noteholders severally and not jointly hereby covenant with the Styron Security Trustee and the Master Purchaser to be bound by the terms of the Styron Security Deed.

14.4.3 The Noteholders severally and not jointly hereby confirm that, no sum, whether in respect of principal or otherwise relating to the Notes, shall be due and payable by the Master Purchaser except:

(a) in accordance with the provisions of the Conditions; and

(b) until all sums thereby required to be paid or provided for in priority thereto have been paid, provided for or discharged in full.

14.4.4 Each of the Noteholders severally and not jointly represents, warrants, agrees to and undertakes to the Master Purchaser that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Notes, or do anything in Ireland in respect of the Notes, otherwise than in conformity with the provisions of (i) the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 and any rules issued by the Central Bank of Ireland (the “Financial Regulator”) under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (as amended); (ii) the Irish Companies Acts 1963 to 2009; and (iii) to the extent applicable, the European Communities (Markets in
Financial Instruments) Regulations 2007 (as amended) of Ireland and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Financial Regulator.

14.4.5 Each Noteholder severally and not jointly represents to the Master Purchaser that it is a Qualifying Investor. Each Noteholder severally and not jointly covenants to, immediately upon becoming aware, notify the Master Purchaser if it ceases to be a Qualifying Investor.

14.5 **Covenants of the Styron Noteholder**

The Styron Noteholder hereby covenants in favour of the Master Purchaser and the other Noteholders that as at the date of this Deed it is and that it remains at all times during the duration of this Deed compliant with the Twenty Non-Bank Rule (provided however that the Styron Noteholder shall not be in breach of this covenant if such number of creditors not being Qualifying Banks is exceeded solely by reason of a failure by the Regency Noteholder to comply with its obligations under Clause 15.1 (Transfers)).

14.6 **Representation of the Regency Noteholder**

The Regency Noteholder represents that it will at all times have in effect arrangements relating to the management of currency exchange exposure such that the liability of the Regency Noteholder under any Regency Noteholder Related Debt will, upon delivery to the relevant hedge counterparties of the appropriate amounts in the appropriate currencies specified in the relevant hedging document, be fully met in the same currency as such liability by the corresponding payment made by such hedge counterparty.
15. **BENEFIT OF DEED**

15.1 **Transfers**

15.1.1 No Noteholder may transfer a Note without the prior written consent of the Parent (in its sole discretion) and the Cash Manager, provided that the consent of the Parent shall not be required in respect of assignments or transfers by the Regency Noteholder:

(a) to any Person provided such arrangement or transfer shall not increase the Master Purchaser’s cost of funding and the relevant Person is a Qualifying Bank and a Qualifying Investor; or

(b) following a Termination Event which has occurred and which is continuing if the transferee is a Qualifying Bank and a Qualifying Investor.

15.1.2 In addition:

(a) following a Termination Event which is continuing, the Regency Noteholder may transfer a Note as a whole with the prior written consent of the Styron Noteholder and the Swiss Seller (such consent not to be withheld by the Styron Noteholder or the Swiss Seller, if the Swiss Seller would be in compliance with the Non-Bank Rules following such transfer); and

(b) the Regency Noteholder may transfer a Note as a whole to an Affiliate provided such arrangement or transfer shall not increase the Master Purchaser’s cost of funding and the Styron Noteholder’s consent and the Swiss Seller’s consent have been obtained (such consent of the Styron Noteholder and the Swiss Seller not to be withheld if the Swiss Seller would be in compliance with the Non-Bank Rules following such transfer).

15.1.3 No transfer by a Noteholder of a Note to another person shall be effective unless a fully executed copy of an agreement effecting a novation of the rights of the transferor of such Note under this Deed to the transferee has been delivered to the Master Purchaser and the Cash Manager.

15.1.4 Subject to Clause 15.1.1 (and subject to the envisaged issuance of asset-backed commercial papers by Regency Noteholder), no Noteholder shall enter into any arrangement with another person under which such Noteholder substantially transfers its exposure under the notes to that other person, unless under such arrangement throughout the life of such arrangement:

(a) the relationship between the Noteholder and that other person is that of a debtor and creditor (including in the bankruptcy or similar event)

(b) the other person will have no proprietary interest in the benefit of this Deed or in any monies received by the Noteholder under or in relation to this Deed;

(c) the other person will under no circumstances (other than permitted transfers under Clause 15.1.1) (i) be subrogated to, or substituted in respect of, the
Noteholder’s claims under this Deed; and (ii) have otherwise any contractual relationship with, or rights against, the Master Purchaser under or in relation to this Deed; and

(d) the other person agrees to comply with the selling restrictions applicable to the Notes as more particularly set out in Clause 14.4.4 of this Deed.

15.2 Security

The Styron Noteholder may grant a security interest over its rights in the Styron Notes to the extent that such grant (i) does not constitute an assignment or a transfer of the Styron Notes and (ii) will not result in an assignment or a transfer of the Styron Note other than in accordance with the terms of the Transaction Document.

15.3 Article 405 of the Capital Requirements Regulation

The Styron Noteholder shall ensure that a portion of the Styron Note at least equal to 5 per cent of the Outstanding Balance of the German Purchased Receivables shall not be subject to credit risk mitigation (within the meaning of Regulation (EU) No 575/2013) or any other short positions, disposal or hedge.

15.4 Further Assurances

In the case of a transfer by Noteholder to another person or by a transferee pursuant to Clause 15.1 (Transfers) to another person, the transferor shall deliver to the transferee(s) a duly executed agreement, and the transferor shall promptly execute and deliver all further instruments and documents, and take all further action, that the transferee may reasonably request, in order to protect, or more fully evidence the transferee’s right, title and interest in and to such interest and to enable the Styron Security Trustee, on behalf of such transferee, to exercise or enforce any rights hereunder and under the Styron Security Deed to which such transferor is or, immediately prior to such transfer, was a party.

