

Huntsman CORP
Form DEFM14A
September 12, 2007

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Huntsman Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
Common Stock, par value \$0.01 per share (the "Common Stock") of Huntsman Corporation.

 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- Fee paid previously with preliminary materials.

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o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

SPECIAL MEETING OF STOCKHOLDERS

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Common Stockholder of Huntsman Corporation:

The board of directors of Huntsman Corporation ("Huntsman") has approved a merger pursuant to which Huntsman will be acquired by Hexion Specialty Chemicals, Inc., an entity owned by an affiliate of Apollo Management, L.P.

If the merger is completed, holders of Huntsman common stock will receive \$28.00 in cash per share of Huntsman common stock they own. In addition, if the merger is not completed by April 5, 2008 (the "Adjustment Date"), then for each day after the Adjustment Date, through and including the closing date of the merger, the merger consideration per share will increase by an amount in cash equal to the excess, if any, of \$0.006137 per day over the amount of any dividends or distributions declared, made or paid from and after the Adjustment Date through and including the closing date of the merger (rounding to the nearest cent). The merger consideration will be paid without interest and reduced by any applicable tax withholding.

The board of directors of Huntsman has, based on the recommendation of a transaction committee comprised entirely of independent directors, unanimously determined that the merger agreement and the merger are in the best interests of the holders of Huntsman common stock and declared the merger agreement and the merger advisable. The board of directors of Huntsman unanimously recommends that holders of Huntsman's common stock vote FOR the adoption of the merger agreement.

Holders of Huntsman common stock will vote on the adoption of the merger agreement at a special meeting. The date, time and place of the special meeting to consider and vote upon the proposal to adopt the merger agreement is as follows:

October 16, 2007
10:00 a.m., local time
The Woodlands Waterway Marriott Hotel and Convention Center
1601 Lake Robbins Drive
The Woodlands, Texas

The proxy statement attached to this letter provides you with information about the special meeting, the merger and the merger agreement. We encourage you to read the entire proxy statement carefully.

Your vote is very important. Whether or not you plan to attend the special meeting, if you are a holder of Huntsman common stock please take the time to vote by completing, signing, dating and mailing the enclosed proxy card to us or submit your proxy card by calling the toll-free number listed on the proxy card or through the Internet as indicated on the proxy card prior to the special meeting. If your shares of Huntsman common stock are held in "street name," please instruct your broker or bank how to vote your shares.

Jon M. Huntsman
Chairman of the Board

The proxy statement is dated September 12, 2007, and is first being mailed to holders of Huntsman common stock on or about September 14, 2007.

HUNTSMAN CORPORATION
500 Huntsman Way
Salt Lake City, UT 84108

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON OCTOBER 16, 2007

To the Common Stockholders of Huntsman Corporation:

A special meeting of common stockholders of Huntsman Corporation, a Delaware corporation, will be held on Tuesday, October 16, 2007 at 10:00 a.m., local time, at The Woodlands Waterway Marriott Hotel and Convention Center, 1601 Lake Robbins Drive, The Woodlands, Texas, for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of July 12, 2007, among Hexion Specialty Chemicals, Inc., a New Jersey corporation, an entity owned by an affiliate of Apollo Management, L.P., Nimbus Merger Sub Inc., a Delaware corporation and a wholly-owned subsidiary of Hexion Specialty Chemicals, Inc., and Huntsman, pursuant to which each outstanding share of Huntsman common stock will be converted into the right to receive (a) \$28.00 in cash plus (b) if the merger is not consummated by April 5, 2008 (the "Adjustment Date"), for each day after the Adjustment Date, through and including the closing date of the merger, an amount in cash equal to the excess, if any, of \$0.006137 per day less any dividends or distributions declared, made or paid from and after the Adjustment Date through and including the closing date of the merger (rounding to the nearest cent), without interest, less any applicable tax withholding; and
2. To transact any other business that may properly come before the special meeting or any adjournment or postponement of the special meeting.

The board of directors of Huntsman has fixed the close of business on September 4, 2007 as the record date for the determination of holders of common stock entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. At the close of business on the record date, Huntsman had 222,017,164 shares of common stock outstanding and entitled to vote. Holders of Huntsman's common stock are entitled to appraisal rights under the General Corporation Law of the State of Delaware in connection with the merger if they meet certain conditions. See "The Merger Appraisal Rights."

YOUR VOTE IS IMPORTANT

If you fail to return your Huntsman proxy card or fail to submit your proxy by telephone or the Internet and do not vote in person at the special meeting, the effect will be that your shares will not be counted for purposes of determining whether a quorum is present at the Huntsman special meeting but will effectively be counted as a vote against adoption of the merger agreement. The affirmative vote of the holders of a majority of the outstanding shares of Huntsman common stock is required to adopt the merger agreement. Even if you plan to attend the special meeting in person, we request that you vote your shares by telephone or the Internet, or complete, sign, date and return the enclosed proxy and thus ensure that your shares will be represented at the special meeting if you are unable to attend. If you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be counted as a vote FOR adoption of the merger agreement. If you do attend the special meeting and wish to vote in person, you may withdraw your proxy and vote in person.

By order of the Board of Directors,

Samuel D. Scruggs
Secretary
Huntsman Corporation

September 12, 2007

**QUESTIONS AND ANSWERS ABOUT THE MERGER
AND OUR SPECIAL MEETING**

The following questions and answers address briefly some questions you may have regarding the special meeting and the proposed merger. These questions and answers may not address all questions that may be important to you as a holder of common stock of Huntsman Corporation. For important additional information please refer to the more detailed discussion contained elsewhere in this proxy statement, the appendices to this proxy statement and the documents referred to in this proxy statement. In this proxy statement, the terms "Huntsman," "Company," "we," "our," "ours," and "us" refer to Huntsman Corporation and its subsidiaries.

Q: What is the proposed transaction?

A:

The proposed transaction is the acquisition of Huntsman by Hexion Specialty Chemicals, Inc., a New Jersey corporation and an entity owned by an affiliate of Apollo Management, L.P. ("Hexion"), pursuant to an Agreement and Plan of Merger, dated as of July 12, 2007 (the "merger agreement"), among Huntsman, Hexion and Nimbus Merger Sub Inc., a Delaware corporation and wholly-owned subsidiary of Hexion ("Merger Sub"). Once the merger agreement has been adopted by Huntsman's common stockholders and the other closing conditions under the merger agreement have been satisfied or waived, Merger Sub will merge with and into Huntsman (the "merger"). Huntsman will be the surviving corporation in the merger (the "surviving corporation") and will become a wholly-owned subsidiary of Hexion.

Q: What will I receive in the merger for my Huntsman common stock?

A:

Upon consummation of the merger, for each share of Huntsman common stock you own you will receive (a) \$28.00 in cash plus (b) if the merger is not consummated by April 5, 2008 (the "Adjustment Date"), for each day after the Adjustment Date, through and including the closing date of the merger, an amount in cash equal to the excess, if any, of \$0.006137 per day (which amount represents an accrual of approximately 8% interest per annum from the Adjustment Date) less any dividends or distributions declared, made or paid from and after the Adjustment Date through and including the closing date of the merger (rounding to the nearest cent), without interest, less any required tax withholding. We refer to such amount in this proxy statement as the "merger consideration." After the merger is consummated, you will not own any shares or other equity interest in the surviving corporation or Hexion.

Q: What will happen in the merger to stock options, restricted stock and other stock-based awards that have been granted to employees, officers and directors of Huntsman?

A:

The merger agreement provides that all outstanding stock options issued pursuant to Huntsman's equity plans, whether or not vested or exercisable, will, as of the effective time of the merger, become fully exercisable and thereafter represent the right to receive an amount in cash, without interest, equal to the product of the number of shares of our common stock subject to each option as of the effective time of the merger multiplied by the excess of the merger consideration over the exercise price per share of common stock subject to such option. The merger agreement also provides that the restrictions applicable to each outstanding share of our restricted stock (including restricted stock units and phantom stock) will lapse and, at the effective time of the merger, each share of our restricted stock outstanding (including restricted stock units and phantom stock) will become fully vested and convert into the right to receive the merger consideration except for restrictions with respect to any awards granted after February 15, 2008, one half of which will lapse at the effective time of the merger and become fully vested and convert into the right to receive the merger consideration, and the remaining one half of which will convert into the right to receive the merger consideration six months following completion of the merger.

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Q: What are the interests of the members of Huntsman's Board of Directors and executive officers in the merger?

A:

Members of our board of directors and our executive officers have interests in the merger that are different from yours, including the accelerated vesting of stock options and restricted stock, as well as other interests described in this proxy statement. We encourage you to review the section entitled "The Merger Interests of Certain Persons in the Merger" for a full discussion of their interests.

Q: When do you expect the merger to be completed?

A:

We are working to complete the merger as quickly as possible. The merger cannot be completed until each closing condition has been satisfied or waived. We cannot predict the exact timing of the effective time of the merger or whether the merger will be consummated because it is subject to conditions which are not within our control, such as expiration of waiting periods or grants of approvals under competition laws in the United States, Europe and certain other jurisdictions, none of which have occurred or been received to date. The merger agreement may be terminated by either party if the merger is not consummated by April 5, 2008, subject to certain extensions for approximately six months or more under certain circumstances. Please see "The Merger Agreement and Voting Agreements Termination of the Merger Agreement." The entire time period may be required to satisfy all closing conditions.

Q: What conditions are required to be fulfilled to complete the merger?

A:

We and Hexion are required to complete the merger unless certain specified conditions are not satisfied or waived. These conditions include, among others (i) adoption of the merger agreement by the holders of our common stock at the special meeting, (ii) receipt of regulatory approvals or expiration of required waiting periods, (iii) no material adverse effect occurring with respect to us or our business and (iv) compliance by us with our obligations under the merger agreement, including certain covenants that restrict our ability to conduct our business. Consummation of the merger is not subject to a financing condition; however, if Hexion's financing commitments are terminated or not fulfilled and Hexion is unable to find alternative financing arrangements, Hexion may not be able to consummate the merger. There can be no assurance that these or the other conditions to consummation of the merger will be satisfied or waived. For a more complete summary of conditions that must be satisfied or waived prior to the effective time of the merger, see "The Merger Agreement and Voting Agreements Conditions to the Merger."

Q: What if the proposed merger is not completed?

A:

It is possible that the proposed merger will not be completed. The merger will not be completed if each closing condition is not satisfied or waived. If the merger is not completed, we will remain an independent public company, and shares of our common stock will continue to be listed and traded on the NYSE. Under specified circumstances, if the merger is not completed we may be required to pay Hexion, or Hexion may be required to pay to us, a termination fee or the Reimbursement Amount, or both, as described under the caption "The Merger Agreement and Voting Agreements Fees and Expenses; Remedies."

Q: Where and when is the special meeting?

A:

The special meeting will take place at The Woodlands Waterway Marriott Hotel and Convention Center, 1601 Lake Robbins Drive, The Woodlands, Texas, on Tuesday, October 16, 2007, at 10:00 a.m., local time.

Q: Who is eligible to vote?

A: All holders of record of our common stock on the close of business on September 4, 2007 will be eligible to vote.

Q: If my broker holds my shares in "street name," will my broker vote my shares for me?

A: Your broker will not be able to vote your shares without instructions from you. You should instruct your broker to vote your shares, following the procedures provided by your broker. Without instructions, your shares will not be voted. Because adoption of the merger agreement requires the affirmative vote of holders representing a majority of our outstanding shares of common stock, failure to instruct your broker will have the same effect as a vote against adoption of the merger agreement.

Q: What do I need to do now?

A: We urge you to read this proxy statement carefully, including its appendices, and to consider how the merger affects you. Then vote your shares by telephone or the Internet as indicated on the proxy card or by mailing your completed, dated and signed proxy card in the enclosed return envelope as soon as possible so that your shares can be voted at the special meeting of our common stockholders.

Q: What vote is needed to adopt the merger agreement?

A: The affirmative vote of holders representing at least a majority of the outstanding shares of our common stock is required to adopt the merger agreement. MatlinPatterson Global Opportunities Partners L.P., MatlinPatterson Global Opportunities Partners (Bermuda) L.P. and MatlinPatterson Global Opportunities Partners B, L.P., which are referred to herein as MatlinPatterson, the Huntsman family and the Fidelity Charitable Gift Fund have entered into voting agreements with Hexion, pursuant to which they have agreed to vote the shares of our common stock that they own on the record date for the special meeting in favor of approval of the merger and the adoption and approval of the merger agreement, and against any competing proposal. On the record date for the special meeting, these stockholders beneficially owned 71,597,325 shares of our common stock representing in the aggregate approximately 32.2% of our outstanding common stock entitled to vote at the special meeting. The obligations under the voting agreements terminate in certain circumstances including in the event the merger agreement is terminated in accordance with its terms. See "The Merger Agreement and Voting Agreements."

Q: How does the Huntsman board of directors recommend that I vote?

A: Our board of directors, based on the recommendation of a transaction committee comprised entirely of independent directors, has unanimously determined that the merger agreement and the merger are in the best interests of holders of our common stock, declared that the merger agreement and the merger are advisable and unanimously recommends that you vote FOR adoption of the merger agreement.

Q: What happens if I do not return a proxy card?

A: If you fail to vote your shares by telephone or the Internet or fail to return your proxy card and do not vote in person at the special meeting, the effect will be that your shares will not be counted for purposes of determining whether a quorum is present at the special meeting. In addition, because adoption of the merger agreement requires the affirmative vote of holders representing a majority of our outstanding shares of common stock, the failure to return your proxy card or vote in person at the special meeting will have the same effect as voting against the adoption of the merger agreement.

Q: May I vote in person?

A:

Yes. If you are the record holder of your shares, you may attend the special meeting and vote your shares of common stock in person, rather than signing and returning your proxy card. If your shares are held in "street name," you must get a proxy from your broker or bank in order to attend the special meeting and vote your shares in person. Even if you plan to attend the special meeting, we encourage you to vote your shares by telephone, the Internet or by completing, signing and delivering a proxy card, which will not prevent you from attending the meeting and voting your shares in person.

Q: Do I need to attend the special meeting in person?

A:

No. You do not have to attend the special common stockholders meeting in order to vote your shares of Huntsman common stock. You can have your shares voted at the special meeting of our stockholders without attending by voting your shares by telephone or the Internet or by mailing your completed, dated and signed proxy card in the enclosed return envelope.

Q: May I change my vote after I have submitted my signed proxy card?

A:

Yes. You may change your vote at any time before your proxy card is voted at the special meeting. You can do this in one of four ways. First, you can send a written, dated notice to the Secretary of Huntsman stating that you would like to revoke your proxy. Second, you can call the toll free number 1-866-821-6162. Third you can change your vote by accessing the Internet website www.proxypush.com/hun. Fourth, you can attend the meeting and vote in person. Your attendance alone will not revoke your proxy. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your instructions.

Q: What does it mean if I get more than one proxy card or vote instruction card?

A:

If your shares are registered differently or are in more than one account, you will receive more than one card. Please complete and return all of the proxy cards or vote instruction cards you receive (or submit your proxy by telephone or the Internet as indicated on the proxy card or voting instruction card) to ensure that all of your shares of our common stock are voted.

Q: What is a quorum?

A:

A quorum of the holders of the outstanding shares of our common stock must be present for the special meeting to be held. A quorum is present if the holders of a majority of the outstanding shares of our common stock entitled to vote are present at the meeting, either in person or represented by proxy. Abstentions and broker non-votes are counted as present for the purpose of determining whether a quorum is present. A broker non-vote occurs on an item when a broker is not permitted to vote on that item without instructions from the beneficial owner of the shares and no instructions are given.

Q: How are votes counted?

A:

For the proposal relating to the adoption of the merger agreement, you may vote FOR, AGAINST or ABSTAIN. Abstentions and broker non-votes will count for the purpose of determining whether a quorum is present, but, because holders of Huntsman common stock holding at least a majority of Huntsman common stock outstanding on the record date must vote FOR the adoption of the merger agreement, an abstention or broker non-vote has the same effect as if you vote AGAINST the adoption of the merger agreement.

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Q: Who will bear the cost of this solicitation?

A: We will pay the cost of this solicitation, which will be made primarily by mail. Proxies also may be solicited in person, or by telephone, facsimile or similar means, by our directors, officers or employees without additional compensation. In addition, D.F. King & Co., Inc. will provide solicitation services to us for a fee of approximately \$10,000 plus out-of-pocket expenses. We will, on request, reimburse holders of common stock who are brokers, banks or other nominees for their reasonable expenses in sending proxy materials to the beneficial owners of the shares they hold of record.

Q: Should I send in my Huntsman stock certificates with my proxy card?

A: No. After the merger is completed, you will receive written instructions for delivering your common stock certificates and exchanging your shares of our common stock for the merger consideration.

Q: Am I entitled to appraisal or dissenters' rights?

A: Yes. If the merger is completed, holders of our common stock who do not vote in favor of adoption of the merger agreement and who otherwise comply with the requirements of Delaware law are entitled to appraisal rights under the General Corporation Law of the State of Delaware if they meet certain conditions. See "The Merger Appraisal Rights."

Q: Will I owe taxes as a result of the merger?

A: The merger will be a taxable transaction for United States federal income tax purposes (and also may be taxed under applicable foreign, state and local tax laws). In general, for United States federal income tax purposes, U.S. holders will recognize gain or loss equal to the difference between (1) the amount of cash you receive in the merger for your shares of Huntsman common stock and (2) the tax basis of your shares of Huntsman common stock. Please refer to the section entitled "The Merger Material United States Federal Income Tax Consequences of the Merger" for a more detailed explanation of the tax consequences of the merger. You should consult your tax advisor on the specific tax consequences of the merger to you.

Q: What will happen to Huntsman's outstanding 5% Mandatory Convertible Preferred Stock?

A: Unless Hexion has previously requested that we convert outstanding shares of 5% Mandatory Convertible Preferred Stock of Huntsman, and such conversion has occurred, any outstanding shares of 5% Mandatory Convertible Preferred Stock of Huntsman at the effective time of the merger will remain outstanding and after the merger, each share will, instead of being convertible into our common stock, become convertible into the merger consideration on terms set forth in the certificate of designations of such preferred stock.

Q: Who can help answer my questions?

A: If you would like additional copies, without charge, of this proxy statement or if you have questions about the merger, including the procedures for voting your shares, you should contact D. F. King & Co., Inc., our proxy solicitation agent, at the address or telephone number below. If your broker or bank holds your shares, you should also call your broker or bank for additional information.

D. F. King & Co., Inc.
48 Wall Street, 22nd Floor
New York, New York 10005
1-800-578-5378 (toll free)
1-212-269-5550 (call collect)

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SUMMARY

This summary highlights selected information from this proxy statement and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the merger agreement and transactions contemplated by the merger agreement, you should read carefully this entire proxy statement and the documents we refer to herein. The merger agreement is attached as Appendix A to this proxy statement. We encourage you to read the merger agreement in its entirety as it is the legal document that governs the merger.

The Parties (see page 14)

Huntsman Corporation

Huntsman Corporation is among the world's largest global manufacturers of differentiated chemical products and also manufactures inorganic and commodity chemical products. Our products comprise a broad range of chemicals and formulations, which we market in more than 100 countries to a diversified group of consumer and industrial customers. Our products are used in a wide range of applications, including those in the adhesives, aerospace, automotive, construction products, durable and non-durable consumer products, electronics, medical, packaging, paints and coatings, power generation, refining, synthetic fiber, textile chemicals and dye industries. As of August 6, 2007, our facilities were located in 24 countries, and we employed approximately 13,000 associates worldwide. We had 2006 revenues of over \$10.6 billion.

Hexion Specialty Chemicals, Inc.

Hexion, an entity owned by an affiliate of Apollo Management, L.P., is the global leader in thermoset resins. Hexion serves the global wood and industrial markets through a broad range of thermoset technologies, specialty products and technical support for customers in a diverse range of applications and industries. Hexion had 2006 sales of approximately \$5.2 billion and as of December 31, 2006 employed approximately 6,900 associates.

Nimbus Merger Sub Inc.

Merger Sub was formed on June 12, 2007 for the sole purpose of merging with and into Huntsman. Merger Sub has no operations and is a wholly-owned subsidiary of Hexion.

The Merger (see page 19)

Hexion and Huntsman have agreed to combine their businesses pursuant to the merger agreement described in this proxy statement. Under the terms of the merger agreement, Merger Sub will be merged with and into Huntsman, with Huntsman continuing its existence as the surviving corporation and a wholly-owned subsidiary of Hexion after the merger. The merger agreement is attached to this proxy statement as Appendix A and is incorporated herein by reference. We encourage you to read the merger agreement in its entirety because it is the legal document that governs the merger.

Merger Consideration (see page 65)

If the merger is completed, for each share of Huntsman common stock you own, you will receive (a) \$28.00 in cash plus (b) if the merger is not consummated by April 5, 2008 (the "Adjustment Date"), for each day after the Adjustment Date, through and including the closing date of the merger, an amount in cash equal to the excess, if any, of \$0.006137 per day (which amount represents an accrual of approximately 8% interest per annum from the Adjustment Date) less any dividends or distributions declared, made or paid from and after the Adjustment Date through and including the closing date of the merger (rounding to the nearest cent), without interest, less any applicable tax withholding. We refer to such amount in this proxy statement as the "merger consideration."

After the merger is completed, you will have the right to receive the merger consideration (unless you elect to exercise appraisal rights as described below) but you will no longer have any rights as a

Huntsman stockholder. You will receive the merger consideration with respect to your shares of common stock after exchanging your Huntsman common stock certificates in accordance with the instructions contained in a letter of transmittal to be sent to you shortly after completion of the merger. Do not send your stock certificates with your proxy. You should retain them until the effective time of the merger after which you will receive a transmittal letter and instructions where to send your certificates.

Treatment of Stock Option, Restricted Stock and Other Stock-based Awards (see page 66)

We are permitted and intend to take such actions as are necessary to cause all options to purchase shares of Huntsman common stock under any benefit plan, program or arrangement that are outstanding and unexercised at the effective time of the merger, whether or not vested or exercisable, as of the effective time of the merger, to be cancelled and converted into the right to receive, upon delivery of an option surrender agreement, an amount in cash, without interest, equal to the product of the number of shares of our common stock subject to each option as of the effective time of the merger multiplied by the excess, if any, of the merger consideration over the exercise price per share of common stock under such option. In addition, pursuant to the merger agreement, the forfeiture restrictions applicable to any shares of restricted stock outstanding on July 12, 2007 (including restricted stock units and phantom stock) under any benefit plan or arrangement will lapse immediately prior to the effective time of the merger and, at the effective time of the merger, will be converted into the right to receive the merger consideration except for restrictions with respect to any awards granted after February 15, 2008, one half of which will lapse at the effective time of the merger and become fully vested and convert into the right to receive the merger consideration, and the remaining one half of which will convert into the right to receive the merger consideration six months following completion of the merger.

Market Price and Dividend Data (see page 88)

Our common stock is listed on the New York Stock Exchange under the symbol "HUN." On July 3, 2007, the last full trading day prior to the public announcement of the proposed offer by Hexion, our common stock closed at \$24.40 per share. Effective June 26, 2007, we entered into a merger agreement with Basell AF ("Basell") and BI Acquisition Holdings for the purchase of Huntsman at a price of \$25.25 per share of common stock. The merger agreement was subsequently terminated on July 12, 2007. On June 25, 2007, the last full trading day prior to the public announcement of the Basell transaction, our common stock closed at \$18.90 per share. On September 11, 2007, the last practicable trading day prior to the date of this proxy statement, our common stock closed at \$26.18.

Recommendation of the Transaction Committee and Board of Directors (see page 32)

Our board of directors has unanimously:

determined, based on the recommendation of a transaction committee comprised entirely of independent directors (the "Transaction Committee"), that the merger agreement and the merger are fair to and in the best interests of the holders of Huntsman common stock;

declared the merger agreement and the merger advisable;

approved the merger agreement and merger; and

recommended that holders of our common stock vote FOR the adoption of the merger agreement.

The Transaction Committee, acting with the advice and assistance of its independent legal and financial advisors, evaluated and assisted in the negotiation of the terms and conditions of the merger agreement with Hexion and Nimbus Merger Sub. The Transaction Committee unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable, fair to and in the best interests of our common stockholders and recommended to the board

of directors that (i) the board of directors approve and declare advisable the merger agreement and the transactions contemplated thereby, including the merger and (ii) the board of directors recommend the adoption by the holders of Huntsman common stock of the merger agreement.

Opinions of Financial Advisors (see pages 38 and 47)

Opinion of Merrill Lynch, Pierce, Fenner and Smith Incorporated

Merrill Lynch, Pierce, Fenner and Smith Incorporated, which is referred to herein as Merrill Lynch, delivered its written opinion to the transaction committee of the Huntsman board of directors and to the Huntsman board of directors that, as of July 12, 2007, and subject to the factors and assumptions set forth therein, the merger consideration to be received by the holders of Huntsman common stock, other than the entities and individuals that entered into voting agreements with Hexion and the HMP Equity Trust and their respective beneficiaries, controlling persons and affiliates, is fair from a financial point of view to such stockholders. **Merrill Lynch's opinion was provided for the information and assistance of the Huntsman board of directors in connection with its consideration of the merger and such opinion does not constitute a recommendation as to how any holder of Huntsman common stock should vote with respect to the merger.**

Pursuant to an engagement letter with Merrill Lynch, we agreed to pay Merrill Lynch a set transaction fee that is contingent upon consummation of the merger. **The full text of Merrill Lynch's written opinion, which sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered is attached as Appendix D and is incorporated into this proxy statement by reference. Holders of Huntsman common stock are encouraged to carefully read the opinion in its entirety.**

Opinion of Cowen and Company, LLC

Cowen and Company, LLC, which is referred to herein as Cowen, delivered its written opinion to the Transaction Committee that, as of July 12, 2007, and subject to the various assumptions, qualifications and limitations set forth therein, the merger consideration to be received by the holders of outstanding shares of Huntsman common stock, other than the entities and individuals that were entering into voting agreements with Hexion, the HMP Equity Trust and their respective beneficiaries, controlling persons and affiliates, is fair from a financial point of view to such stockholders. **Cowen's opinion was provided for the information and assistance of the Transaction Committee in connection with its consideration of the merger and such opinion does not constitute a recommendation as to how any holder of Huntsman common stock should vote with respect to the merger.**

Pursuant to an engagement letter with Cowen, as amended, we agreed to pay Cowen an opinion fee that is not contingent on the consummation of the transaction or based on the merger consideration. **The full text of Cowen's written opinion, which sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered is attached as Appendix E and is incorporated into this proxy statement by reference. Holders of Huntsman common stock are encouraged to carefully read the opinion in its entirety.**

The Special Meeting of Huntsman Common Stockholders (see page 15)

Time, Date and Place. A special meeting of our common stockholders will be held on Tuesday, October 16, 2007, at 10:00 a.m., local time at The Woodlands Waterway Marriott Hotel and Convention Center, 1601 Lake Robbins Drive, The Woodlands, Texas, which is referred to herein as the special meeting.

Purpose. You will be asked to consider and vote upon a proposal to adopt the merger agreement. The merger agreement provides that Merger Sub will be merged with and into Huntsman, and each outstanding share of our common stock (other than shares held by stockholders, if any, who properly exercise their appraisal rights under Delaware law) will be converted into the right to receive the merger consideration.

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The persons named in the accompanying proxy card will also have discretionary authority to vote upon other business, if any, that properly comes before the special meeting and any adjournment of the special meeting.

Stockholders Entitled to Vote. You are entitled to vote at the special meeting if you owned shares of our common stock at the close of business on September 4, 2007, the record date for the special meeting. You may cast one vote at the special meeting for each share of our common stock you owned at the close of business on the record date. On the record date, there were 222,017,164 shares of our common stock outstanding and entitled to be voted at the special meeting.

Required Vote. The adoption of the merger agreement requires the affirmative vote of a majority of the shares of our common stock outstanding at the close of business on the record date. Abstaining will have the same effect as a vote against the proposal to adopt the merger agreement but will be counted in determining whether a quorum is present at the special meeting.

How to Vote by Proxy. If you are a stockholder of record and choose to submit your proxy by mail, please complete each proxy card you receive, date and sign it, and return it in the prepaid envelope which accompanied that proxy card. If you are a stockholder of record, you can submit your proxy by telephone by calling the toll-free telephone number on your proxy card (1-866-821-6162) or through the Internet by accessing the website identified on your proxy card (www.proxypush.com/hun). You may vote by telephone or by Internet until 5 pm Eastern time on October 15, 2007. If you hold your shares indirectly through a broker, bank or other nominee, as a "street-name shareholder," you will receive instructions from your broker, bank or other nominee describing how to vote your shares.

MatlinPatterson and the Huntsman family and the Fidelity Charitable Gift Fund have entered into voting agreements with Hexion, pursuant to which they have agreed to vote the shares of our common stock that they own on the record date in favor of approval of the merger and the adoption and approval of the merger agreement, and against any competing proposal. Stockholders who are parties to the voting agreements beneficially owned 71,597,325 shares of common stock representing in the aggregate approximately 32.2% of our outstanding common stock entitled to vote at the special meeting on the record date. The obligations under the voting agreements terminate in certain circumstances including if the merger agreement is terminated in accordance with its terms.

Your vote is very important. You are encouraged to vote as soon as possible by returning the enclosed proxy card. If you do not indicate how your shares of Huntsman common stock should be voted, the shares represented by your properly completed proxy will be voted as the Huntsman board of directors recommends, which in the case of the proposal to adopt the merger agreement means FOR the proposal.

Share Ownership of Directors and Officers (see page 89)

On the record date for the special meeting, the directors and officers of Huntsman and their affiliates beneficially owned approximately 73,326,293 shares of Huntsman common stock, collectively representing approximately 33.0% of the shares of common stock outstanding and entitled to vote at the special meeting. Of these shares, approximately 69,868,705 (or 31.5% of the outstanding shares of Huntsman common stock) are subject to voting agreements requiring them to vote in favor of the adoption of the merger agreement. The directors and executive officers of Huntsman have each indicated that they expect to vote for the proposal to adopt the merger agreement.

