

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

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

For the fiscal year ended September 30, 2022

OR

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

For the transition period from _____ to _____

Commission file number 333-211719

ASHLAND INC.

Delaware
(State or other jurisdiction of incorporation or organization)

81-2587835
(I.R.S. Employer Identification No.)

8145 Blazer Drive
Wilmington, Delaware 19808
Telephone Number (302) 995-3000

Securities Registered Pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$.01 per share	ASH	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: None

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

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

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

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant has filed a report on attestation to its management's assessment of the effectiveness of its internal control over financial reporting under section 404(b) of the Sarbanes-Oxley Act (15 U.S.C 7262 (b)) by the registered public accounting firm that prepared or issued its audit report. Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

At March 31, 2022, the aggregate market value of voting stock held by non-affiliates of the Registrant was approximately \$5,366,723,000. In determining this amount, the Registrant has assumed that its directors and executive officers are affiliates. Such assumption shall not be deemed conclusive for any other purpose.

At October 31, 2022, there were 54,147,528 shares of Registrant's common stock outstanding.

Documents Incorporated by Reference

Portions of Registrant's Proxy Statement (Proxy Statement) for its Annual Meeting of Stockholders are incorporated by reference into Part III of this annual report on Form 10-K to the extent described herein.

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PART I

ITEM 1. BUSINESS

GENERAL

Ashland Inc. is a Delaware corporation, with its headquarters and principal executive offices at 8145 Blazer Drive, Wilmington, Delaware 19808. Ashland Inc. is the legal successor to Ashland Global Holdings Inc. effective August 1, 2022, after a legal restructuring effort to simplify the corporate entity structure. Ashland Global Holdings Inc. had been established in 2016 in connection with the spin-off of a former business segment, while legacy Ashland Inc. had been converted to Ashland LLC. In connection with the 2022 restructuring efforts, Ashland LLC has been eliminated. The terms “Ashland” and the “Company” as used herein include Ashland Inc., its predecessors, and its consolidated subsidiaries, except where the context indicates otherwise.

Ashland is a global specialty additives and materials company with a conscious and proactive mindset for sustainability. The company serves customers in a wide range of consumer and industrial markets including, architectural coatings, construction, energy, food and beverage, nutraceuticals, personal care and pharmaceutical. With approximately 3,900 employees worldwide, Ashland serves customers in more than 100 countries.

Ashland’s reportable segments include: Life Sciences; Personal Care (formerly Personal Care and Household); Specialty Additives; and Intermediates (formerly Intermediates and Solvents). Unallocated and Other includes corporate governance activities and certain legacy matters.

On August 31, 2021, Ashland announced its agreement with Arkema, a French société anonyme, to sell its Performance Adhesive business for \$1.7 billion. The sale was completed on February 28, 2022. Ashland recognized an after-tax gain of \$726 million on sale within the income (loss) from discontinued operations caption of the Statements of Consolidated Comprehensive Income (Loss) during fiscal 2022. The transaction represented a strategic shift in Ashland’s business and had a major effect on Ashland’s operations and financial results. As a result, the assets, liabilities, operating results and cash flows related to Performance Adhesives have been classified as discontinued operations for all periods presented within the Consolidated Financial Statements.

Life Sciences is comprised of pharmaceuticals, nutrition, nutraceuticals, agricultural chemicals, diagnostic films (formerly known as advanced materials) and fine chemicals. Pharmaceutical solutions include controlled release polymers, disintegrants, tablet coatings, thickeners, solubilizers and tablet binders. Nutrition solutions include thickeners, stabilizers, emulsifiers and additives for enhancing mouthfeel, controlling moisture migration, reducing oil uptake and binding structured foods. Nutraceutical solutions include products for weight management, joint comfort, stomach and intestinal health, sports nutrition and general wellness. The nutraceutical business also provides custom formulation, toll processing and particle engineering solutions. Customers include pharmaceutical, food, beverage, nutraceuticals and supplements manufacturers, hospitals and radiologists and industrial manufacturers.

Personal Care is comprised of biofunctionals, microbial protectants (preservatives), skin care, sun care, oral care, hair care and household solutions. These businesses have a broad range of natural, nature-derived, biodegradable, and high-performance ingredients for customer-driven solutions to help protect, renew, moisturize and revitalize skin and hair, and provide solutions for toothpastes, mouth washes and rinses, denture cleaning and care for teeth. Household supplies nature-derived rheology ingredients, biodegradable surface wetting agents, performance encapsulates, and specialty polymers for household, industrial and institutional cleaning products. Customers include formulators at large multinational branded consumer products companies and smaller, independent boutique companies.

Specialty Additives is comprised of rheology- and performance-enhancing additives serving the architectural coatings, construction, energy, automotive and various industrial markets. Solutions include coatings additives for architectural paints, finishes and lacquers, cement- and gypsum- based dry mortars, ready-mixed joint compounds, synthetic plasters for commercial and residential construction, and specialty materials for industrial applications. Products include rheology modifiers (cellulosic and associative thickeners), foam control agents, surfactants and wetting agents, pH neutralizers, advanced ceramics used in catalytic converters, and environmental filters, ingredients that aid the manufacturing process of ceramic capacitors, plasma

display panels and solar cells, ingredients for textile printing, thermoplastic metals and alloys for welding. Products help improve desired functional outcomes through rheology modification and control, water retention, workability, adhesive strength, binding power, film formation, deposition and suspension and emulsification. Customers include global paint manufacturers, electronics and automotive manufacturers, textile mills, the construction industry and welders.

Intermediates is comprised of the production of 1,4 butanediol (BDO) and related derivatives, including n-methylpyrrolidone. These products are used as chemical intermediates in the production of engineering polymers and polyurethanes, and as specialty process solvents in a wide array of applications including electronics, pharmaceuticals, water filtration membranes and more. BDO is also supplied to Life Sciences, Personal Care, and Specialty Additives for use as a raw material.

Unallocated and Other generally includes items such as certain significant company-wide restructuring activities, corporate governance costs and legacy costs or activities that relate to divested businesses that are no longer operated by Ashland.

Available Information - Ashland's Internet address is <http://www.ashland.com>. On this website, Ashland makes available, free of charge, its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports, as well as any beneficial ownership reports of officers and directors filed on Forms 3, 4 and 5. All such reports are available as soon as reasonably practicable after they are electronically filed with, or electronically furnished to, the Securities and Exchange Commission (SEC). Ashland also makes available, free of charge on its website, its Corporate Governance Guidelines, Board Committee Charters, Director Independence Standards and global code of conduct that applies to Ashland's directors, officers and employees. These documents are also available in print to any stockholder who requests them. Information contained on Ashland's website referenced here or elsewhere in this Annual Report is not part of this Annual Report on Form 10-K and is not incorporated by reference in this document. The SEC maintains an Internet site (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

LIFE SCIENCES

Life Sciences is a leading supplier of excipients and tablet coating systems to the pharmaceutical, nutrition and nutraceutical industries. Excipients include a comprehensive range of polymers for use as tablet binders, super disintegrants, sustained-release agents and drug solubilizers, as well as a variety of coating formulations for immediate, delayed, and sustained release applications. Core products include cellulose and vinyl pyrrolidone polymers which are used primarily in oral solid dosage drug formulations. The portfolio also includes branded and proprietary nutraceutical ingredients and expertise in nutraceutical formulation, particle engineering and contract manufacturing. Its nutrition portfolio provides functional benefits in areas such as thickening, texture control, thermal gelation, structure enhancement, water binding, clarification and stabilization. Its core products include cellulose gums and vinyl pyrrolidone polymers which are used in a wide range of offerings for bakery, beverage, dairy, desserts, meat products, pet food, prepared foods, sauces and savory products.

Life Sciences operates throughout the Americas, Europe and Asia Pacific. It has 20 manufacturing and lab facilities in nine countries which serve its various end markets. It has manufacturing facilities and labs in Wilmington, Delaware; Calvert City, Kentucky; Kearny, Paterson, S. Hackensack and Totowa, New Jersey; Columbus, Ohio; Fiskeville, Rhode Island; Texas City, Texas; and Ogden, Utah within the United States; Cabreuva and Sao Paulo, Brazil; Shanghai, China; Dusseldorf, Germany; Hyderabad, India; Mullingar, Ireland; Jaumave and Mexico City, Mexico; Bangkok, Thailand; and Istanbul, Turkey.

Life Science markets and distributes its products in the Americas, Europe, the Middle East, Africa and Asia Pacific.

For fiscal 2022, the following Life Sciences product categories were 10% or greater of Ashland's total consolidated sales:

Product	% of Life Sciences sales	% of Ashland total consolidated sales
Cellulosics	38%	38%
Polyvinylpyrrolidones (PVP)	38%	20%

PERSONAL CARE

The Personal Care portfolio of oral care products delivers active ingredients in toothpaste and mouthwashes; provides bioadhesive functionality for dentures; delivers flavor, texture and other functional properties; and provides product binding to ensure form and function throughout product lifecycle.

The Personal Care portfolio of hair care products includes advanced styling polymers, fixatives, conditioning polymers, emulsifiers, preservatives, rheology modifiers and biofunctional actives.

The Personal Care portfolio of ingredients and solutions for skin care, sun care, and cosmetics focuses on natural and sustainable solutions. Ashland's Personal Care business includes biofunctional actives, preservatives, and specialty polymers to provide functionality such as water resistance and rheology. Ashland's natural ingredients include a wide range of cellulose, guar, and cassia derivatives; unique active ingredients derived from botanical sources using exclusive Ashland technologies such as Zeta FractionTM and PSR technology; emollients based on natural chemistries; encapsulation technology derived from alginates; and efficacious preservative blends inspired by nature.

The Personal Care portfolio of products and technologies is used in many types of cleaning and fragrance applications, including fabric care, home care and dishwashing. Personal Care products are used in a variety of applications for viscosity enhancement, particle suspension, rheology modification, stabilization and fragrance enhancement.

Personal Care operates throughout the Americas, Europe and Asia Pacific. It has 16 manufacturing and lab facilities in nine countries which serve its various end markets and participates in one joint venture. It has manufacturing facilities and labs in Freetown, Massachusetts; Chatham, New Jersey; Ossining, New York; Merry Hill, North Carolina; Summerville, South Carolina; Kenedy, Texas; and Menomonee Falls, Wisconsin within the United States; Sao Paulo, Brazil; Shanghai, China; Sophia Antipolis, France; Hamburg, Germany; Mumbai, India; Mexico City, Mexico; Zwijndrecht, Netherlands and Bradford and Poole, United Kingdom.