15.5 Effect of Novation

To the extent that such an agreement is required by this Deed or is otherwise entered into to give effect to a transfer, any such agreement shall:

15.5.1 transfer to the transferee all of the rights and obligations of the transferor hereunder and under the Styron Security Deed to which such transferor is or, immediately prior to such transfer, was a party with respect to such interest for all purposes of the Styron Security Deed to which such transferor is or immediately prior to such transfer, was a party;

15.5.2 provide that the transferor shall relinquish its rights with respect to such interest for all purposes of this Deed and under the Styron Security Deed to which such transferor is or immediately prior to such transfer, was a party or had a beneficial entitlement;

15.5.3 provide that the transferee shall undertake with the transferor and each of the other parties to this Deed that it will perform in accordance with the terms all those obligations which by the terms of this Deed and the Styron Security Deed will be assumed by it after execution of this Deed and satisfaction of the conditions (if any) subject to which this Deed is expressed to take effect;
15.5.4 provide that any transferee shall make its own credit decisions in taking or not taking action under this Deed and the Styron Security Deed;

15.5.5 provide that it appoints and authorises the Styron Security Trustee to take such action as agent on any transferee’s behalf and to exercise such powers and discretion under this Deed and the Styron Security Deed as are delegated to the Styron Security Trustee by the terms thereof, together with such powers and discretion as are reasonably incidental thereto;

15.5.6 provide that the transferee will perform in accordance with their terms all of the obligations which by the terms of this Deed and the Styron Security Deed are required to be performed by it as a transferor;

15.5.7 provide that the transferee will undertake to the Styron Security Trustee, any successor Styron Security Trustee or any Receiver (as the case may be) that it will not take any corporate action or other steps or legal proceedings for the winding up, examinership, dissolution or re-organisation or for the appointment of an Insolvency Official in relation to the Master Purchaser;

15.5.8 provide that the transferee will make no representation or warranty or assume any responsibility whatsoever with respect to the Notes, the Master Purchaser or this Deed; and

15.5.9 provide that the transferee becomes a party to any relevant Transaction Document.

16. CASH MANAGER AS AGENT OF THE MASTER PURCHASER

Pursuant to the Cash Management Agreement, the Cash Manager has agreed to act as agent of the Master Purchaser solely in respect of the rights, obligations, functions and powers of the Master Purchaser in respect of the Notes as specified in this Deed.

17. ACTIONS OF THE STYRON SECURITY TRUSTEE

In exercising any right, power or discretion under, or taking any action in relation to this Deed, the Styron Security Trustee shall act in accordance with and subject to the provisions of the Styron Security Deed and shall be under no obligation to exercise any such right, power or discretion or take any action except in accordance with the provisions of the relevant Styron Security Deed.
18. GOVERNING LAW

This Deed, and all non-contractual obligations arising out of or in connection with it, shall be governed by English law.

The parties hereto have executed and delivered this Deed as a deed on the date first above written.
SCHEDULE 1
FORM OF NOTE CERTIFICATE

Serial No: [•]

Final Legal Maturity Date: ______________ 2019

STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY
(incorporated in Ireland with limited liability)
(the “Master Purchaser”)

[Regency/Styron] [USD/EUR] Note due ________ 2016
(the “Note”)

This Note Certificate is issued in respect of the above captioned Note of the Master Purchaser. The Note has been constituted by the Master Purchaser pursuant to a Variable Loan Note Issuance Deed dated 12 August 2010 (as amended and restated on 24 May 2011, 30 May 2013 and [•] 2016 and as it may be further amended, varied or supplemented from time to time with the consent of the parties to it) and is subject to the terms and conditions (the “Conditions”) attached hereto.

In this Note Certificate, unless otherwise defined herein or the context requires otherwise, words and expressions have the meanings and constructions ascribed to them in the Conditions.

This is to certify that:

______________________________

of _____________________________

______________________________

is the person registered in the Register maintained by the Registrar in relation to the Note as the duly registered holder or, if more than one person is so registered, the first-named of such persons (the “Holder”) of:

[ $/€ ][ amount ] ________________________________

( ___________________________ [ CURRENCY AND AMOUNT IN WORDS ])

in aggregate principal amount of the Note.

The Master Purchaser, for value received, promises to pay such principal sum to the Holder on the dates and in the amounts specified in the Conditions or on such earlier date or dates as the same may become payable in accordance with the Conditions, and to pay interest on the unpaid balance of such principal sum in arrears on the dates and at the rate[s] specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.
This Note Certificate is evidence of entitlement only and is not a document of title. Entitlements are determined by the Register and only the registered Holder is entitled to payment in respect of this Note Certificate.

AS WITNESS the signature of a duly authorised officer on behalf of the Master Purchaser.

STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY

By: ________________________________

( duly authorised )

ISSUED in Ireland on [●] 20[●]
FORM OF TRANSFER

FOR VALUE RECEIVED ____________________________, being the registered holder of this Note Certificate, hereby transfers to ____________________________ (the “Transferee”) of

[ currency ] _____________ in principal amount of the £[ amount ] variable loan note due [year] (the “Note”) of STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY (the “MasterPurchaser”) and irrevocably requests and authorises [•], in its capacity as registrar in relation to the Note (or any successor to [•], in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

Dated: ____________________________

By: ___________________________________

( duly authorised )

Notes:

The name of the person by or on whose behalf this form of transfer is signed must correspond with the name of the registered holder as it appears on the face of this Note Certificate.

(a) A representative of such registered holder should state the capacity in which he signs, e.g. executor.

(b) The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar may require.

The Transferee represents and confirms to the Master Purchaser that at the date of this transfer, it is a Qualifying Investor as such term is defined in the terms and conditions of the Notes.

The Transferee represents and warrants that [it is a Qualifying Bank][is not a Qualifying Bank but is one lender only for the purposes of the Non-Bank Rules].

Dated: ____________________________

By: ___________________________________

For and on behalf of the Transferee
TERMS AND CONDITIONS

[As set out in Schedule 2 of the Variable Loan Note Issuance Deed]

[At the foot of the Terms and Conditions:]

REGISTRAR

TMF ADMINISTRATION SERVICES LIMITED

Registered Office

3rd Floor
Kilmore House
Park Lane
Spencer Dock
Dublin 1
Ireland

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SCHEDULE 2
TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes which (subject to completion and amendment) will be attached to each Note.