Interests of Certain Persons in the Merger (see page 53)

When considering the unanimous recommendation by our board of directors in favor of the adoption of the merger agreement, you should be aware that members of our board of directors and

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our executive officers have interests in the merger that are different from, or in addition to, yours, including, among others:

certain indemnification arrangements and insurance policies for our directors and officers will be continued for six years by Hexion if the merger is completed;

certain directors and executive officers hold restricted stock awards and other stock-based awards which will be accelerated and will vest immediately prior to consummation of the merger;

all stock options outstanding at the effective time of the merger, whether or not vested and including those held by our executive officers and directors, will be cancelled and converted into the right to receive cash equal to the excess, if any, of the merger consideration over the exercise price per share under such stock option (less any applicable withholding taxes);

certain of our current executive officers may be offered continued employment with Hexion or the surviving corporation after the effective time of the merger and may enter into or be provided new employment, retention and compensation arrangements;

our executive officers as well as certain other employees will participate in transaction bonus and retention plans;

any of our executive officers whose employment is terminated under certain circumstances will receive change of control and severance benefits;

an affiliate of our chairman and our chief executive officer, Huntsman Family Holdings, will be allocated upon the occurrence of the merger 1,783,701 shares of our common stock that are currently held in HMP Equity Trust, in settlement of a dispute among the beneficiaries of HMP Equity Trust over the allocation of such shares; and

an affiliate of two of our directors as of the date of the merger agreement, MatlinPatterson, which is also a significant beneficial owner of our stock, was granted additional registration rights by us with respect to its shares of common stock, and we agreed to reimburse up to \$13 million of investment banking fees MatlinPatterson would have to pay UBS under its engagement terms entered into at the commencement of the sales process if Huntsman were to consummate the merger with Hexion instead of Basell.

Material United States Federal Income Tax Consequences (see page 61)

If you are a U.S. holder of our common stock, the merger will be a taxable transaction to you under U.S. federal income tax laws. For U.S. federal income tax purposes, your receipt of cash in exchange for your shares of our common stock generally will cause you to recognize a gain or loss measured by the difference, if any, between the cash you receive in the merger and your adjusted tax basis in your shares. Such gain or loss will be capital gain or loss if you held your shares as capital assets, and will be long term capital gain or loss if you have held your shares for more than one year as of the date of the merger. If you are a U.S. holder of compensatory stock options or unvested or unissued restricted stock awards (for which you did not make a timely election under section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code")) with respect to Huntsman common stock, in each case granted in connection with the performance of services to Huntsman, you will recognize ordinary income equal to the amount of the cash payment, if any, that you receive upon cancellation of such compensatory stock options or restricted stock awards. If you are a non-U.S. holder of our common stock, the merger generally will not be a taxable transaction to you under U.S. federal income tax laws unless you have certain connections to the United States. Please refer to the section entitled "The Merger Material United States Federal Income Tax Consequences of the Merger" for a more detailed explanation of the tax consequences of the merger. You should consult your own tax advisor for a full understanding of how the merger will affect your taxes.

Tax matters can be complicated, and the tax consequences of the merger to you will depend on the facts of your own situation. You should consult your own tax advisor to fully understand the tax consequences of the merger to you.

Regulatory Approvals (see page 63)

United States

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), the merger may not be completed until notifications have been given to the Antitrust Division of the United States Department of Justice and the Federal Trade Commission and the required waiting period has expired or been terminated. Huntsman and Hexion each made the required HSR Act filing and, under the HSR Act, the waiting period will expire on October 4, 2007, unless terminated early or extended.

European Commission

The merger also may not be completed until notification has been submitted to the European Commission in accordance with the European Community Merger Control Regulation (the "ECMR") and all required approvals by the European Commission have been obtained or deemed to be obtained under the ECMR.

Other Jurisdictions

Huntsman and Hexion each conducts operations in a number of foreign countries or jurisdictions where other regulatory approvals may be required or advisable in connection with the completion of the merger. As a condition to the completion of the merger all required approvals of the competent authority of Canada, South Korea, South Africa and Switzerland must be obtained or any applicable waiting period thereunder must be terminated or expired.

In connection with the merger we and Hexion have each agreed to:

cooperate fully with each other and furnish to the other necessary information and reasonable assistance in connection with its preparation of all antitrust filings;

keep each other reasonably informed of any communication received from, or given to, any antitrust authority, and of any communication received or given in connection with any proceeding by a private party, in each case regarding the merger and in a manner that protects attorney-client or attorney work product privilege; and

permit each other to review any filing or communication proposed to be made to any antitrust authority or in connection with any proceeding by a private party related to antitrust laws with any other person, in each case regarding the merger and in a manner that protects attorney-client or attorney work product privilege and to incorporate the other party's reasonable comments in any such communication.

In the merger agreement we and Hexion have also agreed to use our reasonable best efforts to ensure the prompt expiration of any applicable waiting period under any antitrust laws and approval by any relevant antitrust authority; and to respond to and comply with any request for information regarding the merger or filings under any antitrust laws from any antitrust authority.

Hexion has agreed to take any and all action necessary (i) to ensure that no governmental entity enters any order, decision, judgment, decree, ruling, injunction, or establishes any law, rule, regulation or other action preliminarily or permanently restraining, enjoining or prohibiting the consummation of the merger, and (ii) to ensure that no antitrust authority with the authority to clear, authorize or

otherwise approve the consummation of the merger, fails to do so by the termination date of the merger agreement. Such required action may include but is not limited to:

selling or otherwise disposing of, or holding separate and agreeing to sell or otherwise dispose of, assets, categories of assets or businesses of Huntsman or Hexion or their respective subsidiaries;

terminating existing relationships, contractual rights or obligations of Huntsman or Hexion or their respective subsidiaries;

terminating any venture or other arrangement;

creating any relationship, contractual rights or obligations of Huntsman or Hexion or their respective subsidiaries;

effectuating any other change or restructuring of Huntsman or Hexion or their respective subsidiaries; or

in the case of each of the above, Hexion has also agreed to enter into agreements or stipulate to the entry of an order or decree or file appropriate applications with any antitrust authority and in the case of actions by or with respect to Huntsman or its subsidiaries or its businesses or assets, to consent to such action by Huntsman. Any such action with respect to Huntsman, its subsidiaries, businesses or assets may, at the discretion of Huntsman, be conditioned upon consummation of the merger. We have agreed to use our reasonable best efforts to assist Hexion in resisting and reducing any of the foregoing actions.

Hexion is entitled to direct any proceedings or negotiations with any antitrust authority relating to the merger or filings under any antitrust laws, however it must allow Huntsman a reasonable opportunity to participate in such proceedings or negotiations. Neither party is permitted to initiate, or participate in any meeting or discussion with any governmental entity with respect to any filings, applications, investigation, or other inquiry regarding the merger or filings under any antitrust laws without giving the other party reasonable prior notice of the meeting or discussion and, to the extent permitted by the relevant governmental entity, the opportunity to attend and participate (which, at the request of either party, will be limited to outside antitrust counsel only).

Procedure for Receiving Merger Consideration (see page 67)

Immediately prior to the effective time of the merger, a paying agent will mail a letter of transmittal and instructions to you. The letter of transmittal and instructions will tell you how to surrender your common stock certificates or book-entry shares in exchange for the merger consideration. **Please do not return your stock certificates with the enclosed proxy card, and you should not forward your stock certificates to the paying agent without a letter of transmittal.**

No Solicitation of Transactions; Limitations on Changes in Recommendation (see page 75)

Immediately upon signing of the merger agreement, we were required to cease any discussions, negotiations or other activities with respect to any actual or potential competing proposals. In addition, under the merger agreement we are not permitted to, among other things, (i) initiate, solicit or knowingly encourage or facilitate any inquiries, proposals or offers that constitute, or could reasonably be expected to lead to, a competing proposal, (ii) enter into, participate or engage in discussions or negotiations with third parties regarding any inquiries, proposals or offers that constitute, or could reasonably be expected to lead to, a competing proposal, or (iii) furnish or provide any non-public information, or access, to any third parties with respect to any inquiries, proposals or offers that constitute, or could reasonably be expected to lead to, a competing proposal. Notwithstanding these restrictions, prior to the adoption of the merger agreement by holders of our common stock, our board

of directors or the transaction committee thereof may respond to an unsolicited written bona fide proposal for a competing proposal if our board of directors or the transaction committee thereof has concluded in good faith (a) after consultation with its financial advisors and outside legal counsel, that such competing proposal is, or could reasonably be expected to lead to, a superior proposal and (b) after consultation with its outside counsel, that the failure to take such action would be inconsistent with its fiduciary duties under applicable law. In addition, our board of directors or the transaction committee thereof may withdraw or change its recommendation of the merger, terminate the merger agreement, and, if applicable, enter into an agreement with respect to such superior proposal if prior to taking such action:

in response to a competing proposal it determines in good faith after consultation with its financial advisors and outside legal counsel that such competing proposal is a superior proposal; provides notice and a copy of such proposal to Hexion and either Hexion does not propose revisions to the terms and conditions of the merger agreement by the third business day after such notice or if in the good faith determination of our board of directors or the transaction committee thereof, after consultation with its financial and legal advisors, that despite any changes proposed by Hexion the competing proposal remains a superior proposal; determines in good faith after consultation with its outside counsel that the failure to take such action would be inconsistent with its fiduciary duties under applicable law, and if it proposes to terminate the merger agreement concurrently pays to Hexion the termination fee and Reimbursement Amount (as defined below); and

other than in connection with a competing proposal, it determines in good faith after consultation with its outside legal counsel that the failure to take such action would be inconsistent with its fiduciary duties under applicable law, provides 48 hours advance notice to Hexion that the Company intends to take such action, and if it proposes to terminate the merger agreement concurrently pays to Hexion the termination fee and Reimbursement Amount (as defined below).

Conditions to Completion of the Merger (see page 81)

Before we can complete the merger, a number of conditions must be satisfied or waived. These include:

adoption of the merger agreement by our common stockholders;

the waiting period applicable to the consummation of the merger under the HSR Act, having expired or been terminated;

all required approvals by the European Commission applicable to the merger under applicable competition laws, including the ECMR, having been obtained or deemed to be obtained;

the receipt of certain other authorizations, consents, approvals or expiration of waiting periods of governmental entities in certain additional jurisdictions that are required to be obtained prior to consummation of the merger;

the absence of any governmental orders, rules, injunctions or laws that have the effect of making the merger illegal or that otherwise restrain or prohibit the consummation of the merger;

performance by each of the parties of its covenants under the merger agreement in all material respects (subject to certain specified exceptions with respect to antitrust and competition approvals);

no material adverse effect with respect to Huntsman having occurred after the date of the merger agreement;

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the accuracy of Huntsman's representations and warranties in the merger agreement, except (subject to certain specified exceptions) to the extent the failure of such representations and warranties to be true and correct (without regard to qualifications or exemptions therein as to materiality or material adverse effect on Huntsman) would not be reasonably likely to have, individually or in the aggregate, a material adverse effect with respect to Huntsman;

the accuracy of Hexion's and Merger Sub's representations and warranties in the merger agreement, except (subject to certain specified exceptions) to the extent the failure of such representations and warranties to be true and correct (without regard to qualifications or exemptions therein as to materiality or material adverse effect on Hexion) would be reasonably likely, individually or in the aggregate, prevent or materially delay or impair the ability of Hexion or Merger Sub to consummate the merger or its related financing; and

the delivery of a solvency letter by Hexion to Huntsman and to the board of directors.

We can give no assurance when or if all of the conditions to the merger will be either satisfied or, to the extent possible, waived or that the merger will be consummated.

Termination of the Merger Agreement (see page 82)

We and Hexion may agree in writing to terminate the merger agreement and abandon the merger at any time prior to completing the merger, even after our common stockholders have adopted the merger agreement. The merger agreement may also be terminated at any time prior to the effective time of the merger in certain other circumstances, including:

by either Hexion or us if:

a final, non-appealable governmental order, ruling, injunction or law prohibits the merger;

holders of our common stock do not adopt the merger agreement at the special meeting or any postponement or adjournment thereof;

the merger has not been consummated on or before April 5, 2008 (or the date up to 180 days (or more in the event that the marketing period for Hexion's financing begins, but does not end by, such 180 day extension) later to which the termination date is extended pursuant to the merger agreement, which is referred to herein as the termination date); or

there is a breach by the non-terminating party of its representations, warranties, covenants or agreements in the merger agreement such that the conditions to closing of the merger relating to representations, warranties and performance of obligations would not be satisfied that has not or cannot be cured within 30 days of written notice thereof;

by Hexion, within 15 business days, if:

our board of directors or the transaction committee thereof withdraws, modifies or changes its recommendation of the merger in any manner that is adverse to Hexion;

a tender or exchange offer that would constitute a competing proposal is commenced and our board of directors or a committee thereof fails to recommend against acceptance of such tender or exchange offer within 10 business days after the commencement thereof; or

our board of directors or the transaction committee thereof approves or recommends any competing proposal or approves any agreement relating to any competing proposal (other than permitted confidentiality agreements);

by Huntsman if:

our board of directors or the transaction committee thereof has withdrawn, amended or modified its recommendation, and recommended against adoption of the merger agreement and the merger in accordance with the terms of the merger agreement or our board of directors or the transaction committee thereof changes its recommendation (provided Huntsman has not materially breached the restrictions regarding the solicitation of competing proposals) and in either case we concurrently pay the termination fee and Reimbursement Amount in accordance with the merger agreement; or

all the conditions to Hexion's obligation to complete the merger have been satisfied or waived (except such conditions that, by their nature, can only be satisfied at closing) and the merger is not consummated on or prior to the termination date, other than as a result of our refusal to close in violation of the merger agreement.

Fees and Expenses; Remedies (see page 84)

Under the merger agreement we have agreed to pay Hexion a fee of \$225 million plus the Reimbursement Amount by wire transfer of immediately available funds if we or Hexion terminate the merger agreement in circumstances where our board of directors or the transaction committee thereof has withdrawn, modified or changed, in any manner that is adverse to Hexion, its approval or recommendation that holders of our common stock approve and adopt the merger agreement and the merger; has failed to recommend against acceptance of a tender or exchange offer that would constitute a competing proposal within 10 business days; or has approved or recommended any competing proposal or approves any agreement relating to any competing proposal (other than a permitted confidentiality agreement).

We have also agreed in the merger agreement that if either we or Hexion terminate the merger agreement after our common stockholders fail to adopt the merger agreement at a duly called meeting, and within 12 months after the date of the stockholders' meeting, we enter into a definitive agreement with respect to or consummate a competing proposal, then at the closing or other consummation of such competing proposal, we will pay Hexion:

the Reimbursement Amount if at the time of the meeting less than 50.1% of the total issued and outstanding voting power of our common stock is contractually committed (whether pursuant to the voting agreements or another similar voting agreement with Hexion) to vote in favor of the adoption of the merger agreement; and

a fee of \$225 million plus the Reimbursement Amount if at the time of the meeting there existed a publicly announced bona fide competing proposal that has not been withdrawn at least five business days prior to the date of the meeting.

Hexion has agreed in the merger agreement to pay us a fee of \$325 million if:

(i) either we or Hexion terminate the merger agreement because a governmental agency has issued a final non-appealable order, decree, ruling or injunction or taken any other action permanently restraining, enjoining or otherwise prohibiting the consummation of the merger or any law or regulation is adopted that makes consummation of the merger illegal or otherwise prohibited and (ii) at the same time there exists an order, decision, judgment, decree, ruling, injunction (preliminary or permanent), or any law, rule, regulation or other action is established, preliminarily or permanently restraining, enjoining or prohibiting the consummation of the merger (each event in clause (ii) being an "Antitrust Prohibition");

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either we or Hexion terminate the merger agreement when the merger has not been consummated by the termination date and the condition to consummation related to the receipt of regulatory approvals has not been met or there exists an Antitrust Prohibition;

we terminate the merger agreement due to a breach by Hexion or Merger Sub of their covenants related to making filings and seeking and obtaining approval of regulatory authorities or their covenants related to Hexion's financing; or

we terminate the merger agreement when Hexion fails to consummate the merger when all of the conditions to its obligations to close have been satisfied or waived (except those conditions that, by their nature, can only be satisfied at closing) and the merger has not been consummated on or prior to the termination date.

We and Hexion have agreed that the non-terminating party will pay to the terminating party the Reimbursement Amount if the merger agreement is terminated by either party as a result of a willful or intentional breach by the other party of its representations, warranties, covenants or agreements in the merger agreement such that the conditions to closing of the merger relating to representations, warranties and performance of obligations of the non-breaching party would not be satisfied.

The merger agreement provides that except for remedies of specific performance and except in the case of fraud or a knowing and intentional breach of a covenant in the merger agreement, the payment of the fees and Reimbursement Amount by a party in accordance with the merger agreement will be the sole and exclusive remedy against the other party for failure to consummate the merger. In the event of a knowing and intentional breach of covenants under the merger agreement, the non-breaching party, in addition to the fees and Reimbursement Amount provided for in the merger agreement and to seeking specific performance of the covenants, may seek damages, which in our case can be based upon the amount that would have been paid to our stockholders in the merger and in Hexion's case, can be based upon loss of economic benefits of the transaction. Each of the parties is specifically authorized to seek a decree or order of specific performance to enforce performance of any covenant or obligation under the merger agreement or injunctive relief to restrain any breach or threatened breach, provided that in a case where Hexion is obligated to close the merger, we may not specifically enforce its obligations to consummate the merger but only its obligations to cause its financing to be funded.

The "Reimbursement Amount" is equal to \$100 million and represents the portion of the \$200 million termination fee paid to Basell AF pursuant to that certain agreement and plan of merger, dated as of June 26, 2007, among Basell AF, BI Acquisition Holdings Limited and Huntsman that was funded by each of Huntsman and Hexion.

Except as described above, each party to the merger agreement will pay its own expenses incident to entering into and carrying out the merger agreement.

Voting Agreements (see page 86)

Simultaneously with the execution and delivery of the merger agreement, MatlinPatterson, Jon M. Huntsman, the Jon and Karen Huntsman Foundation, a charitable foundation managed by the Huntsman family (referred to herein as the J&K Foundation) and the Fidelity Charitable Gift Fund entered into voting agreements with Hexion, pursuant to which they agreed to vote the shares of our common stock that they own or have the right to vote on the record date in favor of approval of the merger and the adoption and approval of the merger agreement, and against any competing proposal. In addition, Jon M. Huntsman, the J&K Foundation and the Fidelity Charitable Trust have agreed to vote against any action or agreement that would result in a breach of any representation, warranty, covenant or obligation of Huntsman in the merger agreement or impair the ability of Huntsman to consummate the merger or that would otherwise be inconsistent with, prevent, impede or delay the

consummation of the transactions related to the merger. Stockholders who are parties to the voting agreements beneficially owned an aggregate of 71,597,325 shares or approximately 32.2% of our outstanding common stock as of the record date. The voting agreement with Jon M. Huntsman, the J&K Foundation and the Fidelity Charitable Trust prohibits such parties from transferring any shares of our common stock prior to the consummation of the merger, except under limited circumstances. The voting agreement with MatlinPatterson allows for the stockholders party thereto to freely sell all but 19,870,000 shares of our common stock held indirectly by such stockholders through the HMP Equity Trust without requiring the purchaser of such shares to enter into a similar voting agreement. The remaining 19,870,000 shares may also be sold if we agree that certain criteria are satisfied or if the new owner grants all voting rights with respect to the purchased shares to HMP Equity Trust or to Jon M. Huntsman. On August 6, 2007, MatlinPatterson sold all but 19,870,000 of the shares it is currently entitled to sell pursuant to a shelf registration statement. The obligations under the voting agreements terminate in certain circumstances including in the event the merger agreement is terminated in accordance with its terms. See "The Merger Agreement and Voting Agreements The Voting Agreements."

Appraisal Rights (see page 57)

Subject to compliance with the procedures set forth in Section 262 of the General Corporation Law of the State of Delaware ("DGCL"), holders of our common stock will be entitled to appraisal rights in connection with the merger, whereby such stockholders may receive the "fair value" of their shares in cash, exclusive of any element of value arising from the expectation or accomplishment of the merger. Shares of our common stock held of record by a holder who does not vote in favor of the adoption of the merger agreement and who has delivered a written demand for appraisal of such shares in accordance with the requirements of Section 262 of the DGCL will not be converted into the right to receive the merger consideration, unless and until the dissenting holder fails to perfect or effectively withdraws his or her right to appraisal and payment under Delaware law. Failure to take any of the steps required under Section 262 of the DGCL on a timely basis may result in a loss of appraisal rights. These procedures are described in this proxy statement. The provisions of Delaware law that grant appraisal rights and govern such procedures are attached as Appendix F.

FORWARD-LOOKING INFORMATION

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

All forward-looking statements are based upon our current expectations and various assumptions. Our expectations, beliefs and projections are expressed in good faith and we believe there is a reasonable basis for them, but there can be no assurance that management's expectations, beliefs and projections will result or be achieved. All forward-looking statements apply only as of the date made. We undertake no obligation to publicly update or revise forward-looking statements which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events. We believe the following factors would cause actual results to differ materially from those discussed in the forward-looking statements:

the failure to satisfy the conditions to consummate the merger, including the receipt of the required approval of holders of our common stock;

the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement;

the failure of the merger to close for any other reason;

the outcome of legal proceedings that have been or may be instituted against us and others in connection with the merger agreement; and

the amount of the costs, fees, expenses and charges related to the merger.

For additional discussion of these and other factors, risks and uncertainties, see our reports and documents filed with the SEC (see "Where You Can Find More Information").

THE PARTIES TO THE MERGER

Huntsman Corporation

Huntsman Corporation is among the world's largest global manufacturers of differentiated chemical products and also manufactures inorganic and commodity chemical products. Our products comprise a broad range of chemicals and formulations, which we market in more than 100 countries to a diversified group of consumer and industrial customers. Our products are used in a wide range of applications, including those in the adhesives, aerospace, automotive, construction products, durable and non-durable consumer products, electronics, medical, packaging, paints and coatings, power generation, refining, synthetic fiber, textile chemicals and dye industries. As of August 6, 2007, our facilities were located in 24 countries, and we employed approximately 13,000 associates worldwide. We had 2006 revenues of over \$10.6 billion.

We are a corporation incorporated under the laws of the State of Delaware. Our executive offices are located at, and our mailing address is, 500 Huntsman Way, Salt Lake City, Utah 84108, and our telephone number at that address is (801) 584-5700.

Hexion Specialty Chemicals, Inc.

Hexion, an entity owned by an affiliate of Apollo Management, L.P., is a global leader in thermoset resins. Hexion serves the global wood and industrial markets through a broad range of thermoset technologies, specialty products and technical support for customers in a diverse range of applications and industries. Hexion had 2006 sales of approximately \$5.2 billion and as of December 31, 2006 employed approximately 6,900 associates.

Hexion is a New Jersey corporation. Hexion's executive offices are located at, and its mailing address is, 180 East Broad Street, Columbus, OH 43215, and its telephone number at that address is (614) 225-2223.

Nimbus Merger Sub Inc.

Merger Sub is a Delaware corporation formed on June 12, 2007 for the sole purpose of engaging in the merger and related transactions. Merger Sub has no operations and is a wholly-owned subsidiary of Hexion.

Merger Sub is a corporation incorporated under the laws of the State of Delaware. Merger Sub's executive offices are located at, and its mailing address is, 180 East Broad Street, Columbus, OH 43215, and its telephone number at that address is (614) 225-2223.

THE SPECIAL MEETING

We are furnishing this proxy statement to holders of our common stock as part of the solicitation of proxies by our board of directors for use at the special meeting.

Date, Time and Place

We will hold the special meeting at The Woodlands Waterway Marriott Hotel and Convention Center, 1601 Lake Robbins Drive, The Woodlands, Texas at 10:00 a.m., local time, on Tuesday, October 16, 2007 or any postponement or adjournment thereof.

Purpose of Special Meeting

At the special meeting, we will ask holders of our common stock to consider and vote upon the merger agreement. Our board of directors, based on the recommendation of a transaction committee comprised entirely of independent directors, has unanimously determined that the merger agreement and the merger are fair to and in the best interests of our common stockholders and declared the merger agreement advisable. Our board of directors unanimously recommends that our common stockholders vote FOR the adoption of the merger agreement.

Record Date; Shares Entitled to Vote

Only holders of record of our common stock at the close of business on September 4, 2007, the record date, are entitled to notice of and to vote at the special meeting. On the record date, 222,017,164 shares of our common stock were issued and outstanding. We had 159 holders of record as of September 4, 2007.

Votes Required for Approval; Quorum

The adoption of the merger agreement requires the affirmative vote of the holders representing a majority of the shares of our common stock outstanding on the record date. Therefore, if a holder of our common stock abstains from voting on this proposal or is not present, either in person or represented by proxy, at the special meeting, it will effectively count as a vote against the adoption of the merger agreement. In addition, broker non-votes will effectively count as a vote against the adoption of the merger agreement.

A quorum will be present at the special meeting if a majority of the shares of our common stock issued and outstanding and entitled to vote on the record date are present, either in person or represented by proxy. Any shares of our common stock held in treasury by Huntsman or by any of our subsidiaries are not considered to be outstanding for purposes of determining a quorum. Abstentions and broker non-votes are counted as present for the purpose of determining whether a quorum is present. Once a share is represented at the special meeting, it will be counted for the purpose of determining a quorum at the special meeting and any adjournment of the special meeting. However, if a new record date is set for the adjourned special meeting, then a new quorum will have to be established. In the event that a quorum is not present at the special meeting, it is expected that the meeting will be adjourned to solicit additional proxies. Holders of record of our common stock on the record date are entitled to one vote per share at the special meeting on the proposal to adopt the merger agreement.

Voting by Certain of Huntsman's Stockholders

Simultaneously with the execution and delivery of the merger agreement, MatlinPatterson and the Huntsman family as well as the J&K Foundation and the Fidelity Charitable Gift Fund entered into voting agreements with Hexion, pursuant to which they have agreed to vote the shares of our common

stock that they own on the record date in favor of approval of the merger and the adoption and approval of the merger agreement, and against any competing proposal. In addition, the entities controlled by the Huntsman family and Fidelity Charitable Trust have agreed to vote against any action or agreement that would result in a breach of any representation, warranty, covenant or obligation of Huntsman in the merger agreement or impair the ability of Huntsman to consummate the merger or that would otherwise be inconsistent with, prevent, impede or delay the consummation of the transactions related to the merger. Stockholders who are parties to the voting agreements beneficially owned an aggregate of 71,597,325 shares of common stock as of the record date representing approximately 32.2% of our outstanding common stock entitled to vote at the special meeting. The voting agreement with entities controlled by the Huntsman family and the Fidelity Charitable Trust prohibits such parties from transferring any shares of our common stock prior to the consummation of the merger, except under limited circumstances. The voting agreement with MatlinPatterson allows for the stockholders party thereto to freely sell all but 19,870,000 shares of our common stock beneficially owned by such stockholders without requiring the purchaser of such shares to enter in to a similar voting agreement. The remaining 19,870,000 shares may also be sold if we agree that certain criteria are satisfied or if the new owner grants all voting rights with respect to the purchased shares to HMP Equity Trust or to Jon M. Huntsman. On August 6, 2007, MatlinPatterson sold all but 19,870,000 of the shares it is currently entitled to sell pursuant to a shelf registration statement. See "The Merger Agreement and Voting Agreements The Voting Agreements." The obligations under the voting agreements terminate in the event the merger agreement is terminated.

Voting of Proxies

All shares represented at the annual meeting by proxies voted by telephone, the Internet or by properly executed proxy cards will be voted in accordance with the instructions indicated on that proxy. Properly executed proxies that do not contain voting instructions will be voted FOR the adoption of the merger agreement.

Only shares affirmatively voted for the adoption of the merger agreement, including properly executed proxies that do not contain voting instructions, will be counted as favorable votes for that proposal. If a holder of our common stock abstains from voting or does not properly execute a proxy, it will effectively count as a vote against the adoption of the merger agreement. Brokers who hold shares of our common stock in street name for customers who are the beneficial owners of such shares may not give a proxy to vote those customers' shares in the absence of specific instructions from those customers. These broker non-votes will effectively count as votes against the adoption of the merger agreement.

The persons named as proxies by a common stockholder may propose and vote for one or more adjournments of the special meeting, including adjournments to permit further solicitations of proxies.

We do not expect that any matter will be brought before the special meeting other than the proposals to adopt the merger agreement. If, however, our board of directors properly presents other matters, the persons named as proxies will vote in accordance with their judgment as to matters that they believe to be in the best interests of the stockholders.

You should not send any stock certificates with your proxy. A letter of transmittal with instructions for the surrender of common stock certificates will be mailed to you as soon as practicable after completion of the merger.

Revocability of Proxies

A holder of record of our common stock may revoke a proxy at any time prior to its exercise by:

entering a new vote by telephone or through the Internet;

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filing with our secretary at our principal executive offices a duly executed revocation of proxy;

submitting a duly executed proxy to our secretary bearing a later date; or

appearing at the special meeting and voting in person; however, attendance at the special meeting will not in and of itself constitute revocation of a proxy.

If you have instructed your broker to vote your shares, you must follow directions received from your broker to change those instructions.

Shares Held in "Street Name"

If your shares of Huntsman common stock are held in an account at a bank, broker or other nominee and you wish to vote, you must return your voting instructions to the bank, broker or other nominee.

If you own shares of Huntsman common stock through a bank, broker or other nominee and attend the Huntsman special meeting, you should bring a letter from your bank, broker or other nominee identifying you as the beneficial owner of such shares of Huntsman common stock and authorizing you to vote.

Your broker will NOT vote your shares of Huntsman common stock held in "street name" unless you instruct your broker how to vote. Such failure to vote will have the same effect as a vote AGAINST adoption of the merger agreement. You should therefore provide your bank, broker or other nominee with instructions as to how to vote your shares of Huntsman common stock.

Submitting Proxies via the Internet or by Telephone

Our stockholders of record as of the record date and many of our stockholders who hold their shares through a broker, bank or other nominee will have the option to submit their proxies or voting instructions via the Internet or by telephone. Please note however that voting by telephone is not available to stockholders of record outside of the United States, Puerto Rico and Canada. There are separate arrangements for using the Internet and telephone to submit your proxy depending on whether you are a stockholder of record or your shares are held in street name by your broker, bank or other nominee. If your shares are held in street name, you should check the voting instruction card provided by your broker, bank or other nominee to see which options are available and the procedures to be followed.

In addition to submitting the enclosed proxy card by mail, shareholders of record may submit their proxies:

via the Internet by visiting a website established for that purpose at www.proxypush.com/hun and following the instructions on the website; or

by telephone by calling the toll-free number 1-866-821-6162 in the United States, Puerto Rico or Canada on a touch-tone phone and following the recorded instructions.

You may vote by telephone or by Internet until 5 pm Eastern time on October 15, 2007.