Personal Care markets and distributes its products in the Americas, Europe, the Middle East, Africa and Asia Pacific.

For fiscal 2022, the following Personal Care product categories were 10% or greater of Ashland's total consolidated sales:

Product	% of Personal Care	% of Ashland total consolidated sales
Cellulosics	18%	38%
Polyvinylpyrrolidones (PVP)	19%	20%

SPECIALTY ADDITIVES

Specialty Additives offers industry-leading products, technologies and resources for solving formulation and product-performance challenges. Using synthetic and semisynthetic polymers derived from polyester and polyurethane-based adhesives, and plant and seed extract, Specialty Additives offers comprehensive and innovative solutions for industrial applications.

Key customers include manufacturers of paint, coatings and construction materials; packaging and converting companies; and oilfield service companies.

The areas of expertise include organic and synthetic chemistry, colloid science, rheology, structural analysis and microbiology.

The solutions provide an array of properties, including thickening and rheology control, binding power, film formation, conditioning and deposition, colloid stabilization and suspension.

Specialty Additives is composed of various end use markets. Many of the products of the end markets are produced in shared manufacturing facilities, to better manage capacity and achieve desired returns.

Specialty Additives provides products and services to over 30 industries. Ashland offers a broad spectrum of organo- and water-soluble polymers that are derived from both natural and synthetic resources. Product lines include derivatized cellulose polymers, synthetics, and vinyl pyrrolidone polymers that impart effective functionalities to serve a variety of industrial markets and specialized applications. Many of the products within Specialty Additives function as performance additives that deliver high levels of end-user value in formulated products. In other areas, such as plastics and textiles, Specialty Additives' products function as a processing aid, improving the quality of end products and reducing manufacturing costs.

Specialty Additives is a recognized leader in rheology solutions for waterborne architectural paint and coatings. Products include hydroxyethylcellulose (HEC), which provides thickening and application properties for interior and exterior paints, and nonionic synthetic associative thickeners (NSATs), which are APEO-free liquid synthetics for high-performance paint and industrial coatings. The Specialty Additives market complements its rheology offering with a broad portfolio of performance foam-control agents, surfactants and wetting agents, dispersants and pH neutralizers.

Specialty Additives is a major producer and supplier of cellulose ethers and companion products for the construction industry. These products control properties such as water retention, open time, workability, adhesion, stabilization, pumping, sag resistance, rheology, strength, appearance and performance in dry-mortar formulations.

Specialty Additives is a leading global manufacturer of synthetic- and cellulosic-based products for drilling fluids, oil-well cement slurries, completion and workover fluids, fracturing fluids and production chemicals. Specialty Additives offers the oil and gas industry solutions for drilling, stimulation, completion, cementing and production applications.

Specialty Additives operates throughout the Americas, Europe and Asia Pacific. It has 12 manufacturing and lab facilities in nine countries which serve its various end markets. Specialty Additives has manufacturing facilities and labs in Huntsville, Alabama; Parlin, New Jersey; and Hopewell, Virginia within the United States and Doel-Beveren, Belgium; Nanjing and Shanghai, China; Alizay, France; Dusseldorf, Germany; Mumbai, India; Zwijndrecht, the Netherlands; Singapore, Singapore; and Bradford and Newton Aycliffe, United Kingdom.

Specialty Additives markets and distributes its products in the Americas, Europe, the Middle East, Africa and Asia Pacific.

For fiscal 2022, the following Specialty Additives products were 10% or greater of Ashland's total consolidated sales:

Product	% of Specialty Additives sales	% of Ashland total consolidated sales
Cellulosics	66%	38%
Polyvinylpyrrolidones (PVP)	7%	20%

INTERMEDIATES

Intermediates is a leading producer of BDO and related derivatives, including n-methylpyrrolidone. These products are used as chemical intermediates in the production of engineering polymers and polyurethanes, and as specialty process solvents in a

wide array of applications including electronics, pharmaceuticals, water filtration membranes and more. BDO is also supplied to Life Sciences, Personal Care and Specialty Additives for use as a raw material.

Key customers include Ashland's Life Sciences, Personal Care and Specialty Additives segments, general industrial manufacturers, plastics and polymers producers, pharmaceutical companies, agricultural firms and producers of electronic components and systems.

Intermediates has a manufacturing facility in Lima, Ohio, while some derivatives are produced at Life Sciences facilities in Texas City, Texas and Calvert City, Kentucky. Intermediates markets and distributes its products in the Americas, Europe, and Asia Pacific.

MISCELLANEOUS

Environmental Matters

Ashland maintains a companywide environmental policy overseen by the Environmental, Health, Safety and Quality Committee of Ashland's Board of Directors. Ashland's Environmental, Health, Safety, Quality and Regulatory Affairs (EHSQ&RA) department has the responsibility to ensure that Ashland's businesses worldwide maintain environmental compliance in accordance with applicable laws and regulations. This responsibility is carried out via training; widespread communication of EHSQ&RA policies; information and regulatory updates; formulation of relevant policies, procedures and work practices; design and implementation of EHSQ&RA management systems; internal auditing; monitoring of legislative and regulatory developments that may affect Ashland's operations; assistance to the businesses in identifying compliance issues and opportunities for voluntary actions that go beyond compliance; and incident response planning and implementation.

Federal, state and local laws and regulations relating to the protection of the environment have a significant impact on how Ashland conducts its businesses. In addition, Ashland's operations outside the United States are subject to the environmental laws of the countries in which they are located. These laws include regulation of air emissions and water discharges, waste handling, remediation and product inventory, registration and regulation. New laws and regulations may be enacted or adopted by various regulatory agencies globally. The costs of compliance with any new laws or regulations cannot be estimated until the manner in which they will be implemented has been more precisely defined.

At September 30, 2022, Ashland's reserves for environmental remediation and related environmental litigation amounted to \$211 million, reflecting Ashland's estimates of the most likely costs that will be incurred over an extended period to remediate identified conditions for which the costs are reasonably estimable, without regard to any third-party recoveries. Engineering studies, historical experience and other factors are used to identify and evaluate remediation alternatives and their related costs in determining the estimated reserves for environmental remediation. Environmental remediation reserves are subject to uncertainties that affect Ashland's ability to estimate its share of the costs. Such uncertainties involve the nature and extent of contamination at each site and the extent of required cleanup efforts under existing environmental regulations. Although it is not possible to predict with certainty the ultimate costs of environmental remediation, Ashland currently estimates that the upper end of the reasonably possible range of future costs for identified sites could be as high as approximately \$465 million. No individual remediation location is significant, as the largest reserve for any site is 13% of the remediation reserve. Ashland regularly adjusts its reserves as environmental remediation continues. Environmental remediation expense, net of insurance receivables, amounted to \$66 million in 2022 compared to \$51 million in 2021 and \$48 million in 2020.

Product Control, Registration and Inventory - Many of Ashland's products and operations are subject to chemical control laws of the countries in which they are located. These laws include regulation of chemical substances and inventories under the Toxic Substances Control Act (TSCA) in the United States and the Registration, Evaluation and Authorization of Chemicals (REACH) regulation in Europe. Under REACH, additional testing requirements, documentation, risk assessments and registrations are occurring and will continue to occur and may adversely affect Ashland's costs of products produced in or imported into the European Union. Examples of other product control regulations include right to know laws under the Global Harmonized System (GHS) for hazard communication, regulation of chemicals used in the manufacture of pharmaceuticals and personal care products and that contact food under the Food, Drug and Cosmetics Act in the United States, the Framework Regulation in Europe and other product control requirements for chemical weapons, drug precursors and import/export. New laws and regulations may be enacted or adopted by various regulatory agencies globally. The costs of compliance with any new laws or regulations cannot be estimated until the manner in which they will be implemented has been more precisely defined.

Remediation - Ashland currently operates, and in the past has operated, various facilities at which, during the normal course of business, releases of hazardous substances have occurred. Additionally, Ashland has known or alleged potential environmental liabilities at a number of third-party sites. Federal and state laws, including but not limited to the Resource Conservation and Recovery Act (RCRA), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) and various other remediation laws, require that contamination caused by hazardous substance releases be assessed and, if necessary, remediated to meet applicable standards. Some of these laws also provide for liability for related damage to natural resources, and claims for alleged property and personal injury damage which can also arise related to contaminated sites. Laws in other jurisdictions in which Ashland operates require that contamination caused by such releases at these sites be assessed and, if necessary, remediated to meet applicable standards.

Air - In the United States, the Clean Air Act (CAA) imposes stringent limits on facility air emissions, establishes a federally mandated operating permit program, allows for civil and criminal enforcement actions and sets limits on the volatile or toxic content of many types of industrial materials and consumer products. The CAA establishes national ambient air quality standards (NAAQS) with attainment deadlines and control requirements based on the severity of air pollution in a given geographical area. Various state clean air acts implement, complement and, in many instances, add to the requirements of the federal CAA. The requirements of the CAA and its state counterparts have a significant impact on the daily operation of Ashland's businesses and, in many cases, on product formulation and other long-term business decisions. Other countries where Ashland operates also have laws and regulations relating to air quality. Ashland's businesses maintain numerous permits and emission control devices pursuant to these clean air laws.

The United States Environmental Protection Agency (USEPA) has increased its frequency in reviewing the NAAQS. The USEPA has stringent standards for particulate matter, ozone and sulfur dioxide. Throughout 2022, state and local agencies continued to implement options for meeting the newest standards. Particulate matter strategies include dust control measures for construction sites and reductions in emission rates allowed for industrial operations. Options for ozone include emission controls for certain types of sources, reduced limits on the volatile organic compound content of industrial materials and consumer products, and requirements on the transportation sector. Most options for sulfur dioxide focus on coal and diesel fuel combustion sources. It is not possible at this time to estimate the potential financial impact that these newest standards may have on Ashland's operations or products. Ashland will continue to monitor and evaluate these standards to meet these and all air quality requirements.

Solid Waste - Ashland's businesses are subject to various laws relating to and establishing standards for the management of hazardous and solid waste. In the United States, Ashland's facilities are subject to RCRA and its regulations governing generators of hazardous waste. Ashland has implemented systems to oversee compliance with the RCRA regulations. In addition to regulating current waste disposal practices, RCRA also addresses the environmental effects of certain past waste disposal operations, the recycling of wastes and the storage of regulated substances in underground tanks. Ashland has the remediation liability for certain facilities subject to these regulations. Other countries where Ashland operates also have laws and regulations relating to hazardous and solid waste, and Ashland has systems in place to oversee compliance.