The [$/€][o] (initial value) variable funding note (the “Note”) due ______________2016 of STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY (the “Master Purchaser”) is constituted by a variable loan note issuance deed dated 12 August 2010 (as amended and restated on 24 May 2011 and ____ May 2013 and as it may be further amended, varied or supplemented from time to time with the consent of the parties to it) between, among others, the Master Purchaser, the Regency Noteholder and the Styron Noteholder (the Regency Noteholder and the Styron Noteholder being “Initial Noteholders”) (the “Variable Loan Note Issuance Deed”). Certain provisions of these Conditions are subject to its detailed provisions. Each Noteholder (as defined below) is bound by, and is deemed to have notice of, all the provisions of the Variable Loan Note Issuance Deed applicable to it.

1. Form, Denomination and Status

1.1 Form and Denomination

The Note is in registered form in the initial amount of [$/€][o] and thereafter in such other amount as may from time to time be recorded in the Register.

1.2 Status

The Note constitutes a direct, secured and unconditional obligation of the Master Purchaser.

2. Title and Transfers

2.1 Title

Only the person duly registered in the Register as the holder of the Note (the “Noteholder”) shall (except as otherwise required by law and by Condition 2.5 (Qualifying Investors)) be treated as the absolute owner of the Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

2.2 Register

The Registrar will maintain the Register in respect of the Notes in accordance with the provisions of the Variable Loan Note Issuance Deed. A Note Certificate will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.

2.3 Transfers

Subject to the limitations in Clause 15.1 (Transfers) of the Variable Loan Note Issuance Deed, the Note may be transferred by the Noteholder upon surrender and delivery of the relevant Note Certificate at the registered office of the Registrar, with the endorsed form of transfer duly completed, and otherwise in accordance with the provisions of the Variable Loan Note Issuance Deed and subject to Condition 2.4 (Related Notes), Condition 2.5 (Qualifying Investors) and Clause 15 (Benefit of Deed) of the Variable Loan Note Issuance Deed.
2.4 Related Notes

A Note may be transferred only wholly, and not in part, and only in accordance with Clause 15 (Benefit of Deed) of the Variable Loan Note Issuance Deed.

2.5 Qualifying Investors

The Note may not be transferred to any person other than a Qualifying Investor. Any transfer to a person other than a Qualifying Investor shall be null and void.

2.6 Registration and delivery of Note Certificates

Within five Business Days of the surrender of a Note Certificate in accordance with Condition 2.3 (Transfers), the Registrar will register the transfer in question and deliver a new Note Certificate of a like Principal Amount Outstanding to the Notes transferred to the relevant holder at its Specified Office or (at the request and risk of any such relevant holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant holder. In this paragraph, “Business Day” means a day on which commercial banks are open for business (including dealings in foreign currencies) in the city where the Registrar has its Specified Office.

3. Redemption

3.1 Mandatory redemption

3.1.1 On each Roll Date prior to the service of an Enforcement Notice, the Master Purchaser (or the Cash Manager pursuant to the terms of the Cash Management Agreement) will cause:

(i) the Regency USD Note to be redeemed in an amount equal to the Regency USD Note Redemption Amount;
(ii) the Regency EUR Note to be redeemed in an amount equal to the Regency EUR Note Redemption Amount;
(iii) the Styron USD Note to be redeemed in an amount equal to the Styron USD Note Redemption Amount; and
(iv) the Styron EUR Note to be redeemed in an amount equal to the Styron EUR Note Redemption Amount.

3.1.2 On each Settlement Date prior to the service of an Enforcement Notice, the Master Purchaser (or the Cash Manager pursuant to the terms of the Cash Management Agreement) will cause the Styron EUR Note to be redeemed in an amount equal to the Styron EUR Note Redemption Amount.

3.2 Redemption at the option of the Master Purchaser

The Note may be redeemed at the option of the Master Purchaser in whole or in part and without any prepayment premium on any Monthly Payment Date at its Principal Amount Outstanding or a proportion thereof subject to:

3.2.1 the Master Purchaser giving not less than three (3) and not more than thirty (30) days’ notice to the Noteholder and the Cash Manager (which notice shall obligate the Master Purchaser to redeem the Note on such Monthly Payment Date at such price plus accrued interest to that
that prior to giving any such notice, the Master Purchaser shall have provided to the Styron Security Trustee a certificate signed by two directors of the Master Purchaser to the effect that it will have the funds on the relevant Monthly Payment Date, not subject to the interest of any other person, required to redeem the Notes pursuant to this Condition and meet its payment obligations of a higher priority under the applicable Payments Priorities.

3.3 **Principal Amount Outstanding**

In determining the Principal Amount Outstanding the amount recorded in the Register in respect of such Note or, to the extent of any conflict as to the amount between the Master Purchaser and the Noteholders, the amount recorded in the Cash Management Report prepared by the Cash Manager, shall be conclusive in the absence of manifest error.

3.4 **Determinations and Calculations**

Following a payment of principal or increase in the principal amount of the Note, the Cash Manager (acting for and on behalf of the Master Purchaser) shall determine the new Principal Amount Outstanding of the Note on the basis of the accounting records of the Cash Manager. Each determination by or on behalf of the Master Purchaser of the amount of the Principal Amount Outstanding of the Note will promptly be notified to the Register and shall (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons. The Master Purchaser will cause each determination of the new Principal Amount Outstanding of the Note to be reflected in the Register.

3.5 **Redemption due to Tax Event**

If a Noteholder gives a notice pursuant to Condition 5.5 (Tax Event), the Master Purchaser shall procure that each Note is redeemed in whole at its Principal Amount Outstanding together with accrued interest to the date of redemption specified by the Master Purchaser, in accordance with the relevant Payments Priorities.

3.6 **Redemption on maturity**

If not otherwise redeemed and cancelled, the Note will be redeemed (subject to available funds) at its Principal Amount Outstanding on the Monthly Payment Date falling on 2015 (being the third anniversary of the Dutch Closing Date) (the “**Final Legal Maturity Date**”). The Note may be redeemed in whole or in part prior to such date in accordance with Condition 3.1 (Mandatory redemption), Condition 3.2 (Redemption at the option of the Master Purchaser), but without prejudice to Condition 6 (Event of Default).

3.7 **Purchase**

The Master Purchaser shall not be entitled to purchase a Note at any time.

3.8 **Cancellation**

If the Note is redeemed in full pursuant to the foregoing provisions it will be cancelled forthwith and may not be resold or reissued.

3.9 **Extension of maturity**
The Master Purchaser may, in accordance with the notice provisions of Condition 16 (Notices) request the Regency Noteholder to agree to an extension of the Final Legal Maturity Date and if, in the Regency Noteholder’s sole discretion, the Regency Noteholder agrees to such request in writing, the date agreed shall thereafter be the “Final Legal Maturity Date” in respect of the Note.