Adjournments

Although it is not currently expected, the special meeting may be adjourned for the purpose of soliciting additional proxies in favor of adoption of the merger agreement. Any adjournment may be made without notice by announcement at the special meeting of the new date, time and place of the special meeting; provided that, if the adjournment is for more than 30 days, or if after the adjournment our board of directors fixes a new record date for the meeting, a notice of the adjourned meeting must be given to each common stockholder entitled to vote at the meeting. Whether or not a quorum exists,

holders of a majority of the shares of our common stock present, either in person or represented by proxy, at the special meeting and entitled to vote thereat may adjourn the special meeting. Any properly executed proxy received by Huntsman that is voted for the merger proposal or that has no voting instructions will be voted in favor of an adjournment in these circumstances. However, no proxy that is voted against the proposal to adopt the merger agreement will be voted in favor of adjournment of the special meeting for purposes of soliciting additional proxies. Any adjournment of the special meeting for the purpose of soliciting additional proxies will allow our stockholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting as adjourned.

Solicitation of Proxies

All costs of solicitation of proxies will be borne by us. The directors and officers and employees of Huntsman may, without additional compensation, solicit proxies for common stockholders by mail, telephone, facsimile or in person. However, you should be aware that certain members of our board of directors and our executive officers have interests in the merger that are different from, or in addition to, yours. See "The Merger Interests of Certain Persons in the Merger."

You should send in your proxy by mail without delay. We will also reimburse brokers and other custodians, nominees and fiduciaries for their expenses in sending these materials to you and getting your voting instructions. We have retained D.F. King & Co., Inc. to assist us in the solicitation of proxies for the special meeting and will pay D.F. King & Co., Inc. a fee of approximately \$10,000, plus reimbursement of out-of-pocket expenses.

THE MERGER

The following discussion summarizes the material terms of the proposed merger. While we believe that the description covers the material terms of the merger and the related transactions, this summary may not contain all of the information that is important to you. You should read this entire proxy statement and the merger agreement attached hereto as Appendix A carefully for a more complete understanding of the merger.

Background of the Merger

At various times since Huntsman's initial public offering in February 2005, Huntsman's principal stockholders, board of directors and management have considered, formally and informally, a sale or combination of Huntsman and on several occasions held discussions with certain third parties regarding such a transaction. In early November 2005, Apollo Management, L.P., which is referred to as Apollo, approached Huntsman and made a preliminary acquisition proposal. In response to Apollo's proposal, Huntsman hired Merrill Lynch, Pierce, Fenner and Smith Incorporated, which is referred to as Merrill Lynch, to review and analyze value enhancement alternatives. In order to better assess the value potential of a sale of Huntsman as proposed by Apollo, Merrill Lynch was authorized by the Company to approach other parties to ascertain their potential interest in such a transaction, and, on a preliminary and non-binding basis, the value and structure which they would consider. Three parties, in addition to Apollo, were deemed to be the parties most likely to pay the highest value for Huntsman due to past expressions of interest or potential synergies arising from a combination, and it was not considered prudent to contact additional parties due to heightened risk of a leak and the negative consequences that could result from a leak. Two of these three parties, Access Industries, which is referred to as Access, and its affiliate Basell AF, which is referred to as Basell, and Company A, a publicly traded chemical company, submitted preliminary acquisition proposals.

After reviewing the preliminary acquisition proposals as well as other value enhancement alternatives at a meeting of the Huntsman board of directors on December 1, 2005, Huntsman management and Merrill Lynch were authorized by the Huntsman board of directors to pursue firm offers and to continue to analyze other value enhancement alternatives.

Merrill Lynch contacted Apollo, Access and Company A, inviting each to perform due diligence with a view towards submitting a firm offer in early January. Another party, Company B, a prominent private equity firm, expressed an interest in pursuing an acquisition of Huntsman, but, after further analysis, indicated an inability to reach a competitive valuation.

In late December 2005, Merrill Lynch sent instructions for firm bids and a bid form merger agreement prepared by Huntsman's regular outside counsel, Vinson & Elkins L.L.P., which is referred to as Vinson & Elkins, to three bidders: (i) Hexion Specialty Chemicals, Inc., an Apollo portfolio company, which is referred to as Hexion, (ii) Access and Basell, and (iii) Company A.

The proposals of Hexion and Company A were sufficient in the judgment of the board of directors to merit further discussions, which progressed through January 2006. In late January 2006 Company A indicated that it would not increase the merger consideration contained in its proposal. On January 31, 2006, Huntsman publicly announced that it had received an indication of interest in, and that it was engaged in discussions regarding, a sale of the company. Thereafter, Huntsman continued discussions only with Apollo and Hexion, who had proposed an acquisition of Huntsman at a price of \$25.00 cash per share. In early February 2006, Apollo and Hexion informed Huntsman that their proposal of \$25.00 cash per share would need to be reduced in light of certain recent developments, and the parties failed to resolve certain critical terms of the proposed merger agreement. Therefore, Huntsman terminated all discussions regarding the proposal and announced that all discussions regarding a possible transaction with a third party had been terminated and that it would pursue other actions to enhance shareholder value.

Following the termination of the sale discussions in February 2006, Huntsman pursued its strategy of divesting its base chemicals and polymers businesses. In late 2006, Huntsman sold its European base chemicals and polymers businesses. In early 2007, Huntsman entered into a definitive agreement to sell its North American polymers and base chemicals businesses. The sale of our North American polymers business closed on August 1, 2007. Throughout this period, members of Huntsman management and Jon M. Huntsman, our Chairman, remained in contact with a number of the parties involved in the 2006 sales discussions, including representatives of Apollo and Access, and periodically discussed the possibility of a sale of Huntsman.

Jon M. Huntsman and Peter R. Huntsman, our chief executive officer, and other members of senior management and the board of directors also met from time to time with parties who had not participated in the 2006 sales discussions regarding their possible interest in acquiring Huntsman. This included in-person meetings in April 2006 with representatives of Company C, a significant Asian industrial company, in-person meetings in September 2006 with Company D, a major investment company, and in-person meetings in October 2006 with Company E, a significant Chinese industrial company.

In February of 2007, at an investor day conference of the Company held in New York City, Jon Huntsman commented publicly that Huntsman was open to considering opportunities to sell the company.

On or about March 30, 2007, MatlinPatterson Global Advisers LLC, an affiliate of two of our directors at that time, David Matlin and Chris Pechock, and MatlinPatterson, one of Huntsman's largest stockholders at the time, engaged UBS Securities LLC, which is referred to as UBS, as its financial advisor in connection with MatlinPatterson's investment in Huntsman including possible monetization options for MatlinPatterson's interest in Huntsman. On May 15, 2007, Jon Huntsman received a copy of a letter from Company B to UBS proposing an acquisition of Huntsman at a price of \$24.00 per share of common stock, subject to further due diligence and obtaining committed financing, which he distributed to the board of directors on May 17, 2007. After discussions with several members of the board of directors in response to the letter proposal from Company B, Jon Huntsman and Peter Huntsman contacted various parties involved in the 2006 sale discussions, including Apollo and Access, in order to gauge the current interest of such parties in a potential acquisition of Huntsman.

On May 18, 2007, Huntsman received a letter from Apollo on behalf of Hexion setting forth its preliminary proposal for Hexion to acquire Huntsman at a price of \$25.00 per share. The letter provided that if the merger did not close within nine months of signing due to the regulatory approval process, Hexion would have an additional six months to close during which time Hexion would compensate Huntsman's stockholders for their delay in the receipt of proceeds under a mechanism to be established between Hexion and the Huntsman board of directors.

On May 21, 2007, the Huntsman board of directors met telephonically and reviewed the proposals received from Apollo and Company B with input from Merrill Lynch. The board of directors resolved to reestablish sale discussions and authorized management to discretely gauge the interest of additional parties who might be interested in the acquisition of Huntsman. The board of directors also established a transaction committee comprised solely of independent directors, which is referred to as the Transaction Committee, to oversee such process. Further, the Transaction Committee was authorized to engage its own legal counsel and financial advisor. The board of directors determined that establishing a committee consisting of independent directors was in the best interest of Huntsman and its stockholders to ensure a deliberative process that would be fair to the stockholders and to avoid any appearance of conflict of interest. The Transaction Committee consisted of Nolan D. Archibald, Marsha J. Evans, H. William Lichtenberger, Richard Michaelson, Wayne E. Reaud and Alvin V. Shoemaker, who served as Chairman of the Transaction Committee.

Subsequently, in a brief telephonic meeting, the Transaction Committee determined to hire Merrill Lynch as financial advisor to the Transaction Committee and Law Firm A as outside legal counsel to the Transaction Committee. Due to a conflict of interest, Law Firm A was not ultimately engaged as counsel to the Transaction Committee. Instead, the Transaction Committee engaged Shearman & Sterling LLP, which is referred to as Shearman & Sterling, as its legal advisor. The Transaction Committee authorized Merrill Lynch to contact potential strategic and financial buyers to gauge their interest in acquiring Huntsman. The Transaction Committee also authorized management presentations to the potential buyers identified by Merrill Lynch with the participation of Merrill Lynch. Shortly after the meeting a representative of the Transaction Committee discussed with senior management the importance of providing all potential bidders with the same information and that they were to limit discussions with any potential bidder to issues related to the operations of the business and matters related to stockholder value. The members of senior management were expressly instructed by the Transaction Committee not to engage in discussions concerning their continuing employment after completion of a potential transaction or any other issue that might cause senior management to prefer one bidder over another for any other reason not related to the best interests of the stockholders.

Shortly after its engagement, Merrill Lynch developed specific recommendations as to process that it discussed and refined with Mr. Shoemaker and contacted UBS to identify the parties that UBS had contacted regarding possible monetization options for MatlinPatterson's interest in Huntsman.

During the following two weeks, at the request of the Transaction Committee, Merrill Lynch contacted ten potential strategic or financial buyers regarding a potential sale of Huntsman, including Company A, Company B, Company C, Company E, Apollo and Access.

On May 30, 2007, a telephonic meeting of the Transaction Committee was held. At the meeting, representatives of Merrill Lynch provided the Transaction Committee with an overview of the sale process being undertaken and outlined the process for seeking proposals from potential bidders.

On June 1, 2007, Apollo and Basell each entered into a confidentiality agreement with Huntsman, and began to conduct their due diligence thereafter.

On June 4, 2007, Mr. Shoemaker met with representatives of Shearman & Sterling at their New York City office to discuss the status of the process and the roles the Transaction Committee, Shearman & Sterling and Merrill Lynch would undertake in the sale process.

On June 5, 2007, Company B entered into a confidentiality agreement with Huntsman, and Company B began to conduct its due diligence thereafter. Seven other third parties previously contacted by Merrill Lynch, including Company A, Company C and Company E, declined to participate in the process.

From June 5, 2007 through June 8, 2007, Jon Huntsman and members of Huntsman's senior management, including Peter Huntsman, Kimo Esplin, Samuel Scruggs and John Heskett, along with representatives of Merrill Lynch, Vinson & Elkins and Shearman & Sterling, met separately with members of management of Apollo and Hexion, Access and Basell, and Company B, as well as their respective financial and legal advisors, in The Woodlands, Texas to provide management presentations and other diligence presentations regarding Huntsman's operating units, including its financial results. Merrill Lynch advised each potential bidder that it would receive a draft merger agreement later in the week, would be granted access to an electronic data room created to assist in their understanding and investigation of Huntsman and would be expected to respond with firm offers, including their proposed changes to the draft merger agreement, no later than June 28, 2007. During the course of the week, Jon Huntsman and members of senior management of Huntsman as well as representatives of Merrill Lynch also met for dinner separately with members of management of Apollo and Hexion, Access and Basell and Company B and discussed a number of items, including potential areas of overlap and possible synergies without quantification and structures of a transaction and next steps to be taken in

the process. During this week Vinson & Elkins, with the assistance of Shearman & Sterling and management of Huntsman, prepared a draft merger agreement to be provided to potential bidders. Each of the potential bidders was given access to the electronic data room on June 7, 2007.

On June 7, 2007, a telephonic meeting of the board of directors was held at which representatives of Vinson & Elkins discussed the key provisions of the draft merger agreement proposed to be provided to the potential bidders, including the initial terms relating to transaction, structure, representations and warranties, treatment of stock options and restricted stock, various covenants, agreements and commitments of the parties, the go-shop provision that would permit Huntsman and its representatives to solicit a superior transaction for a specified period of time after signing and which would be associated with a lower termination fee in the event that Huntsman were to terminate the merger agreement in order to enter into a go-shop transaction, the general prohibition on solicitation activities outside of the go-shop period, closing conditions, termination rights and related fees, as well as the likely request by bidders for a voting agreement with certain significant Huntsman stockholders, the potential need for a longer regulatory approval period in a Hexion transaction as compared to other bidders and the related fees (and other contractual terms) that Hexion was willing to offer to compensate Huntsman stockholders for this extended time period to close, which is referred to as a ticking fee. Representatives of Vinson & Elkins also outlined for the board of directors the preliminary issues expected with various bidders, including the potential need for a longer period of time to obtain regulatory approvals associated with a Hexion transaction as compared to the other bidders.

Also on June 7, 2007, a telephonic meeting of the Transaction Committee attended by Merrill Lynch and Shearman & Sterling was held immediately following the meeting of the board of directors, at which the Transaction Committee members discussed further the key provisions of the draft merger agreement. Representatives of Shearman & Sterling and Merrill Lynch discussed with the Transaction Committee several key provisions of the draft merger agreement, and the treatment of such issues in other recent transactions, including the initial terms relating to the break-up fee, the reverse break-up fee, the go-shop provision, the termination date and the ticking fee. Representatives of Shearman & Sterling also outlined for the Transaction Committee the preliminary issues expected with various bidders, including the potential competition law analysis associated with a Hexion transaction. After discussion, the Transaction Committee determined that the merger agreement would need to account for the potentially longer regulatory approval period required with a Hexion transaction as compared to the other bidders and authorized the distribution of the draft merger agreement to potential bidders.

On June 8, 2007, Huntsman, through Vinson & Elkins, delivered the draft merger agreement to Apollo, Basell and Company B. In addition, Merrill Lynch, on behalf of the Transaction Committee, delivered to Apollo a memorandum acknowledging that, as stated in its May 18, 2007 letter, the Hexion proposal would seek to extend the termination date set forth in the draft merger agreement and responding that Huntsman would find such extensions acceptable if the final 90-day extension period were subject to a veto right in favor of Huntsman, the Hexion financing commitment letters remained effective for the extension and a ticking fee of eight percent per annum would be added to the merger consideration beginning after the expiration of the initial term of the merger agreement. Merrill Lynch followed up its prior verbal instructions regarding the sale process with a letter to each of the potential bidders dated June 13, 2007.

On June 12, 2007, Apollo, on behalf of Hexion, delivered to Huntsman through Merrill Lynch a revised written proposal for Hexion to purchase Huntsman, reaffirming a price of \$25.00 per share of common stock, and including a revised merger agreement that retained a go-shop provision. The Hexion proposal was conditioned on agreements from the HMP Equity Trust and related stockholders, which collectively held at that time a majority of the voting stock, to vote in favor of the merger, and a non-competition agreement from Jon Huntsman.

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On June 15, 2007, Samuel Scruggs, Huntsman's Executive Vice President and General Counsel and representatives of Vinson & Elkins and Shearman & Sterling met in New York City with members of management of Apollo and Hexion, along with their legal advisors, Wachtell, Lipton, Rosen & Katz and O'Melveny and Myers LLP, which are referred to as Wachtell and O'Melveny, respectively, to discuss the terms of Hexion's proposal and negotiate the terms of a merger agreement.

On June 16, 2007, Hexion, through O'Melveny, delivered an initial draft of its financing commitments to Huntsman.

On June 18, 2007, a telephonic meeting of the board of directors was held at which members of senior management of Huntsman, along with representatives of Merrill Lynch, Vinson & Elkins and Shearman & Sterling discussed the terms of the Hexion proposal and answered questions posed by members of the board of directors. At the meeting, representatives of Vinson & Elkins reviewed in detail the proposal received from Hexion, including the structure, the proposed financing terms, Hexion's covenants with respect to obtaining the necessary regulatory approval, the go-shop provision, the non-solicitation provision, the definition of material adverse effect, the conditions to closing, the termination dates, break-up fees, and covenants. During the meeting, the board of directors called a recess to allow for the Transaction Committee along with Merrill Lynch and Shearman & Sterling to meet telephonically to discuss the terms of the Hexion proposal.

The Transaction Committee immediately convened a separate telephonic meeting. At the meeting, representatives of Shearman & Sterling reviewed with the Transaction Committee its fiduciary duties in connection with its consideration of a possible transaction. Representatives of Shearman & Sterling and Merrill Lynch provided the Transaction Committee with an update regarding the potential proposals from Basell and Company B and discussed the proposal received from Hexion and answered questions of the Transaction Committee. The Transaction Committee discussed issues raised in connection with the Hexion proposal, including the timing and certainty of closing and the risks in connection therewith, such as those related to competition laws. Also at the June 18, 2007 Transaction Committee meeting, representatives of Shearman & Sterling confirmed its independence and briefly discussed the independence review that had been conducted by Shearman & Sterling with respect to the Transaction Committee's financial advisor. The Transaction Committee determined that, while Merrill Lynch was independent, it would be advisable for it to retain an additional financial advisor to provide a second fairness opinion in connection with any transaction. After due consideration and discussion, the Transaction Committee unanimously resolved to engage Cowen and Company, LLC, which is referred to as Cowen, and which had been engaged for a similar purpose in the 2006 sale discussions, to provide a second fairness opinion if and when there is a need for one.

Following adjournment of the meeting of the Transaction Committee, the board of directors reconvened telephonically to discuss the views of the Transaction Committee regarding the Hexion proposal. At this meeting, the board of directors also discussed the need to engage with bidders other than Apollo and Hexion to avoid a situation in which Apollo and Hexion were, or perceived themselves to be, the only serious bidder in the process. The board of directors also discussed the particular concern that Basell did not appear to be working towards submitting a timely definitive proposal. The board of directors then authorized management, with the assistance of its financial and legal advisors, to continue negotiations with Apollo and Hexion and to engage with Access and Basell and Company B.

Also on June 18, 2007, Peter Huntsman and Kimo Esplin, at the request of and in consultation with Alvin Shoemaker, the Chairman of the Transaction Committee, met with representatives of the management of Access and Basell in The Netherlands.

From June 19, 2007 through June 25, 2007, Vinson & Elkins and Shearman & Sterling, on behalf of Huntsman and the Transaction Committee, respectively, continued to meet telephonically with Wachtell and O'Melveny to negotiate the merger agreement. Separate discussions were held among

MatlinPatterson, Whalen LLP, its legal advisor, Vinson & Elkins, Stoel Rives LLP, legal advisor to Jon Huntsman, Wachtell and O'Melveny regarding the voting agreement proposed by Apollo.

On June 20, 2007, Peter Huntsman, Samuel Scruggs and Kimo Esplin, at the request of and in consultation with Alvin Shoemaker, met with the board of directors of Access and Basell in The Netherlands. Later that day, representatives of Access indicated their intention to submit a bid to purchase Huntsman for \$25.25 per share of common stock with no go-shop provision. The representatives of Access and Basell stated that this bid was expressly contingent on Huntsman not disclosing the proposed purchase price to other bidders.

On June 22, 2007, a telephonic meeting of the Huntsman board of directors was held. At the meeting, representatives of Vinson & Elkins and Shearman & Sterling provided the board of directors with an update regarding the negotiations with Apollo with respect to the merger agreement. Representatives of Vinson & Elkins and Shearman & Sterling provided the board of directors with a competition law analysis of the respective bids, advising the board that in their view, the proposals of Company B and Basell carried lower competition law risk than the Hexion proposal but that there were one or more paths to obtaining regulatory approval that were probable and likely achievable within the time frame proposed by Hexion. Representatives of Merrill Lynch noted that it expected to receive a draft merger agreement from Basell shortly. Representatives of Merrill Lynch communicated that Company B had stated that its current valuation for Huntsman was approximately \$23.50 - \$23.75 per share.

A telephonic meeting of the Transaction Committee was held immediately following the meeting of the board of directors. At the meeting, representatives of Merrill Lynch discussed the status of the process and representatives of Shearman & Sterling provided the Transaction Committee with an update regarding the negotiations with Apollo and Hexion with respect to the draft Hexion merger agreement.

On June 22, 2007, Basell, through its legal advisors, Skadden, Arps, Meagher & Flom LLP, which is referred to as Skadden, submitted a revised merger agreement setting forth the terms of its proposal to acquire Huntsman. The Basell proposal required agreements from HMP Equity Trust and related stockholders, who collectively held more than a majority of the voting stock to vote in favor of the merger.

From June 23, 2007 through June 25, 2007, members of management of Huntsman and representatives of Vinson & Elkins, Merrill Lynch and Shearman & Sterling met with members of management of Basell and Skadden in New York City to negotiate a merger agreement. Separate discussions were held among representatives of MatlinPatterson, Whalen LLP, Vinson & Elkins, Stoel Rives LLP and Skadden regarding the Basell voting agreement. The principal issue negotiated in connection with the Basell voting agreement was the extent to which MatlinPatterson would be entitled to sell its shares prior to the stockholder vote with respect to the Basell transaction. The voting agreement ultimately executed in connection with the Basell transaction permitted MatlinPatterson to sell its shares prior to the Huntsman stockholder vote, subject to certain limitations. These discussions were focused on putting Basell in a position to submit a final proposal on June 25, 2007.

During this same time period, members of Huntsman's management team, representatives of Vinson & Elkins, Shearman & Sterling and Merrill Lynch continued to conduct separate negotiations with Wachtell, O'Melveny and Apollo and Hexion concerning the proposed merger agreement with Hexion. In addition, representatives of MatlinPatterson, Whalen LLP, Vinson & Elkins, Stoel Rives, Wachtell and O'Melveny continued to negotiate the proposed Hexion voting agreement. These discussions were focused on putting Hexion in a position to submit a final proposal on June 25, 2007.

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Throughout the weekend, members of management and representatives of Merrill Lynch consulted with Alvin Shoemaker and Shearman & Sterling periodically advised the various members of the Transaction Committee on the status of the various negotiations.

On the afternoon of June 24, 2007, representatives of Merrill Lynch contacted a representative of Apollo and informed him that the board of directors and the Transaction Committee would meet on the afternoon of June 25, 2007 with a view towards concluding the process following its deliberations. Merrill Lynch requested that Apollo, on behalf of Hexion, submit its best and final offer for consideration by the Transaction Committee and advised Apollo that Huntsman would be willing to forego a go-shop provision in exchange for an increase in the per share consideration. Merrill Lynch further advised Apollo and Hexion that Huntsman planned to sign up a definitive transaction following the meeting of the Transaction Committee and the board of directors and that, in the view of Merrill Lynch the current offer of \$25.00 per share would not be accepted.

During the morning of June 25, 2007, representatives of Shearman & Sterling contacted a representative of Wachtell and reiterated the communication from Merrill Lynch to Apollo. Shearman & Sterling further advised Wachtell that Apollo and Hexion should include all documentation with its best and final offer as it was expected that Huntsman would seek to enter into a definitive agreement shortly following the meetings of the board of directors and the Transaction Committee.

On the afternoon of June 25, 2007, Apollo submitted a revised proposal on behalf of Hexion to purchase Huntsman at a price of \$26.00 per share including a final proposed merger agreement and financing commitments. The Hexion proposal did not include a go-shop provision. Apollo also communicated to Merrill Lynch that it had done everything possible to maximize the price contained in its revised proposal and that it considered \$26.00 to be its final offer. On the same afternoon, Basell submitted a final proposed merger agreement and financing commitment to purchase Huntsman at a price of \$25.25 per share.

That same afternoon, shortly following the receipt of the final proposals from Apollo, on behalf of Hexion, and Basell, the board of directors held a telephonic meeting to review the terms of the Hexion and Basell proposals. During the meeting, representatives of Vinson & Elkins reviewed again for the board of directors the terms and conditions of each of the proposed merger agreements, including the terms, financings, regulatory covenants, non-solicitation provisions, closing certainty, break-up fees, reverse break-up fees, other remedies, stockholder matters and risks associated with each of the Hexion and Basell transactions. Representatives of Huntsman's management then presented to the board of directors their views on each of the proposed transactions. The board of directors also inquired as to the views of principal stockholders with respect to each of the proposed transactions. In these statements, management and the principal stockholders expressed the view that the Basell transaction, although nominally at a lower price, represented the better alternative of the two proposals in light of the perception that the Basell proposal could be consummated more quickly and with greater certainty. Also during the meeting, Merrill Lynch discussed its financial analyses of Huntsman in relation to the consideration offered in each of the proposed transactions. Merrill Lynch advised the board of directors that based on its discussions with each of Basell and Hexion, it believed that each bidder had offered its best and final offer. Merrill Lynch then indicated to the board of directors that, if requested, it would be prepared to render an opinion to the board of directors with respect to the fairness, from a financial point of view, of the merger consideration to be received by the holders of Huntsman common stock, other than the HMP Equity Trust, certain beneficiaries of the HMP Equity Trust and certain other stockholders of Huntsman, in connection with either proposed transaction. Following these presentations and deliberation, the board of directors recessed so that the Transaction Committee could hold a meeting to determine its recommendation.

The Transaction Committee immediately convened a separate telephonic meeting. At the meeting, representatives of Shearman & Sterling discussed with the Transaction Committee the significant differences between the proposed Hexion and Basell merger agreements and discussed at length the timing, closing certainty and risks associated with each of the proposed transactions. In connection with the closing certainty and risks discussion, representatives of Merrill Lynch discussed with the Transaction Committee the price per share difference in the Hexion proposal and potential time value implications of a delayed closing. At this meeting representatives of Shearman & Sterling again reviewed with the Transaction Committee its fiduciary duties in connection with a possible transaction. Shearman & Sterling also advised the members of the Transaction Committee of the interests of senior management and other persons involved in the merger, as well as the fees to be received by each of Merrill Lynch and Cowen.

Also at the June 25, 2007 Transaction Committee meeting, representatives of each of Merrill Lynch and Cowen reviewed with the Transaction Committee their financial analyses of Huntsman in relation to the \$26.00 per share merger consideration proposed by Hexion and the \$25.25 per share merger consideration proposed by Basell. At the request of the Transaction Committee, representatives of Merrill Lynch then rendered to the Transaction Committee an oral opinion, which opinion was subsequently confirmed in writing, to the effect that, as of that date and based upon and subject to the assumptions, limitations, qualifications and other matters described in its opinion, the Basell merger consideration was fair, from a financial point of view, to the stockholders (other than the HMP Equity Trust). At the request of the Transaction Committee, representatives of Cowen then rendered to the Transaction Committee an oral opinion, which opinion was subsequently confirmed in writing, to the effect that, as of that date and based upon and subject to the assumptions, limitations, qualifications and other matters described in its opinion, the Basell merger consideration was fair, from a financial point of view, to the stockholders (other than the HMP Equity Trust and the beneficial owners of the interest in the HMP Equity Trust). After considering the proposed terms of the merger agreement, including the price per share weighed against the shorter time to close and lower regulatory risk associated with the Basell transaction as compared with the Hexion proposal, and the other transaction agreements and the various presentations of its legal and financial advisors, the Transaction Committee unanimously resolved to recommend that the board of directors approve and declare advisable the Basell merger agreement and the Basell merger and that the board of directors resolve to recommend that Huntsman's stockholders adopt the Basell merger agreement.

Immediately following the meeting of the Transaction Committee, the board of directors reconvened its telephonic meeting where representatives of Shearman & Sterling reviewed the recommendation of the Transaction Committee. The board of directors then unanimously approved the Basell merger agreement, declared such merger advisable, fair to, and in the best interests of Huntsman and its stockholders and resolved to recommend that Huntsman's stockholders adopt the Basell merger agreement.

A merger agreement was executed by representatives of Basell, its merger subsidiary and Huntsman at approximately 8:45 p.m. New York City time on June 25, 2007, which is referred to as the Basell merger agreement. HMP Equity Trust and certain other stockholders also executed voting agreements with Basell at that time.

On the evening of June 25, 2007, representatives of Shearman & Sterling notified Wachtell that Huntsman had accepted a merger proposal from Basell. Later that night, representatives of Wachtell informed representatives of Shearman & Sterling that Hexion was increasing its proposal to pay a per share price of \$27.00. Representatives of Shearman & Sterling notified Wachtell that the Company had already entered into the Basell merger agreement, the details of which would be released to the public in the morning. Representatives of Apollo subsequently confirmed to representatives of Merrill Lynch that Hexion was increasing its proposal to \$27.00 per share. On June 26, 2007 and June 27, 2007, representatives of Shearman & Sterling advised the members of the Transaction Committee that, after

execution of the Basell merger agreement, Hexion had indicated it had increased its previous proposal to acquire all of the outstanding stock of the Company.

On June 26, 2007, before the opening of business in New York City, Basell and Huntsman issued a joint press release announcing that they had entered into a definitive merger agreement and setting forth the principal terms thereof.

On June 29, 2007, Apollo delivered a letter to the board of directors setting forth the terms of a revised proposal for Hexion to purchase Huntsman at a price of \$27.25 per share, and reconfirmed the 8% ticking fee and its antitrust covenant and financing commitments.

On June 29, 2007, representatives of Vinson & Elkins telephonically communicated the revised Hexion proposal to Skadden and provided Access, Basell and Skadden with written notification via facsimile of the same, including the letter from Apollo.

On July 1, 2007, the Transaction Committee convened a telephonic meeting. During the meeting, representatives of Shearman & Sterling and Merrill Lynch discussed with the Transaction Committee the revised Hexion proposal. Additionally, representatives of Shearman & Sterling discussed with the Transaction Committee Huntsman's rights and obligations under the terms of the Basell merger agreement. After due consideration and discussion, the Transaction Committee determined, in consultation with its financial advisors and outside counsel that the Hexion proposal, constituted, or could reasonably be expected to lead to a superior proposal (as defined in the Basell merger agreement). As a result, as permitted by the Basell merger agreement, the Transaction Committee unanimously agreed to authorize the management of Huntsman, with the assistance of its financial advisors and outside legal counsel, to participate in discussions and negotiations with Apollo, Hexion and their representatives.

The board of directors then immediately convened and a representative of Shearman & Sterling informed the board of directors of the recommendation of the Transaction Committee. Following deliberation, the board of directors determined that the Hexion proposal could reasonably be expected to lead to a superior proposal (as defined in the Basell merger agreement) and authorized the management of Huntsman and its advisors to engage in discussions with Apollo, Hexion and their representatives. Representatives of Vinson & Elkins communicated this decision to Basell and Skadden.