Water - Ashland's businesses maintain numerous discharge permits. In the United States, such permits may be required by the National Pollutant Discharge Elimination System of the Clean Water Act and similar state programs. Other countries have similar laws and regulations requiring permits and controls relating to water discharge.

Climate Change and Related Regulatory Developments - Ashland has been collecting energy use data and calculating greenhouse gas (GHG) emissions for many years. Ashland evaluates the potential impacts from both climate change and the anticipated GHG regulations to facilities, products and other business interests, as well as the strategies commonly considered by the industrial sector to reduce the potential impact of these risks. These risks are generally grouped as impacts from legislative, regulatory and international developments, impacts from business and investment trends and impacts to Company assets from the physical effects of climate change. North American, European and other regional regulatory developments are monitored continuously for material impacts to Ashland's operations, and some facilities are subject to promulgated rules. Proposed and pending climate legislation is monitored for impact and Ashland is taking steps to strengthen climate reporting to meet anticipated disclosure requirements. Business and investment trends are expected to drive an increase in the demand for products that improve energy efficiency, reduce energy use and increase the use of renewable resources. At this time, Ashland cannot estimate the impact of this expected demand increase to its businesses. Physical effects from climate change have the potential to affect Ashland's assets in areas prone to sea level rise or extreme weather events much as they do the general public and other businesses. Due to the uncertainty of these matters, Ashland cannot estimate the impact at this time of GHG-related developments on its operations or financial condition.

Competition

Ashland competes in the highly fragmented additives and specialty ingredients industries. The participants in these industries offer a varied and broad array of product lines designed to meet specific customer requirements. Participants compete with service and product offerings on a global, regional and/or local level subject to the nature of the businesses and products, as well as the end-markets and customers served. Competition is based on several key criteria, including product performance and quality, product price, product availability and security of supply, responsiveness of product development in cooperation with customers, customer service, industry knowledge and technical capability. Certain key competitors are significantly larger than Ashland and have greater financial resources, leading to greater operating and financial flexibility. The industry has become increasingly global as participants have focused on establishing and maintaining leadership positions outside of their home markets. Many of these segments' product lines face domestic and international competition, due to industry consolidation, pricing pressures and competing technologies. To improve its competitive position, as Ashland narrows its focus, the Company is building and leveraging the Ashland corporate brand as a differentiator to create value and better communicate the capabilities, promise and scale of the Company, making it easier to introduce new product lines and applications.

Intellectual Property

Ashland has a broad intellectual property portfolio which is an important component of its business. Ashland relies on patents, trade secrets, formulae and know-how to protect and differentiate its products and technologies. In addition, the reportable segments own valuable trademarks which identify and differentiate its products from its competitors. Ashland also uses licensed intellectual property rights from third-parties.

Raw Materials

Ashland purchases its raw materials from multiple sources of supply in the United States and other countries and believes that raw material supplies will be available in quantities sufficient to meet demand in fiscal 2023. All of Ashland's reportable segments were impacted, to varying degrees, by the volatility of raw materials costs in fiscal 2022, and these conditions may continue in fiscal 2023, especially those of hydrocarbon derivatives, cotton linters or wood pulp origin. Similarly, energy costs are a significant component of production costs.

Research and Development

Ashland's program of research and development is focused on defining the needs of the marketplace and framing those needs into technology platforms. Ashland has the capability to develop and deliver the intellectual property required to grow and protect those platforms. Ashland is focused on developing new chemistries, market-changing technologies and customer driven solutions at numerous technology centers located in the Americas, Europe and the Asia Pacific regions.

Seasonality

Ashland's business may vary due to seasonality. Ashland's business units typically experience stronger demand during warmer weather months.

Human Capital

Employee Health and Safety - Cultivating a safety culture is intentional at Ashland and is best shown by its commitment to a Zero Incident Culture (ZIC). ZIC begins with the vision, values, beliefs, and actions of Ashland's leaders demonstrating that zero incidents is possible. It means developing processes where compliance is the minimum expectation, allowing employees to proactively manage safety above compliance on the journey to zero.

As an indication of its commitment to Responsible Care, Ashland obtained a third-party certification to RC14001, which includes the internationally recognized ISO 14001 certification and adds additional health, safety, security, and chemical industry requirements. Currently, Ashland has 24 international sites participating on a group RC14001 certification. Also, as part of its commitment to health and safety, 16 of the Company's sites have obtained an additional ISO 45001 certification, an international health and safety management system.

As part of ZIC, the Company strives every day to achieve zero incidents. Ashland continues to make good progress on its journey. For the year ended September 30, 2022, the Company had a Total Preventable Recordable Rate (TPRR) of 0.58 compared to 0.73 for the year ended September 30, 2021.

Ashland has implemented several tools for communicating lessons learned from injuries, process safety incidents, and environmental releases. Immediately following an event, flash reports are developed and shared to communicate key lessons learned across the Company with a review call within 48 hours with EHS and Operations Leadership. Additionally, incidents and root causes/corrective and preventive actions are reviewed monthly with Company leadership and EHS leaders globally to discuss areas for improvement and highlight the importance of identifying and addressing management system errors.

Ashland has implemented the "Good Catch" Program aimed at identifying underlying unsafe conditions or behaviors that could lead to an undesirable outcome. Employees are encouraged to report good catches that fall into one of three categories – substandard conditions, near misses, and suggestions. These are tracked with the goal of continuing to increase overall reporting of identified good catches year to year.

Environmental - Ashland has a conscious and proactive mindset for sustainability and has established a renewable annual trust for ongoing and future environmental remediation and related litigation cash outlays. The initiative follows Ashland's announcement in February 2021 to align its operations with the ambitious aim of the Paris Climate Accord to limit global temperature rise to 1.5°C above preindustrial levels. At that time, Ashland also became a signatory to the United Nations Global Compact and is making the United Nations principles part of the Company's business strategy, culture, and day-to-day operations. Ashland has targets to reduce its environmental footprint (including energy usage, GHG emissions, and hazardous waste generation). These targets and progress towards meeting them can be found on: <https://www.ashland.com/esg/esg-overview>, which is not incorporated by reference into the Annual Report on Form 10-K.

COVID-19 - The COVID-19 pandemic has challenged the world in unprecedented ways, affecting millions of people and countless institutions around the world. Ashland's Incident Management Teams (IMT) have operated with the focus of keeping its employees, customers, and families safe while continuing to provide essential additives and specialty ingredients during this crisis.

Since the beginning of its ZIC journey over 20 years ago, Ashland has focused on preparedness and prevention and established an IMT which executed pandemic response plans. The COVID-19 IMT was formed in early January 2020 to support its China and Asia-Pacific operations and scaled to five regional teams under the direction of the Global IMT and Executive Leadership Team. Ashland continued the IMT for COVID-19 through the end of September 2022 and will continue the Science Intelligence Unit (SIU) meetings to review the current situations.

Ashland's safety, health, purchasing, information technology, supply chain, and human resource teams have worked with the Company's facilities to rapidly implement workplace changes, obtain personal protective equipment, and provide sanitization supplies to its employees while developing a reserve of materials to ensure continued safe operations.

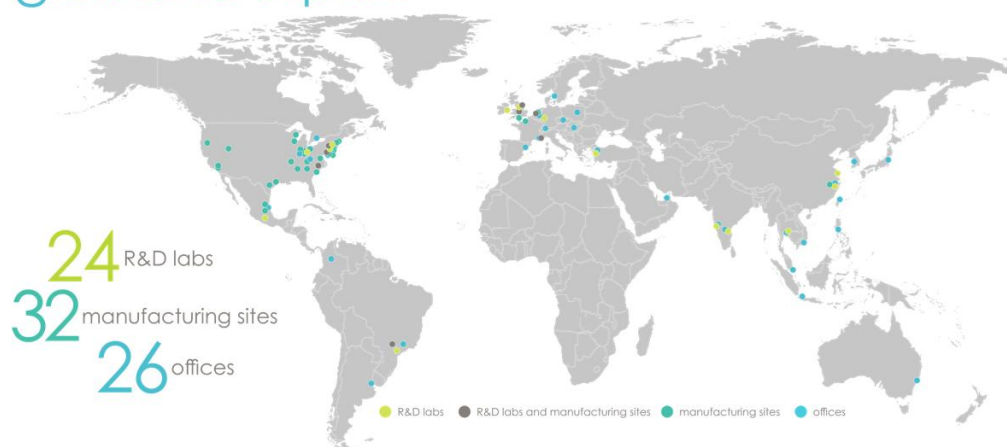
Ashland's first priority is always the health and well-being of its employees, customers, and communities. Since the start of the pandemic, the Company's focus has shifted from managing an immediate crisis to building in the flexibility needed to adjust for regional differences and changing conditions. Employees have been able to return to their work sites globally.

Human Capital Management - Ashland's global workforce is its greatest asset. Ashland is committed to continuously evaluating and strengthening the growth-minded and innovative culture by attracting and developing exceptional global talent, supporting employees' physical, emotional, and financial well-being, and recognizing and rewarding performance. To achieve the highest return, Ashland is building an inclusive and high-integrity organization where everyone belongs, feels inspired to excel, and does the right thing.

As of September 30, 2022, Ashland had approximately 3,900 employees who thrive on developing practical, innovative, and simple solutions to complex problems for customers in more than 100 countries. The employees' global demographics consist of approximately 69% male employees and approximately 31% female employees, and in the U.S., approximately 26% of its employees self-identify as ethnically diverse.

Ashland's global footprint is geographically located as follows:

global footprint



Competitive Pay and Benefits - Ashland is committed to paying its employees in a fair and equitable manner, regardless of race or gender, and has implemented global total rewards tools to promote equitable remuneration. The Company provides a total compensation package that is designed to be competitive with the markets in which it competes for talent. Ashland believes employees should be compensated equitably based on performance, skills, and experience.

Ashland reviews pay equity annually in conjunction with its annual performance review, merit, and promotion processes. In 2022, the Company completed an in-depth analysis of its pay equity globally using a number of factors to determine if a pay gap existed based on any protected factors (gender, age, race, veteran status). Overall findings were encouraging, identifying only a few employees that had a disparity in pay requiring further analysis and corrective action. Ashland reviews the process annually to ensure that its policies, procedures, and training continue to provide pay equity within the Company.

The Company's compensation programs are globally aligned, and, where possible, its total rewards plans include base salary, short and long-term incentives, benefits, financial, and special recognition programs. The Company routinely reviews its total rewards practices in the markets in which it operates to ensure its plans allow for the recruitment and retention of the talent it needs to be successful.