4. Interest

4.1 Monthly Payment Dates and Calculation Periods

The Note will bear interest payable on its Principal Amount Outstanding in [US Dollars/Euro] from and including the Closing Date. Interest in respect of the Note is payable monthly in arrears on each Monthly Payment Date.

Interest shall cease to accrue on the Note as from (and including) the date on which an Event of Default shall have occurred unless, upon due presentation, payment of principal due is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 4 (after as well as before judgment) at the rate from time to time applicable to the Note until the moneys in respect thereof have been received by the Noteholder and notice to that effect is given in accordance with Condition 16 (Notices).

4.2 Payment of Interest

Subject to Condition 12 (Payments and Calculations), the Relevant Interest Amount will be payable in respect of the relevant Note of a class for each Interest Period on the Monthly Payment Date falling immediately after the end of each Interest Period.

4.3 Calculation of Relevant Interest Amount

The Relevant Interest Amount for the Note of each class in respect of a Calculation Period shall be calculated by the Cash Manager in accordance with the terms of the Cash Management Agreement for such Interest Period.

5. Taxes

5.1 No Tax Deduction

The Master Purchaser shall make all payments to be made by it hereunder without any Tax Deduction, unless a Tax Deduction is required by law (a “Tax Event”).

5.2 Tax Deduction required by Law

If at any time, the Master Purchaser is required by law to make any Tax Deduction from any sum payable by it hereunder (or if thereafter there is any change in the rates at which, or the manner in which such Tax Deduction is calculated), the Master Purchaser shall:

5.2.1 promptly notify the Noteholder and the Styron Security Trustee;

5.2.2 pay the full amount of such Tax Deduction to the relevant Tax Authority within the time allowed for payment to such authority; and

5.2.3 deliver an original receipt (or a certified copy thereof) sued by such Tax Authority or other evidence reasonably satisfactory to the Noteholder (with a copy thereof to the Styron Security Trustee) of the amount of such Tax Deduction in respect of such payment.
5.3  **Tax Deduction and Styron Noteholder**

If at any time, the Master Purchaser is required by law to make any Tax Deduction from any sum payable by it hereunder to the Styron Noteholder, it shall have no obligation to make any additional payments to the Styron Noteholder in respect of such Tax Deduction.

5.4  **Tax Deduction and Regency Noteholder**

5.4.1  If at any time, the Master Purchaser is required by law to make any Tax Deduction from any sum payable by it hereunder to the Regency Noteholder, it shall have an obligation to increase the amount of such payment to an amount which (after making such Tax Deduction) leaves an amount equal to the payment which would have been due to the Regency Noteholder if no Tax Deduction had been required.

5.4.2  The Master Purchaser is not required to make an increased payment to the Noteholder under this clause for a Tax Deduction imposed under the laws of Ireland from a payment of interest in respect of a Note if on the date on which the payment falls due the payment could have been made to the Noteholder without a Tax Deduction if it was a Qualifying Investor but, on that date, the Noteholder is not or has ceased to be a Qualifying Investor other than as a result of any change after the date it became a Noteholder under this Agreement in (or in the interpretation, administration, or application of) any law or Tax Treaty, or any published practice or concession of any relevant tax authority.

5.4.3  The Master Purchaser is not required to make an increased payment to the Noteholder under this Clause for a Tax Deduction imposed under the laws of the United States with respect to Excluded Taxes, as such term is defined in the U.S. Intermediate Transfer Agreement.

5.5  **Tax Event**

Should the Master Purchaser be required by law to make any Tax Deduction from any sum payable by it hereunder, then the Noteholder may require the Master Purchaser to redeem the Note in full upon giving the Master Purchaser not less than 30 days notice, such notice to be irrevocable.

5.6  **U.S. Tax Forms**

Each Noteholder (including any Noteholder that becomes a Noteholder after the date of the Variable Loan Note Issuance Deed) shall provide to the Master Purchaser the applicable certificates or documentation described in Clause 11.3(d) of the U.S. Intermediate Transfer Agreement in the time and manner described in such Clause.

6.  **Event of Default**

6.1  **Delivery of Enforcement Notice**

If an Event of Default occurs and is continuing, the Styron Security Trustee may at its discretion and shall if so requested in writing by the Instructing Party deliver an Enforcement Notice to the Master Purchaser.

6.2  **Conditions to delivery of Enforcement Notice**

Notwithstanding Condition 6.1 (Delivery of Enforcement Notice) the Styron Security Trustee shall not be obliged to deliver an Enforcement Notice unless it shall have been indemnified, prefunded
and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

6.3 **Consequences of delivery of an Enforcement Notice**

Upon the delivery of an Enforcement Notice, the Notes of each class shall become immediately due and payable without further action or formality at their Principal Amount Outstanding together with any accrued interest, and such payments shall be made in accordance with the Post-Enforcement Priority of Payments.

7. **Acceleration**

7.1 **Proceedings**

The Styron Security Trustee may at its discretion and without further notice, institute such proceedings as it thinks fit to enforce its rights under the Styron Security Deed in respect of the Notes of each class and under the other Transaction Documents, but it shall not be bound to do so unless so requested in writing by the Instructing Party and in any such case, only if it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

7.2 **Directions to the Styron Security Trustee**

The Styron Security Trustee shall not be bound to take any action described in Condition 7.1 (Proceedings) and may take such action without having regard to the effect of such action on individual Noteholders or any other Secured Creditor, provided that so long as the Regency Note is outstanding, the Styron Security Trustee shall not, and shall not be bound to, act at the request or direction of the Styron Noteholder unless:

7.2.1 to do so would not, in its opinion, be materially prejudicial to the interests of the Regency Noteholder; or

7.2.2 (if the Styron Security Trustee is not of that opinion) such action is sanctioned by the Instructing Party.