Immediately following the July 1, 2007 meetings, representatives of Shearman & Sterling and Vinson & Elkins began discussions and negotiations with Wachtell and O'Melveny regarding the open issues with respect to the Hexion proposal and draft merger agreement.

On July 2, 2007, the Company received a definitive proposal from Apollo, on behalf of Hexion, pursuant to which Hexion proposed a per share merger consideration of \$27.25, reaffirming the 8% ticking fee and including the following improvements to its previous \$26.00 offer: a second 90-day extension of the termination date which could only occur if the Huntsman board of directors concluded that the transaction is likely to close during such 90-day period, and an increased \$325 million reverse break-up fee. The proposal also indicated that Hexion was prepared to fund \$100 million, or one-half, of the break-up fee payable by Huntsman to Basell, in connection with the termination of the Basell merger agreement.

Throughout the day on July 2, 2007, representatives of Vinson & Elkins and Shearman & Sterling continued to negotiate and discuss with Wachtell and O'Melveny the open issues with respect to the proposed Hexion merger agreement, including the break-up fee payable to Basell in connection with the termination of the Basell merger agreement, the antitrust covenants, the non-solicitation covenants, the requirement that the HMP Equity Trust enter into a voting agreement, the amount of the reverse break-up fee and the financing covenants and commitments.

Also on July 2, 2007, a telephonic meeting of the board of directors was held. During the meeting, representatives of Vinson & Elkins provided the board of directors with an update regarding the terms and conditions of the Hexion proposal. Also during the meeting, Merrill Lynch presented its financial analysis regarding the Hexion proposal. During this meeting, David Matlin, a Huntsman director at the time and a principal of MatlinPatterson, stated that MatlinPatterson was in the process of evaluating the Hexion proposal and was not yet prepared to execute a voting agreement with respect to its shares held by the HMP Equity Trust. Following deliberation, the board of directors recessed to allow the Transaction Committee to meet to discuss the Hexion proposal.

The Transaction Committee immediately convened a separate telephonic meeting. At this meeting representatives of Shearman & Sterling and Merrill Lynch provided an update with respect to the Hexion proposal and outlined the material terms of such proposal. After due consideration and discussion, the Transaction Committee determined, in consultation with its financial advisors and outside counsel that the Hexion proposal, with the exception of the outstanding issues regarding the voting agreement, would constitute a superior proposal (as defined in the Basell Merger agreement).

The board of directors then immediately reconvened and Shearman & Sterling informed the board of directors of the recommendation of the Transaction Committee. Following deliberation, the board of directors determined that the Hexion proposal, with the exception of the outstanding issues regarding the voting agreement, would constitute a superior proposal.

Throughout the day on July 3, 2007, at the direction of the Transaction Committee, representatives of Shearman & Sterling and Vinson & Elkins continued to negotiate and discuss with Wachtell the open issues with respect to the proposed Hexion merger agreement.

On July 3, 2007, the Company received an amended definitive proposal from Apollo, on behalf of Hexion, pursuant to which Hexion stated that it would not require a voting agreement with respect to MatlinPatterson's shares. The amended proposal also provided that in the event that fewer than 50.1% of the shares are committed to vote in favor of the transaction at the time of the stockholder meeting and Huntsman's stockholders do not approve the transaction, Huntsman would pay Hexion \$100 million, the same amount of the Basell break-up fee that was funded by Hexion, if Huntsman entered into another transaction within the subsequent 12 months. Additionally, Apollo, on behalf of Hexion, indicated that amended firm financing commitment papers would soon be delivered to Huntsman which would contemplate sufficient funds to pay the merger consideration at the revised price.

On July 3, 2007, representatives of Vinson & Elkins notified Access, Basell and Skadden of the revised Hexion proposal both orally and via facsimile and provided an advance copy of a press release announcing the receipt of the Hexion proposal and summarizing its terms. The press release also indicated that the Huntsman board of directors, with the unanimous agreement of the Transaction Committee, had concluded that the Hexion proposal could reasonably be expected to lead to a superior proposal (as defined in the Basell merger agreement). Huntsman issued this press release later that evening.

On July 4, 2007, Vinson & Elkins provided a copy of the definitive Hexion proposal and a copy of the proposed Hexion merger agreement to Access, Basell and Skadden.

On July 5, 2007, Basell, through Skadden, delivered a written communication to the Transaction Committee arguing that the Basell merger agreement was superior to the Hexion proposal because, in their view, (i) it delivered value to Huntsman stockholders sooner, without extended regulatory or financing delays, (ii) the quicker time to close reduced the risk that Huntsman would incur a material adverse effect, which would provide the buyer with the ability to terminate the agreement, and (iii) the Basell merger agreement had less completion risk than the Hexion proposal. Basell argued that although the Hexion proposal offered a higher price per share, they believed the Hexion price should be discounted to reflect the delay and completion risks inherent in the Hexion proposal.

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On July 5, 2007, the Huntsman board of directors held a telephonic meeting to discuss the terms of the Hexion proposal. During the meeting, representatives of Vinson & Elkins reviewed for the board of directors the terms and conditions of the Hexion proposal and the letter from Basell. Merrill Lynch then presented to the board of directors its view of the arguments made by Basell in its letter to the board of directors. Merrill Lynch agreed with the basic premise of the Basell letter, that the Hexion proposal would likely take more time and had more risk of completion, and highlighted that these were the same principal issues that the board of directors and its advisors had been considering during the last several meetings. However, Merrill Lynch disagreed with Basell's view as to how deeply the Hexion price needed to be discounted to account for these factors. Merrill Lynch also advised that the projected debt levels of a merged Hexion-Huntsman entity were within a range that were then being financed in the market and that the commitment letters backing up the Hexion proposal were firm commitments, thereby minimizing the risk of the transaction not being financed. Following deliberation, the board of directors recessed to allow the Transaction Committee to meet to discuss the Hexion proposal.

The Transaction Committee then convened a separate telephonic meeting. During the meeting, representatives of Shearman & Sterling and Merrill Lynch provided an update with respect to the amended Hexion proposal and discussed the letter from Basell. After due consideration and discussion, the Transaction Committee determined, in consultation with its financial advisors and outside counsel, that the Hexion merger would, if consummated in accordance with its terms, result in a transaction more favorable to Huntsman's stockholders than the Basell merger agreement (after taking into account the relevant legal, financial, regulatory, estimated timing of consummation and other aspects of the proposed Hexion merger, including Hexion rather than Apollo being the acquiror), and accordingly constituted a superior proposal (as defined in the Basell merger agreement). The Transaction Committee recommended that the board of directors authorize Huntsman to provide notice to Access and Basell of its intent to make an adverse recommendation change (as contemplated by the Basell merger agreement) based upon the determination that the Hexion proposal constituted a superior proposal.

The board of directors then immediately reconvened and Shearman & Sterling informed the board of directors of the recommendation of the Transaction Committee. Following deliberation, the board of directors determined that the Hexion proposal constituted a superior proposal (as defined in the Basell merger agreement) and empowered the management of Huntsman to provide Access and Basell with notice of its intent to change its recommendation concerning the Basell merger following the expiration of the required notice period.

On that same day, the management of Huntsman provided Access, Basell and Skadden with a notice of adverse recommendation change (as defined in the Basell merger agreement).

Merrill Lynch then informed Access that the Huntsman board of directors had carefully considered the Hexion proposal in comparison to the Basell transaction, and, while they differed in certain respects other than price, that all things considered, including the \$2.00 difference in the merger price, the Huntsman board of directors viewed the Hexion proposal as superior.

On July 6, 2007, prior to the opening of trading on the New York Stock Exchange, Hexion issued a press release announcing that the Huntsman board of directors and its Transaction Committee had determined that the amended Hexion proposal was a superior proposal (as defined in the Basell merger agreement).

From July 6, 2007 through July 8, 2007, members of management of Huntsman, Vinson & Elkins and Shearman & Sterling continued to meet telephonically with members of management of Apollo and Hexion, Wachtell and O'Melveny to finalize open points on the merger agreement, as well as separate voting agreements with the Huntsman family and related entities and MatlinPatterson. Members of management of Huntsman, representatives of Merrill Lynch and members of management

of Access and Basell also had discussions during this time frame regarding improving Basell's existing agreement.

On the evening of July 8, 2007, Jon M. Huntsman, Alvin Shoemaker, the Chairman of the Transaction Committee, and a representative of Shearman & Sterling met telephonically with Apollo to discuss their revised proposal. During such meeting, representatives of Apollo emphasized their commitment to close the transaction on the terms indicated in their revised proposal, including a commitment to take all necessary steps to secure the required financing and necessary regulatory approvals. In addition, a representative of Apollo indicated its intention to increase the Hexion proposal to \$28.00 per share. Later that evening, Apollo, on behalf of Hexion, delivered a letter to the Huntsman board of directors confirming its revised proposal for Hexion to purchase Huntsman at a price of \$28.00 per share, to fund \$100 million of the \$200 million break fee due upon termination of the Basell merger agreement, to eliminate any reference in its debt financing commitments to the material adverse effect condition in the merger agreement and to add a covenant on Hexion's part to commence litigation against their financing sources in the event the financing sources fail to fund their commitments when required and to use such funds to either close the merger or deliver the net proceeds to Huntsman.

On that same day, management of Huntsman notified Access, Basell and Skadden of the amendment to the material financial terms of the Hexion proposal and delivered to Basell a new notice of adverse recommendation change (as defined in the Basell merger agreement).

From July 8, 2007 through July 11, 2007, members of management of Huntsman, representatives of Vinson & Elkins, Shearman & Sterling and Merrill Lynch engaged in discussions with members of management of each of Apollo and Hexion, and Access and Basell, and their respective advisors.

Despite Apollo and Hexion's willingness to enter into an agreement to acquire Huntsman for \$28.00 per share without a voting agreement from MatlinPatterson, Apollo and Hexion continued to pursue a voting agreement with MatlinPatterson. To this end, representatives of Wachtell Lipton and O'Melveny & Myers engaged in negotiations with MatlinPatterson and Whalen LLP, indirectly through Vinson & Elkins and Shearman & Sterling, concerning a voting arrangement between MatlinPatterson and Hexion. MatlinPatterson would not agree to be disadvantaged as compared to the other Huntsman stockholders if the decision were made to move to a transaction with Hexion. To that end, MatlinPatterson indicated that it wanted the ability to sell its shares in Huntsman during the pendency of the transaction and would not agree to wait for the stockholder vote to be obtained. In addition, under the terms of its engagement letter with UBS, MatlinPatterson was only required to pay a \$2 million fee to UBS, its financial advisor, if Huntsman consummated the pending merger with Basell. However, because Hexion was a potential acquirer identified by UBS in its agreement with MatlinPatterson, a merger transaction with Hexion would require MatlinPatterson to pay UBS an additional fee of approximately \$13 million at the closing of the Hexion merger. As such, MatlinPatterson indicated a willingness to enter into such a voting agreement if it were permitted to sell its shares, if Huntsman agreed to reimburse it (and Hexion agreed to allow Huntsman to reimburse it) for the \$13 million in fees it would have to pay upon closing of the Hexion merger to UBS, and if Huntsman agreed to amend its existing registration rights agreement with MatlinPatterson to facilitate an immediate registration and sale of the shares of Huntsman common stock held by MatlinPatterson.

On July 11, 2007, the Transaction Committee met in person at Shearman & Sterling's New York City office and by telephonic conference. At this meeting representatives of Shearman & Sterling discussed a presentation prepared for the Transaction Committee that highlighted the significant differences between the Hexion proposal and the Basell merger agreement. Representatives of MatlinPatterson, in their capacity as stockholders, Huntsman and Vinson & Elkins were also permitted to join the meeting, and present to the Transaction Committee their views on the Hexion proposal and the status of MatlinPatterson's indirect negotiations through Vinson & Elkins with Hexion with respect

to the Hexion proposal. Representatives of Merrill Lynch also reviewed with the Transaction Committee their financial analyses of Huntsman in relation to the \$28.00 per share merger consideration proposed by Hexion and certain significant issues raised in the valuation of the Hexion proposal and the Basell merger agreement.

Later on July 11, 2007, Basell notified Huntsman that it was reaffirming its \$25.25 per share merger consideration and would not be submitting a revised offer in response to the notice of adverse recommendation change.

On July 12, 2007, the Huntsman board of directors held a telephonic meeting to discuss the terms of the revised Hexion proposal. During the meeting, representatives of Vinson & Elkins reviewed for the board of directors the directors' fiduciary duties in connection with the transaction as well as the terms and conditions of the Hexion proposal. Representatives of Vinson & Elkins also reviewed the terms and conditions of certain agreements between Huntsman and MatlinPatterson, including and amended registration rights agreement between Huntsman and MatlinPatterson as well as an agreement by Huntsman to reimburse MatlinPatterson for up to \$13 million in investment banking fees and expenses that would be owed by MatlinPatterson to UBS upon consummation of the Hexion merger. Also during the meeting, Merrill Lynch presented its financial analysis regarding the Hexion proposal. Merrill Lynch then provided an oral opinion, confirmed by its subsequent written opinion addressed to the Transaction Committee and the board of directors dated July 12, 2007, to the board of directors with respect to the fairness, from a financial point of view, of the merger consideration to be received by the holders of Huntsman common stock, other than the entities and individuals that are parties to the voting agreements and HMP Equity Trust and their respective beneficiaries, controlling persons and affiliates in the proposed merger with Hexion. Following deliberation, the board of directors (i) delegated to the Transaction Committee its authority to review, consider and approve the amended registration rights agreement (including a waiver of any policies restricting MatlinPatterson from selling shares of Huntsman common stock) and the reimbursement by Huntsman to MatlinPatterson of the additional \$13 million that MatlinPatterson would owe to UBS if Huntsman were to consummate the merger with Hexion instead of Basell and (ii) recessed to allow the Transaction Committee to meet to discuss the Hexion proposal.

The Transaction Committee immediately convened a separate telephonic meeting. During the meeting, representatives of Shearman & Sterling reviewed for the Transaction Committee the terms and conditions of the Hexion proposal. The Transaction Committee also discussed the agreements with MatlinPatterson, including Huntsman's agreement to amend its current registration rights agreement with MatlinPatterson, the reimbursement by Huntsman to MatlinPatterson of the investment banking fees that would be owed by MatlinPatterson upon consummation of the Hexion merger to UBS and the terms and conditions of the voting agreement between Hexion and MatlinPatterson. Also during the meeting, Cowen presented its financial analyses regarding the consideration to be paid pursuant to the Hexion proposal. Cowen then provided an oral opinion to the Transaction Committee, confirmed by its subsequent written opinion dated July 12, 2007, to the effect that, and subject to the various assumptions, qualifications and limitations set forth therein, as of July 12, 2007, the consideration provided for in the Hexion proposal was fair, from a financial point of view, to the holders of Huntsman common stock, other than the entities and individuals that were entering into the voting agreements with Hexion, the HMP Equity Trust and their respective beneficiaries, controlling persons and affiliates. Following deliberation, the Transaction Committee recommended that the board of directors approve the termination of the Basell merger agreement and approve the Hexion proposal and declare the Hexion merger advisable, fair to, and in the best interests of Huntsman and its stockholders. The Transaction Committee also approved the execution and delivery of an amended registration rights agreement with MatlinPatterson and the reimbursement by Huntsman of the additional \$13 million fee that would be owed by MatlinPatterson to UBS if Huntsman were to consummate the merger with Hexion instead of Basell.

The board of directors then reconvened and Shearman & Sterling informed the board of directors of the recommendation of the Transaction Committee. Following deliberation, the board of directors unanimously approved the termination of the Basell merger agreement and approved the Hexion proposal, declared such merger advisable, fair to, and in the best interests of Huntsman and its stockholders and recommended that the Huntsman stockholders approve the Hexion merger.

Immediately following the meeting of the board of directors, the management of Huntsman provided notice to Access, Basell and Skadden of termination of the Basell merger agreement and delivered the \$200 million termination fee (\$100 million of which was funded by Hexion) to an account designated by Basell.

The definitive merger agreement with Hexion previously executed by Hexion and Merger Sub was executed by representatives of Huntsman on July 12, 2007. In addition, Hexion entered into separate voting agreements with certain stockholders, including MatlinPatterson, the Huntsman family and Fidelity Charitable Gift Fund. Huntsman also entered into an amended and restated registration rights agreement with MatlinPatterson.

On July 12, 2007, Hexion and Huntsman issued a joint press release announcing that they had entered into a definitive merger agreement and setting forth the principal terms thereof.

On July 31, 2007, Huntsman filed a shelf registration statement registering for resale all of MatlinPatterson's shares as required by the amended registration rights agreement. On August 6, 2007, MatlinPatterson sold 56,979,062 shares in an underwritten offering. None of these shares were sold to any affiliate of Huntsman or to a holder of 5% or more of the outstanding shares of common stock at the time of the sale.

Recommendation of the Transaction Committee and Board of Directors and Their Reasons for the Merger

After careful consideration, our board of directors has unanimously determined, based on the recommendation of the Transaction Committee, that the merger and the merger agreement are fair to and in the best interests of our stockholders and declared the merger agreement advisable. **ACCORDINGLY, THE BOARD OF DIRECTORS OF HUNTSMAN UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" ADOPTION OF THE MERGER AGREEMENT.**

In reaching this decision, the Huntsman board of directors consulted with Huntsman's management and its financial and legal advisors and considered a variety of factors, including the recommendation of the Transaction Committee and the material factors described below that the Transaction Committee considered in reaching its recommendation. In light of the number and wide variety of factors considered in connection with its evaluation of the transaction, the Huntsman board of directors did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors that it considered in reaching its determination. The Huntsman board of directors viewed its position as being based on all of the information available and the factors presented to and considered by it. In addition, individual directors may have given different weight to different factors. This explanation of the reasons for the proposed merger and all other information presented in this section is forward-looking in nature, and therefore, should be read in light of the factors discussed under "Forward-Looking Information."

The Transaction Committee, acting with the advice and assistance of its independent legal and financial advisors, evaluated and assisted in the negotiation of the merger proposal, including the terms and conditions of the merger agreement with Hexion and Merger Sub. The Transaction Committee unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable, fair to and in the best interests of our stockholders and recommended to the board of directors that (i) the board of directors approve and declare advisable

the merger agreement and the transactions contemplated thereby, including the merger and (ii) the board of directors recommend the adoption by our stockholders of the merger agreement. In making its determination and recommendation, the Transaction Committee also determined that the Hexion proposal was a "superior proposal" under the Basell merger agreement and recommended that the board of directors terminate the Basell merger agreement in order to accept the Hexion proposal.

In the course of reaching its determination, the Transaction Committee considered the following substantive factors and potential benefits of the merger, each of which the Transaction Committee believed supported its decision:

the value to our stockholders of the consideration to be received in the merger is greater than the value they would have received in the Basell merger;

its belief, after a thorough, independent review, that the merger was more favorable to our stockholders than the potential value that might result from other alternatives available, including remaining an independent company and pursuing the current strategic plan or pursuing a significant acquisition;

the Transaction Committee's belief that \$28.00 per share was above the high end of the range that could be expected to be payable in a merger transaction involving us, as reviewed by each of Merrill Lynch and Cowen with the Transaction Committee in connection with their financial analyses described in "Opinions of Financial Advisors";

the current and historical market prices of our common stock, including the market price of our common stock relative to those of other industry participants and general market indices, the fact that the cash merger price of \$28.00 per share represented a premium of approximately 48.2% to the closing share price on June 25, 2007, the last day of trading prior to the press release announcing the Basell merger, approximately 41.2% to the average closing price of our common stock for the 30 trading days prior to and including June 25, 2007 and approximately 27.7% to the highest closing price for our common stock during the 12-month period prior to June 25, 2007 and the fact that, during the period from February 2, 2005 to June 26, 2007, our common stock closed at or above \$28.00 only eight times and never closed at or above \$29.00;

the fact that following public announcement of the Basell merger on June 26, 2007, we received two proposals from Hexion, each at a successively higher price, which resulted in a 10.9% premium over the \$25.25 per share consideration provided for in the Basell merger agreement;

the fact that the process resulted in Hexion's proposal being superior to the Basell merger agreement and that, after Basell was notified of the Hexion proposal, Basell failed to increase its \$25.25 per share merger consideration despite the opportunity provided to Basell to do so;

the information contained in the financial presentation of Merrill Lynch, including the opinion of Merrill Lynch as to the fairness, from a financial point of view, to the stockholders (other than the entities and individuals that are entering into the voting agreements and the HMP Equity Trust and their respective beneficiaries, controlling persons and affiliates), of the merger consideration to be received by such holders in the merger (see "Opinions of Financial Advisors Opinion of Merrill, Lynch, Pierce, Fenner and Smith Incorporated");

the information contained in Cowen's financial presentation, including the opinion of Cowen as to the fairness, from a financial point of view, to the stockholders (other than the entities and individuals that are entering into the voting agreements with Hexion, the HMP Equity Trust and their respective beneficiaries, controlling persons and affiliates), of the merger consideration to be received by such holders in the merger (see "Opinions of Financial Advisors Opinion of Cowen and Company, LLC");

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the efforts made by the Transaction Committee and its advisors to negotiate and execute a favorable merger agreement;

the financial and other terms and conditions of the merger agreement as reviewed by the transaction committee, including the fact that the merger would not be subject to a financing condition, and the fact that they were the product of arm's-length negotiation between the parties;

the fact that the merger consideration is all cash, so that the transaction allows our stockholders to realize a fair value upon closing, in cash, for their investment and provides such stockholders certainty of value for their shares;

the fact that, subject to compliance with the terms and conditions of the merger agreement, the board of directors (or the transaction committee) is permitted to change its recommendation or terminate the merger agreement, prior to the adoption of the merger agreement by our stockholders, in order to approve an alternative transaction proposed by a third party that is a "superior proposal" as defined in the merger agreement, upon the payment to Hexion of a \$225 million termination fee (representing approximately 3.6% of the total equity value of the transaction) and pay \$100 million to Hexion, which is the same amount provided to fund one-half of the fee required in connection with terminating the Basell merger agreement;

the availability of appraisal rights to holders of our common stock who comply with all of the required procedures under Delaware law, which allows such holders to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery;

the level of effort that Hexion must use under the merger agreement to obtain the proceeds of the financing on the terms and conditions described in the commitment letters;

the nature of Hexion's financing commitments received with respect to the merger, including the identity of the institutions providing such commitments, the limited conditions to the obligations of such institutions to fund such commitments, including the absence of a material adverse effect provision and the duration of such commitments;

the fact that, in the merger agreement, Hexion has agreed to take any and all actions necessary to ensure that no governmental entity enters any order or injunction to preliminarily or permanently restrain, enjoin or prohibit the consummation of the merger, including but not limited to any divestiture actions to avoid or resolve such governmental action, and the transaction committee's belief, after review with its legal advisors, in the likelihood of the merger being approved by the appropriate regulatory authorities in light of Hexion's obligations under this provision;

the fact that the merger agreement provides that the cash price per share to be paid by Hexion in the merger will increase at the rate of 8% per annum (inclusive of any dividends paid) beginning 270 days after the date of the merger agreement if the merger is not consummated prior to that date;

the commitment (and subsequent payment) by Hexion to fund \$100 million of the fee payable to Basell in connection with the termination of the Basell merger agreement;

the commitment made by Hexion and Nimbus Merger Sub to provide (for one year from the effective date of the merger) base salary, base wages and annual and incentive compensation opportunities and employee benefits plans and programs (excluding equity-based compensation arrangements) which, in the aggregate, are no less favorable than those made available by us to our employees immediately prior to the merger; and

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the fact that we would not have to establish damages in the event of a failure of the merger to be consummated under certain circumstances to obtain the \$325 million termination fee payable by Hexion.

In addition, the Transaction Committee believed that sufficient procedural safeguards were and are present to ensure the fairness of the merger and to permit the Transaction Committee to represent effectively the interests of the company's stockholders. The Transaction Committee considered a number of factors relating to these procedural safeguards, including those discussed below, each of which it believed supported its decision and provided assurance of the fairness of the merger to our stockholders. Specifically the Transaction Committee considered the fact that:

negotiations were conducted under the oversight of a transaction committee comprised solely of independent directors who are not our employees and who have no financial interest in the merger that is different from that of the other stockholders of the company (other than customary fees payable to members of the Transaction Committee that have not yet been set but will not be based or contingent on the Transactions Committee's recommendation of a transaction or the consummation of a transaction and the acceleration of the restricted stock units and restricted stock awards and our stock options granted in 2006 and 2007);

the Transaction Committee retained and received advice and assistance from its own independent financial and legal advisors in evaluating, negotiating and recommending the terms of the merger agreement;

the Transaction Committee had ultimate authority to decide whether or not to proceed with a transaction or any alternative thereto, subject to our board of directors' approval of the merger agreement;

the financial and other terms and conditions of the merger agreement were the product of negotiations between the Transaction Committee and its independent advisors, on one hand, and Hexion and its advisors, on the other hand;

the opinion of Merrill Lynch addresses the fairness, from a financial point of view, to the stockholders (other than the entities and individuals that are entering into the voting agreements and the HMP Equity Trust and their respective beneficiaries, controlling persons and affiliates) of the merger consideration to be received by such holders in the merger;

the opinion of Cowen addresses the fairness, from a financial point of view, to the stockholders (other than the entities and individuals that are entering into the voting agreements with Hexion, the HMP Equity Trust and their respective beneficiaries, controlling persons and affiliates) of the merger consideration to be received by such holders in the merger;

we are permitted, under certain circumstances, to respond to unsolicited inquiries regarding acquisition proposals and, upon payment of a termination fee and the Reimbursement Amount, to terminate the merger agreement in order to complete a superior transaction; and

under Delaware law, our common stockholders have the right to demand appraisal of their shares.

The Transaction Committee also considered a variety of risks and other potentially negative factors concerning the merger agreement and the merger, including the following:

that there are competitive overlaps in the businesses of Huntsman and Hexion and the relevant regulatory authorities may require divestitures prior to granting regulatory approval, and that obtaining such regulatory approvals may delay, perhaps significantly, the consummation of the merger;

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that the likely extended duration of the regulatory approval process as compared to the Basell merger would subject us and our stockholders to risks that we could be subject to an event that could be deemed a material adverse effect or inadvertently fail to comply with our covenants, including those that restrict our conduct of business, either of which would allow Hexion to refuse to consummate the merger;

the risk of deterioration of our business in the interim period, whether or not the merger closes, and the possibility that we would find it difficult to continue as a stand-alone entity if the merger does not close;

the risks and costs to us if the merger does not close, including the diversion of management and employee attention, potential employee attrition and the potential effect on our business and our relationships with customers;

the risk of a deterioration in the financial markets over the period of time necessary to obtain the required regulatory approvals and the possibility that Hexion will be unable to obtain the necessary financing proceeds, including obtaining the debt financing proceeds from its lenders;

we were required to pay a \$200 million break-up fee to Basell (one half of which was paid by Hexion) and that, under certain circumstances, we are obligated to pay \$100 million to Hexion, which is the same amount provided to fund one-half of the break-up fee to Basell;

our stockholders will not participate in any future earnings or growth of the company and will not benefit from any appreciation in value of the company, including any appreciation in value that could be realized as a result of improvements to our operations;

the restrictions on the conduct of our business prior to the completion of the merger, requiring us to conduct our business generally only in the ordinary course, subject to specific limitations, which may delay or prevent us from undertaking business opportunities that may arise pending completion of the merger; and

the fact that an all cash transaction would be taxable to our stockholders that are U.S. persons for U.S. federal income tax purposes.

The foregoing discussion summarizes the material factors considered by the transaction committee in its consideration of the merger. After considering these factors, the transaction committee concluded that the positive factors relating to the merger agreement and the merger outweighed the potential negative factors. In view of the wide variety of factors considered by the transaction committee, and the complexity of these matters, the transaction committee did not find it practicable to quantify or otherwise assign relative weights to the foregoing factors. In addition, individual members of the transaction committee may have assigned different weights to various factors. The transaction committee recommended the merger agreement and the merger based upon the totality of the information presented to and considered by it.

Certain Financial Projections

In connection with the due diligence process during negotiations with the bidders, including Basell and Hexion, we provided a set of projections to Hexion, Basell and Company B for fiscal years 2007, 2008, 2009, 2010 and 2011. The projections were also provided to Merrill Lynch and Cowen for use in the preparation of their respective fairness opinions. The projections do not include results related to

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our North American base chemicals and polymers business because of the pending sale of this business. The projections are summarized below.

	2007	2008	2009	2010	2011
	(in millions)				
Sales	\$ 9,722	\$ 9,942	\$ 10,240	\$ 10,863	\$ 11,182
Operating Income	655	908	1,009	1,201	1,255
Adjusted EBITDA(1)	1,027	1,289	1,414	1,609	1,661
Depreciation	363	379	397	397	393
Capital Expenditures	509	483	298	205	215

(1) Adjusted EBITDA is computed by eliminating the following from net income: interest; income taxes; depreciation and amortization; restructuring, impairment and plant closing costs; losses on the sale of accounts receivable to our securitization program; legal and contract settlements; losses from early extinguishment of debt; extraordinary gain on the acquisition of a business; and gain (loss) on dispositions of assets.

In addition, projected Unlevered Free Cash Flow was prepared, which is defined as unlevered net income plus depreciation and amortization expenses, adjusted to reflect cash restructuring payments, changes in working capital, capital expenditures and other cash items. The unlevered cash tax rate used in calculating Unlevered Free Cash Flow is assumed to be the same as the Company's projected effective cash tax rate. The projected Unlevered Free Cash Flow for 2008 through 2011 was \$479, \$716, \$845 and \$933, respectively.

We make public only very limited information as to future performance and do not as a matter of course provide specific or detailed information as to earnings or performance over an extended period. The foregoing projections are included in this proxy statement only because this information was provided to the bidders during negotiations and to Merrill Lynch and Cowen for use in the preparation of their respective fairness opinions. The projections were not prepared with a view to public disclosure or compliance with the published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants regarding projections or forecasts. The projections do not purport to present operations in accordance with generally accepted accounting principles ("GAAP"), and our independent auditors have not examined or compiled the projections and accordingly assume no responsibility for them. The internal financial forecasts (upon which these projections were based in part) are, in general, prepared solely for internal use and capital budgeting and other management decisions and are subjective in many respects and thus susceptible to interpretations and periodic revision based on actual experience and business developments. In addition, the projections were prepared prior to the board of directors' approval of the merger and, accordingly, do not reflect the effect of such transactions.