Ashland also offers a competitive global benefits program to support employees through all life stages. The following benefit plans are available to employees depending on local markets in which the Company operates that include plan specific features such as on-site and on-demand resources:

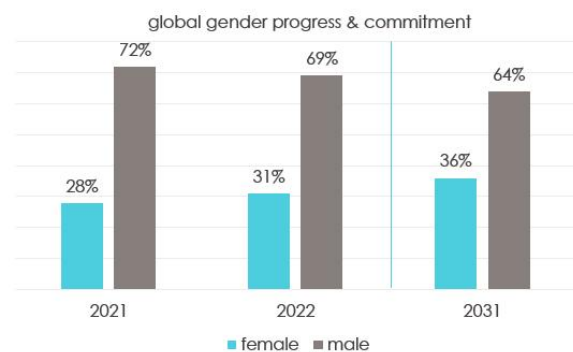
- Health care benefits including medical, prescription, dental and/or vision
- Wellness initiatives:
 - o Global EAP (employee assistance program)
 - o Flu vaccination resources
- Paid time off
- Voluntary benefits
- Life and accident coverage
- Disability coverage
- Retirement plans
- Tuition reimbursement
- Business travel accident

Inclusion and Diversity - The company believes one powerful and necessary way to live that purpose is to proactively strengthen both the diversity of the workforce and the inclusiveness of the culture. In 2022, Ashland established a global inclusion and diversity strategy focused on belonging, accountability, community engagement, recruitment, and internal mobility. These priorities serve as the basis of the global and local objectives and initiatives that advance Ashland's collective progress towards equity. The company and its leadership team are committed to creating a collaborative environment that leverages the talents of a diverse global workforce to drive sustainable growth and innovation that creates value for its shareholders, customers, employees, and the communities in which it operate.

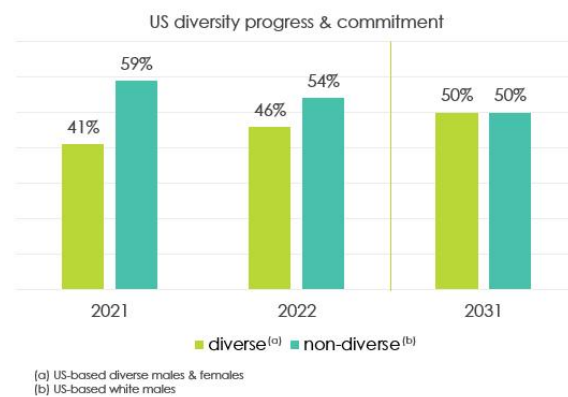
Ashland's commitment to inclusion and diversity starts at the top with its Board and executive leadership. The company's board of directors is comprised of eleven individuals with diverse experience and credentials, selected for their business acumen and ability to challenge and add value to management. These directors have held significant leadership positions and bring a depth of experience across a wide variety of industries, providing the Company with unique insights and fresh perspectives. The demographics of the Company's board of directors is 45% diverse, including females and diverse males. See "Item 10 – Directors, Executive Officers, and Corporate Governance" for further information related to Ashland's board of directors. The Company's management is led by its President and Chief Executive Officer and the other members of the Executive Committee ("EC"). The demographics of the EC include 33% women and 45% who identify as ethnically diverse individuals. Further information related

to its EC is included under the caption “Information About the Company’s Executive Officers” under Item X within Part I of this Form 10-K.

As of September 30, 2022



As of September 30, 2022



Talent Management - Ashland is dedicated to creating a purpose-driven people ecosystem that enables personal and professional growth at every level while minimizing risk to the business. The Company deploys a disciplined annual talent review and succession process to identify and develop a leadership pipeline that accelerates business results and minimizes attrition. The talent management process includes a performance management process that seeks to provide employees on-going feedback to enhance their performance in support of business objectives. As part of Ashland's commitment to professional development, it offers associate's and bachelor's undergraduate, graduate, and PhD tuition assistance to eligible employees.

In 2022, the Company elevated the skillset of its leaders as it moved to a hybrid work environment and established a foundation for inclusivity and allyship in practice. Ashland launched a global Culture Survey, with an 83% response rate, that provided us with valuable insight to prioritize investments in the tools, resources, and processes that will make a positive impact on employee's well-being, engagement, and career growth. Ashland remains committed to continuously listening and evolving its people practices to align with and drive the Company's purpose and business success.

Forward-Looking Statements

This annual report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These forward-looking statements are not historical facts and generally are identified by words such as “anticipates,” “believes,” “estimates,” “expects,” “is likely,” “predicts,” “projects,” “forecasts,” “objectives,” “may,” “will,” “should,” “plans,” and “intends” and the negative of these words or other comparable terminology. Although Ashland believes that its expectations are based on reasonable assumptions, such expectations are subject to risks and uncertainties that are difficult to predict and may be beyond Ashland's control. As a result, Ashland cannot assure that the expectations contained in such statements will be achieved. Important factors that could cause actual results to differ materially from those contained in such statements are discussed under “Use of estimates, risks and uncertainties” in Note A of Notes to Consolidated Financial Statements in this annual report on Form 10-K. For a discussion of other factors and risks that could affect Ashland's expectations and operations, see “Item 1A. Risk Factors” in this annual report on Form 10-K.

ITEM 1A. RISK FACTORS

The following discussion of “risk factors” identifies the most significant factors that may adversely affect Ashland's business, operations, financial position or future financial performance. This information should be read in conjunction with Management's Discussion and Analysis and the consolidated financial statements and related notes incorporated by reference into this annual report on Form 10-K. The following discussion of risks is designed to highlight what Ashland believes are important factors to

consider when evaluating its expectations. These factors could cause future results to differ from those in forward-looking statements and from historical trends.

COVID-19 Pandemic

The COVID-19 pandemic could have a material adverse effect on Ashland's business operations, results of operations, cash flows and financial position.

Ashland continues to closely monitor the impact of the COVID-19 pandemic on all aspects of its business and geographies, including how the pandemic will impact customers, employees, suppliers, vendors, business partners and distribution channels. The COVID-19 pandemic has and may create significant volatility, uncertainty and economic disruption, which may materially and adversely affect Ashland's business operations, cash flows, liquidity and financial position. The extent to which the COVID-19 pandemic continues to impact Ashland will depend on numerous evolving factors and future developments that are difficult to predict, including: the severity of the virus and any related variants; the duration of the outbreak; governmental, business and other actions in response to the pandemic (which could include limitations on Ashland's operations or mandates to provide products or services); the impact of the pandemic on Ashland's supply chain; the impact of the pandemic on economic activity; the extent and duration of the effect on consumer confidence and spending, customer demand and buying patterns including spending on discretionary categories; the health of and the effect on Ashland's workforce and its ability to meet staffing needs through the operations and other critical functions, particularly if employees are quarantined as a result of exposure; any impairment in value of tangible or intangible assets which could be recorded as a result of weaker economic conditions; the impact on Ashland's business and the global economy from governmental actions related to international trade; and the potential effects on internal controls including those over financial reporting as a result of changes in working environments such as shelter-in-place and similar orders that are applicable to employees and business partners, among others. In addition, if the pandemic continues to create disruptions or volatility in the credit or financial markets, or impacts Ashland's credit ratings, it could adversely affect Ashland's ability to access capital on favorable terms and continue to meet its liquidity needs, all of which are highly uncertain and cannot be predicted. In addition, Ashland cannot predict the continued impact that the COVID-19 pandemic will have on its customers, suppliers, vendors, and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact Ashland. The impact of the COVID-19 pandemic may also exacerbate other risks discussed in this Item 1A any of which could have a material effect on Ashland. This situation is changing rapidly and additional impacts may arise that Ashland is not aware of currently.

Business Operations, Financial Performance and Growth

Ashland has set aggressive growth goals for its businesses, including increasing sales, cash flow and margins, in order to achieve its long term strategic objectives. Ashland's successful execution of its growth strategies and business plans to facilitate that growth involves a number of risks.

Ashland has set aggressive growth goals for its businesses in order to meet long term strategic objectives and improve shareholder value. Ashland's failure to meet one or more of these goals or objectives would negatively impact Ashland's potential value and its businesses. One of the most important risks is that Ashland might fail to adequately execute its business and growth plans, by optimizing the efficient use of its physical and intangible assets. Aspects of that risk include changes to global economic environment, changes to the competitive landscape, attraction and retention of skilled employees, the potential failure of product innovation plans, failure to comply with existing or new regulatory schemes, failure to maintain a competitive cost structure and other risks outlined in greater detail in this Item 1A.

Business disruptions from natural, operational and other catastrophic risks could seriously harm Ashland's operations and financial performance. In addition, a catastrophic event at one of Ashland's facilities or involving its products or employees could lead to liabilities that could further impair its operations and financial performance.

Business disruptions, including those related to operating hazards inherent with the production of chemicals, natural disasters, severe weather conditions, supply or logistics disruptions, increasing costs for energy, temporary plant and/or power outages, information technology systems and network disruptions, cyber-security breach, terrorist attacks, armed conflict, war, pandemic diseases, fires, floods or other catastrophic events, could seriously harm Ashland's operations, as well as the operations of its customers and suppliers, and may adversely impact Ashland's financial performance. Although it is impossible to predict the

occurrence or consequences of any such events, they could result in reduced demand for Ashland's products, make it difficult or impossible for Ashland to manufacture its products or deliver products to its customers or to receive raw materials from suppliers, or create delays and inefficiencies in the supply chain. In addition to leading to a serious disruption of Ashland's businesses, a catastrophic event at one of our facilities or involving our products or employees could lead to substantial legal liability to or claims by parties allegedly harmed by the event.

While Ashland maintains business continuity plans that are intended to allow it to continue operations or mitigate the effects of events that could disrupt its business, Ashland cannot provide assurances that its plans would fully protect it from all such events. In addition, insurance maintained by Ashland to protect against property damage, loss of business and other related consequences resulting from catastrophic events is subject to various deductibles and coverage limitations, depending on the nature of the risk insured. This insurance may not be sufficient to cover all of Ashland's damages or damages to others in the event of a catastrophe. In addition, insurance related to these types of risks may not be available now or, if available, may not be available in the future at commercially reasonable rates.

Climate change impacts including supply chain disruptions, operational impacts, and geopolitical events may impact Ashland's business operations.

Ashland sources a large number of raw materials from third party suppliers globally. These products include both natural and synthetic materials derived from plants, animal products, organic and petroleum based raw materials. Disruptions to the global supply chain due to climate related impacts or geopolitical events are possible and exist as external risk factors that the Company can respond to but not control. These events could limit the supply of key raw materials to the Company, or could have significant impacts to pricing. Ashland works with multiple raw material suppliers to mitigate lack of availability from a single supplier, however in some cases products with limited numbers of suppliers may become difficult to obtain.