8. **No action by Noteholders or any other Secured Creditor**

8.1.1 Notwithstanding any other provisions of the Transaction Documents, only the Styron Security Trustee may pursue the remedies available under the general law or under the Styron Security Deed to enforce the Security and no Noteholder or other Secured Creditor shall be entitled to proceed directly against the Master Purchaser to enforce the Security. In particular, none of the Noteholders or any other Secured Creditor (nor any person on its or their behalf, other than the Styron Security Trustee where appropriate) are entitled:

(1) otherwise than as permitted by these Conditions, to direct the Styron Security Trustee to enforce the Security or take any proceedings against the Master Purchaser to enforce the Security;

(2) to take or join any person in taking any steps against the Master Purchaser for the purpose of obtaining payment of any amount due by the Master Purchaser to such Noteholders or any other Secured Creditors;
(3) until the date falling two years after the Final Discharge Date, to initiate or join any person in initiating any Insolvency Proceeding in relation to the Master Purchaser; or

(4) to take or join in the taking of any steps or proceedings which would result in the Payments Priorities not being observed.

9. **Limited Recourse**

9.1.1 Each Noteholder agrees with the Master Purchaser that notwithstanding any other provision of any Transaction Document, all obligations of the Master Purchaser to such Noteholder, including, without limitation, the Obligations, are limited in recourse as set out below:

(1) it will have a claim only in respect of the Charged Property and will not have any claim, by operation of law or otherwise, against, or recourse to any of the Master Purchaser’s other assets or its contributed capital;

(2) sums payable to such Noteholder in respect of the Master Purchaser’s obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder and (b) the aggregate amounts received, realised or otherwise recovered by or for the account of the Master Purchaser in respect of the Charged Property whether pursuant to enforcement of the Security or otherwise, net of any sums which are payable by the Master Purchaser in accordance with the Payments Priorities in priority to or pari passu with sums payable to such Noteholder; and

(3) upon the Styron Security Trustee giving written notice to the Noteholders that it has determined in its sole opinion, that there is no reasonable likelihood of there being any further realisations in respect of the Charged Property (whether arising from an enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Relevant Transaction Documents, the Noteholders shall have no further claim against the Master Purchaser in respect of any such unpaid amounts and such unpaid amounts shall be extinguished and discharged in full.

9.1.2 Notwithstanding any other provision of these Conditions or any Transaction Document, no recourse under any obligation, covenant, or agreement of any party (acting in any capacity whatsoever) contained in any Transaction Document shall be had against any shareholder, officer, director, employee or agent of the Master Purchaser or the Regency Noteholder or the Styron Security Trustee as such, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that each Transaction Document is a corporate obligation of the relevant party and no personal liability shall attach to or be incurred by the shareholders, officers, agents, employees or directors of any party as such, or any of them, under or by reason of any of the obligations, covenants or agreements contained in any Transaction Document, or implied therefore, and that any and all personal liability for breaches by such party of any such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent, employee or director is hereby expressly waived by the other parties as a condition of and consideration for the execution of this Framework Deed.

10. **Default Interest, Indemnity and Break Costs**
10.1 Default Interest

10.1.1 If any sum due and payable by the Master Purchaser hereunder is not paid on the due date therefor in accordance with the provisions of Condition 3 (Redemption) or Condition 4 (Interest) or if any sum due and payable by the Master Purchaser under any judgment of any court in connection herewith is not paid on the date of such judgment, the period beginning on such due date or, as the case may be, the date of such judgment and ending on the date upon which the obligation of the Master Purchaser to pay such sum (the balance thereof for the time being unpaid being herein referred to as an “unpaid sum”) is discharged shall be divided into successive periods, each of which (other than the first) shall start on the last day of the preceding such period and shall end on the next succeeding Monthly Payment Date (or the next date that would, were it not for the Final Legal Maturity Date or an Event of Default, have been the next succeeding Monthly Payment Date).

10.1.2 During each such period as is mentioned in Condition 10.1.1, in respect of the Regency Note only, such unpaid sums shall bear interest at the rate per annum which is the sum of 2 per cent. per annum and the Rate of Interest.

10.1.3 Subject to Condition 13 (Calculation of Interest Due and Payable) below, any interest which shall have accrued under Condition 10.1.2 in respect of an unpaid sum shall be due and payable and shall be paid by the Master Purchaser to the Noteholder at the end of the period by reference to which it is calculated or on such other date or dates as the Noteholder may specify by written notice to the Master Purchaser.

10.2 Indemnity

The Master Purchaser undertakes to indemnify the Noteholder against any reasonable cost, claim, loss, expense (including legal fees) or liability, together with any VAT thereon, which it may sustain or properly incur as a consequence of the occurrence of any Event of Default or any default by the Master Purchaser in the performance of any of the obligations expressed to be assumed by it in respect of the Note or under the Variable Loan Note Issuance Deed. All indemnity payments shall be made in accordance with the applicable Payments Priorities.

11. Currency of Account and Indemnity

11.1 Currency of Account

[US Dollars/Euro] is the currency of account and payment for each and every sum at any time due from the Master Purchaser hereunder.

11.2 Currency Indemnity

If any sum due from the Master Purchaser under the Note or any order or judgment given or made in relation hereto has to be converted from the currency (the “first currency”) in which the same is payable hereunder or under such order or judgment into another currency (the “second currency”) for the purpose of (i) making or filing a claim against the Master Purchaser, (ii) obtaining an order or judgment in any court or other tribunal or (iii) enforcing any order or judgment given or made in relation hereto, the Master Purchaser shall indemnify and hold harmless the Noteholder from and against any loss suffered as a result of any discrepancy between (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (b) the rate or rates of exchange at which the Noteholder may in the ordinary course of business
purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

12. Payments and Calculations

12.1 Amounts to be paid in [US Dollars/Euro]

On each date on which these Conditions require an amount to be paid by the Master Purchaser, the Master Purchaser shall, subject to Condition 12.2 (Note Certificate to be surrendered) below, make the same available to the Noteholder by payment in [US Dollars/Euro] and in immediately available cleared funds to a bank account of the Noteholder specified to the Master Purchaser by the Noteholder for this purpose.

12.2 Note Certificate to be surrendered

The payment of principal shall be made only against presentation and (provided that principal payment is made in full) upon surrender of the relevant Note Certificate at the specified office of the Master Purchaser outside the United States.

12.3 Payment Day not a Business Day

If the date on which any payment is to be made under the Conditions is not a business day (as defined in Condition 12.4 (Business Day)) then the Noteholder shall not be entitled to payment of such amount until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

12.4 Business Day

Except as otherwise provided in Condition 2.6 (Registration and delivery of Note Certificates), in these Conditions, “business day” shall be construed as a reference to a day (other than Saturday or Sunday) on which banks are generally open for business in London and Dublin and on which the TARGET System is operated.