The projections also reflect numerous assumptions made by management including assumptions with respect to general business, economic, market and financial conditions and other matters including effective tax rates and interest rates and the anticipated amount of borrowings, all of which are difficult to predict and many of which are beyond our control. Accordingly, there can be no assurance that the assumptions made in preparing the projections will prove accurate. There will be differences between actual and projected results, and actual results may be materially greater or less than those contained in the projections. The inclusion of the projections in this proxy statement should not be regarded as an indication that we or our representatives considered or consider the projections to be a reliable prediction of future events, and the projections should not be relied upon as such.

We believe that the projections prepared were prepared in good faith at the time they were made; however, you should not assume that the projections continue to be accurate or reflective of management's current view. The projections were disclosed to the bidders and their representatives at

their request as a matter of due diligence and to Merrill Lynch and Cowen for use in preparation of their respective fairness opinions, and are included in this proxy statement on that basis. None of Huntsman or any of its representatives has made or makes any representation to any person regarding the ultimate performance of Huntsman compared to the information contained in the projections, and none of them intends to update or otherwise revise the projections to reflect circumstances existing after the date when made or to reflect the occurrence of future events in the event that any or all of the assumptions underlying the projections are shown to be in error.

WE DO NOT INTEND TO UPDATE OR OTHERWISE REVISE THESE PROJECTIONS TO REFLECT CIRCUMSTANCES EXISTING SINCE THEIR PREPARATION OR TO REFLECT THE OCCURRENCE OF SUBSEQUENT EVENTS EVEN IN THE EVENT THAT ANY OR ALL OF THE UNDERLYING ASSUMPTIONS ARE NO LONGER APPROPRIATE.

Opinions of Financial Advisors

Opinion of Merrill Lynch, Pierce, Fenner and Smith Incorporated

The Transaction Committee retained Merrill Lynch to act as its financial advisor in connection with the merger. Merrill Lynch delivered its oral opinion to the Transaction Committee, which was subsequently confirmed in writing, that, as of July 12, 2007, and based upon and subject to the assumptions, qualifications and limitations set forth in its written opinion (which are described below), the merger consideration of \$28.00 in cash per share, to be increased by the excess of (i) an amount equal to \$0.006137 per day after April 15, 2008, through and including the closing date of the merger over (ii) any dividends or distributions (valued at the closing date of the merger using 8% simple interest per annum from the applicable date of payment) paid from and after April 15, 2008 through and including the closing date of the merger, to be received by holders of the Company's common stock pursuant to the merger agreement was fair, from a financial point of view, to those holders, other than certain beneficiaries and controlling persons of the HMP Equity Trust and those other stockholders who have entered into voting agreements with Hexion (the "Voting Stockholders"), the HMP Equity Trust and their respective beneficiaries and controlling persons, who are collectively referred to as the "HMP Stockholders", Hexion and their respective affiliates.

The full text of the written opinion of Merrill Lynch, dated July 12, 2007, which sets forth the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Merrill Lynch, is attached to this proxy statement as Appendix D. The following summary of Merrill Lynch's opinion is qualified in its entirety by reference to the full text of the opinion.

The Merrill Lynch opinion was addressed to the Transaction Committee and the board of directors of the Company for the use and benefit of the Transaction Committee and the board of directors of the Company and only addresses the fairness, from a financial point of view, as of the date of the opinion, of the per share merger consideration to be received by holders of the Company's common stock other than the HMP Stockholders, Hexion and their respective affiliates pursuant to the merger agreement. The opinion does not address the merits of the underlying decision by the Company to engage in the merger and does not constitute, nor should it be construed as, a recommendation to any holder of the Company's common stock as to how the holder should vote with respect to the proposed merger or any other matter. In addition, Merrill Lynch was not asked to address nor does its opinion address the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of the Company, other than the holders of the Company's common stock (excluding the HMP Stockholders, Hexion and their respective affiliates).

In arriving at its opinion, Merrill Lynch, among other things:

reviewed certain publicly available business and financial information relating to the Company that Merrill Lynch deemed to be relevant;

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reviewed certain information, including financial forecasts, relating to the business, earnings, cash flow, assets, liabilities and prospects of the Company furnished to Merrill Lynch by the Company;

conducted discussions with members of senior management of the Company concerning the matters described in the preceding two bullet points;

reviewed the market prices and valuation multiples for the Company's common stock and compared them with those of certain publicly traded companies that Merrill Lynch deemed to be relevant;

reviewed the results of operations of the Company and compared them with those of certain publicly traded companies that Merrill Lynch deemed to be relevant;

compared the proposed financial terms of the merger with the financial terms of certain other transactions that Merrill Lynch deemed to be relevant;

participated in certain discussions and negotiations among representatives of the Transaction Committee, the Company and Hexion and their financial and legal advisors;

reviewed drafts as of July 11, 2007 of the merger agreement, the voting agreements and various related documents (collectively, the "transaction documents") and a debt financing commitment letter from affiliates of Credit Suisse and Deutsche Bank AG to Hexion dated July 7, 2007; and

reviewed such other financial studies and analyses and took into account such other matters as Merrill Lynch deemed necessary, including its assessment of general economic, market and monetary conditions.

In preparing its opinion, Merrill Lynch assumed and relied on the accuracy and completeness of all information supplied or otherwise made available to it, discussed with or reviewed by or for it, or that was publicly available. Merrill Lynch did not assume any responsibility for independently verifying such information and did not undertake any independent evaluation or appraisal of any of the assets or liabilities of the Company and it was not furnished with any such evaluation or appraisal, nor did it evaluate the solvency or fair value of the Company under any state or federal laws relating to bankruptcy, insolvency or similar matters. In addition, Merrill Lynch did not assume any obligation to conduct any physical inspection of the properties or facilities of the Company. With respect to the financial forecast information furnished to or discussed with Merrill Lynch by the Company, Merrill Lynch assumed that this information had been reasonably prepared and reflected the best currently available estimates and judgment of the Company's management as to the expected future financial performance of the Company. Merrill Lynch expresses no opinion as to such financial forecast information or the assumptions on which it was based. Merrill Lynch assumed that the final form of the merger agreement and related transaction documents would be substantially similar to the last drafts reviewed by it.

The opinion of Merrill Lynch is necessarily based upon market, economic and other conditions as they existed and could be evaluated on, and on the information made available to Merrill Lynch as of, July 12, 2007, the date of its written opinion. Merrill Lynch has no obligation to update its opinion to take into account events occurring after the date that its opinion was delivered to the Transaction Committee and the board of directors. Circumstances could develop prior to consummation of the proposed transaction that, if known at the time Merrill Lynch rendered its opinion, would have altered its opinion.

At the meetings of the Transaction Committee and the board of directors held on July 12, 2007, Merrill Lynch presented financial analyses accompanied by written materials in connection with the delivery of its opinion. The following is a summary of the material financial analyses performed by Merrill Lynch in arriving at its opinion. Some of the summaries of financial analyses include

information presented in tabular format. In order to understand fully the financial analyses performed by Merrill Lynch, the tables must be read together with the accompanying text of each summary. The tables alone do not constitute a complete description of the financial analyses, including the methodologies and assumptions underlying the analyses, and if viewed in isolation could create a misleading or incomplete view of the financial analyses performed by Merrill Lynch.

The estimates of future performance of the Company in or underlying Merrill Lynch's analyses are not necessarily indicative of future results or values, which may be significantly more or less favorable than those estimates. In performing its analyses, Merrill Lynch considered industry performance, general business and economic conditions and other matters, many of which are beyond the Company's control. Estimates of the financial values of companies do not purport to be appraisals or reflect the prices at which such companies actually may be sold.

Merger Consideration to be received by Holders of Company Common Stock

Implied Premiums Analysis. Merrill Lynch reviewed the 52-week intraday high and low and the average trading price of the Company's common stock based on closing prices for the one-month, three-month, six-month and one-year periods ended June 25, 2007, the last trading day before the Company's agreement with Basell was announced. The following table reflects the implied percentage premium that the \$28.00 per share merger consideration represents to these various prices and to the \$18.90 closing price for the Company's shares on June 25, 2007:

	Market Price	Implied Premium of \$28.00 Per Share Merger Consideration
Closing Price on June 25, 2007	\$ 18.90	48.1%
1 Month Average	\$ 19.78	41.6%
3 Month Average	\$ 19.65	42.5%
6 Month Average	\$ 19.88	40.8%
1 Year Average	\$ 18.73	49.5%
52-Week Intraday High (2/21/07)	\$ 21.92	27.7%
52-Week Intraday Low (8/6/06)	\$ 15.62	79.3%

Implied Multiples Analysis. Based on the \$28.00 per share merger consideration and the number of outstanding shares, restricted/phantom stock shares, warrant exchange shares and options and 5% Mandatory Convertible Preferred Stock of Huntsman, which we refer to as the 5% Preferred Stock (assumed converted into common equity) of the Company as provided by the Company's management, Merrill Lynch calculated an equity offer value of the Company of \$6,543 million. Merrill Lynch also calculated an enterprise value of \$10,474 million by adding to this equity offer value the amounts as of March 31, 2007 of the Company's total debt(1) net of cash and cash equivalents, minority interest and 5% Preferred Stock, as applicable ("Net Debt") and an adjusted enterprise value for the purposes of calculating implied transaction multiples of \$9,608 million by deducting proceeds relating to pending divestitures and insurance proceeds(2) (Net Debt less such amounts, "Adjusted Net Debt") from the enterprise value. Merrill Lynch calculated the following implied multiples for the transaction:

(1) Including accounts receivable securitization facility.

(2) Includes \$27 million in Textile & Effects proceeds, insurance proceeds of \$117 million in 2007, discounted insurance proceeds of \$207 million in 2008 discounted at the risk free rate (\$197 million), \$456 million of proceeds from the divestiture of the U.S. Base Chemicals and Polymers businesses and TPC receipts of \$70 million.

the adjusted enterprise value based on the \$28.00 per share merger consideration as a multiple of adjusted earnings before interest, taxes, depreciation and amortization, or Adjusted EBITDA,

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for the Company for the four quarters ended March 31, 2007, and Company management's estimates of calendar year 2007 and calendar year 2008 adjusted EBITDA for the Company. Adjusted EBITDA ("Adjusted EBITDA") was calculated for purposes of the opinion by adjusting for the pending sale of the Company's U.S. Base Chemicals and Polymers Business and eliminating, where applicable, gains and losses from discontinued operations, all restructuring, impairment and reorganization costs, losses on the sale of accounts receivable to the Company's securitization program, losses from early extinguishment of debt, and cumulative effect of changes in accounting principles. We refer to these multiples as Adjusted EBITDA Multiples;

the \$28.00 per share merger consideration as a multiple of Company management's estimates of adjusted calendar year 2007 and adjusted calendar year 2008 estimated earnings per share, or adjusted EPS. Adjusted EPS was calculated for purposes of the opinion by eliminating, where applicable, gains and losses from discontinued operations, all restructuring, impairment and reorganization costs, losses on the sale of accounts receivable to the Company's securitization program, losses from early extinguishment of debt, and cumulative effect of changes in accounting principles. We refer to these multiples as Adjusted P/E Multiples.

For *comparison* purposes, Merrill Lynch also calculated similar implied multiples using an adjusted enterprise value and a share price for the Company based on the Company's closing share price of \$18.90 as of June 25, 2007, the last trading day before the Company's agreement with Basell was announced. The results of Merrill Lynch's analysis are reflected in the following table:

Financial Measure	Implied Multiples Based on June 25 Closing Share Price	Implied Multiples Based on \$28.00 Per Share Merger Consideration
LTM (3/31/07) Adjusted EBITDA Multiple	8.0x	10.2x
CY 2007 Adjusted EBITDA Multiple	7.3x	9.3x
CY 2008 Adjusted EBITDA Multiple	5.8x	7.4x
CY 2007 Adjusted P/E Multiple	14.2x	21.0x
CY 2008 Adjusted P/E Multiple	9.1x	13.5x

Company Valuation Analyses and Reference Points

Historical Stock Trading Analysis. Merrill Lynch reviewed the historical trading performance of the Company common stock. Merrill Lynch observed that the intraday low, average (based on closing prices) and intraday high trading prices for shares of Company common stock over the 52-week period ending June 25, 2007, the last trading day before the Company's agreement with Basell was announced, were \$15.62, \$18.73 and \$21.92, respectively. Merrill Lynch observed that the \$28.00 per share merger consideration was in excess of the highest trading price of the Company's shares during the 52-week period before June 25, 2007.

Analyst Stock Price Targets. Merrill Lynch reviewed price targets for the Company's shares published by Wall Street research analysts as of June 25, 2007, which ranged from \$21.00 to \$26.00. Merrill Lynch discounted these price targets to present value using a discount rate of 13.0% and observed that the discounted price targets ranged from \$18.58 to \$23.01, with a mean discounted price target of \$19.91. Merrill Lynch observed that the \$28.00 per share merger consideration was in excess of this range of price targets for the Company's shares.

The 13% discount rate reflected a hypothetical equity cost of capital for the Company derived by Merrill Lynch based on its judgment and expertise and its review of publicly available data of selected publicly traded companies that, for purposes of the analysis, were considered by Merrill Lynch to be comparable to the Company.

Discounted Cash Flow Analysis. Merrill Lynch performed a discounted cash flow valuation analysis of the Company using projections provided by Company management for the period from April 1, 2007, the beginning of the first quarter for which actual operating results of the Company were not available, through 2011, the final year of the projections provided by Company management. Merrill Lynch calculated a range of implied equity values per share of the Company based upon the sum of the discounted net present value of the estimated unlevered cash flows that the Company would generate for the period beginning April 1, 2007 through the fiscal year ending 2011, plus the terminal value of the Company at the end of that period based on a range of terminal multiples applied to an Adjusted EBITDA figure normalized for industry cyclicality. The Adjusted EBITDA figure was derived by applying a 12% EBITDA margin, which reflected the average EBITDA margin of the Company over the years 2002-2005, to Company management's estimate of 2011 sales.

In its discounted cash flow analysis, Merrill Lynch applied discount rates ranging from 9.5% to 10.5% per year and terminal value multiples of 6.5x to 7.5x. Merrill Lynch observed that this range of discount rates and terminal multiples implied a range of perpetuity growth rates in unlevered free cash flow from 2.8% to 4.6%.

The range of discount rates utilized in this analysis reflected a hypothetical range of weighted average costs of capital of the Company derived by Merrill Lynch based on its judgment and expertise and its review of publicly available data regarding the cost of capital of selected publicly traded companies that, for purposes of the analysis, were considered by Merrill Lynch to be comparable to the Company, estimates of the market cost of debt and various hypothetical capital structures for the Company. The terminal multiples used in this analysis were chosen by Merrill Lynch based on its judgment and expertise and its review of publicly available business and financial information and the respective business and financial characteristics of the Company and selected publicly traded companies that, for purposes of the analysis, were considered by Merrill Lynch to be comparable to the Company.

Based upon this analysis, Merrill Lynch derived a range of implied values per share of Company common stock of \$20.05 to \$25.12. Merrill Lynch observed that the \$28.00 per share merger consideration was in excess of this range of implied equity values derived by the discounted cash flow analysis.

While discounted cash flow analysis is a widely accepted and practiced valuation methodology, it relies on a number of assumptions, including terminal value multiples and discount rates. The valuation derived from the discounted cash flow analysis is not necessarily indicative of the Company's present or future value or results.

Present Value of Future Stock Price and Dividends. Merrill Lynch calculated a present value of the estimated price of the Company's common stock in years 2007, 2008 and 2009 and dividends expected to be received in the interim. Merrill Lynch estimated the future stock price by applying a multiple of 6.6x (based on the Company's enterprise value as of June 25, 2007 as a multiple of an estimate of 2007 EBITDA of the Company derived from selected Wall Street research analysts reports) to management's estimates of the Company's Adjusted EBITDA for each of those years and subtracting management's estimates of the Company's Adjusted Net Debt in each of those years. These projected future stock prices and management's estimates of dividends per share were discounted using a 13% discount rate to an estimated present value of \$15.89, \$21.62, and \$24.06 based on years 2007, 2008 and 2009, respectively. The 13% discount rate reflected a hypothetical equity cost of capital for the Company derived by Merrill Lynch based on its judgment and expertise and its review of publicly available data of selected publicly traded companies that, for purposes of the analysis, were considered by Merrill Lynch to be comparable to the Company.

Analysis of Selected Comparable Publicly Traded Companies. Using publicly available information, Merrill Lynch compared financial and operating information and ratios for the Company with the

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corresponding information for a selected group of publicly traded companies operating in the chemical industry. The selected companies were:

Celanese Corp;

Dow Chemical;

Eastman Chemical;

PPG Industries; and

Rohm & Haas.

Merrill Lynch calculated a market value for each of these companies by multiplying their respective closing prices per share as of July 10, 2007 (applying no premium to the closing price) by the number of diluted outstanding shares of the company based upon publicly available information. Using these market values, Merrill Lynch calculated an enterprise value for each company by adding Net Debt to the market value, which was calculated as reflected in each company's most recent publicly available financial statements.

Using estimates of EBITDA and earnings per share for each of these companies derived from estimates published by selected Wall Street research analysts and First Call (calendarized when necessary) and Net Debt as reflected in each company's most recent publicly available financial statements, Merrill Lynch calculated the following multiples for each company:

the ratio of enterprise value to estimated EBITDA for the calendar years 2007 and 2008, which we refer to as EBITDA Multiples;

P/E Multiples for the calendar years 2007 and 2008 based on estimated earnings per share; and

the ratio of Net Debt based on the most recent publicly available financial statements to estimated EBITDA for the calendar year 2007, which we refer to as Net Debt to 2007E EBITDA Multiples.

Merrill Lynch also calculated similar implied multiples for the Company using an adjusted enterprise value and a share price for the Company based on the Company's closing share price of \$18.90 as of June 25, 2007, the last trading day before the Company's agreement with Basell was announced, and estimates of EBITDA and EPS as reflected in Wall Street research or published by First Call.

Merrill Lynch compared the mean and median implied multiples it calculated for the comparable companies to the implied multiples it calculated for the Company. The results of Merrill Lynch's comparison are reflected in the following table:

	Enterprise Value	2007E EBITDA Multiple	2008E EBITDA Multiple	2007E P/E Multiple	2008E P/E Multiple	Net Debt to 2007E EBITDA Multiple
Celanese Corp	\$ 9,371	7.8x	7.7x	13.0x	12.4x	2.2x
Dow Chemical	52,550	7.2	7.3	11.6	12.8	1.0
Eastman Chemical	6,489	6.5	6.5	14.5	14.7	0.9
PPG Industries	14,224	7.9	7.7	14.7	14.2	0.7
Rohm & Haas	13,735	8.6	8.2	15.5	14.1	1.1
Mean		7.6x	7.5x	13.8x	13.6x	1.2x
Median		7.8x	7.7x	14.5x	14.1x	1.0x
Company		6.6x	6.3x	13.8x	12.4x	2.7x

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Based upon its analysis of the full ranges of multiples calculated for the companies identified above and its consideration of various factors and judgments about current market conditions and characteristics of such companies, including qualitative judgments involving non-mathematical considerations, Merrill Lynch determined the relevant range of 2007 EBITDA multiples to be 7.0x - 8.0x. Applying this range of multiples to the Company's 2007 Adjusted EBITDA, Merrill Lynch calculated implied per share values for the Company ranging from \$17.55 to \$22.19. Merrill Lynch observed that the \$28.00 per share merger consideration was in excess of this range of implied per share values.

None of the selected comparable companies is identical to the Company. In evaluating companies identified by Merrill Lynch as comparable to the Company or otherwise relevant to its analysis of the Company, Merrill Lynch made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters. Many of these matters are beyond the Company's control, such as the impact of competition on the Company's business, the industry generally or the companies identified above, industry growth and the absence of any material change in the Company's financial condition and prospects, the industry, the financial markets in general or the companies identified above. Accordingly, a complete analysis of the results of the foregoing calculations cannot be limited to a quantitative review of the results and involves complex considerations and judgments concerning differences in financial and operating characteristics of the selected comparable companies and other factors that could affect the public trading dynamics of the selected comparable companies, as well as those of the Company.

Leveraged Buyout Analysis. Merrill Lynch performed a leveraged buyout analysis to ascertain the price at which an acquisition of the Company would be attractive to a potential financial buyer without the benefit of combination cost savings or synergies. The analysis of the value of the Company in a leveraged buyout scenario was based upon financial projections provided by Company management. Targeted five-year returns on equity of 20% to 30% and exit multiples ranging from 7.0x to 8.5x normalized Adjusted EBITDA were assumed. Merrill Lynch also assumed a ratio of total debt to LTM Adjusted EBITDA (as of March 31, 2007) of 7.25x and an exit by the potential financial sponsor after five years. Based on these assumptions, the resulting range of implied leveraged acquisition equity values was \$20.75 to \$25.00 per share (assuming 23% and 31%, respectively, of sources of funds would be in the form of new equity). Merrill Lynch observed that the \$28.00 per share merger consideration was in excess of this range of implied leveraged acquisition equity values per share.

The exit multiples used in this analysis were chosen by Merrill Lynch based on its judgment and expertise and its review of publicly available business and financial information and the respective business and financial characteristics of the Company and selected comparable acquisitions that, for purposes of this analysis, were considered by Merrill Lynch to be comparable.

Analysis of Selected Comparable Acquisitions. Using publicly available information, Merrill Lynch calculated the multiple of the transaction value of each of the transactions listed in each of the categories below and the target company's EBITDA over the last four quarters for which information was publicly available at the time of announcement.

Polymers Focused Deals

Year	Acquiror Name	Target Name
2007	SABIC	GE Plastics
1998	Lyondell	ARCO Chemical
2004	Lubrizol	Noveon
2007	Littlejohn & Co. LLC	Intertape Polymer Group
2003	TPG	Kraton
2000	Ripplewood	Shell Kraton

Resins/Adhesives Focused Deals

Year	Acquiror Name	Target Name
1999	Eastman	Lawter
2004	Henkel	Sovereign
1999	MGPE	Ciba PP (Vantico)
1998	MGPE	Hoechst Resins (Vianova)
2006	Apollo Management, LLP	GE Advanced Materials
2004	Cytec	UCB Surface Specialties (Inc. Vianova)
1999	Solutia	MGPE Resins (Vianova)
2000	Eastman	McWhorter
2002	UCB	Solutia Resins (Vianova)
2004	Apollo	Borden
1999	Charterhouse	ICI Acrylics
2001	Eastman	Hercules Resins
2006	Rhone Capital	Arizona Chemical
2006	China National Bluestar (Group)	Rhodia Silicones SAS
2000	Apollo	Shell Epoxy (RPP)

Surfactants Focused Deals

Year	Acquiror Name	Target Name
2007	Carlyle	PQ
1999	SKW Trosberg	Witco Oleochemicals and Derivatives
2006	Croda Int'l	Uniqema
2001	Permira/GS	Cognis (Henkel)
2002	Akzo Nobel	Crompton Industrial Specialties
2000	Sasol	RWE Condea

TiO2 Focused Deals

Year	Acquiror Name	Target Name
2007	Cristall	Lyondell TiO2

Merrill Lynch calculated an implied transaction value for each transaction by multiplying the amount of the announced per share consideration paid or payable in each transaction by the number of

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diluted outstanding shares of the target company based upon publicly available information and adding to the result the amount of the target company's Net Debt, which was calculated as reflected in the target company's most recent publicly available financial statements prior to announcement of the transaction. Merrill Lynch's analysis did not take into account different market and other conditions during the period in which the transactions identified above occurred.

For each of the transactions identified above, Merrill Lynch calculated the ratio of implied transaction value to the EBITDA for the target company for the last four-quarter period for which information was publicly available prior to the announcement of the transaction, which we refer to as the LTM EBITDA Multiple. The table below sets out, by category, the low, high and mean LTM EBITDA Multiples for the above transactions. The weighted average LTM EBITDA Multiple, calculated by weighting the mean business segment multiples by the relative contribution of the Company's business segments to the Company's total 2007E EBITDA, was 8.7x.

Business Segment	Low	High	Mean
Polymers Focused Deals	5.5x	10.0x	8.3x
Resins/Adhesives Focused Deals	5.7x	12.4x	8.4x
Surfactants Focused Deals	5.2x	10.9x	7.7x
TiO2	13.0x	13.0x	13.0x

Based in part on the foregoing multiples and qualitative judgments concerning differences between the characteristics of the above transactions and the merger, Merrill Lynch derived implied aggregate values of the Company by applying multiples ranging from 8.0x to 9.5x to the Company's Adjusted EBITDA over the four-quarter period ended March 31, 2007. The resulting range of implied per share values for the Company was \$18.82 to \$25.07. Merrill Lynch observed that the \$28.00 per share merger consideration was in excess of this range of implied per share values.

None of the transactions analyzed by Merrill Lynch is identical to the proposed merger. Accordingly, a complete analysis of the results of the foregoing calculations cannot be limited to a quantitative review of the results and involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies party to those transactions as well as the transactions and other factors that could affect the proposed merger.

General. The summary set forth above does not purport to be a complete description of the analyses performed by Merrill Lynch. The preparation of a fairness opinion is a complex and analytic process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and is not necessarily susceptible to partial analysis or summary description. Merrill Lynch believes that selecting any portion of its analyses or of the summary set forth above, without considering the analyses as a whole, would create an incomplete view of the process underlying Merrill Lynch's opinion. Merrill Lynch used the methodologies summarized above because it deemed those valuation methodologies to be the most relevant and appropriate in connection with the preparation of its opinion. In arriving at its opinion, Merrill Lynch considered the results of all its analyses and did not attribute any particular weight to any analysis or factor considered by it. Merrill Lynch made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all such analyses. The analyses performed by Merrill Lynch include analyses based upon forecasts of future results, which results may be significantly more or less favorable than those suggested by Merrill Lynch's analyses. The analyses do not purport to be appraisals or to reflect the prices at which the Company's common stock may trade at any time after announcement of the proposed merger. The analyses were prepared solely for the purpose of Merrill Lynch providing its opinion to the board of directors and the Transaction Committee. Because the analyses are inherently subject to uncertainty, being based upon numerous factors and events, including, without limitation, factors relating to general economic and competitive conditions beyond the control of the parties or their respective advisors, neither Merrill

Lynch nor any other person assumes responsibility if future results or actual values are materially different from those forecasted. In addition, as described above, Merrill Lynch's opinion was among several factors taken into consideration by the board of directors and the Transaction Committee in making its determination to approve the merger agreement and the transactions contemplated thereby. Consequently, Merrill Lynch's analyses should not be viewed as determinative of the decision of the board of directors, the Transaction Committee and management with respect to the fairness of the merger consideration.

Merrill Lynch is an internationally recognized investment banking and advisory firm. As part of its investment banking business, Merrill Lynch is continuously engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. The Transaction Committee selected Merrill Lynch as its financial advisor because of Merrill Lynch's qualifications, expertise and reputation. Under the terms of its engagement, the Company has agreed to pay Merrill Lynch a fee of \$25 million for its services, all of which is contingent upon a sale of Huntsman, and which would be payable upon consummation of the Hexion merger. In addition, the Company has agreed to reimburse Merrill Lynch for its reasonable out-of-pocket expenses incurred in connection with providing its services and to indemnify Merrill Lynch, its affiliates and related parties against certain liabilities arising out of Merrill Lynch's engagement. If, at any time during Merrill Lynch's engagement or the two years thereafter, we receive a break-up fee upon termination of an agreement for the sale of the Company, Merrill Lynch will receive 5% of any such fee, including any reverse break-up fee payable in connection with a termination of the Hexion merger agreement. With the consent of the Company and the Transaction Committee, Merrill Lynch or one or more of its affiliates may provide Hexion with, or otherwise assist Hexion in obtaining, the financing necessary to complete the merger, for which services Merrill Lynch would expect to receive additional compensation from Hexion or its affiliates. Merrill Lynch has, in the past, provided financial advisory and financing services to the Company and/or its affiliates and Hexion and/or its affiliates and Basell and/or its affiliates and may continue to do so, and Merrill Lynch has received, and may, in the future, receive, fees for the rendering of any such services. Among other engagements involving the Company, Merrill Lynch has acted as financial advisor to the Company in connection with the pending sale of the Company's U.S. Base Chemicals and Polymers Business, and Merrill Lynch expects to receive additional compensation from the Company upon consummation of such transaction. In addition, in the ordinary course of its business, Merrill Lynch may actively trade shares of the Company's common stock and other securities of the Company and/or Hexion for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities.

Opinion of Cowen and Company, LLC

Pursuant to an engagement letter dated June 18, 2007, as amended on July 5, 2007, the Transaction Committee retained Cowen to render an opinion to the transaction committee as to the fairness, from a financial point of view, to the holders of outstanding shares of Huntsman's common stock, other than the entities and individuals that are entering into voting agreements with Hexion, the HMP Equity Trust and their respective beneficiaries, controlling persons and affiliates, of the consideration that would be received by such stockholders in the transaction.

On July 12, 2007, Cowen delivered its oral opinion to the Transaction Committee, subsequently confirmed in writing as of the same date, to the effect that, and subject to the various assumptions, qualifications and limitations set forth therein, as of July 12, 2007, the consideration provided for in the merger agreement was fair, from a financial point of view, to the holders of outstanding shares of Huntsman's common stock, other than the entities and individuals that are entering into voting agreements with Hexion, the HMP Equity Trust and their respective beneficiaries, controlling persons and affiliates.

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The full text of the written opinion of Cowen, dated July 12, 2007, is attached as Appendix E and is incorporated into this proxy statement by reference. Holders of Huntsman's common stock are urged to read the opinion in its entirety for the assumptions made, procedures followed, other matters considered and limits of the review by Cowen. The summary of the written opinion of Cowen set forth herein is qualified in its entirety by reference to the full text of such opinion. Cowen's opinion was prepared for and addressed to the transaction committee and is directed only to the fairness, from a financial point of view, of the consideration provided for in the merger agreement, and does not constitute an opinion as to the merits of the transaction or a recommendation to any stockholder as to how to vote on the proposed transaction. The consideration to be received in the transaction was determined through negotiations between Huntsman and Hexion and not pursuant to recommendations of Cowen.