Ashland has manufacturing operations in areas vulnerable to coastal storms which may increase in magnitude and impact due to climate change. Ashland continues to implement response and resilience measures such as storm hardening and business continuity planning, however increasingly large and unprecedented weather events may pose a risk to business operations in vulnerable areas. Storms could cause business interruptions, incur additional restoration costs, and impact product availability and pricing.

Consumer preference is increasingly impacted by awareness of and a response to climate change. Consumers are increasingly demanding responsibly sourced and manufactured products. An inability to respond to consumer demands through environmental, social and governance (ESG) innovation could lead to a loss of sales to competitors providing more sustainable product offerings.

Energy availability and pricing has been impacted by geopolitical events and may be impacted by climate related legislation and regulations. As climate legislation increases in many countries, the availability of conventional and nonrenewable energy may be increasingly limited and prices may continue to increase. Where demand exceeds energy capacity, energy disruptions such as brown out or black out events are possible, leading to business interruption and quality/operational impacts. Failure to respond to or mitigate this risk could lead to increased cost and business impacts.

Ashland's customers could change their products in a way that reduces the demand for Ashland's products.

Ashland produces and sells specialty materials that are used by its customers for a broad range of applications. Many of these Ashland materials become part of end products that are sold to consumers. Changes in consumer preferences and demands can lead to certain Ashland customers making changes to their products. In other instances, Ashland's customers may change their products or production techniques to take advantage of newer technologies, alternative chemistries, more effective formulations, or improved processes, or in response to various market, technical or regulatory changes.

Such changes in Ashland's customers' products or production techniques may cause these customers to reduce consumption of Ashland's products or eliminate their need entirely. Ashland may not be able to supply products that meet the customers' new requirements. Such lost sales opportunities may not be replaced by those offering equal revenue potential or margin. It is important for Ashland to continue developing new products, and new applications of existing products to replace such lost business. Otherwise, Ashland faces the risk of a loss of market share, margins and cash flow if it is unable to manage a potential change in the demands of its products.

Ashland's substantial global operations subject it to risks of doing business in foreign countries, which could adversely affect its business, financial condition and results of operations.

Greater than half of Ashland's net sales for fiscal 2022 were to customers outside of North America. Ashland expects sales from international markets to continue to represent an even larger portion of the Company's sales in the future. Also, a significant portion of Ashland's manufacturing capacity is located outside of the United States. Accordingly, Ashland's business is subject to risks related to the differing legal, political, cultural, social and regulatory requirements and economic conditions of many jurisdictions.

The global nature of Ashland's business presents difficulties in hiring and maintaining a workforce in certain countries. Fluctuations in exchange rates may affect product demand and may adversely affect the profitability in U.S. dollars of products and services provided in foreign countries. In addition, foreign countries may impose additional withholding taxes or otherwise tax Ashland's foreign income, or adopt other restrictions on foreign trade or investment, including currency exchange controls. The imposition of new tariffs or trade quotas, or an impairment of existing trade agreements is also a risk that could impair Ashland's financial performance.

Certain legal and political risks are also inherent in the operation of a company with Ashland's global scope. For example, in November 2018, the United States reached an agreement with Canada and Mexico on the United States-Mexico-Canada Trade Agreement (USMCA), which replaced the North American Free Trade Agreement (NAFTA) effective July 1, 2020. Among other things, USMCA includes revised country of origin rules and various labor provisions. In addition, the United Kingdom's exit from the European Union (E.U.) could disrupt European supply chains or customs regimes. Ashland's ability to do business and execute its growth strategies could be adversely affected by either of these changes or other changes to trade policy and trade relationships. Ashland could also be impacted negatively if the ongoing trade disputes between the United States and China, or those between the United States and the E.U. were to worsen. In addition, it may be more difficult for Ashland to enforce its agreements or collect receivables through foreign legal systems. There is a risk that foreign governments may nationalize private enterprises in certain countries where Ashland operates. In certain countries or regions, terrorist activities and the response to such activities may threaten Ashland's operations more than those in the United States. In Europe, the effect of economic sanctions imposed on Russia and/or Russia's reaction to the sanctions could adversely impact Ashland's performance and results of operations. The risks associated with localized or regional armed conflict in many parts of the world remain high and could disrupt and/or adversely impact Ashland's businesses. Social and cultural norms in certain countries may not support compliance with Ashland's corporate policies including those that require compliance with substantive laws and regulations. Also, changes in general economic and political conditions in countries where Ashland operates, particularly in Europe, the Middle East and emerging markets, are a risk to Ashland's financial performance.

As Ashland continues to operate its business globally, its success will depend, in part, on its ability to anticipate and effectively manage these and other related risks. There can be no assurance that the consequences of these and other factors relating to its multinational operations will not have an adverse effect on Ashland's business, financial condition or results of operations.

Adverse developments in the global economy and potential disruptions of financial markets could negatively impact Ashland's customers and suppliers, and therefore have a negative impact on Ashland's results of operations.

A global or regional economic downturn may reduce customer demand or inhibit Ashland's ability to produce and sell products. Ashland's business and operating results are sensitive to global and regional economic downturns, credit market tightness, declining consumer and business confidence, fluctuating commodity prices, volatile exchange rates, changes in interest rates, sovereign debt defaults and other challenges, including those related to international sanctions and acts of aggression or

threatened aggression that can affect the global economy. In the event of adverse developments or stagnation in the economy or financial markets, Ashland's customers may experience deterioration of their businesses, reduced demand for their products, cash flow shortages and difficulty obtaining financing. As a result, existing or potential customers might delay or cancel plans to purchase products and may not be able to fulfill their obligations to Ashland in a timely fashion. Further, suppliers may experience similar conditions, which could impact their ability to fulfill their obligations to Ashland. A weakening or reversal of the current economic conditions in the global economy or a substantial part of it could negatively impact Ashland's business, results of operations, financial condition and ability to grow.

Ashland's substantial indebtedness may adversely affect its business, results of operations and financial condition.

Ashland maintains a substantial amount of debt. Ashland's substantial indebtedness could adversely affect its business, results of operations and financial condition by, among other things:

- requiring Ashland to dedicate a substantial portion of its cash flow from operations to pay principal and interest on its debt, which would reduce the availability of Ashland's cash flow to fund working capital, capital expenditures, acquisitions, execution of its growth strategy and other general corporate purposes;
- limiting Ashland's ability to borrow additional amounts to fund working capital, capital expenditures, acquisitions, debt service requirements, execution of its growth strategy and other purposes;
- making Ashland more vulnerable to adverse changes in general economic, industry and regulatory conditions and in its business by limiting Ashland's flexibility in planning for, and making it more difficult for Ashland to react quickly to, changing conditions;
- placing Ashland at a competitive disadvantage compared with those of its competitors that have less debt and lower debt service requirements;
- making Ashland more vulnerable to increases in interest rates if debt is refinanced; and
- making it more difficult for Ashland to satisfy its financial obligations.

In addition, Ashland may not be able to generate sufficient cash flow from its operations to repay its indebtedness when it becomes due and to meet its other cash needs. If Ashland is not able to pay its debts as they become due, it could be in default under its credit facility or other indebtedness. Ashland might also be required to pursue one or more alternative strategies to repay indebtedness, such as selling assets, refinancing or restructuring its indebtedness or selling additional debt or equity securities. Ashland may not be able to refinance its debt or sell additional debt or equity securities or its assets on favorable terms, if at all, and if Ashland must sell its assets, it may negatively affect its ability to generate revenues.

Competition

Failure to develop and market new products and production technologies could impact Ashland's competitive position and have an adverse effect on its businesses and results of operations.

The specialty additives and materials industry is subject to periodic technological change and ongoing product improvements. In order to maintain margins and remain competitive, Ashland must successfully develop and introduce new products or improvements that appeal to its customers and ultimately to global consumers. Ashland plans to grow earnings, in part, by focusing on developing markets and solutions to meet increasing demand in those markets, including demand for personal care and pharmaceutical products which are subject to lengthy regulatory approval processes. The fast change in Ashland's industry and those of its customers necessitates that Ashland continue the development of new technologies to replace older technologies whose demand or market position may be fading. Ashland's efforts to respond to changes in customer demand in a timely and cost-efficient manner to drive growth could be adversely affected by difficulties or delays in product development, including the inability to identify viable new products, successfully complete research and development, obtain regulatory approvals, obtain intellectual property protection or gain market acceptance of new products. Due to the lengthy development process, technological challenges and intense competition, there can be no assurance that any of the products Ashland is currently developing, or could develop in the future, will achieve substantial commercial success.

The competitive nature of Ashland's markets may delay or prevent Ashland from passing increases in raw materials or energy costs on to its customers. In addition, certain of Ashland's suppliers may be unable to deliver products or raw materials or fulfill contractual requirements. The occurrence of either event could adversely affect Ashland's results of operations.

Rising and volatile raw material prices, especially those of hydrocarbon derivatives, cotton linters or wood pulp, may negatively impact Ashland's costs, results of operations and the valuation of its inventory. Similarly, energy costs are a significant component of certain of Ashland's product costs. Ashland is not always able to raise prices in response to such increased costs, and its ability to pass on the costs of such price increases is dependent upon market conditions. Likewise, reductions in the valuation of Ashland's inventory due to market volatility may not be recovered and could result in losses.

Ashland purchases certain products and raw materials from suppliers, often pursuant to written supply contracts. If those suppliers are unable to meet Ashland's orders in a timely manner or choose to terminate or not fulfill contractual arrangements, Ashland may not be able to make alternative supply arrangements. Also, domestic and global government regulations related to the manufacture, transport or import of certain raw materials may impede Ashland's ability to obtain those raw materials on commercially reasonable terms. Certain Ashland businesses rely on agricultural output of clary sage, aloe, guar, and cotton linters, and the availability of these materials can be severely impacted by crop yields, weather events, and other factors. If Ashland is unable to obtain and retain qualified suppliers under commercially acceptable terms, its ability to manufacture and deliver products in a timely, competitive and profitable manner or grow its business successfully could be adversely affected.

Ashland faces competition from other companies, which places downward pressure on prices and margins and may adversely affect Ashland's businesses and results of operations.