13. Calculation of Interest Due and Payable

Interest on every Note shall be payable in accordance with the provisions of Condition 4 (Interest), subject to the terms of Condition 12 (Payments and Calculations) and this Condition 13.

14. Remedies and Waivers

No failure by the Noteholder to exercise, nor any delay by the Noteholder in exercising, any right or remedy in respect of the Note shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any other rights or remedies (whether provided by law or otherwise).

15. Partial Invalidity

If, at any time, any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.
16. **Notices**

Any notice required to be issued or delivered by the Master Purchaser to the Noteholder or vice versa shall be issued or delivered, unless otherwise provided herein, by letter, telephone or facsimile to the address of such person set out in the Notices Details (or to such other address as such party may hereafter specify in writing to the other parties hereto).

17. **Law and Jurisdiction**

17.1 **Law**

The Note and all non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.

17.2 **Jurisdiction**

17.2.1 The courts of England shall have non-exclusive jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with the Note and, for such purposes, the Master Purchaser irrevocably submits to the jurisdiction of such courts.

17.2.2 The Master Purchaser irrevocably waives any objection which it might now or hereafter have to the courts referred to in paragraph (i) being nominated as the forum to hear and determine any suit, action or proceeding, (ii) and to settle any disputes, which may arise out of or in connection with the Note and agrees not to claim that any such court is not a convenient or appropriate forum.

18. **Modification**

Terms defined in the Variable Loan Note Issuance Deed (including by cross reference) shall, unless otherwise defined herein or the context requires otherwise, bear the same meanings in these terms and conditions.
SCHEDULE 3
FORMS OF OFFER

PART A
FORM OF INITIAL OFFER

To: [Regency Assets Designated Activity Company / Styron Europe GmbH]
From: Styron Receivables Funding Designated Activity Company
Dated: [*]

Dear Sirs

INITIAL OFFER

1. We refer to the Variable Loan Note Issuance Deed (as from time to time amended, supplemented or novated) dated 12 August 2010 (as amended and restated on 24 May 2011, 30 May 2013 and [●] 2016 and as it may be further amended, varied or supplemented from time to time with the consent of the parties to it, the “VLNID”) and made between ourselves and yourselves.

2. Terms defined in (or incorporated by reference into) the VLNID shall bear the same meaning herein.

3. We hereby specify the initial par value of the [Regency [USD/EUR] Note/Styron [USD/EUR] Note] which is allocated to you to be [[o] for purchase on [o] 2010 (the “Closing Date”).

4. We hereby specify the Initial Subscription Price for each [$/€]1 in principal amount of the [Regency [USD/EUR] Note/Styron [USD/EUR] Note] to be [$/€] [o].


6. We warrant that each of the Master Purchaser Warranties is true on and as of the date of this Offer.

This Initial Offer may be accepted only by payment of the Initial Subscription Price in accordance with Clause 10 (Payments) of the VLNID on the Closing Date. No other means or manner of acceptance or purported acceptance shall be effective to conclude any agreement hereunder or to convey any interest whatsoever in or to the subject matter of this Initial Offer. By accepting this Offer you agree to be bound by the Conditions.

Yours faithfully

for and on behalf of

STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY
PART B
FORM OF ADDITIONAL OFFER

To:       [*]  
From:    Styron Receivables Funding Designated Activity Company  
Dated:  [*]  

Dear Sirs

ADDITIONAL OFFER

1. We refer to the variable funding loan note issuance deed (as from time to time amended, supplemented or novated) dated 12 August 2010 (as amended and restated on 24 May 2011, 30 May 2013 and [●] 2016 and as it may be further amended, varied or supplemented from time to time with the consent of the parties to it, the “ VLNID ”) and made between ourselves and yourselves, and to the [$/€][o] (initial value) [Regency/Styron] [USD/EUR] Note of which you are a holder.

2. Terms defined in (or incorporated by reference into) the VLNID shall bear the same meaning herein.

3. We wish to increase the par value of the [Regency/Styron] [USD/EUR] Note allocated to you on the date of this Offer by [$/€][o] (such amount to include any accrued but unpaid interest on such Note) on [o] 20[0] (“ Payment Date ”).

4. We hereby specify the Additional Subscription Price for each [$/€]1 in principal amount of the [Regency/Styron] [USD/EUR] Note to be [$/€][o].

5. We warrant that each of the Master Purchaser Warranties is true on and as of the date of this Offer.

6. This Additional Offer may be accepted only by payment of the Additional Subscription Price in accordance with Clause 10 (Payments) of the VLNID on the relevant Settlement Date. No other means or manner of acceptance or purported acceptance shall be effective to conclude any agreement hereunder or to convey any interest whatsoever in or to the subject matter of this Additional Offer.

Yours faithfully

for and on behalf of

STYRON RECEIVABLES FUNDING DESIGNATED ACTIVITY COMPANY

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SCHEDULE 4
STYRON NOTEHOLDER REPRESENTATIONS AND WARRANTIES

(a) (i) Status of Trinseo Finance Luxembourg S.à r.l., Luxembourg, Zweigniederlassung Horgen, formerly Styron Finance Luxembourg S.à r.l., Luxembourg, Zweigniederlassung Horgen (the Swiss Branch): it is registered in the Commercial Register of the Canton of Zurich, Switzerland as a Swiss branch of Styron Finance Luxembourg S.à r.l.

(ii) Status of Trinseo Finance Luxembourg S.à r.l., Luxembourg, Zweigniederlassung Horgen, formerly Styron Finance Luxembourg S.à r.l., Luxembourg, Zweigniederlassung Horgen (the Styron Noteholder, acting through the Swiss Branch): it is duly incorporated with limited liability and validly existing under the laws of Luxembourg and (A) is duly qualified to do business in every jurisdiction where the nature of its business requires it to be so qualified and, (B) is duly qualified to do business in all other jurisdictions where the nature of its business requires it to be so qualified save where failure to do so would not have a Material Adverse Effect; it is exclusively established in Luxembourg;

(b) Capacity and authorisation: The execution, delivery and performance by the Styron Noteholder of this Deed or of any other Transaction Document to which it is a party and any other documents to be delivered by it hereunder (i) are within its corporate powers, (ii) have been duly authorised by all necessary corporate action, (iii) do not contravene (A) its corporate purpose, (B) any law, rule or regulation applicable to it which would result in a Material Adverse Effect, (C) any contractual restriction binding on or affecting it or its property which would result in a Material Adverse Effect or (D) any order, writ, judgement, award, injunction or decree binding on or affecting it or its property which has a Material Adverse Effect. This Deed has been duly executed and delivered by the Styron Noteholder;

(c) Consents: no authorisation or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Styron Noteholder of this Deed or any other Transaction Document to which it is a party or any other document to be delivered by it hereunder;

(d) Legal Validity: This Deed and any other Transaction Document to which the Styron Noteholder is a party constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally.