In arriving at its opinion, Cowen reviewed and considered such financial and other matters as it deemed relevant, including, among other things:

a draft of the merger agreement received on July 9, 2007;

certain publicly available financial and other information for Huntsman, including equity research, and certain other relevant financial and operating data furnished to Cowen by Huntsman's management;

certain internal financial analyses, financial forecasts, reports and other information concerning Huntsman that were prepared by Huntsman's management;

discussions Cowen had with certain members of Huntsman's management concerning the historical and current business operations, financial conditions and prospects of Huntsman and such other matters Cowen deemed relevant;

certain operating results of Huntsman as compared to the operating results of certain publicly traded companies Cowen deemed relevant;

the reported price and trading histories of the shares of Huntsman's common stock as compared to the reported price and trading histories of certain publicly traded companies Cowen deemed relevant;

certain financial terms of the transaction as compared to the financial terms of certain selected business combinations Cowen deemed relevant;

based on financial forecasts prepared by Huntsman's management, the cash flows generated by Huntsman on a stand-alone basis, which were used to determine the present value of the discounted cash flows; and

such other information, financial studies, analyses and investigations and such other factors that Cowen deemed relevant for the purposes of its opinion.

In conducting its review and arriving at its opinion, Cowen, with Huntsman's consent, assumed and relied upon, without independent investigation, the accuracy and completeness of all financial and other information provided to it by Huntsman or which was publicly available. Cowen did not undertake any responsibility for the accuracy, completeness or reasonableness of, or independently to verify, this information. Cowen relied upon, without independent verification, the assessment of Huntsman's management as to the existing products and services of Huntsman and the validity of, and risks associated with, the future products and services of Huntsman. In addition, Cowen did not conduct, nor did it assume any obligation to conduct, any physical inspection of the properties or facilities of Huntsman. Cowen further relied upon the assurance of management of Huntsman that they were unaware of any facts that would make the information provided to Cowen incomplete or misleading in any respect. Cowen, with Huntsman's consent, assumed that the financial forecasts which Cowen

examined were reasonably prepared by the management of Huntsman on bases reflecting the best currently available estimates and good faith judgments of such management as to the future performance of Huntsman, and, with Huntsman's consent, Cowen assumed that such financial forecasts provided a reasonable basis for its opinion.

Cowen did not make or obtain any independent evaluations, valuations or appraisals of the assets or liabilities of Huntsman, nor was Cowen furnished with these materials. With respect to all legal matters relating to Huntsman and Hexion, Cowen relied on the advice of legal counsel to Huntsman. Cowen's services to the transaction committee in connection with the transaction were comprised solely of rendering an opinion as to the fairness, from a financial point of view, of the consideration provided for in the merger agreement. Cowen expressed no view as to any other aspect or implication of the transaction or any other agreement, arrangement or understanding entered into in connection with the transaction or otherwise. Cowen's opinion was necessarily based upon economic and market conditions and other circumstances as they existed and could be evaluated by Cowen on the date of its opinion. Although subsequent developments may affect its opinion, Cowen does not have any obligation to update, revise or reaffirm its opinion and Cowen expressly disclaimed any responsibility to do so. Cowen was not engaged to be involved in any determinations of Huntsman's board, the transaction committee or Huntsman's management to pursue strategic alternatives or in the negotiation of any of the terms of the transaction, and Cowen was not authorized or requested to, and did not, solicit alternative offers for Huntsman or its assets, nor did Cowen investigate any other alternative transaction that may have been available to Huntsman. Cowen, with Huntsman's consent, assumed that all shares of Huntsman's 5% Preferred Stock would be converted into shares of Huntsman's common stock prior to the closing of the transaction, and, accordingly, its opinion did not address such conversion or the fairness thereof.

In rendering its opinion, Cowen assumed, in all respects material to its analysis, that the representations and warranties of each party contained in the merger agreement are true and correct, that each party will perform all of the covenants and agreements required to be performed by it under the merger agreement and that all conditions to the consummation of the transaction will be satisfied without waiver thereof. Cowen assumed that the final form of the merger agreement would be substantially similar to the last draft received by Cowen prior to rendering its opinion. Cowen also assumed that all governmental, regulatory and other consents and approvals contemplated by the merger agreement would be obtained and that, in the course of obtaining any of those consents, no restrictions will be imposed or waivers made that would have an adverse effect on the contemplated benefits of the transaction.

Cowen's opinion does not constitute a recommendation to any stockholder as to how the stockholder should vote with respect to the transaction or to take any other action in connection with the transaction or otherwise. Cowen's opinion is limited to the fairness, from a financial point of view, of the consideration provided for in the merger agreement. Cowen was not requested to opine as to, and its opinion does not in any manner address, Huntsman's underlying business decision to effect the transaction or the relative merits of the transaction as compared to the other business strategies or transactions that might be available to Huntsman.

The following is a summary of the principal financial analyses performed by Cowen to arrive at its opinion. Some of the summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data set forth in the tables without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses. Cowen performed certain procedures, including each of the financial analyses described below, and reviewed with the management of Huntsman the

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assumptions on which such analyses were based and other factors, including the historical and projected financial results of Huntsman.

Analysis of Selected Publicly Traded Companies. To provide contextual data and comparative market information, Cowen compared selected historical and projected operating and financial data and ratios for Huntsman to the corresponding financial data and ratios of certain other companies, whose securities are publicly traded and which Cowen believes currently have operating, market valuation and trading valuations similar to what might be expected of Huntsman. These companies, which are referred to herein as the Selected Publicly Traded Companies, included Dow Chemical Co., PPG Industries, Inc., Rohm & Haas Co., Celanese Corp., Eastman Chemical Co. and Kronos Worldwide, Inc.

The data and ratios included the equity value plus total debt less cash and equivalents, referred to herein as Enterprise Value, of the Selected Publicly Traded Companies as multiples of latest reported twelve month, referred to as LTM, earnings before interest expense, interest income, income taxes, depreciation and amortization, which is referred to herein as EBITDA, estimated 2007 calendar year EBITDA and estimated 2008 calendar year EBITDA (in each case, as available from Reuters Consensus estimates). Cowen also examined the ratios of the current share prices of the Selected Publicly Traded Companies to the estimated 2008 calendar year EPS (as available from Reuters Consensus estimates) for the Selected Publicly Traded Companies. Cowen did not apply a change of control premium in its analysis of the Selected Publicly Traded Companies.

The following table presents, for the periods indicated, the high, mean, median and low ratios of Enterprise Value to LTM, estimated 2007 EBITDA and estimated 2008 EBITDA and the high, mean, median and low ratios of current share price to the estimated 2008 calendar year EPS for the Selected Publicly Traded Companies. The information in the table is based on the closing stock prices of the Selected Publicly Traded Companies on July 10, 2007.

	Enterprise Value as a Multiple of EBITDA			P/E Multiple
	LTM	2007E	2008P	2008P
	High	9.1x	8.5x	8.1x
Mean	8.0	7.4	7.2	13.6
Median	7.9	7.4	7.3	14.1
Low	6.5	6.4	6.4	12.4

The following table presents, for the periods indicated, the selected multiple ranges of Enterprise Value to LTM, estimated 2007 EBITDA and estimated 2008 EBITDA and the ratio of the current share price to the estimated 2008 calendar year EPS for the Selected Publicly Traded Companies, as well as the implied equity value per share ranges for Huntsman. The information in the table is based on the closing stock prices of the Selected Publicly Traded Companies on July 10, 2007.

	Selected Publicly Traded Company Multiple Range	Implied Equity Value Per Share Range
Enterprise Value as a ratio of:		
LTM EBITDA	7.0x - 8.0x	\$12.50 - \$16.21
2007E EBITDA	6.5x - 7.5x	14.75 - 19.10
2008E EBITDA	6.5x - 7.5x	22.05 - 27.64
Share Price as a ratio of:		
2008E EPS	12.5x - 14.5x	20.70 - 24.02

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Although the Selected Publicly Traded Companies were used for comparison purposes, none of those companies is directly comparable to Huntsman. Accordingly, an analysis of the results of such a comparison is not purely mathematical, but instead involves complex considerations and judgments concerning differences in historical and projected financial and operating characteristics of the Selected Publicly Traded Companies and other factors that could affect the public trading value of the Selected Publicly Traded Companies or Huntsman to which they are being compared.

Analysis of Selected Precedent Transactions. Cowen reviewed the financial terms, to the extent publicly available, of 31 transactions, referred to as the Selected Precedent Transactions involving the acquisition of companies in the chemicals industry, which were completed since January 1, 1999 or are currently pending.

Cowen reviewed the Enterprise Value paid in the Selected Precedent Transactions as a multiple of LTM EBITDA.

The following table presents, for the period indicated, the high, mean, median and low multiples of Enterprise Value to LTM EBITDA for the Selected Precedent Transactions.

	Enterprise Value as a Multiple of EBITDA LTM
High	13.7x
Mean	8.8
Median	8.4
Low	2.9

The following table presents, for the period indicated, the multiple range of Enterprise Value to LTM EBITDA for the Selected Precedent Transactions, as well as the implied equity value per share range for Huntsman.

	Selected Precedent Transaction Multiple Range	Implied Equity Value Per Share Range
Enterprise Value as a ratio of: LTM EBITDA	8.0x - 9.0x	\$16.21 - \$19.93

Although the Selected Precedent Transactions were used for comparison purposes, none of those transactions is directly comparable to this transaction and none of the companies in those transactions is directly comparable to Huntsman. Accordingly, an analysis of the results of such a comparison is not purely mathematical, but instead involves complex considerations and judgments concerning differences in historical and projected financial and operating characteristics of the companies involved and other factors that could affect the acquisition value of such companies or Huntsman to which they are being compared.

Analysis of Selected Transaction Premiums. Cowen reviewed the premiums of the offer price over the trading prices one trading day and 20 trading days prior to the announcement date of selected transactions in the chemicals industry that were announced since January 1, 1996. These selected transactions included only transactions in which the consideration paid represented 100% cash consideration. Cowen then applied these premiums to the stock prices one trading day and 20 trading days prior to June 25, 2007, which prices do not reflect the June 26, 2007 announcement of a transaction between Huntsman and Basell, the July 4, 2007 announcement of Hexion's offer to enter into the transaction with Huntsman and the subsequent announcements by Hexion relating thereto.

Utilizing this methodology, the implied per share equity value of Huntsman ranged from:

\$24.74 to \$24.84 per share, based on the one day premium and stock price; and

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\$26.74 to \$27.33 per share, based on the 20 trading day premium and stock price.

Discounted Cash Flow Analysis. Cowen estimated a range of values for Huntsman's common stock based upon the discounted present value of the projected unlevered after-tax cash flows of Huntsman described in the financial forecasts provided by management of Huntsman for the second half of the fiscal year ended 2007 through the fiscal year ended 2011, and of the terminal value of Huntsman at 2011, based upon a range of multiples of EBITDA. After-tax cash flow was calculated by taking projected earnings before interest expense, interest income and income taxes, referred to as EBIT, and subtracting from this amount projected taxes, capital expenditures, changes in working capital and other miscellaneous negative cash flows and adding back projected depreciation and amortization and stock option expense. This analysis was based upon certain assumptions described by, projections supplied by and discussions held with the management of Huntsman. In performing this analysis, Cowen utilized discount rates ranging from 11.0% to 12.0%, which were selected based on the estimated industry weighted average cost of capital. Cowen utilized terminal multiples of EBITDA ranging from 7.5 times to 8.5 times, these multiples representing the general range of multiples of EBITDA for the Selected Publicly Traded Companies and the Selected Precedent Transactions. These terminal multiples of EBITDA were applied to a normalized EBITDA calculated by taking the average EBITDA margin from 2002 to 2005 of the differentiated and inorganic businesses, based on management historical numbers pro forma for the divestiture of the commodity product business, times terminal revenue. Utilizing this methodology, the resultant per share equity value of Huntsman ranged from \$21.67 to \$26.36 per share.

The summary set forth above does not purport to be a complete description of all the analyses performed by Cowen. The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial analyses and the application of these methods to the particular circumstances and, therefore, such an opinion is not readily susceptible to partial analysis or summary description. Cowen did not attribute any particular weight to any analysis or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, notwithstanding the separate factors summarized above, Cowen believes, and has advised the transaction committee, that its analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all analyses and factors, could create an incomplete view of the process underlying its opinion. In performing its analyses, Cowen made numerous assumptions with respect to industry performance, business and economic conditions and other matters, many of which are beyond the control of Huntsman. These analyses performed by Cowen are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses. In addition, analyses relating to the value of businesses do not purport to be appraisals or to reflect the prices at which businesses or securities may actually be sold. Accordingly, such analyses and estimates are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors. None of Huntsman, Cowen or any other person assumes responsibility if future results are materially different from those projected. The analyses supplied by Cowen and its opinion were among several factors taken into consideration by the transaction committee in making its decision to enter into the merger agreement and should not be considered as determinative of such decision.

Cowen was selected by the Transaction Committee to render an opinion to the transaction committee because Cowen is a nationally recognized investment banking firm and because, as part of its investment banking business, Cowen is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. In the ordinary course of its business, Cowen and its affiliates may trade the equity securities of Huntsman for their own account and for the accounts of their customers, and, accordingly, may at any time hold a

long or short position in such securities. Cowen and its affiliates in the ordinary course of business have from time to time provided, and in the future may continue to provide, commercial and investment banking services to Huntsman, including serving as a financial advisor on potential acquisitions and as an underwriter on equity offerings, and have received and may in the future receive fees for the rendering of such services.

Pursuant to Cowen's engagement letter, as amended, Huntsman has agreed to pay fees of \$2.4 million to Cowen for rendering its opinion. This payment is not contingent on the consummation of the merger or based on the merger consideration. Additionally, Huntsman has agreed to reimburse Cowen for its out-of-pocket expenses, including attorneys' fees, and has agreed to indemnify Cowen against certain liabilities, including liabilities under the federal securities laws. The terms of the fee arrangement with Cowen, which are customary in transactions of this nature, were negotiated at arm's length between the Transaction Committee and Cowen, and the Transaction Committee was aware of the arrangement.

Interests of Certain Persons in the Merger

When considering the recommendation of the Transaction Committee and our board of directors, you should be aware that some of our executive officers and directors have interests in the merger that are different from, or in addition to, yours. The Transaction Committee and the board of directors were aware of these interests and considered them, among other things, in approving the merger agreement and the merger. These interests are described below.

Indemnification and Insurance

The merger agreement provides that, without limiting any other rights that any person may have pursuant to any employment agreement, indemnification agreement or other arrangement, who, at or at any time prior to the effective time of the merger, is or was serving as director or officer of Huntsman or any of our subsidiaries or as a fiduciary under any employee benefit plan of Huntsman or any of our subsidiaries, from the effective time for a period of six years, Hexion and the surviving corporation will, jointly and severally and to the fullest extent permitted by law, indemnify, defend and hold harmless (including any obligations to advance funds for expenses) such persons for acts or omissions by such persons occurring or existing prior to, at or after the effective time (whether asserted or claimed prior to, at or after the effective time), and such indemnification obligations will survive the merger and will continue in full force and effect in accordance with the terms of such employment agreement, indemnification agreement or other arrangement from the effective time of the merger until the six year anniversary of the effective time of the merger with respect to any claims against such persons arising out of such acts or omissions.

In addition, the merger agreement provides that Hexion or the surviving corporation will fully prepay prior to the effective time of the merger policies of directors' and officers' liability insurance with a claims period of at least six years from the effective time of the merger with carriers with the same or better credit rating as our current insurance carrier of at least the same coverage and amounts and scope with respect to claims arising from or related to facts or events which occurred at or before the effective time. In no event, however, will Hexion be required to spend more than 300% of the amount of the premiums paid by Huntsman for the most recent year. In addition, neither Hexion nor the surviving corporation will amend, repeal or otherwise modify the certificate of incorporation or bylaws of the surviving corporation in any manner that would affect adversely the rights of our directors and officers to indemnification, exculpation and advancement of expenses of any party thereto. Hexion has also agreed to, and to cause the surviving corporation to, fulfill and honor any indemnification or exculpation agreement between us and any of our directors, officers or employees existing prior to the effective time of the merger.

Accelerated Vesting of Stock Options, Restricted Stock and Other Stock-based Awards

Stock Options. As of the record date, there were 3,926,940 shares of our common stock subject to stock options granted under our equity plans to our current executive officers and directors. The merger agreement permits and Huntsman intends to take such actions as are necessary to cause all stock options to purchase shares of Huntsman common stock under any benefit plan, program or arrangement that are outstanding and unexercised at the effective time of the merger, whether or not vested or exercisable, as of the effective time of the merger, to be cancelled and converted to the right, upon delivery of an option surrender agreement, to receive an amount in cash, less applicable tax withholding and without interest, equal to the product of (x) the number of shares of our common stock subject to each option as of the effective time of the merger multiplied by (y) the excess, if any, of the merger consideration over the exercise price per share of common stock under such option.

The following table summarizes the vested and unvested options held by our directors and named executive officers as of September 4, 2007 and the consideration that each of them will receive pursuant to the merger agreement in connection with the cancellation of their options:

	No. of Shares Underlying Vested Options	No. of Shares Underlying Unvested Options	Weighted Average Exercise Price of Vested and Unvested Options	Resulting Consideration(1)
Directors:				
Jon M. Huntsman	0	0		
Nolan D. Archibald	16,667	33,333	\$ 19.25	\$ 437,500
Marsha J. Evans	16,667	33,333	\$ 19.25	\$ 437,500
Peter R. Huntsman	428,173	866,180	\$ 21.44	\$ 8,495,907
H. William Lichtenberger	16,667	33,333	\$ 19.25	\$ 437,500
David J. Matlin(2)	0	0		
Richard A. Michaelson	16,667	33,333	\$ 19.25	\$ 437,500
Christopher R. Pechock(2)	0	0		
Wayne E. Reaud	16,667	33,333	\$ 19.25	\$ 437,500
Alvin V. Shoemaker	16,667	33,333	\$ 19.25	\$ 437,500
Executive Officers:				
J. Kimo Esplin	136,208	225,593	\$ 21.64	\$ 2,302,094
Samuel D. Scruggs	136,208	225,593	\$ 21.64	\$ 2,302,094
Anthony P. Hankins	123,720	156,354	\$ 21.94	\$ 1,696,224
Paul G. Hulme	120,598	120,598	\$ 22.02	\$ 1,585,367

(1) The amounts set forth in this "Resulting Consideration" column are calculated based on the actual exercise prices underlying the related options not the weighted average exercise price per share.

(2) Resigned from the board of directors effective August 8, 2007.

Restricted Stock. As of the record date, there were 665,878 shares of our common stock represented by restricted stock (including restricted stock units and phantom stock awards) held by our current executive officers and directors. Pursuant to the merger agreement, the forfeiture restrictions applicable to each share of restricted stock (including restricted stock units and phantom stock) under any benefit plan, program or arrangement will lapse immediately prior to the effective time of the merger and, at the effective time of the merger, will become fully vested and will be converted into the right to receive the merger consideration.

The following table summarizes the restricted stock (including restricted stock units and phantom stock) held by our directors and named executive officers as of September 4, 2007 and the

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consideration that each of them will receive pursuant to the merger agreement in connection with such shares of restricted stock:

	No. of Shares of Restricted Stock	Resulting Consideration(1)
Directors:		
Jon M. Huntsman	0	\$ 0
Nolan D. Archibald	8,984	\$ 253,349
Marsha J. Evans	8,984	\$ 253,349
Peter R. Huntsman	231,024	\$ 6,514,877
H. William Lichtenberger	8,984	\$ 253,349
David J. Matlin(2)	0	\$ 0
Richard A. Michaelson	8,984	\$ 253,349
Christopher R. Pechock(2)	0	\$ 0
Wayne E. Reaud	8,984	\$ 253,349
Alvin V. Shoemaker	8,984	\$ 253,349
Executive Officers:		
J. Kimo Esplin	61,236	\$ 1,726,855
Samuel D. Scruggs	61,236	\$ 1,726,855
Anthony P. Hankins	43,671	\$ 1,231,522
Paul G. Hulme	40,611	\$ 1,145,230

(1) Includes any dividends paid on our common stock following the grant of such shares of restricted stock and prior to vesting, through September 4, 2007.

(2) Resigned from the board of directors effective August 8, 2007.

The merger agreement permits our board of directors to make additional grants of restricted stock (including restricted stock units and phantom stock) after February 15, 2008 if the merger has not been completed by such date. Any awards granted after February 15, 2008 will vest as follows:

the restrictions on one half of such awards will lapse at the effective time of the merger and be converted into the right to receive the merger consideration; and

the restrictions on the remaining one half of such awards will lapse six months following completion of the merger and be converted into the right to receive the merger consideration at such time.

Transaction Bonus and Retention Plans

Upon the consummation of the merger, certain of our executive officers will receive transaction bonuses in the amounts shown below:

	Transaction Bonus Paid Upon Consummation
Executive Officers:	
Peter R. Huntsman	\$ 1,464,500
J. Kimo Esplin	\$ 470,700
Samuel D. Scruggs	\$ 425,000

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	Transaction Bonus Paid Upon Consummation
Anthony P. Hankins	\$ 501,800
Paul G. Hulme	\$ 474,995

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Our executive officers will also be given retention bonuses as set forth below upon the earlier of the date that is 12 months following the consummation of the merger or, with respect to any such officer whose employment is involuntarily terminated prior to the payment of such bonus, the date of such officer's termination of employment.

	Retention Bonus Paid 1 Year Following Consummation
Executive Officers:	
Peter R. Huntsman	\$ 732,250
J. Kimo Esplin	\$ 235,350
Samuel D. Scruggs	\$ 212,500
Anthony P. Hankins	\$ 250,900
Paul G. Hulme	\$ 237,498

Our named executive officers will also receive tax gross-up payments to reimburse and make whole any such officer, if such officer incurs excise tax liability imposed pursuant to Section 4999 of the Internal Revenue Code of 1986, as amended, as a result of the merger, including the transaction bonuses or retention payments described above.

Change of Control Payments

The consummation of the merger will constitute a change of control under our Supplemental Savings Plan and will result in distributions to certain executive officers and employees of their savings balances. The following table summarizes the distributions that would have been made to our executive officers under the Supplemental Savings Plan had these distributions been made on June 30, 2007:

	Supplemental Savings Payment
Executive Officers:	
Peter R. Huntsman	\$ 22,465
J. Kimo Esplin	\$ 888,257
Samuel D. Scruggs	\$ 712,133
Anthony P. Hankins	\$ 704,963
Paul G. Hulme	\$ 0

Continuation of Huntsman's Employee Benefits

Hexion has agreed that from the effective time until one year thereafter, officers and employees of Huntsman and its subsidiaries who remain employed by the surviving corporation or its subsidiaries after the effective time of the merger will be provided base salary, base wages and annual and incentive compensation opportunities and employee benefits, plans and programs (excluding equity-based compensation arrangements) which, in the aggregate, are no less favorable than those made available by Huntsman and its subsidiaries to its officers and employees immediately prior to the effective time of the merger. Hexion also agreed to maintain our severance plans in place for at least twelve months after the effective time of the merger.

Reallocation of Shares under the HMP Equity Trust

In connection with the execution of the merger agreement, an affiliate of our chairman and our chief executive officer, Huntsman Family Holdings is being allocated upon consummation of the merger 1,783,701 shares of our common stock that are currently held in HMP Equity Trust in settlement of a dispute among the beneficiaries of the HMP Equity Trust over the allocation of such shares. Huntsman Family Holdings is not receiving any additional consideration from Huntsman.

Agreements with MatlinPatterson

In order to induce MatlinPatterson, which was one of our significant beneficial owners and an affiliate of two of our directors as of the date of the merger agreement, to enter into a voting agreement with Hexion, Huntsman entered into an Amended and Restated Registration Rights Agreement with MatlinPatterson. Pursuant to this agreement, Huntsman agreed to file a shelf registration statement registering shares of our common stock held by MatlinPatterson by July 23, 2007 and removed certain preexisting volume limitations. In addition, Huntsman agreed to reimburse upon consummation of the merger up to \$13 million in additional investment banking fees of UBS owed by MatlinPatterson if Huntsman were to consummate the merger with Hexion instead of Basell. The board of directors, based on the recommendation of the transaction committee, unanimously approved the Amended and Restated Registration Rights Agreement and the reimbursement of fees and expenses. Hexion also agreed to allow Huntsman to enter into the Amended and Restated Registration Rights Agreement and pay such reimbursement. On July 31, 2007, we filed a shelf registration statement registering all of the shares held by MatlinPatterson. On August 6, 2007, MatlinPatterson sold an aggregate of 56,979,062 shares of our common stock at a price of \$24.25 per share in a transaction underwritten by Credit Suisse Securities (USA) LLC. None of these shares were sold to any affiliate of Huntsman or to a holder of 5% or more of the outstanding shares of common stock at the time of sale. MatlinPatterson has agreed to retain in the HMP Equity Trust 19,870,000 shares of our common stock, except that such shares may be sold if we agree that certain criteria are satisfied or if the new owner grants all voting rights with respect to the purchased shares to HMP Equity Trust or to Jon M. Huntsman.

Appraisal Rights

Holders of record of shares of our common stock who do not vote in favor of the adoption of the merger agreement and who properly demand appraisal of their shares will be entitled to appraisal rights in connection with the merger under Section 262 of the General Corporation Law of the State of Delaware ("Section 262").

The following discussion is not a complete statement of the law pertaining to appraisal rights under Section 262 and is qualified in its entirety by the full text of Section 262 which is attached to this proxy statement as Appendix F. The following summary does not constitute any legal or other advice nor does it constitute a recommendation that stockholders exercise their appraisal rights under Section 262. All references in Section 262 and in this summary to a "stockholder" or "holders of shares of our common stock" are to the record holder or holders of the shares of our common stock as to which appraisal rights are asserted. A person having a beneficial interest in shares of our common stock held of record in the name of another person, such as a broker, fiduciary, depository or other nominee, must act promptly to cause the record holder to follow the steps summarized below properly and in a timely manner to perfect appraisal rights.

Under Section 262, a record holder of shares of our common stock who makes the demand described below with respect to such shares, who continuously is the record holder of such shares through the effective time of the merger, who does not vote in favor of the adoption of the merger agreement and who otherwise follows the procedures set forth in Section 262 will be entitled to have his or her shares appraised by the Delaware Court of Chancery and to receive payment in cash of the "fair value" of the shares, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with a fair rate of interest, if any, as determined by the court.

Under Section 262, where a merger is to be submitted for approval at a meeting of stockholders, as in the case of the adoption of the merger agreement by our stockholders, the corporation, not less than 20 days prior to the meeting, must notify each of its stockholders entitled to appraisal rights that appraisal rights are available and include in the notice a copy of Section 262. This proxy statement constitutes the notice, and the full text of Section 262 is attached to this proxy statement as Appendix F. Any holder of our common stock who wishes to exercise appraisal rights, or who wishes to

preserve such holder's right to do so, should review the following discussion and Appendix F carefully because failure to timely and properly comply with the procedures specified will result in the loss of appraisal rights. Moreover, because of the complexity of the procedures for exercising the right to seek appraisal of shares of our common stock, we believe that if you are considering exercising such rights, you should seek the advice of legal counsel.

Any stockholder wishing to exercise appraisal rights must deliver to us, before the vote on the adoption of the merger agreement at the special meeting on October 16, 2007, a written demand for the appraisal of the stockholder's shares, and a holder of shares of our common stock must not vote in favor of the adoption of the merger agreement. A holder of shares of our common stock wishing to exercise appraisal rights must hold of record the shares on the date the written demand for appraisal is made and must continue to hold the shares of record through the effective time of the merger, since appraisal rights will be lost if the shares are transferred prior to the effective time of the merger. A proxy which is properly executed and does not contain voting instructions will, unless revoked, be voted in favor of the adoption of the merger agreement. Therefore, a stockholder who votes by proxy and who wishes to exercise appraisal rights must vote against the adoption of the merger agreement or abstain from voting on the adoption of the merger agreement. Neither voting against the adoption of the merger agreement (in person or by proxy) nor abstaining from voting or failing to vote on the proposal to adopt the merger will in and of itself constitute a written demand for appraisal satisfying the requirements of Section 262. The written demand for appraisal must be in addition to and separate from any proxy or vote. The demand must reasonably inform us of the identity of the record holder as well as the intention of the holder to demand an appraisal of the "fair value" of the shares held by the holder. A stockholder's failure to make the written demand prior to the taking of the vote on the approval and adoption of the merger agreement at the special meeting of stockholders will constitute a waiver of appraisal rights.

Only a holder of record of shares of our common stock is entitled to assert appraisal rights for the shares registered in that holder's name. A demand for appraisal in respect of shares of our common stock should be executed by or on behalf of the holder of record, and must state that the person intends thereby to demand appraisal of the holder's shares in connection with the merger. If the shares are owned of record by a person other than the beneficial owner, including a broker, fiduciary (such as a trustee, guardian or custodian), depositary or other nominee, execution of the demand should be by or for the record owner, and if the shares are owned of record by more than one person, as in a joint tenancy and tenancy in common, the demand should be executed by or on behalf of all joint owners. An authorized agent, including an agent for two or more joint owners, may execute a demand for appraisal on behalf of a holder of record; however, the agent must identify the record owner or owners and expressly disclose that, in executing the demand, the agent is acting as agent for the record owner or owners. A record holder such as a broker who holds shares as nominee for several beneficial owners may exercise appraisal rights with respect to the shares held for one or more beneficial owners while not exercising the rights with respect to the shares held for other beneficial owners; in such case, however, the written demand should set forth the number of shares as to which appraisal is sought, and where no number of shares is expressly mentioned the demand will be presumed to cover all shares of our common stock held in the name of the record owner. Stockholders who hold their shares in brokerage accounts or other nominee forms and who wish to exercise appraisal rights are urged to consult with their brokers to determine the appropriate procedures for the making of a demand for appraisal by such a nominee.

All written demands for appraisal pursuant to Section 262 should be sent or delivered to Huntsman at 500 Huntsman Way, Salt Lake City, Utah 84108, Attention: Secretary.

Within ten days after the effective time of the merger, the surviving corporation must notify each holder of our common stock who has complied with Section 262, and who has not voted in favor of the adoption of the merger agreement, that the merger has become effective. Within 120 days after the effective time of the merger, but not thereafter, the surviving corporation or any holder of our common

stock who has so complied with Section 262 and is entitled to appraisal rights under Section 262 may file a petition in the Delaware Court of Chancery with a copy served on the surviving corporation demanding a determination of the fair value of the shares held by all dissenting holders. If a petition for appraisal is not timely filed, then the right to an appraisal for all dissenting stockholders will cease. The surviving corporation is under no obligation to and has no present intention to file a petition, and holders should not assume that the surviving corporation will file a petition or that the surviving corporation will initiate any negotiations with respect to the fair value of such shares. Accordingly, the holders of our common stock who desire to have their shares appraised should initiate all necessary action to perfect their appraisal rights in respect of shares of our common stock within the time and in the manner prescribed in Section 262.