Ashland operates in highly competitive markets, competing against a number of domestic and foreign companies. Competition is based on several key criteria, including product performance and quality, product price, product availability and security of supply, responsiveness of product development in cooperation with customers and customer service, as well as the ability to bring innovative products or services to the marketplace. Certain key competitors are significantly larger than Ashland and have greater financial resources, leading to greater operating and financial flexibility. As a result, these competitors may be better able to withstand changes in conditions within the relevant industry, changes in the prices of raw materials and energy and changes in general economic conditions. In addition, competitors' pricing decisions could compel Ashland to decrease its prices, which could negatively affect its margins and profitability. Additional competition in markets served by Ashland could adversely affect margins and profitability and could lead to a reduction in market share. Also, Ashland competes in certain markets that are declining and has targeted other markets for growth opportunities. Competitive and pricing pressures could also impact Ashland's production volumes, which can in turn reduce cost efficiency. If Ashland's strategies for dealing with declining markets and leveraging opportunity markets are not successful, its businesses and results of operations could be negatively affected.

Human Capital

Ashland's success depends upon its ability to attract and retain key employees and the identification and development of talent to succeed senior management.

Ashland's success depends on its ability to attract and retain key personnel, and Ashland relies heavily on its management team. The inability to recruit and retain key personnel or the unexpected loss of key personnel may adversely affect Ashland's operations. Also, a substantial portion of Ashland's U.S.-based employees will be retirement-eligible within the next several years. That, combined with the relatively small number of middle tier managers with substantial experience in place to replace this group of retirement eligible employees, increases the potential negative impact of the risk that key employees could leave the Company. Additionally, the Company's redesign and cost reduction program may result in key employees departing who may not be replaced. This risk of unwanted employee turnover also is substantial in positions that require certain technical expertise and geographically in developing markets which Ashland has targeted for growth, especially in Asia, South America and Eastern Europe. In addition, because of its reliance on its management team, Ashland's future success depends, in part, on its ability to identify and develop talent to succeed its senior management and other key positions throughout the organization. If Ashland fails to identify and develop successors, the Company is at risk of being harmed by the departures of these key employees.

Ashland uses information technology (IT) systems to conduct business and these IT systems are at risk of potential disruption and cyber security threats.

Ashland's businesses rely on their IT systems to operate efficiently and in some cases, to operate at all. Ashland employs third parties to manage and maintain a significant portion of its IT systems, including, but not limited to data centers, IT infrastructure, network, client support and end user services, as well as the functions of backing up and securing those systems. A partial or complete failure of Ashland's IT systems or those of our third parties managing, providing or servicing them for any amount of time more than several hours could result in significant business disruption causing harm to Ashland's reputation, results of operations or financial condition. In addition, the nature of our businesses, the markets we serve, and the extensive geographic profile of our operations make Ashland a target of cyber security threats. Despite steps Ashland takes to mitigate or eliminate them, cyber security threats in general are increasing and becoming more advanced and could occur as a result of the activity of hackers, employee error or employee misconduct. A breach of our IT systems could lead to the loss and destruction of trade secrets, confidential information, proprietary data, intellectual property, customer and supplier data, and employee personal information, and could disrupt business operations which could adversely affect Ashland's relationships with business partners and harm our brands, reputation, and financial results.

Ashland may not be able to effectively protect or enforce its intellectual property rights.

Ashland relies on the patent, trademark, trade secret and copyright laws of the United States and other countries to protect its intellectual property rights. The laws of some countries may not protect Ashland's intellectual property rights to the same extent as the laws of the United States. Failure of foreign countries to have laws to protect Ashland's intellectual property rights or an inability to effectively enforce such rights in foreign countries could result in the loss of valuable proprietary information, which could have an adverse effect on Ashland's business and results of operations.

Even in circumstances where Ashland has a patent on certain technologies, such patents may not provide meaningful protection against competitors or against competing technologies. In addition, any patent applications submitted by Ashland may not result in an issued patent. There can be no assurance that Ashland's intellectual property rights will not be challenged, invalidated, circumvented or rendered unenforceable. Ashland could also face claims from third parties alleging that Ashland's products or processes infringe on their proprietary rights. If Ashland is found liable for infringement, it could be responsible for significant damages, prohibited from using certain products or processes or required to modify certain products and processes. Any such infringement liability could adversely affect Ashland's product and service offerings, profitability and results of operations.

Ashland also has substantial intellectual property associated with its know-how and trade secrets that are not protected by patent or copyright laws. Ashland protects these rights by entering into confidentiality and non-disclosure agreements with most of its employees and with third parties. There can be no assurance that such agreements will not be breached or that Ashland will be able to effectively enforce them. In addition, Ashland's trade secrets and know-how may be improperly obtained by other means, such as a breach of Ashland's information technologies security systems or direct theft. Any unauthorized disclosure of any of Ashland's material know-how or trade secrets could adversely affect Ashland's business and results of operations.

Legal Risks, Regulatory Compliance and Litigation

Ashland's business exposes it to potential product liability claims and recalls, which could adversely affect its financial condition and performance.

The development, manufacture and sale of specialty materials and other products by Ashland, including products produced for the food, beverage, personal care, pharmaceutical and nutritional supplement industries, involve an inherent risk of exposure to product liability claims, product recalls, product seizures and related adverse publicity. Ashland also produces products that are subject to rigorous specifications and quality standards, with an expectation from its customers around these strict requirements. A product liability claim, recall or judgment against Ashland, or a customer complaint on product specifications, could also result in substantial and unexpected expenditures, affect consumer or customer confidence in its products, and divert management's attention from other responsibilities. Although Ashland maintains product liability insurance, there can be no

assurance that this type or level of coverage is adequate or that Ashland will be able to continue to maintain its existing insurance or obtain comparable insurance at a reasonable cost, if at all. A product recall or a partially or completely uninsured product liability judgment against Ashland could have a material adverse effect on its reputation, results of operations and financial condition.

Ashland has incurred, and will continue to incur, substantial costs as a result of environmental, health and safety, and hazardous substances liabilities and related compliance requirements. These costs could adversely impact Ashland's cash flow, and, to the extent they exceed Ashland's established reserves for these liabilities, its results of operations.

Ashland is subject to extensive federal, state, local and foreign laws, regulations, rules and ordinances relating to pollution, protection of the environment and human health and safety, and the generation, storage, handling, treatment, disposal and remediation of hazardous substances and waste materials. Ashland has incurred, and will continue to incur, significant costs and capital expenditures to comply with these laws and regulations.

Environmental, health and safety regulations change frequently, and such regulations and their enforcement have tended to become more stringent over time. Accordingly, changes in environmental, health and safety laws and regulations and the enforcement of such laws and regulations could interrupt Ashland's operations, require modifications to its facilities or cause Ashland to incur significant liabilities, costs or losses that could adversely affect its profitability. Actual or alleged violations of environmental, health or safety laws and regulations could result in restrictions or prohibitions on plant operations as well as substantial damages, penalties, fines, civil or criminal sanctions and remediation costs. In addition, under some environmental laws, Ashland may be strictly liable and/or jointly and severally liable for environmental damages and penalties.

Ashland is also subject to various federal, state, local and foreign environmental laws and regulations that require environmental assessment or remediation efforts (collectively, environmental remediation) at multiple locations. Ashland uses engineering studies, historical experience and other factors to identify and evaluate remediation alternatives and their related costs in determining the estimated reserves for environmental remediation. Environmental remediation reserves are subject to numerous inherent uncertainties that affect Ashland's ability to estimate its share of the applicable costs. Such uncertainties involve the nature and extent of contamination at each site, the extent of required cleanup efforts under existing environmental regulations, widely varying costs of alternate cleanup methods, changes in environmental regulations, the potential effect of continuing improvements in remediation technology and the number and financial strength of other potentially responsible parties at multiparty sites. There may also be situations in which certain environmental liabilities are not known to Ashland or are not probable and estimable. As a result, Ashland's actual costs for environmental remediation could affect Ashland's cash flow and, to the extent costs exceed established reserves for those liabilities, its results of operations.

Ashland is responsible for, and has financial exposure to, liabilities from pending and threatened claims, including those alleging personal injury caused by exposure to asbestos, which could adversely impact Ashland's results of operations and cash flow.

There are various claims, lawsuits and administrative proceedings pending or threatened, including those alleging personal injury caused by exposure to asbestos, against Ashland and its current and former subsidiaries. Such actions are with respect to commercial matters, product liability, toxic tort liability and other matters that seek remedies or damages, some of which are for substantial amounts. While these actions are being contested, their outcome is not predictable. Ashland's results could be adversely affected by financial exposure to these liabilities. Insurance maintained by Ashland to protect against claims for damages alleged by third parties is subject to coverage limitations, depending on the nature of the risk insured. This insurance may not be sufficient to cover all of Ashland's liabilities to others. In addition, insurance related to these types of risks may not be available now or, if available, may not be available in the future at commercially reasonable rates. Ashland's ability to recover from its insurers for asbestos liabilities could also have an adverse impact on its results of operations. Projecting future asbestos costs is subject to numerous variables that are extremely difficult to predict. In addition to the significant uncertainties surrounding the number of claims that might be received, other variables include the type and severity of the disease alleged by each claimant, the long latency period associated with asbestos exposure, dismissal rates, costs of medical treatment, the impact of bankruptcies of other companies that are co-defendants in claims, uncertainties surrounding the litigation process from jurisdiction to jurisdiction and from case to case, and the impact of potential changes in legislative or judicial standards. Furthermore, any predictions with respect to these variables are subject to even greater uncertainty as the projection period lengthens. In light of these inherent uncertainties, Ashland believes that its asbestos reserves represent the best estimate within a range of possible outcomes. As a part of the process to develop these estimates of future asbestos costs, a range of long-term cost models was developed. These models are based on national studies that predict the number of people likely to develop asbestos-related diseases and are heavily influenced by assumptions regarding long-term inflation rates for indemnity payments and legal defense costs, as well as other variables mentioned previously. Because of the inherent uncertainties in projecting future asbestos liabilities and establishing appropriate reserves, Ashland's actual asbestos costs could adversely affect its results of operations and, to the extent they exceed its reserves, could adversely affect its results of operations.

The impact of changing laws or regulations or the manner of interpretation or enforcement of existing rules could adversely impact Ashland's financial performance and restrict its ability to operate its business or execute its strategies.