(f) No Default: no event has occurred which constitutes, or which with the giving of notice or the lapse of time or a relevant determination would constitute, a contravention of, or default under, any such law, statute, decree, rule, regulation, order, judgment, injunction, decree, resolution, determination or award by which the Styron Noteholder or any of its assets is bound or affected, being a contravention or default which could reasonably be expected to have a Material Adverse Effect;

(g) Solvency: it is solvent, not overindebted and able and expects to be able to pay its debts as they fall due and has not suspended or threatened to suspend making payments (whether of principal or interest) with respect to all or any class of its debts and will not become insolvent, overindebted or unable to pay its debts in consequence of the entry into and
performance of this Deed or any other obligation or transaction contemplated in the Transaction Documents;

(h) **Suspect period**: the transactions undertaken by the Styron Noteholder as described in the Transaction Documents are and will be transactions at an arm’s length consideration, are and will not be undertaken with the intent to discriminate against its creditors or to benefit some of its creditors to the detriment of others and will not be liable to be avoided or set aside on any basis under the insolvency laws of Luxembourg; and

(i) **Licences**: it has all necessary licences for the performance of its obligations under the Transaction Documents.

[signature blocks deleted for the purposes of an amendment]
On November 30, 2016, Trinseo’s Board of Directors approved an amendment to all outstanding restricted stock unit (“RSU”) awards issued to employees under the Trinseo 2014 Omnibus Incentive Plan during 2015 and 2016. This amendment revises Section 5 of your RSU award agreements and entitles you to an amount equal to any cash dividend or repayment of equity paid by the Company for each RSU held by you (“Dividend Equivalents”). The Dividend Equivalents earned on the RSU awards only include dividends or repayments of equity paid after the Board’s approval of this amendment and you have no right to receive the Dividend Equivalents unless and until the associated RSU awards vest. The Dividend Equivalents will be payable in cash and will not accrue interest.

Effective with the next quarterly cash distribution to shareholders on January 25, 2017, you will receive a Dividend Equivalent on any unvested RSUs. The Dividend Equivalent will be recorded and tracked in the Bank of America Merrill Lynch system along with your outstanding RSU award. If and when you meet the applicable vesting requirement for each award, you will receive a cash payout through payroll equal to the amount that has been declared and paid since November 30, 2016 less applicable withholding taxes.

Although the award agreements issued in 2015 and 2016 were administered differently (paper form in 2015 and electronically in 2016) this amendment serves as official notification of changes to both grants. Since this change is deemed a change to the existing award agreements, please sign and date below to acknowledge and accept this change.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer.

TRINSEO S.A.

By: ____________________________
Name: Christopher D. Pappas
Title: President and Chief Executive Officer

Acknowledged and Agreed By:

Employee Name ____________________________ Employee Signature ____________________________

Date: ____________________________
As you are aware, on November 30, 2016, Trinseo’s Board of Directors approved an amendment to all outstanding restricted stock unit (“RSU”) awards issued under the Trinseo 2014 Omnibus Incentive Plan during 2015 and 2016. This amendment revises Section 5 of your 2016 RSU award agreement and entitles you to an amount equal to any cash dividend or repayment of equity paid by the Company for each RSU held by you (“Dividend Equivalents”). The Dividend Equivalents earned on the RSU awards only include dividends or repayments of equity paid after the Board’s approval of this amendment and you have no right to receive the Dividend Equivalents unless and until the associated RSU awards vest. The Dividend Equivalents will be payable in cash and will not accrue interest.

Effective with the next quarterly cash distribution to shareholders on January 25, 2017, you will receive a Dividend Equivalent on any unvested RSUs. The Dividend Equivalent will be recorded and tracked in the Bank of America Merrill Lynch system along with your outstanding RSU award. If and when you meet the applicable vesting requirement for each award, you will receive a cash payout equal to the amount that has been declared and paid since November 30, 2016.

Since this change is deemed a change to the existing award agreement, please sign and date below to acknowledge and accept this change.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer.

TRINSEO S.A.

By: ________________________________
Name: ______________________________
Title: ______________________________

Acknowledged and Agreed By:

Name ______________________________ Signature ______________________________
Date: ______________________________
### COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

<table>
<thead>
<tr>
<th>(in millions, except for ratio)</th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td><strong>Earnings:</strong></td>
<td></td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>$405.3</td>
</tr>
<tr>
<td>Adjustment for companies accounted for by the equity method</td>
<td>$(14.7)</td>
</tr>
<tr>
<td>Less: Capitalized interest</td>
<td>$(3.4)</td>
</tr>
<tr>
<td>Add: Amortization of capitalized interest</td>
<td>2.1</td>
</tr>
<tr>
<td></td>
<td>389.3</td>
</tr>
<tr>
<td><strong>Fixed Charges:</strong></td>
<td></td>
</tr>
<tr>
<td>Interest and debt expense</td>
<td>76.9</td>
</tr>
<tr>
<td>Capitalized interest</td>
<td>3.4</td>
</tr>
<tr>
<td>Rental expense representative of interest factor</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>81.7</td>
</tr>
<tr>
<td><strong>Total adjusted earnings available for payment of fixed charges</strong></td>
<td>$471.0</td>
</tr>
<tr>
<td><strong>Ratio of Earnings to Fixed Charges</strong></td>
<td><strong>5.8</strong></td>
</tr>
</tbody>
</table>

(a) Due to a net loss in the year ended December 31, 2014, the ratio of earnings to fixed charges was less than 1. Our earnings were insufficient to cover fixed charges requirements by $62.3 million for the year ended December 31, 2014.
## Subsidiaries of Trinseo S.A.