Within 120 days after the effective time of the merger, any holder of our common stock who has complied with the requirements for exercise of appraisal rights will be entitled, upon written request, to receive from the surviving corporation a statement setting forth the aggregate number of shares not voted in favor of the adoption of the merger agreement and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. The statement must be mailed within ten days after a written request therefor has been received by the surviving corporation or within ten days after the expiration of the period for delivery of demands for appraisal, whichever is later.

Under the merger agreement, we have agreed to provide Hexion prompt notice of any demands for appraisal received by it. Hexion will have the right to participate in, and control all negotiations and proceedings with respect to, demands for appraisal under the Section 262. We will not make any payments with respect to, or settle or offer to settle, any demand for appraisal without the written consent of Hexion.

If a petition for an appraisal is timely filed by a holder of shares of our common stock and a copy thereof is served upon the surviving corporation, the surviving corporation will then be obligated within 20 days to file with the Delaware Register in Chancery a duly verified list containing the names and addresses of all stockholders who have demanded an appraisal of their shares and with whom agreements as to the value of their shares have not been reached. After notice to the stockholders as required by the court, the Delaware Court of Chancery is empowered to conduct a hearing on the petition to determine those stockholders who have complied with Section 262 and who have become entitled to appraisal rights thereunder. The Delaware Court of Chancery may require the stockholders who demanded payment for their shares to submit their stock certificates to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with the direction, the Court of Chancery may dismiss the proceedings as to the stockholder.

After determining the holders of our common stock entitled to appraisal, the Delaware Court of Chancery will determine the "fair value" of their shares, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with a fair rate of interest, if any, to be paid upon the amount determined to be the fair value. In determining fair value and, if applicable, a fair rate of interest, the Delaware Court of Chancery will take into account all relevant factors. In *Weinberger v. UOP, Inc.*, the Delaware Supreme Court discussed the factors that could be considered in determining fair value in an appraisal proceeding, stating that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court" should be considered and that "[f]air price obviously requires consideration of all relevant factors involving the value of a company." The Delaware Supreme Court stated that, in making this determination of fair value, the court must consider market value, asset value, dividends, earnings prospects, the nature of the enterprise and any other facts that could be ascertained as of the date of the merger that throw any light on future prospects of the merged corporation. Section 262 provides that fair value is to be "exclusive of any element of value arising from the accomplishment or expectation of the merger." In *Cede & Co. v. Technicolor, Inc.*, the Delaware Supreme Court stated that such exclusion is a "narrow exclusion [that] does not encompass known elements of value," but which

rather applies only to the speculative elements of value arising from such accomplishment or expectation. In *Weinberger*, the Delaware Supreme Court also stated that "elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered."

Stockholders considering seeking appraisal should be aware that the fair value of their shares as so determined could be more than, the same as or less than the merger consideration they would receive pursuant to the merger if they did not seek appraisal of their shares and that an investment banking opinion as to the fairness from a financial point of view of the consideration to be received in a merger is not necessarily an opinion as to fair value under Section 262. Although we believe that the merger consideration is fair, no representation is made as to the outcome of the appraisal of fair value as determined by the Delaware Court of Chancery, and stockholders should recognize that such an appraisal could result in a determination of a value higher or lower than, or the same as, the merger consideration. The surviving corporation may reserve the right to assert, in any appraisal proceeding, that for purposes of Section 262, the "fair value" of a share of our common stock is less than the merger consideration. The Delaware Court of Chancery will also determine the amount of interest, if any, to be paid upon the amounts to be received by persons whose shares of our common stock have been appraised. The costs of the action may be determined by the court and taxed upon the parties as the court deems equitable under the circumstances. However, costs do not include attorneys' and expert witness fees. Each dissenting stockholder is responsible for his or her attorneys' and expert witness expenses, although upon application of a dissenting stockholder or the surviving corporation, the Delaware Court of Chancery may also order that all or a portion of the expenses incurred by a stockholder in connection with an appraisal, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts utilized in the appraisal proceeding, be charged pro rata against the value of all the shares entitled to be appraised.

Any holder of shares of our common stock who has duly demanded an appraisal in compliance with Section 262 will not, after the effective time of the merger, be entitled to vote the shares subject to the demand for any purpose or be entitled to the payment of dividends or other distributions on those shares (except dividends or other distributions payable to holders of record of our common stock as of a record date prior to the effective time of the merger).

If any stockholder who demands appraisal of shares of our common stock under Section 262 fails to perfect, or successfully withdraws or loses, such holder's right to appraisal, the stockholder's shares of our common stock will be deemed to have been converted at the effective time of the merger into the right to receive the merger consideration. A stockholder will fail to perfect, or effectively lose or withdraw, the holder's right to appraisal if no petition for appraisal is filed within 120 days after the effective time of the merger, or if the stockholder delivers to the surviving corporation a written withdrawal of the holder's demand for appraisal and an acceptance of the merger, except that any attempt to withdraw made more than 60 days after the effective time of the merger will require the written approval of the surviving corporation, and once a petition for appraisal is filed, the appraisal proceeding may not be dismissed as to any holder absent approval by the Delaware Court of Chancery, which approval may be conditioned upon the terms the Delaware Court of Chancery deems just.

Failure to comply with all of the procedures set forth in Section 262 will result in the loss of a stockholder's statutory appraisal rights. Consequently, any stockholder wishing to exercise appraisal rights is urged to consult legal counsel before attempting to exercise those rights.

Stockholder Litigation

From July 5 to July 13, 2007, four stockholder class action complaints were filed against us and our directors alleging breaches of fiduciary duty in connection with the then-proposed sale of Huntsman to Basell and the receipt of a superior proposal from Hexion. Three actions were filed in Delaware: *Cohen v. Archibald, et al.*, No. 3070, in the Court of Chancery for the State of Delaware (filed July 5, 2007); *Augenstein v. Archibald, et al.*, No. 3076, in the Court of Chancery for the State of Delaware

(filed July 9, 2007); and *Murphy v. Huntsman, et al.*, No. 3094, in the Court of Chancery for the State of Delaware (filed July 13, 2007). Another action was filed in Texas: *Schwoegler v. Huntsman Corporation, et al.*, Cause No. 07-07-06993-CV, in the 9th Judicial District Court of Montgomery County, Texas (filed July 6, 2007). Some complaints also named Basell entities as additional defendants alleging claims of aiding and abetting breaches of fiduciary duty.

The complaints collectively allege that our board of directors failed to conduct a sufficient process to investigate and obtain maximum value for our shares of common stock, prematurely entered into a merger agreement with Basell at an inadequate price of \$25.25 per share as evidenced by a superior proposal later received from Hexion, improperly agreed to a \$200 million termination fee to Basell, failed to make adequate disclosures concerning the Basell transaction, and engaged in self-dealing by manipulating the timing of the Basell transaction to benefit officers and directors of Huntsman more than stockholders. The complaints seek injunctive relief on behalf of a class of shareholders to enjoin the proposed merger with Basell, rescission of the Basell merger agreement and the \$200 million termination fee, and recovery of plaintiffs' costs including reasonable attorneys' fees.

Since the cases were filed, we terminated the Basell merger agreement and entered into the merger agreement with Hexion at a price of \$28.00 per share. On July 30, 2007, the Delaware Court of Chancery entered an order consolidating the three Delaware actions into the first-filed action, requiring the plaintiffs to file a consolidated amended complaint as soon as practicable, and extending the deadline for all defendants to answer or respond in the Delaware action until 30 days after the consolidated amended complaint is filed. An amended petition in the Texas action was served on August 14, 2007, and by agreement with the plaintiffs, defendants' answer or response is not due until September 13, 2007.

We believe the cases are without merit.

Material United States Federal Income Tax Consequences of the Merger

General. The following describes the material U.S. federal income tax consequences of the merger that are generally applicable to U.S. holders of Huntsman common stock. However, this discussion does not address all aspects of taxation that may be relevant to particular U.S. holders in light of their personal investment or tax circumstances or to persons who are subject to special treatment under the U.S. federal income tax laws. In particular, this discussion deals only with holders that hold shares of Huntsman common stock as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended. In addition, this discussion does not address the tax treatment of special classes of U.S. holders, such as banks, insurance companies, regulated investment companies, tax-exempt entities, financial institutions, broker-dealers, partnerships or other pass-through entities for U.S. federal income tax purposes, mutual funds, controlled foreign corporations, passive foreign investment companies, persons, if any, holding Huntsman common stock as "qualified small business stock," persons holding Huntsman common stock as part of a hedging, "straddle," conversion or other integrated transaction, U.S. expatriates, persons whose functional currency is not the U.S. dollar, or persons subject to the alternative minimum tax. This discussion may not be applicable to stockholders who acquired Huntsman common stock pursuant to the exercise of options or otherwise as compensation. Furthermore, this discussion does not address any aspect of state, local or foreign tax considerations. We intend this discussion to provide only a general summary of the material U.S. federal income tax consequences of the merger. We do not intend it to be a complete analysis or description of all potential U.S. federal income tax consequences of the merger. **We urge you to consult your own tax advisor as to the specific tax consequences of the merger, including the applicable federal, state, local and foreign tax consequences to you of the merger.**

As used in this proxy statement, a "U.S. holder" means a beneficial owner of Huntsman common stock who is for U.S. federal income tax purposes:

a citizen or resident of the United States for U.S. federal income tax purposes;

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a corporation or other entity classified as a corporation for U.S. federal income tax purposes created or organized in the United States or under the law of the United States or any state within the United States or the District of Columbia;

an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of its source; or

a trust whose administration is subject to the primary supervision of a U.S. court and that has one or more U.S. persons who have the authority to control all substantial decisions of the trust.

A "Non-U.S. Holder" is a person (other than a partnership) that is not a U.S. Holder.

If a partnership holds Huntsman common stock, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. Partners of partnerships that hold stock are urged to consult their own tax advisors about the U.S. federal income tax consequences of the merger.

This discussion is based on the Internal Revenue Code of 1986, as amended, applicable Department of Treasury regulations, judicial authority, and administrative rulings and practice, all as of the date of this proxy statement. Future legislative, judicial, or administrative changes or interpretations may adversely affect the accuracy of the statements and conclusions described in this proxy statement. Any changes or interpretations could be applied retroactively and could affect the tax consequences of the merger to U.S. holders.

Consequences of the Merger to Huntsman Stockholders. The receipt of cash in exchange for Huntsman common stock in the merger or as a result of the exercise of appraisal rights will be a taxable transaction for U.S. federal income tax purposes. In general, a U.S. holder will recognize capital gain or loss equal to the difference between the amount of cash received and the U.S. holder's adjusted tax basis in the Huntsman common stock exchanged in the merger. Gain or loss will be calculated separately for each block of shares, with each block of shares consisting of shares acquired at the same cost in a single transaction. Such gain or loss will be long-term capital gain or loss if the U.S. holder held the Huntsman common stock for more than one year as of the effective time of the merger. Certain limitations apply to the deductibility of capital losses by U.S. holders.

Federal Income Tax Backup Withholding and Information Reporting. A U.S. holder may be subject to backup withholding at the rate of 28% with respect to a payment of cash in the merger unless the U.S. holder:

is a corporation or comes within certain other exempt categories (including financial institutions and tax-exempt organizations and non-U.S. holders) and, when required, demonstrates this fact; or

provides a correct taxpayer identification number and certifies, under penalties of perjury, that the U.S. holder is not subject to backup withholding, and otherwise complies with applicable requirements of the backup withholding rules.

To prevent backup withholding and possible penalties, each U.S. holder should complete and sign the substitute Form W-9 included in the letter of transmittal which will be sent to U.S. holders if the merger is completed. Any amount withheld under these rules may be credited against the U.S. holder's U.S. federal income tax liability, provided the required information is furnished to the Internal Revenue Service in a timely manner. U.S. Holders of Huntsman common stock will be subject to information reporting on the cash received in the merger or upon the exercise of appraisal rights in connection with the merger unless such U.S. Holder is an "exempt recipient," such as a domestic corporation.

Consequences of the Merger to Huntsman Stockholders that Are Not U.S. Holders. Non-U.S. Holders generally will not be subject to U.S. federal income tax on any gain realized on the receipt of cash in the merger or upon the exercise of appraisal rights in connection with the merger unless:

the gain is effectively connected with a U.S. trade or business of the Non-U.S. Holder (and if an applicable income tax treaty so provides, is also attributable to a permanent establishment or a fixed base in the United States maintained by such Non-U.S. Holder), in which case the Non-U.S. Holder generally will be taxed at the graduated U.S. federal income tax rates applicable to United States persons (as defined under the Code) and, if the Non-U.S. Holder is a foreign corporation, the additional 30% branch profits tax (or such lower rate as may be specified by an applicable income tax treaty) may apply;

the Non-U.S. Holder is a nonresident alien individual who is present in the United States for 183 days or more in the taxable year of the merger and certain other conditions are met, in which case the Non-U.S. Holder may be subject to a 30% tax on the net gain realized in connection with the merger, which may be offset by U.S. source capital losses of the Non-U.S. Holder, if any; or

the Company is or has been during the five-year period ending on the date of the merger, a "United States real property holding corporation" for U.S. federal income tax purposes and certain other circumstances apply, in which event the purchaser of our stock may withhold 10% of the cash payable to a Non-U.S. Holder in connection with the merger and a Non-U.S. Holder generally will be subject to the rules applicable to "effectively connected" income, as described above.

Non-U.S. Holders will be subject to information reporting and may be subject to backup withholding at the rates provided in the Code (currently at a rate of 28%) on the cash received in the merger or upon the exercise of appraisal rights in connection with the merger, unless the Non-U.S. Holder certifies under penalties of perjury that it is not a U.S. person under the Code (and the payor does not have actual knowledge or reason to know otherwise) or such holder otherwise establishes an exemption. Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against a Non-U.S. Holder's U.S. federal income tax liability, if any, provided that such Non-U.S. Holder furnishes the required information to the IRS in a timely manner.

We strongly urge each holder of Huntsman common stock to consult his, her or its own tax advisor as to the specific tax consequences of the merger, including the applicability and effect of U.S. federal, state, local and foreign income and other tax laws, in view of the holder's particular circumstances.

Regulatory Matters

United States

Under the HSR Act, the merger may not be completed until notifications have been given to the Antitrust Division of the United States Department of Justice and the Federal Trade Commission and the required waiting period has expired or been terminated. Huntsman and Hexion each made the required HSR Act filing and, under the HSR Act, the waiting period will expire on October 4, 2007, unless terminated early or extended.

European Commission

The merger also may not be completed until notification has been submitted to the European Commission in accordance with the ECMR and all required approvals by the European Commission have been obtained or deemed to be obtained under the ECMR.

Other Jurisdictions

Huntsman and Hexion each conducts operations in a number of foreign countries or jurisdictions where other regulatory approvals may be required or advisable in connection with the completion of the merger. As a condition to the completion of the merger, all required approvals of the competent

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authority of Canada, South Korea, South Africa and Switzerland must be obtained or any applicable waiting period thereunder must be terminated or expired.

In connection with the merger we and Hexion have each agreed to:

cooperate fully with each other and furnish to the other necessary information and reasonable assistance in connection with its preparation of all antitrust filings;

keep each other reasonably informed of any communication received from, or given to, any antitrust authority, and of any communication received or given in connection with any proceeding by a private party, in each case regarding the merger and in a manner that protects attorney-client or attorney work product privilege; and

permit each other to review any filing or communication proposed to be made to any antitrust authority or in connection with any proceeding by a private party related to antitrust laws with any other person, in each case regarding the merger and in a manner that protects attorney-client or attorney work product privilege and to incorporate the other party's reasonable comments in any such communication.

In the merger agreement we and Hexion have also agreed to use our reasonable best efforts to ensure the prompt expiration of any applicable waiting period under any antitrust laws and approval by any relevant antitrust authority; and to respond to and comply with any request for information regarding the merger or filings under any antitrust laws from any antitrust authority.

Hexion has agreed to take any and all action necessary (i) to ensure that no governmental entity enters any order, decision, judgment, decree, ruling, injunction, or establishes any law, rule, regulation or other action preliminarily or permanently restraining, enjoining or prohibiting the consummation of the merger, and (ii) to ensure that no antitrust authority with the authority to clear, authorize or otherwise approve the consummation of the merger, fails to do so by the termination date of the merger agreement. Such required action may include but is not limited to:

selling or otherwise disposing of, or holding separate and agreeing to sell or otherwise dispose of, assets, categories of assets or businesses of Huntsman or Hexion or their respective subsidiaries;

terminating existing relationships, contractual rights or obligations of Huntsman or Hexion or their respective subsidiaries;

terminating any venture or other arrangement;

creating any relationship, contractual rights or obligations of Huntsman or Hexion or their respective subsidiaries; or

effectuating any other change or restructuring of Huntsman or Hexion or their respective subsidiaries;

In each case, Hexion has also agreed to enter into agreements or stipulate to the entry of an order or decree or file appropriate applications with any antitrust authority and in the case of actions by or with respect to Huntsman or its subsidiaries or its businesses or assets to consent to such action by Huntsman. Any such action with respect to Huntsman, its subsidiaries, businesses or assets may, at the discretion of Huntsman, be conditioned upon consummation of the merger. We have agreed to use our reasonable best effort to assist Hexion in resisting and reducing any of the foregoing actions.

Hexion is entitled to direct any proceedings or negotiations with any antitrust authority relating to the merger or filings under any antitrust laws, however it must allow Huntsman a reasonable opportunity to participate in such proceedings or negotiations. Neither party will initiate, or participate in any meeting or discussion with any governmental entity with respect to any filings, applications, investigation, or other inquiry regarding the merger or filings under any antitrust laws without giving the other party reasonable prior notice of the meeting or discussion and, to the extent permitted by the relevant governmental entity, the opportunity to attend and participate (which, at the request of either party, will be limited to outside antitrust counsel only).

THE MERGER AGREEMENT AND VOTING AGREEMENTS

The following summarizes material provisions of the merger agreement and voting agreements, copies of which are attached to this proxy statement as Appendices A-C and incorporated by reference into this document. This summary does not purport to be complete and may not contain all of the information about the merger agreement and voting agreements that is important to you. We encourage you to read carefully the merger agreement and voting agreements in their entirety because the rights and obligations of the parties are governed by the express terms of the merger agreement and voting agreements and not by this summary or any other information contained in this proxy statement.

As a stockholder, you are not a third party beneficiary of the merger agreement and therefore you may not directly enforce any of its terms or conditions. The parties' representations, warranties and covenants were made as of specific dates and only for purposes of the merger agreement and are subject to important exceptions and limitations, including a contractual standard of materiality different from that generally relevant to investors. In addition, the representations and warranties may have been included in the merger agreement for the purpose of allocating risk between Huntsman and Hexion, rather than to establish matters as facts. Certain of the representations, warranties and covenants in the merger agreement are qualified by information Huntsman filed with the SEC prior to the date of the merger agreement, as well as by a disclosure letter of Huntsman delivered to Hexion prior to signing the merger agreement. The disclosure letter has not been made public because, among other reasons, it includes confidential or proprietary information.

You should also be aware that none of the representations or warranties has any legal effect among the parties to the merger agreement after the effective time of the merger, nor will the parties to the merger agreement be able to assert the inaccuracy of the representations and warranties as a basis for refusing to close the transaction unless all such inaccuracies as a whole have had or would be reasonably likely to have a material adverse effect on the party that made the representations and warranties.

Furthermore, you should not rely on the covenants in the merger agreement as actual limitations on the business of Huntsman, because Huntsman may take certain actions that are either expressly permitted in the confidential disclosure letter to the merger agreement or as otherwise consented to by Hexion, which may be given without prior notice to the public.

Effective Time

The effective time of the merger will occur at the time that we file a certificate of merger with the office of the Secretary of State of the State of Delaware as soon as practicable on the closing date of the merger (or such later time as provided in the certificate of merger). The closing date will occur on the date that is two business days after all of the conditions to the merger set forth in the merger agreement have been satisfied or waived (or such other date as Hexion and the Company may agree) as described below under "The Merger Agreement and Voting Agreements Conditions to the Merger". Notwithstanding the foregoing, at the option of Hexion, the closing date may occur on a later date during, or on the final day of, a marketing period which may last from the first business day following the date upon which all of the conditions to the obligations of Hexion and Merger Sub have been satisfied (except such conditions that, by their nature can only be satisfied at closing and the condition relating to the conversion of the 5% Preferred Stock) to the earlier of (a) the expiration of twenty consecutive business days (subject to certain blackout periods) or (b) the consummation of the debt financing.

Structure

At the effective time of the merger, Merger Sub will merge with and into us. The separate existence of Merger Sub will cease and Huntsman will survive the merger and continue to exist after the merger as a wholly-owned subsidiary of Hexion. All of Huntsman's and Merger Sub's properties, assets, rights, privileges, immunities, powers and franchises, and all of their debts, liabilities and duties,

will become those of the surviving corporation. Following completion of the merger, Huntsman common stock will no longer be quoted on the New York Stock Exchange, will be deregistered under the Exchange Act, and will no longer be publicly traded. Huntsman will be a privately held corporation and Huntsman's current stockholders will cease to have any ownership interest in Huntsman or rights as holders of Huntsman common stock. Therefore, the current Huntsman stockholders will not participate in any future earnings or growth of Huntsman and will not benefit from any appreciation in value of Huntsman.

Treatment of Common Stock, Stock Options, Restricted Stock and Other Stock-based Awards

Company Common Stock

At the effective time of the merger, each share of our common stock (other than shares of our common stock as to which appraisal rights have been demanded and perfected and not withdrawn or otherwise lost under Delaware law) issued and outstanding immediately prior to the effective time of the merger will automatically be canceled and will cease to exist and will be converted into the right to receive the merger consideration.

After the effective time of the merger, except with respect to shares as to which appraisal rights have been demanded and perfected and not withdrawn or otherwise lost under Delaware law, each of our outstanding stock certificates or book-entry shares representing shares of common stock converted in the merger will represent only the right to receive the merger consideration without any interest. The merger consideration paid on each book-entry share or upon surrender of each certificate will be paid in full satisfaction of all rights pertaining to the shares of our common stock represented by that book-entry share or certificate.

Company Stock Options

We are permitted and intend to take such actions as are necessary to cause all stock options to purchase shares of Huntsman common stock under any benefit plan, program or arrangement that are outstanding and unexercised at the effective time of the merger, whether or not exercisable, as of the effective time of the merger, to be cancelled and converted into the right, upon delivery of an option surrender agreement, to receive an amount in cash, without interest, equal to the product of (x) the number of shares of our common stock subject to each option as of the effective time of the merger multiplied by (y) the excess, if any, of the merger consideration over the exercise price per share of common stock subject to such option.

Restricted Shares

The forfeiture restrictions applicable to each share of restricted stock (including restricted stock units and phantom stock) will lapse, and at the effective time of the merger, each outstanding share of our restricted stock (including restricted stock units and phantom stock) under any benefit plan, program or arrangement will lapse immediately prior to the effective time of the merger and, at the effective time of the merger will be converted into the right to receive the merger consideration, except for restrictions with respect to any awards granted after February 15, 2008, one half of which will lapse at the effective time of the merger such awards will become fully vested and convert into the right to receive the merger consideration and the remaining one half of which will convert into the right to receive the merger consideration six months following completion of the merger.

5% Preferred Stock

Unless Hexion has previously requested that we convert outstanding shares of 5% Mandatory Convertible Preferred Stock of Huntsman, and such conversion has occurred, any outstanding shares of 5% Mandatory Convertible Preferred Stock of Huntsman at the effective time of the merger will

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remain outstanding and after the merger, each share will, instead of being convertible into our common stock, become convertible into the merger consideration on terms set forth in the certificate of designations of our 5% Preferred Stock.

Exchange and Payment Procedures

On the closing date and prior to the filing of the certificate of merger with the Secretary of State of the State of Delaware, Hexion will deposit, or will cause to be deposited, in trust an amount of cash sufficient to pay the merger consideration to each holder of shares of our common stock and each optionholder with The Bank of New York or another entity (the "paying agent") reasonably acceptable to us. As soon as practicable after the effective time of the merger, the paying agent will mail a letter of transmittal and instructions to you and an option surrender agreement and instructions to the optionholders. The letter of transmittal and instructions will tell you how to surrender your common stock certificates or shares you may hold represented by book entry in exchange for payment of the merger consideration.

Please do not return your common stock certificates with the enclosed proxy card, and you should not forward your stock certificates to the paying agent without a letter of transmittal.

You will not be entitled to receive the merger consideration until you surrender your stock certificate or certificates (or book-entry shares) to the paying agent, together with a duly completed and executed letter of transmittal and any other documents as may be required by the letter of transmittal. The merger consideration may be paid to a person other than the person in whose name the corresponding certificate is registered if the certificate is properly endorsed or is otherwise in the proper form for transfer. In addition, the person who surrenders such certificate must either pay any transfer or other applicable taxes or establish to the satisfaction of the surviving corporation that such taxes have been paid or are not applicable.

No interest will be paid or will accrue on the cash payable upon surrender of the certificates (or book-entry shares). The paying agent will be entitled to deduct and withhold, and pay to the appropriate taxing authorities, any applicable taxes from the merger consideration. Any sum which is withheld and paid to a taxing authority by the paying agent will be deemed to have been paid to the person with regard to whom it is withheld.

At the effective time of the merger, our stock transfer books will be closed, and there will be no further registration of transfers of shares of our common stock that were outstanding prior to the merger. If, after the effective time of the merger, certificates (or book-entry shares) are presented to the surviving corporation for transfer, they will be canceled and exchanged for the merger consideration.

None of the paying agent, Hexion, Merger Sub or the surviving corporation will be liable to any person for any cash delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. Any portion of the merger consideration deposited with the paying agent that remains undistributed to the holders of our common stock on the 365th day after the date of the effective time of the merger will be delivered, upon demand, to the surviving corporation. Holders of our common stock who have not received the merger consideration prior to the delivery of such funds to Hexion may only look to Hexion or the surviving corporation for the payment of the merger consideration. Any portion of the merger consideration that remains unclaimed as of a date that is immediately prior to such time as such amounts would otherwise escheat to or become property of any governmental authority will, to the extent permitted by applicable law, become the property of Hexion free and clear of any claims or interest of any person previously entitled to the merger consideration.

If you have lost a certificate, or if it has been stolen or destroyed, then before you will be entitled to receive the merger consideration, you will have to comply with the replacement requirements

established by the paying agent, including, if necessary, the posting of a bond in a customary amount sufficient to protect the surviving corporation against any claim that may be made against it with respect to that certificate.

Representations and Warranties

We make various representations and warranties in the merger agreement that are subject, in some cases, to specified exceptions and qualifications. Our representations and warranties relate to, among other things:

our and our subsidiaries' proper organization, good standing and qualification to do business;

our certificate of incorporation and bylaws and the similar organizational documents of certain of our subsidiaries;

our capitalization, including in particular the number of shares of our common stock, preferred stock, stock options, restricted stock, restricted stock units and phantom stock outstanding;

our corporate power and authority to enter into the merger agreement and to consummate the transactions contemplated by the merger agreement;

the absence of violations of or conflicts with our and our subsidiaries' governing documents, applicable law or certain agreements as a result of entering into the merger agreement and consummating the merger;

the required consents and approvals of governmental entities in connection with the transactions contemplated by the merger agreement;

the timeliness and compliance with SEC requirements of our SEC filings since February 15, 2005 through July 12, 2007, including the accuracy of and compliance with GAAP and SEC requirements of the financial statements contained therein;

the accuracy and compliance as to form with applicable securities laws of this proxy statement;

the absence of a Company Material Adverse Effect and certain other changes or events related to us or our subsidiaries since December 31, 2006 through the date of the merger agreement;

the absence of undisclosed liabilities;

the absence of defaults or violations under our and our subsidiaries' governing documents, certain agreements and applicable laws;

permits and compliance with applicable legal requirements;

legal proceedings and governmental orders;

taxes;

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employment and labor matters affecting us or our subsidiaries, including matters relating to our and our subsidiaries' employee benefit plans;

intellectual property;

real property, personal property and assets;

environmental matters;

our and our subsidiaries' insurance policies;

our board of director's receipt of the opinion of Merrill Lynch & Co. with respect to the fairness, from a financial point of view, of the merger consideration to be received by the

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holders of Huntsman common stock, other than the entities and individuals that are parties to the voting agreements and HMP Equity Trust and their respective beneficiaries, controlling persons and affiliates in the proposed merger;

the transaction committee's receipt of the opinion of Cowen and Company, LLC with respect to the fairness, from a financial point of view, of the merger consideration to be received by the holders of Huntsman common stock in the proposed merger, other than the entities and individuals that were entering into the voting agreements with Hexion, the HMP Equity Trust and their respective beneficiaries, controlling persons and affiliates;

the required vote of holders of our common stock in connection with the required approval and adoption of the merger agreement;

the absence of undisclosed broker's fees;

material contracts and performance of obligations thereunder;

the inapplicability of anti-takeover statutes to the merger; and

related party transactions.

For the purposes of the merger agreement, a "Company Material Adverse Effect" means any occurrence, condition, change, event or effect that is materially adverse to the financial condition, business, or results of operations of Huntsman and its subsidiaries, taken as a whole.

A "Company Material Adverse Effect" will not have occurred, however, as a result of any of the following:

any occurrence, condition, change, event or effect resulting from or relating to changes in general economic or financial market conditions, except in the event, and only to the extent, that such occurrence, condition, change, event or effect has had a disproportionate effect on Huntsman and its subsidiaries, taken as a whole, as compared to other persons engaged in the chemical industry;

any occurrence, condition, change, event or effect that affects the chemical industry generally (including changes in commodity prices, general market prices and regulatory changes affecting the chemical industry generally) except in the event, and only to the extent, that such occurrence, condition, change, event or effect has had a disproportionate effect on Huntsman and its subsidiaries, taken as a whole, as compared to other persons engaged in the chemical industry;

the outbreak or escalation of hostilities involving the United States, the declaration by the United States of war or the occurrence of any natural disasters and acts of terrorism, except in the event, and only to the extent, of any damage or destruction to or loss of Huntsman's or its subsidiaries' physical properties;

any occurrence, condition, change, event or effect resulting from or relating to the announcement or pendency of the merger (provided, however, that the preceding sentence will not diminish the effect of, and will be disregarded for purposes of, the representations and warranties relating to required consents, approvals, change in control provisions or similar rights of acceleration, termination, modification or waiver based upon the entering into of the merger agreement or consummation of the merger);

any change in GAAP, or in the interpretation thereof, as imposed upon Huntsman, its subsidiaries or their respective businesses or any change in law, or in the interpretation thereof;

any occurrence, condition, change, event or effect resulting from compliance by Huntsman and its subsidiaries with the terms of the merger agreement and each other agreement to be

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executed and delivered in connection with the merger, actions permitted by the merger agreement (or otherwise consented to by Hexion) or effectuating Hexion's debt financing; or

any occurrence, condition, change, event or effect resulting from or in connection with any divestiture action taken to ensure that no governmental entity enters any order, decision, judgment, decree, ruling, injunction (preliminary or permanent), or establishes any law, rule, regulation or other action preliminarily or permanently restraining, enjoining or prohibiting the consummation of the merger.