New laws or regulations, or changes in existing laws or regulations or the manner of their interpretation or enforcement, could increase Ashland's cost of doing business and restrict its ability to operate its business or execute its strategies. This includes, among other things, the possible taxation under U.S. law of certain income from foreign operations, the possible taxation under foreign laws of certain income Ashland reports in other jurisdictions, tariffs or quotas levied on Ashland products, raw materials or key components by certain countries, regulations related to the protection of private information of Ashland's employees and customers, regulations issued by the U.S. Food and Drug Administration (and analogous non-U.S. agencies) affecting Ashland and its customers, compliance with The U.S. Foreign Corrupt Practices Act (and analogous non-U.S. laws) and the European Union's Registration, Authorization and Restriction of Chemicals (REACH) regulation (and analogous non-EU initiatives), and potential operational impacts of General Data Protection Regulation (GDPR). Uncertainty associated with the passage of new laws, application of executive authority beyond the legislative process, as well as changes in and enforcement of existing laws, can limit Ashland's ability to make and execute business plans effectively. In addition, compliance with laws and regulations is complicated by Ashland's substantial and growing global footprint, which will require significant and additional resources to comprehend and ensure compliance with applicable laws in the more than one hundred countries where Ashland conducts business. Compliance with current and future regulations is further complicated by uncertainty around the reevaluation of international agreements by various countries, including the United States, and the resulting impact on regulatory regimes, customs regulations, tariffs, sanctions, and other transnational protocols.

Imposition of new taxes, disagreements with tax authorities or additional tax liabilities could adversely affect Ashland's business, financial condition, reputation or results of operations.

Ashland's products are made, manufactured, distributed or sold in more than 100 countries and territories. A significant portion of Ashland's revenues are generated outside the United States. As such, Ashland is subject to taxes in the United States as well as numerous foreign countries. Ashland's future effective tax rates could be affected by changes in the mix of earnings in countries with differing tax rates, changes in the valuation of deferred tax assets and liabilities, changes in liabilities for uncertain tax positions, cost of repatriations or changes in tax laws, regulations, administrative practices or their interpretation. Moreover, because Ashland is subject to the regular examination of its income tax returns by various tax authorities, the economic and political pressure to increase tax revenues in these jurisdictions may make resolving tax disputes even more difficult, and the final resolution of tax audits and any related litigation may differ from our historical provisions and accruals resulting in an adverse impact on our business, financial condition, reputation or results of operations. The Tax Cuts and Jobs Act (the Tax Act), enacted in December 2017, made significant changes to US tax law; many other countries or organizations, including those where Ashland has significant operations, are actively considering or enacting changes to tax laws which could significantly impact our tax rate and cash flows. The increasingly complex global tax environment, including changes in how United States multinational corporations are taxed, could adversely affect Ashland's business, financial condition or results of operations.

Other than the one-time transition tax enacted by the Tax Act, Ashland will continue to be indefinitely reinvested in our foreign earnings. As such, Ashland has not accrued income taxes or foreign withholding taxes on undistributed earnings for most non-US subsidiaries because those earnings are intended to be indefinitely reinvested in the operations of those subsidiaries. If these earnings are needed for Ashland's operations in the United States, the repatriation of such earnings could adversely affect its business, results of operations or financial condition.

The IPO of Valvoline and final distribution of its shares could result in significant tax liability to Ashland and its stockholders.

Ashland believes that the Valvoline IPO and certain related internal transactions should be nontaxable transactions for U.S. federal income tax purposes and has obtained written opinions of counsel to that effect. Ashland also obtained a written opinion of counsel to the effect that the final distribution should qualify for non-recognition of gain and loss under Section 355 of the Internal Revenue Code of 1986, as amended (the "Code"). The opinions are based on certain assumptions and representations as to factual matters from Ashland and Valvoline, as well as certain covenants by those parties. The opinions cannot be relied upon if any of the assumptions, representations or covenants is incorrect, incomplete or inaccurate or is violated in any material respect, or if there are changes in law with retroactive effect. The opinions are not binding on the IRS or the courts, and it is possible that the IRS or a state or local taxing authority could take the position that the internal transactions, the final distribution or the receipt of proceeds from the Valvoline IPO resulted in the recognition of significant taxable gain by Ashland, in which case Ashland may be subject to material tax liabilities.

If the final distribution were determined not to qualify for non-recognition of gain and loss, then Ashland would recognize gain as if it had sold Valvoline common stock in a taxable transaction in an amount up to the fair market value of the Valvoline common stock it distributed in the final distribution. The tax liability resulting from such gain could have a material impact on Ashland's operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Ashland's corporate headquarters is located in Wilmington, Delaware. Principal offices of other major operations are located in Wilmington, Delaware (Life Sciences, Specialty Additives, Intermediates and Corporate); Bridgewater, New Jersey (Personal Care and Corporate); and Dublin, Ohio (Corporate) within the United States and Hyderabad, India; Warsaw, Poland; and Schaffhausen, Switzerland (each of which are shared service centers of Ashland's and house Corporate and direct business segment personnel). All of these locations are leased, except for the Wilmington, Delaware site which is owned. Principal manufacturing, marketing and other materially important physical properties of Ashland and its subsidiaries are described within the applicable business units under "Item 1" in this annual report on Form 10-K. All of Ashland's physical properties are owned or leased. Ashland believes its physical properties are suitable and adequate for the Company's business. Additional information concerning leases may be found in Note K of Notes to Consolidated Financial Statements in this annual report on Form 10-K.

ITEM 3. LEGAL PROCEEDINGS

The following is a description of Ashland's material legal proceedings. Ashland's threshold for disclosing material environmental legal proceedings involving a governmental authority where potential monetary sanctions are involved is \$1 million.

Asbestos-Related Litigation

Ashland is subject to liabilities from claims alleging personal injury caused by exposure to asbestos. Such claims result primarily from indemnification obligations undertaken in 1990 in connection with the sale of Riley Stoker Corporation (Riley), a former subsidiary. Although Riley was neither a producer nor a manufacturer of asbestos, its industrial boilers contained some asbestos containing components provided by other companies.

Hercules LLC (Hercules) (formerly Hercules Incorporated), an indirect wholly-owned subsidiary of Ashland, is also subject to liabilities from asbestos-related personal injury lawsuits involving claims which typically arise from alleged exposure to asbestos fibers from resin encapsulated pipe and tank products which were sold by one of Hercules' former subsidiaries to a limited industrial market.

Ashland and Hercules are also defendants in lawsuits alleging exposure to asbestos at facilities formerly or presently owned or operated by Ashland or Hercules.

For additional detailed information regarding liabilities arising from asbestos-related litigation, see "Management's Discussion and Analysis - Critical Accounting Policies - Asbestos Litigation" and Note N of Notes to Consolidated Financial Statements in this annual report on Form 10-K.

Environmental Proceedings

(a) *CERCLA and Similar State Law Sites* - Under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and similar state laws, Ashland and its subsidiaries may be subject to joint and several liability for cleanup costs in connection with alleged releases of hazardous substances at sites where it has been identified as a "potentially responsible party" (PRP). As of September 30, 2022, Ashland and its subsidiaries have been identified as a PRP by U.S. federal and state authorities, or by private parties seeking contribution, for the cost of environmental investigation and/or cleanup at 81 sites. These sites are currently subject to ongoing investigation and remedial activities, overseen by the United States Environmental Protection Agency (USEPA) or a state agency, in which Ashland or its subsidiaries are typically participating as a member of a PRP group. Generally, the types of relief sought include remediation of contaminated soil and/or groundwater, reimbursement for past costs of site cleanup and administrative oversight and/or long-term monitoring of environmental conditions at the sites. The ultimate costs are not predictable with assurance.

(b) *Lower Passaic River; New Jersey Matters* - Ashland, through two formerly owned facilities, and International Specialty Products (ISP), through a now-closed facility, have been identified as PRPs, along with approximately 70 other companies (the Cooperating Parties Group or the CPG), in a May 2007 Administrative Order of Consent (AOOC) with the USEPA. The parties

are required to perform a remedial investigation and feasibility study (RI/FS) of the entire 17 miles of the Passaic River. In June 2007, the USEPA separately commenced a Focused Feasibility Study (FFS) as an interim measure. In accordance with the 2007 AOC, in June 2012 the CPG voluntarily entered into another AOC for an interim removal action focused solely at mile 10.9 of the Passaic River. The allocations for the 2007 AOC and the 2012 removal action are based on interim allocations, are immaterial and have been accrued. In April 2014, the USEPA released the FFS. The CPG submitted the Draft RI/FS Report on April 30, 2015. The USEPA has released the FFS Record of Decision for the lower 8 miles and reached an agreement with another chemical company to conduct and pay for the remedial design. This chemical company has sued Ashland, ISP and numerous other defendants to recover past and future costs pursuant to the CERCLA. Ashland's motion to dismiss was partially granted, and the surviving claims are in the early stages of discovery. Ashland and ISP participated in an USEPA allocation process that resulted in a partial settlement with the EPA. Possible future allocation proceedings and the lawsuit are not expected to be material to Ashland.

For additional information regarding environmental matters and reserves, see Note N of Notes to Consolidated Financial Statements in this annual report on Form 10-K.

Other Pending Legal Proceedings

In addition to the matters described above, there are other various claims, lawsuits and administrative proceedings pending or threatened against Ashland and its current and former subsidiaries. Such actions are with respect to commercial matters, product liability, toxic tort liability, employment matters and other environmental matters which seek remedies or damages, some of which are for substantial amounts. While Ashland cannot predict with certainty the outcome of such actions, it believes that adequate reserves have been recorded and losses already recognized with respect to such actions were immaterial as of September 30, 2022. There is a reasonable possibility that a loss exceeding amounts already recognized may be incurred related to these actions; however, Ashland believes that such potential losses were immaterial as of September 30, 2022.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM X. INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The following is a list of Ashland's current executive officers, their ages and their positions and offices during the last five years.

GUILLERMO NOVO (age 60) is Chair and Chief Executive Officer of Ashland Inc. since December 31, 2019. Mr. Novo has served as a director of Ashland's Board since May 22, 2019. Most recently, Mr. Novo served as the President and CEO of Versum Materials, Inc., a premier specialty materials company, and was a member of the board of directors. Mr. Novo also served as a director of Bemis Company until May 2019.

J. KEVIN WILLIS (age 57) is Senior Vice President and Chief Financial Officer of Ashland Inc. since May 2013.

YVONNE WINKLER VON MOHRENFELS (age 56) is Senior Vice President, General Counsel and Secretary of Ashland Inc. since January 2021. Previously, Ms. Winkler von Mohrenfels served as Deputy General Counsel with Ashland Inc. from June 2020 to December 2020; Assistant General Counsel from February 2019 to May 2020 and Senior Group Counsel from August 2016 to February 2019.

XIAOLAN WANG (age 58) is Senior Vice President and General Manager, Personal Care of Ashland Inc. since February 2020. Most recently, Dr. Wang served as Senior Vice President and General Manager, Business Line Interface and Performance from January 2019 to January 2020 and Senior Vice President and General Manager, Business Line Household Care from April 2016 to December 2018 of Evonik Nutrition & Care at Evonik Industries AG.