**As of January 31, 2017**

<table>
<thead>
<tr>
<th>Entity Name</th>
<th>Jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trinseo Luxco S.à r.l.</td>
<td>Luxembourg</td>
</tr>
<tr>
<td>Trinseo Holding S.à r.l.</td>
<td>Luxembourg</td>
</tr>
<tr>
<td>Trinseo Materials S.à r.l.</td>
<td>Luxembourg</td>
</tr>
<tr>
<td>Trinseo Materials Operating S.C.A.</td>
<td>Luxembourg</td>
</tr>
<tr>
<td>Trinseo Finance Ireland Unlimited Company</td>
<td>Ireland</td>
</tr>
<tr>
<td>Trinseo Holding B.V.</td>
<td>The Netherlands</td>
</tr>
<tr>
<td>Trinseo Suomi Oy</td>
<td>Finland</td>
</tr>
<tr>
<td>Trinseo France S.A.S.</td>
<td>Spain</td>
</tr>
<tr>
<td>Trinseo Spain, S.L.</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Trinseo Europe GmbH</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Trinseo Export GmbH</td>
<td>Canada – Nova Scotia</td>
</tr>
<tr>
<td>Trinseo Canada ULC</td>
<td>Belgium</td>
</tr>
<tr>
<td>Trinseo Belgium BVBA</td>
<td>Mexico</td>
</tr>
<tr>
<td>Trinseo de México S. de R.L. de C.V.</td>
<td>Mexico</td>
</tr>
<tr>
<td>Trinseo Services de México, S. de R.L. de C.V.</td>
<td>Sweden</td>
</tr>
<tr>
<td>Trinseo Sverige AB</td>
<td>Greece</td>
</tr>
<tr>
<td>Styron Hellas M.EPE</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Trinseo UK Limited</td>
<td>Turkey</td>
</tr>
<tr>
<td>Trinseo Kimya Ticaret Limited Şirketi</td>
<td>Italy</td>
</tr>
<tr>
<td>Trinseo Italia S.R.L.</td>
<td>The Netherlands</td>
</tr>
<tr>
<td>Trinseo Netherlands B.V.</td>
<td>Germany</td>
</tr>
<tr>
<td>Trinseo Deutschland GmbH</td>
<td>Germany</td>
</tr>
<tr>
<td>Trinseo Deutschland Anlagengesellschaft mbH</td>
<td>Germany</td>
</tr>
<tr>
<td>Trinseo Holdings Asia Pte. Ltd.</td>
<td>Singapore</td>
</tr>
<tr>
<td>Trinseo (Hong Kong) Limited</td>
<td>Hong Kong</td>
</tr>
<tr>
<td>Trinseo Materials (Hong Kong) Limited</td>
<td>Hong Kong</td>
</tr>
<tr>
<td>Trinseo Australia Pty. Ltd.</td>
<td>Australia</td>
</tr>
<tr>
<td>Taiwan Trinseo Limited</td>
<td>Taiwan</td>
</tr>
<tr>
<td>Trinseo Korea Ltd.</td>
<td>Korea</td>
</tr>
<tr>
<td>Trinseo Japan Y.K.</td>
<td>Japan</td>
</tr>
<tr>
<td>Trinseo Polymers (Zhangjiagang) Company Limited</td>
<td>China</td>
</tr>
<tr>
<td>Trinseo Petrochemicals (Zhangjiagang) Company Limited</td>
<td>China</td>
</tr>
<tr>
<td>Trinseo Singapore Pte. Ltd.</td>
<td>Singapore</td>
</tr>
<tr>
<td>PT Trinseo Materials Indonesia</td>
<td>Indonesia</td>
</tr>
<tr>
<td>Trinseo India Trading Private Limited</td>
<td>India</td>
</tr>
<tr>
<td>Trinseo Finance Luxembourg S.à r.l.</td>
<td>Luxembourg</td>
</tr>
<tr>
<td>Trinseo Materials Finance, Inc.</td>
<td>Delaware</td>
</tr>
<tr>
<td>Trinseo U.S. Holding, Inc.</td>
<td>Delaware</td>
</tr>
<tr>
<td>Trinseo LLC</td>
<td>Delaware</td>
</tr>
<tr>
<td>Americas Styrenics LLC ¹</td>
<td>Delaware</td>
</tr>
<tr>
<td>Trinseo U.S. Receivables Company SPV LLC</td>
<td>Delaware</td>
</tr>
</tbody>
</table>

¹Represents a joint venture company of which the registrant indirectly owns 50% of the voting equity.
CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-210226) and Form S-8 (No. 333-196973) of Trinseo S.A. of our report dated March 1, 2017 relating to the consolidated financial statements, financial statement schedule, and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
March 1, 2017
CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-196973 of Trinseo S.A. on Form S-8 of our report dated February 15, 2017, relating to the consolidated financial statements of Americas Styrenics LLC and its subsidiaries as of December 31, 2016 and 2015 and for each of the three years in the period ended December 31, 2016, appearing in this Annual Report on Form 10-K of Trinseo S.A. for the year ended December 31, 2016.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
March 1, 2017
CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Christopher D. Pappas, certify that:

1. I have reviewed this annual report on Form 10-K of Trinseo S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 1, 2017

By: /s/ Christopher D. Pappas
Name: Christopher D. Pappas
Title: Chief Executive Officer
CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Barry J. Niziolek, certify that:

1. I have reviewed this annual report on Form 10-K of Trinseo S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 1, 2017

By: /s/ Barry J. Niziolek
Name: Barry J. Niziolek
Title: Chief Financial Officer
Certification of CEO Pursuant to 18 U.S.C. Section 1350,  
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the annual report of Trinseo S.A. (the “Company”) on Form 10-K for the period ended December 31, 2016 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, I, the undersigned, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 1, 2017

By: /s/ Christopher D. Pappas
Name: Christopher D. Pappas
Title: Chief Executive Officer
Exhibit 32.2

Certification of CFO Pursuant to 18 U.S.C. Section 1350,  
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the annual report of Trinseo S.A. (the “Company”) on Form 10-K for the period ended December 31, 2016 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, I, the undersigned, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 1, 2017

By: /s/ Barry J. Niziolek
Name: Barry J. Niziolek
Title: Chief Financial Officer