You should be aware that these representations and warranties are made by Huntsman to Hexion and Merger Sub, may be subject to important limitations and qualifications set forth in the merger agreement and the related company disclosure letter and do not purport to be accurate as of the date of this proxy statement. See "Where You Can Find More Information."

The merger agreement also contains various representations and warranties made by Hexion and Merger Sub that are subject, in some cases, to specified exceptions and qualifications. The representations and warranties relate to, among other things:

their organization, valid existence and good standing and qualification to do business;

their power and authority to enter into the merger agreement and to consummate the transactions contemplated by the merger agreement;

the absence of violation of or conflict with their governing documents, applicable law or certain agreements as a result of entering into the merger agreement and consummating the merger;

the required consents and approvals of governmental entities in connection with the transactions contemplated by the merger agreement;

the accuracy of information supplied for this proxy statement;

legal proceedings and governmental orders;

the access of Hexion and Merger Sub to available funds to pay the merger consideration;

the timeliness and compliance with SEC requirements of Hexion's SEC filings made since January 1, 2004, including the accuracy of and compliance with GAAP and SEC requirements of the financial statements contained therein;

the absence of a Parent Material Adverse Effect since December 31, 2006;

the absence of undisclosed liabilities;

the absence of defaults or violations under Hexion's or Merger Sub's governing documents, certain agreements and applicable laws;

permits and compliance with applicable legal requirements;

the solvency of Hexion and Merger Sub following the consummation of the Merger;

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the required vote or consent of Hexion as the sole stockholder of Merger Sub in connection with the approval and adoption of the merger and the merger agreement;

lack of ownership of our common stock and 5% Preferred Stock by Hexion or Merger Sub within the last 3 years; and

the prior activities of Merger Sub.

Many of the representations and warranties made by Hexion and Merger Sub are qualified by a materiality standard or a "Parent Material Adverse Effect" standard.

For the purposes of the merger agreement, a "Parent Material Adverse Effect" with respect to Hexion means any occurrence, condition, change, event or effect that prevents or materially delays or impairs the ability of Hexion and Merger Sub to consummate the merger and the financing or pay the termination fee.

The representations and warranties of each of the parties to the merger agreement will expire upon the effective time of the merger.

Conduct of Our Business Pending the Merger

Under the merger agreement, we have agreed that, subject to certain exceptions and unless Hexion gives its prior written consent, from the date of the merger agreement until the effective time of the merger:

we will conduct our business in the ordinary course;

we will use reasonable best efforts to preserve intact our business organization and material permits, to retain the services of our current officers and other specified personnel and to preserve our relationships with key customers and suppliers;

we will not declare or pay any dividends on or make other distributions in respect of any of our capital stock, partnership interests, membership interests or beneficial interests other than (a) payments of regular dividends or other amounts payable on our 5% Preferred Stock in accordance with the terms of the certificate of designations, (b) payments of regular quarterly cash dividends not in excess of \$0.10 per share of common stock per quarter and (c) dividends and distributions by a subsidiary to us, our subsidiaries or any minority equityholder in our subsidiaries (provided that any such dividends or distributions paid to such minority equityholders are no greater on a pro rata basis than those paid to us or our subsidiaries);

we will not split, combine or reclassify any of our or our subsidiaries' capital stock or other equity interest;

we will not repurchase, redeem or otherwise acquire, or offer to repurchase, redeem or otherwise acquire our capital stock or the securities of any of our subsidiaries, except as contemplated by any of our director compensation plan, employee benefit plans or employment agreements as such terms or plans are in effect as of the date of the merger agreement;

we will not offer, issue, deliver, grant or sell, or authorize or propose to offer, issue, deliver, grant or sell, any capital stock of, or other equity interests in, Huntsman or any of our subsidiaries or any securities convertible into, or any rights, warrants or options to acquire, any such capital stock or equity interests, other than (a) the issuance of common stock upon the exercise of stock options granted under our existing stock plan and outstanding on the date of the merger agreement (or issued in compliance with the merger agreement) or upon the conversion of our 5% Preferred Stock, (b) upon the expiration of any restrictions on any restricted stock granted under our stock plan and outstanding on the date of the merger agreement or issued in compliance with the merger agreement, (c) issuances by a wholly-owned subsidiary of Huntsman of such subsidiary's capital stock or other equity interests to Huntsman or any other wholly-owned subsidiary of Huntsman, and (d) issuances of restricted stock or phantom stock granted after February 15, 2008 under the our stock plan to employees and directors in amounts consistent with past practice or pursuant to action taken by our board of directors (or a committee thereof) and in the aggregate not covering more than 600,000 shares of common stock, 50% of which will become fully vested and convert into the right to receive the merger consideration upon the effective time of the merger and 50% of which become fully vested and convert into the right to receive the merger consideration six months following the consummation of the merger;

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we will not amend or propose to amend our certificate of incorporation or bylaws or the organizational documents of our significant subsidiaries or, to the extent each amendment would be materially adverse to the ability of Hexion to effect the debt financing, the organizational documents of any of our subsidiaries;

we will not waive application of Section 203 of the General Corporation Law of the State of Delaware with respect to any person or transaction other than with respect to Hexion, Merger Sub, the merger and the voting agreements;

we will not merge, consolidate, combine or amalgamate with any person other than another wholly-owned subsidiary of Huntsman;

we will not acquire or agree to acquire (including by merging or consolidating with, purchasing any equity interest in or a substantial portion of the assets of, licensing, or by any other manner), any business or any corporation, partnership, association or other business organization or division thereof, other than acquisitions and licenses as to which the purchase price (including assumed indebtedness for borrowed money) is not in excess of \$100 million in the aggregate in any 12-month period from the date of the merger agreement and that are made following reasonable advance notice to Hexion;

we will not make any loans, advances or capital contributions to, or investments in, any person (other than Huntsman or its wholly-owned subsidiaries or any existing joint venture investment of Huntsman or any of its subsidiaries) except in each case for loans, advances or capital contributions pursuant to and in accordance with the terms of agreements or legal obligations, in each case existing as of the date of the merger agreement or otherwise not in excess of \$100 million in the aggregate in any 12-month period from the date of the merger agreement and that are made following reasonable advance notice to Hexion;

we will not sell, lease or otherwise dispose of, or agree to sell, lease or otherwise dispose of, any corporation, partnership, other business organization or division or any material assets thereof or equity interests therein, other than (a) any sales, leases or dispositions in the ordinary course of business (which will not include sales, leases or other dispositions of any (1) corporation, partnership, other business organization or division or (2) plants, facilities and material real property and other material operating assets) or pursuant to agreements existing on the date of the merger agreement, (b) any sale, lease or disposition for an amount not in excess of \$100 million in the aggregate and made following reasonable advance notice to Hexion, and (c) sales of receivables under the accounts receivable facilities existing on the date of the merger agreement as the same may be amended or replaced in accordance with the merger agreement;

we will not adopt a plan of complete or partial liquidation or dissolution or consummate a recapitalization or other reorganization;

we will not change in any material respect our accounting principles, methods or policies for the preparation of financial statements included in reports or registration statements filed with the SEC, except as required by GAAP or statutory accounting requirements or similar principles in non-U.S. jurisdictions or as disclosed in any Huntsman SEC document;

we will (a) use reasonable best efforts to maintain (with insurance companies substantially as financially responsible as its existing insurers) insurance in at least such amounts and against at least such risks and losses as are consistent in all material respects with our past practice and (b) not undertake or permit any compromise or settlement of any claim arising under any of its respective insurance policies where the losses claimed are in excess of \$10 million;

subject to certain exceptions or in the ordinary course of business consistent with past practice, we will not (a) make or rescind any material express or deemed election relating to taxes

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(including any election for any joint venture, partnership, limited liability company or other investment where we have the capacity to make such binding election, but excluding any election that must be made periodically and is made consistent with past practice) except where such action would not have a material and adverse effect on the tax position of Huntsman and its subsidiaries taken as a whole, (b) settle or compromise any material claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to taxes, except where the amount of such settlement or compromise does not exceed the greater of 120% of the reserve for such matter on our financial statements or \$5.0 million, or (c) change any of our methods of reporting income or deductions for income tax purposes from those employed in the preparation of our income tax returns that have been filed for prior taxable years except where such change would not have a material and adverse effect on the tax position of Huntsman and its subsidiaries taken as a whole;

we will promptly deliver to Hexion copies of any material correspondence received from any tax authority with respect to material tax matters;

we will not grant any increases in the compensation payable or to become payable to any of the directors or officers listed in Item 10 of Huntsman's annual report on Form 10-K for the year ended December 31, 2006 or elected subsequent thereto, except increases made in the ordinary course of business substantially consistent with past practice, and provided that payments of bonuses to our corporate officers in 2008 in accordance with the terms of the 2007 bonus plan will not constitute an increase in compensation nor will the establishment of a 2008 bonus plan on terms substantially consistent with the 2007 bonus plan;

we will not pay or agree to pay to any corporate officer, whether past or present, any material pension, retirement allowance or other employee benefit not required by any of Huntsman's existing employee benefit plans or otherwise contemplated by the merger agreement;

we will not enter into any new, or materially amend any existing, employment or severance or termination agreement with any corporate officer;

subject to certain exceptions, we will not establish or become obligated under any collective bargaining agreement or employee benefit plan which was not in existence or approved by the board of directors prior to the date of the merger agreement (other than any new collective bargaining agreement or employee benefit plan that replaces an existing agreement or plan and contains terms that in the aggregate are not materially less favorable than the agreement or plan being replaced), or amend any such plan, agreement or arrangement in existence on the date of the merger agreement if such amendment would be on terms that are materially adverse to us;

in relation to any U.K. benefit plan, we will not, other than as compelled by law, (a) make any material change to such U.K. benefit plan or to the benefits provided under it, or (b) take any action or fail to take any action within its control with respect to which such action or inaction would, or would reasonably be expected to, cause the U.K. pensions regulator to exercise its powers under Section 38, 43, 47 or 52 of the Pensions Act 2004;

we will not enter into or amend in any material manner any contract, agreement or commitment with any former or present director or officer of Huntsman, or with any affiliate of any of the foregoing persons or certain related parties, except as disclosed in our SEC filings prior to the date of the merger agreement;

we will not incur, create or assume any indebtedness for borrowed money or guarantee any such indebtedness of another person or issue or sell any debt securities or rights to acquire any debt securities of Huntsman or any of its subsidiaries or guarantee any debt securities of another person;

except in the ordinary course of business consistent with past practice, we will not create any material encumbrances on any material property or assets of Huntsman or any of its subsidiaries in connection with any indebtedness thereof, other than certain permitted encumbrances, including (a)(1) the incurrence of indebtedness for borrowed money under existing credit facilities or accounts receivable securitization facilities made in the ordinary course of our business consistent with past practice, (2) extensions, renewals or refinancings of indebtedness outstanding under the existing accounts receivable securitization facilities or other existing credit facilities of Huntsman and its subsidiaries, in each case (A) no earlier than six months prior to the date such facilities mature or otherwise become due pursuant to the terms of the definitive documentation relating thereto (in each case as in effect on the date of the merger agreement), (B) only to the extent such facilities may be extended, renewed or refinanced without premium or penalty and (C) provided, that any such extension, renewal or refinancing of a facility does not increase the aggregate principal amount of indebtedness that may be incurred under such facility, (3) additional borrowings in an amount not to exceed \$50 million in the aggregate that, in each case, permit prepayment of such indebtedness without penalty (other than LIBOR breakage costs), (4) indebtedness incurred in the ordinary course of business and pre-payable without more than a *de minimis* premium or penalty for borrowed money related to working capital lines of credit, letters of credit, overdraft facilities, hedging transactions, bank guarantees, insurance premium financings, factoring transactions and other ordinary course forms of indebtedness to the extent permitted by Huntsman's or its subsidiaries' existing credit facilities, in an amount not to exceed \$15 million in each individual case, (5) indebtedness incurred by Huntsman that is owed to any 90% or greater owned subsidiary of Huntsman or by any subsidiary of Huntsman that is owed to Huntsman or any 90% or greater owned subsidiary of Huntsman or (6) any indebtedness incurred or assumed in connection with any acquisition permitted by the merger agreement or (b) the creation of any encumbrances securing any indebtedness permitted to be incurred by the foregoing;

subject to certain exceptions, we will not enter into or amend or modify in any manner materially adverse to Huntsman and its subsidiaries taken as a whole (a) any contract or agreement (1) meeting certain SEC disclosure requirements or containing noncompete provisions, (2) containing actual or contingent obligations of Huntsman or its subsidiaries secured by a lien (other than certain permitted encumbrances) in excess of \$15 million (except as otherwise permitted by the merger agreement) (3) pursuant to which Huntsman or any of its subsidiaries is burdened from continuing indemnification, "earn out" or other contingent payment obligations that in each case would reasonably be expected to result in payments in excess of \$5 million (provided that the foregoing will not prohibit entering into customer agreements and supply agreements in the ordinary course of business consistent with past practice) or (4) under which Huntsman or any subsidiary of Huntsman is the landlord, tenant, subtenant or occupant with respect to real property that has an aggregate value, or involves payment by or to Huntsman or any of its subsidiaries of more than \$25 million or (b) any supply or sales agreement that has an aggregate value, or involves payment by or to Huntsman or any of its subsidiaries of more than \$75 million on an annual basis or that has an aggregate value, or involves payment by or to Huntsman or any of its subsidiaries of more than \$150 million for the duration of the agreement, except for renewals, made following reasonable advance notice to Hexion, on substantially similar terms of existing contracts or replacements of existing contracts with new counterparties on substantially similar terms to the existing contract being replaced;

except for certain capital expenditures, we will not authorize or make capital expenditures which are, in the aggregate less than 75% or greater than 110%, in each case of the aggregate amount of capital expenditures scheduled to be made in our capital expenditure budget for the period previously provided to Hexion;

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subject to certain exceptions, we will not, whether through a refinancing or otherwise voluntarily redeem, repurchase, prepay, defease, cancel, or otherwise acquire, or modify in any material respect the terms of, any indebtedness for borrowed money in excess of \$50 million;

subject to certain exceptions, we will not pay, discharge, waive, settle, compromise or otherwise satisfy any claim, action or proceeding (including any pending or threatened claim, action or proceeding) against Huntsman, any of its subsidiaries, or any of their respective directors or officers, other than settlements or compromises of claims, actions or proceedings in the ordinary course of business consistent with past practice which (a) do not involve a payment by Huntsman or any of its subsidiaries of \$5 million individually, (b) would not prohibit or materially restrict Huntsman and its subsidiaries from operating their business in the manner currently conducted, but in no event including any claim, action, proceeding, inquiry, negotiation or investigation relating to any antitrust, competition or similar regulatory matter and (c) do not involve an admission of criminal wrongdoing by Huntsman or any of its subsidiaries or involve any material equitable relief against Huntsman or any of its subsidiaries; and

we will not agree to take any action that is inconsistent with any of the foregoing.

No Solicitation of Transactions

We have agreed that we will not, and will not authorize or permit any of our subsidiaries or any of our or our subsidiaries' directors, officers or employees to, and we will use our reasonable best efforts to cause our agents and representatives (including investment bankers, attorneys and accountants) not to, directly or indirectly:

initiate, solicit or knowingly encourage or facilitate (including by providing information) any inquiries, proposals or offers with respect to, or the making of, any proposal or offer that constitutes, or could reasonably be expected to lead to a competing proposal;

enter into, participate or engage in or continue any discussions or negotiations with any person with respect to a competing proposal or any indication of interest that could reasonably be expected to lead to a competing proposal;

furnish or provide any non-public information or data regarding Huntsman or its subsidiaries to any person, or provide access to any person to the properties, assets or employees of Huntsman or its subsidiaries in connection with or in response to a competing proposal or any indication of interest that could reasonably be expected to lead to a competing proposal;

approve or recommend to our stockholders any competing proposal; or

approve or recommend to our stockholders, or execute or enter into any letter of intent or agreement in principal, or other agreement relating to a competing proposal (other than an acceptable confidentiality agreement).

For the purposes of the merger agreement, an "acceptable confidentiality agreement" is any confidentiality agreement that contains confidentiality and standstill provisions that are no less favorable in the aggregate to Huntsman than those contained in the confidentiality agreement between an affiliate of Hexion and Huntsman.

Additionally, we have agreed to, and to cause our subsidiaries and our officers, directors, employees, accountants, consultants, agents, legal counsel, financial advisors and other representatives or those of any of our subsidiaries to,

immediately cease and cause to be terminated any solicitation, encouragement, discussion or negotiation with any persons conducted heretofore by Huntsman, its subsidiaries or any representatives with respect to any actual or potential competing proposal; and

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with respect to third parties with whom discussions or negotiations have been terminated on, prior to or subsequent to the date hereof, we will use our reasonable best efforts to obtain the return or the destruction of, in accordance with the terms of the applicable confidentiality agreement, confidential information previously furnished by us, our subsidiaries or our officers, directors, employees, accountants, consultants, agents, legal counsel, financial advisors and other representatives.

For purposes of the merger agreement, a "competing proposal" is any contract, proposal, offer or indication of interest relating to any transaction or series of related transactions (other than transactions with Hexion or any of its subsidiaries) involving:

any merger, amalgamation, share exchange, recapitalization, consolidation, liquidation or dissolution of Huntsman;

any direct or indirect acquisition (by asset purchase, stock purchase, merger, or otherwise) by any person or "group" (as defined under Section 13(d) of the Exchange Act) of any business or assets of Huntsman or any of its subsidiaries (including capital stock of or ownership interest in any subsidiary) that generated 25% or more of Huntsman's consolidated net revenue or earnings before interest, taxes, depreciation and amortization for the preceding twelve months, or any license, lease or long-term supply agreement having a similar economic effect; or

any direct or indirect acquisition of beneficial ownership (as defined under Section 13(d) of the Exchange Act) by any person or "group" of 25% or more of the voting stock of Huntsman or any tender or exchange offer that if consummated would result in any person or group beneficially owning 25% or more of the voting stock of Huntsman.

Notwithstanding the foregoing restrictions, prior to the adoption of the merger agreement by holders of our common stock, in response to an unsolicited bona fide written competing proposal, if our board of directors or the transaction committee thereof determines in good faith, (a) after consultation with its financial advisors and outside legal counsel, that such competing proposal is, or could reasonably be expected to lead to, a superior proposal and (b) after consultation with its outside counsel, that the failure to take such action would be inconsistent with its fiduciary duties under applicable law, we may then take the following actions:

participate or engage in or continue any discussions or negotiations with the person making such superior proposal regarding such superior proposal; and

furnish or provide any non-public information or data regarding Huntsman or its subsidiaries to the person making such superior proposal pursuant to a customary confidentiality agreement containing confidentiality provisions substantially similar to those set forth in the confidentiality agreement entered into with an affiliate of Hexion, provided that all such material, non-public information has previously been provided to Hexion or is provided to Hexion prior to or substantially concurrently with the time it is provided to such person.

In addition, notwithstanding the foregoing restrictions, Huntsman and the board of directors or any committee thereof are permitted to make certain statements in response to a tender offer in order to comply with various securities laws.

For purposes of the merger agreement, a "superior proposal" means any written proposal by any person or group (other than transactions with Hexion or any of its subsidiaries):

to acquire, directly or indirectly:

businesses or assets of Huntsman or any of its subsidiaries (including capital stock of or ownership interest in any subsidiary) that generated 50% or more of Huntsman's

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consolidated net revenue or earnings before interest, taxes, depreciation and amortization for the preceding twelve months, respectively; or

more than 50% of Huntsman's voting capital stock, in each case whether by way of merger, amalgamation, share exchange, tender offer, exchange offer, recapitalization, consolidation, sale of assets or otherwise; and

that in the good faith determination of the board of directors or the transaction committee thereof, after consultation with its financial advisors and after taking into account relevant legal, financial, regulatory, estimated timing of consummation and other aspects of such proposal and the person or group making such proposal:

would, if consummated in accordance with its terms, result in a transaction more favorable to Huntsman's stockholders than the merger; and

is reasonably likely to be consummated.

In addition, prior to the adoption of the merger agreement by holders of our common stock, in response to a competing proposal, we may (a) recommend such competing proposal to holders of our common stock or withdraw, amend or modify our recommendation in favor of the merger agreement and the merger and (b) if the board of directors (or the transaction committee thereof) so chooses, cause us to terminate the merger agreement but only if prior to taking any such action:

the board of directors (or the transaction committee thereof) determines in good faith after consultation with its financial advisors and outside legal counsel that such competing proposal is a superior proposal; and

we have given notice to Hexion that we have received such superior proposal, attaching a copy of such superior proposal (or, where no such copy is available, a description of such superior proposal), and specifying the identity of the person making such superior proposal and informing Hexion that we intend to terminate the merger agreement in accordance with its terms; and either

Hexion has not proposed revisions to the terms and conditions of the merger agreement prior to the earlier to occur of the scheduled time for the meeting of our stockholders to consider the adoption of the merger agreement and the third business day after the date on which such notice is given to Hexion; or

if Hexion within such period has proposed revisions to the terms and conditions of the merger agreement, the board of directors (or the transaction committee thereof), after consultation with our financial and legal advisors, has determined in good faith that the third party's competing proposal remains a superior proposal with respect to Hexion's revised proposal (provided that each time material modifications to the financial terms of a competing proposal determined to be a superior proposal are made the time period prior to which we may change our recommendation or terminate the merger agreement will be extended for 48 hours after notification of such change to Hexion; and

in light of such superior proposal, the board of directors determines in good faith, after consultation with its outside legal counsel, that the failure of the board of directors to withdraw or modify its approval or recommendation of the merger agreement and the merger would be inconsistent with its fiduciary duties under applicable law.

We have also agreed:

to advise Hexion within 48 hours of our receipt of any competing proposal or any request for non-public information or data relating to Huntsman or any of its subsidiaries made by any person that has made or informs us that it is considering making a competing proposal or any

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request for discussions or negotiations with the us or our officers, directors, employees, accountants, consultants, agents, legal counsel, financial advisors and other representatives relating to a competing proposal or which is reasonably likely to lead to a competing proposal;

to provide to Hexion (within such 48 hour time frame) the identity of each party that makes any such proposal or offer and a copy of any such proposal or offer (or, where no such copy is available, a description of any such proposal or offer);

to keep Hexion informed on a reasonably prompt basis of the status of any such proposal or offer; and

to provide Hexion promptly, and in any event within 48 hours, with copies of all significant correspondence and other written material sent or received in connection with any such offer or proposal.

Except to facilitate the making of a superior proposal, Huntsman is not permitted to terminate, modify or waive any provision of any confidentiality agreement or standstill agreement to which it or any of its subsidiaries is a party (other than the confidentiality agreement between an affiliate of Hexion and Huntsman) unless Huntsman's board of directors determines in good faith, after consultation with its outside legal counsel, that compliance with this restriction would be inconsistent with its fiduciary duties under applicable law.

Access to Information

We have agreed that we will give Hexion reasonable access, at reasonable times upon reasonable notice, to the officers, key employees, agents, properties, offices and other facilities of Huntsman and each of our subsidiaries and to their books, records, contracts and documents and such information concerning their business, properties, contracts, records and personnel as may be reasonably requested by or on behalf of Hexion.

Agreement to Take Further Action and to Use All Reasonable Best Efforts and to Provide Notification

Each of Huntsman, Hexion and Merger Sub has agreed to use its reasonable best efforts to do all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable the merger and the financing, including to obtain necessary consents or approvals from government authorities or third parties, and to execute and deliver any additional documents necessary to complete the merger and the financing and to carry out the full purposes of the merger agreement. In addition, each of Huntsman, Hexion and Merger Sub has agreed to give each other prompt notice upon becoming aware of any circumstance that will result in certain conditions to closing of the merger not being met, or the failure by it to comply with in any material respect any covenant, condition or agreement to be complied with under the merger agreement.

Huntsman has agreed to:

provide reasonable cooperation in connection with the arrangement and consummation of the financing, including to cause the senior officers of Huntsman to be reasonably available to Hexion, Merger Sub and the financial institutions providing the financing to participate in due diligence sessions and presentations related to the financing, to assist in preparation of customary offering documents and marketing materials in connection with the financing, to request Huntsman's independent auditors to prepare and deliver certain comfort letters, and to ensure that certain debt payoff letters are provided; and

use its reasonable best efforts to prepare and deliver to Hexion certain financial statements and financial data as required by various securities laws.

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Hexion and its affiliates have agreed not to take certain actions, including amending or changing any of its or Merger Sub's organizational documents, or entering into certain transactions that could be reasonably expected to have a Parent Material Adverse Effect or to cause a material delay in the satisfaction of certain conditions to closing of the merger. Furthermore, Hexion has agreed to deliver to Huntsman and Huntsman's board of directors prior to the closing a solvency letter from an independent third party opining on certain financial valuations with respect to the surviving corporation as of immediately after the effective time and after giving effect to the merger and the other transactions.

Stockholders Meeting

We have agreed to call, hold and convene a meeting of our common stockholders as promptly as reasonably practicable after the mailing of this proxy statement, to solicit from holders of our common stock proxies in favor of adopting the merger agreement, and to take all other action necessary or advisable to secure the vote or consent of our common stockholders required by the rules of the NYSE or applicable state law to obtain such approvals. In addition, we agreed that, unless our board of directors makes an adverse recommendation, our board of directors would recommend that our common stockholders vote in favor of the adoption of the merger agreement. Notwithstanding the foregoing, if our board of directors makes an adverse recommendation, the merger agreement is terminated in accordance with the merger agreement and we have paid the termination fee described below, then we are not required to call the stockholders meeting and may cancel any scheduled stockholders meeting.

Employee Matters

Hexion has agreed that from the effective time until one year thereafter, officers and employees of Huntsman and its subsidiaries who remain employed by the surviving corporation or its subsidiaries after the effective time of the merger will be provided base salary, base wages and annual and incentive compensation opportunities and employee benefits, plans and programs which, in the aggregate, are no less favorable than those made available by Huntsman and its subsidiaries to its officers and employees immediately prior to the effective time of the merger. Hexion also agreed to maintain our severance plans in place for at least twelve months after the effective time of the merger.

Conversion of 5% Preferred Stock

We have agreed to, upon the request of Hexion, commence a provisional conversion of the 5% Preferred Stock in accordance with the provisions of the certificate of designations related to the 5% Preferred Stock and applicable law. The conversion of the 5% Preferred Stock will be conducted such that, subject to, and effective immediately prior to, the effective time of the merger, all shares of 5% Preferred Stock shall have been converted pursuant to their terms into that number of shares of our common stock specified in the certificate of designations related to the 5% Preferred Stock.

Agreement to Defend

In the event any claim, action, suit, investigation or other legal or administrative proceeding by any governmental entity or other person is commenced that questions the validity or legality of the merger or seeks damages related thereto, Huntsman and Hexion have agreed to cooperate and use their reasonable best efforts to defend against and respond to such claims. We have also agreed to give Hexion reasonable opportunity to participate in the defense or settlement of any stockholder litigation against us and our directors relating to the merger and that no such settlement shall be agreed to without Hexion's consent, which will not be unreasonably withheld, conditioned or delayed.

Financing

Hexion received debt financing commitments on July 3, 2007 from affiliates of Credit Suisse and Deutsche Bank. Pursuant to the debt financing commitments, and subject to their terms and conditions, such financial institutions have committed to provide debt financing in an aggregate amount which Hexion has represented to Huntsman will be sufficient to complete the transaction.

The availability of the facilities contemplated by the financing commitments is subject, among other things, to consummation of the merger in accordance with the merger agreement (without giving effect to any amendments or waivers thereto that are materially adverse to the interests of the lenders under such facilities without the consent of the arrangers thereunder), the repayment or refinancing of certain of Huntsman's and Hexion's existing debt and the absence of certain types of other debt, delivery of certain historical and pro forma financial information, payment of required fees and expenses, the execution of certain guarantees and the creation of security interests and the negotiation and the execution and delivery of definitive documentation.

Hexion has agreed to use its reasonable best efforts to consummate the financing for the merger on the terms and conditions described in the financing commitments, including using its reasonable best efforts to:

negotiate definitive agreements with respect thereto on the terms and conditions contained in the commitment letter;

satisfy all covenants and conditions applicable to Hexion in the commitment letter; and

consummate the financing at or prior to the closing.

Hexion has also agreed to seek to enforce its rights under the commitment letter.

Hexion has agreed to keep Hexion informed of all material activity concerning the financing and give Huntsman prompt notice of any material adverse change with respect to the financing. Without limiting the foregoing, Hexion has agreed to notify Huntsman within two business days if:

the commitment letter expires or is terminated for any reason;

any financing source that is a party to the commitment letter notifies Hexion that it no longer intends to provide financing to Hexion on the terms set forth in the commitment letter; or

for any reason Hexion no longer believes in good faith that it will be able to obtain all or any portion of the financing contemplated by the commitment letters on the terms described therein.

Hexion has agreed to use its reasonable best efforts to arrange to obtain alternative financing if any portion of the financing becomes unavailable on the terms set forth in the commitment letter or the commitment letter is terminated or modified in any manner materially adverse to the interests of Hexion.

In certain circumstances, Hexion and Merger Sub have agreed to promptly commence a litigation proceeding against any breaching financial institutions in order to use its best efforts to compel such breaching institutions to provide its portion of the financing for the merger or seek the maximum amount of damages from the breaching financial institutions available under applicable law as a result of such breach. In addition, Hexion and Merger Sub have agreed that any amounts received by Hexion or Merger Sub, net of any reasonable fees and expenses incurred by Hexion and Merger Sub in connection with such litigation, shall be paid to Huntsman promptly following receipt thereof by Hexion and Merger Sub.

Debt Tender