MIN CHONG (age 51) is Senior Vice President and General Manager, Specialty Additives and Intermediates of Ashland Inc. since January 2020. Most recently, Mr. Chong served as Senior Vice President and General Manager, Crosslinkers at Evonik Industries AG/ADR from January 2017 to December 2019.

ASHOK S. KALYANA (age 50) is Senior Vice President and General Manager, Life Sciences of Ashland Inc. since January 2020. Most recently, Mr. Kalyana was Vice President Business Development and Commercial, APAC at Tate & Lyle Asia Pacific PTE LTD from August 2019 to January 2020. Previously, Mr. Kalyana was the APAC Business Director, Coatings from November 2015 to July 2019 and Global Marketing Director, Coatings from January 2014 to November 2019 at Dow Chemical Co.

OSAMA M. MUSA (age 54) is Senior Vice President and Chief Technology Officer of Ashland Inc. since November 2018. Previously, Dr. Musa served as Vice President, ASI Technology from November 2014 to November 2018.

EILEEN M. DRURY (age 54) is Senior Vice President and Chief Human Resources Officer of Ashland Inc. since November 2021. Previously, Ms. Drury served as Vice President Human Resources from August 2020 to November 2021 and Director, Human Resources from April 2019 to August 2020. Ms. Drury served as HR Business Partner for various groups within Ashland Inc. from 2011 to 2019.

ERIC N. BONI (age 53) is Vice President, Finance and Principal Accounting Officer of Ashland Inc. since January 2020. Previously, Mr. Boni served as Vice President, Finance from January 2019 to January 2020 and Vice President, Finance and Treasurer from September 2016 to January 2019.

Each executive officer is elected by the Board of Directors of Ashland to a term of one year, or until a successor is duly elected, at the annual meeting of the Board of Directors, except in those instances where the officer is elected other than at an annual meeting of the Board of Directors, in which case his or her tenure will expire at the next annual meeting of the Board of Directors unless the officer is re-elected.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

On September 20, 2016, Ashland Inc. became an indirect wholly owned subsidiary of Ashland Global Holdings Inc., and Ashland Inc.’s common stock ceased trading on the New York Stock Exchange (NYSE). Ashland Global Holdings Inc.’s Common Stock began trading on NYSE under the symbol “ASH” on September 20, 2016.

On August 1, 2022, Ashland Global Holdings Inc. changed its name to Ashland Inc. and continued to trade on NYSE under the symbol "ASH".

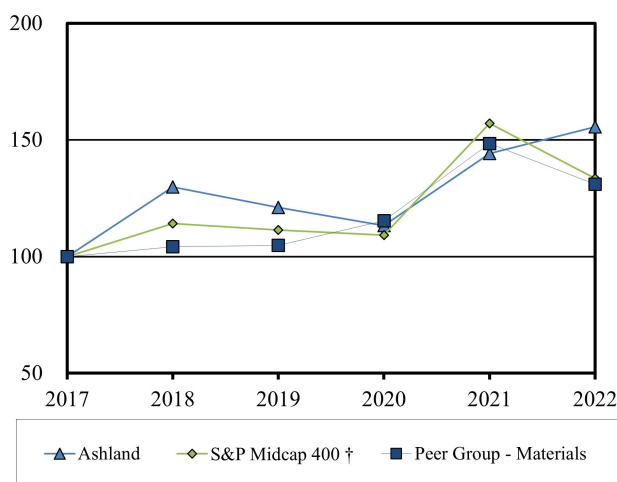
At October 31, 2022, there were approximately 9,058 holders of record of Ashland’s Common Stock. Ashland Common Stock is listed on the NYSE (ticker symbol ASH) and has trading privileges on Nasdaq.

There were no sales of unregistered securities required to be reported under Item 5 of Form 10-K.

FIVE-YEAR TOTAL RETURN PERFORMANCE GRAPH

The following graph compares Ashland’s five-year cumulative total shareholder return with the cumulative total return of the S&P MidCap 400† index and one peer group of companies. Ashland is listed in the S&P MidCap 400† index. The cumulative total shareholder return assumes the reinvestment of dividends. On May 12, 2017, Ashland completed the final separation of Valvoline Inc. with the pro rata distribution of 2.745338 shares of Valvoline Inc. common stock for every share of Ashland Common Stock to Ashland stockholders. The effect of the final separation of Valvoline Inc. is reflected in the cumulative total return of Ashland Common Stock as a reinvested dividend.

**COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN
ASHLAND, S&P MIDCAP 400† INDEX AND PEER GROUP**



	2017	2018	2019	2020	2021	2022
Ashland	100	130	121	113	144	156
S&P MidCap 400†	100	114	111	109	157	133
Peer Group - Materials	100	104	105	115	148	131

The peer group consists of the following industry indices:

- *Peer Group – Materials*: S&P 500† Materials (large-cap) and S&P MidCap 400† Materials. As of September 30, 2022, this peer group consisted of 48 companies.

Purchase of Company Common Stock

Share repurchase activity during the three months ended September 30, 2022 was as follows:

Q4 Fiscal Periods	Total Number of Shares Purchased	Average Price Paid per Share, including commission	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (in millions) (a)
July 1, 2022 to July 31, 2022	—	\$ —	—	\$ 500
August 1, 2022 to August 31, 2022	—	—	—	500
September 1, 2022 to September 30, 2022	—	—	—	500
Total	—	—	—	500

(a) During May 2022, Ashland's Board of Directors approved a new evergreen \$500 million stock repurchase program which replaced the previous stock repurchase program. Ashland's stock repurchase program does not obligate it to acquire any specific number of shares. Under the program, shares may be repurchased in privately negotiated and/or open market transactions, including under plans complying with Rule 10b5-1 of the Exchange Act.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

See Management's Discussion and Analysis of Financial Condition and Results of Operations on pages M-1 through M-41.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See Quantitative and Qualitative Disclosures about Market Risk on page M-42.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements of Ashland presented in this annual report on Form 10-K are listed in the index on page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures – As of September 30, 2022, Ashland, under the supervision and with the participation of Ashland's management, including Ashland's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of Ashland's disclosure controls and procedures as defined in Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of September 30, 2022.

Internal Control over Financial Reporting - See Management's Report on Internal Control Over Financial Reporting on page F-2 and the Reports of the Independent Registered Public Accounting Firm on pages F-3 and F-4.

Changes in Internal Control over Financial Reporting – There have been no changes in Ashland's internal control over financial reporting that occurred during the quarter ended September 30, 2022, that have materially affected, or are reasonably likely to materially affect, Ashland's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

There is hereby incorporated by reference the information to appear under the caption “Proposal One - Election of Directors” in Ashland’s Proxy Statement, which will be filed with the SEC within 120 days after September 30, 2022. See also the list of Ashland’s executive officers and related information under “Information About Our Executive Officers” in Part I - Item X in this annual report on Form 10-K.

There is hereby incorporated by reference the information to appear under the caption “Corporate Governance - Governance Principles” in Ashland’s Proxy Statement.

There is hereby incorporated by reference the information to appear under the caption “Corporate Governance - Stockholder Nominations of Directors” in Ashland’s Proxy Statement.

There is hereby incorporated by reference the information to appear under the caption “Audit Committee Report” regarding Ashland’s audit committee and audit committee financial experts, as defined under Item 407(d)(4) and (5) of Regulation S-K in Ashland’s Proxy Statement.

There is hereby incorporated by reference the information to appear under the caption “Corporate Governance – Delinquent Section 16(a) Reports” in Ashland’s Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

There is hereby incorporated by reference the information to appear under the captions “Compensation of Directors,” “Corporate Governance - Compensation Committee Interlocks and Insider Participation,” and “Executive Compensation,” in Ashland’s Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

There is hereby incorporated by reference the information to appear under the captions “Ashland Common Stock Ownership of Certain Beneficial Owners,” and “Ashland Common Stock Ownership of Directors and Executive Officers of Ashland” in Ashland’s Proxy Statement.

The following table summarizes the equity compensation plans under which Ashland Common Stock may be issued as of September 30, 2022.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	787,173 ⁽¹⁾	\$ 63.85 ⁽²⁾	9,987,473 ⁽³⁾
Equity compensation plans not approved by security holders	52,915 ⁽⁴⁾	—	1,279,313 ⁽⁵⁾
Total	840,088	\$ 63.85 ⁽²⁾	11,266,786

- (1) This figure includes 85,617 net shares that could be issued under stock-settled SARs under the Amended and Restated 2011 Ashland Inc. Incentive Plan (“2011 Incentive Plan”), 246,714 net shares that could be issued under stock-settled SARs, 9,419 net shares that could be issued under stock-settled SARs, 49,582 shares that could be issued under stock settled restricted stock units under the Ashland Global Holdings Inc. 2018 Omnibus Incentive Compensation Plan (the “2018 Omnibus Plan”), based upon the closing price of Ashland Common Stock on the NYSE as of September 30, 2022 of \$94.97. Additionally, this figure includes 113,243 performance units for the fiscal 2020-2022 performance period payable in Ashland Common Stock under the 2018 Incentive Plan, 116,913 performance units for the fiscal 2021-2023 performance period payable in Ashland Common Stock under the 2018 Omnibus Plan and 149,548 performance units for the fiscal 2022-2024 performance period payable in Ashland Common Stock under the 2021 Omnibus Plan, estimated assuming target performance is achieved. Also included in the figure are 16,137 shares to be issued under the pre-2005 Deferred Compensation Plan for Employees payable in Ashland Common Stock upon termination of employment or service with Ashland.
- (2) The weighted-average exercise price excludes shares in Ashland Common Stock which may be distributed under the deferred compensation plans and the deferred restricted stock, and performance share units and restricted stock units which may be distributed under the 2011 Incentive Plan, the 2015 Incentive Plan and the 2018 Omnibus Plan, as described in footnotes (1) and (4) in this table.
- (3) This figure includes 6,166,772 available for issuance under the Ashland Global Holdings Inc. 2021 Omnibus Plan, 122,839 shares available for issuance under the pre-2005 Deferred Compensation Plan for Employees (closed) and 369,766 shares available for issuance under the pre-2005 Deferred Compensation Plan for Non-Employee Directors (closed). Under the 2018 Incentive Plan, full-value awards, which include all awards other than stock options and SARs, reduce the share reserve on a 2-to-1 basis. The remaining balance of shares available for grant under the 2018 Omnibus Plan are now available for grant under the 2021 Omnibus Plan and are included in the numbers of shares available for issuance under the 2021 Omnibus Plan. This figure also includes 80,311 shares available for issuance under the 2006 Incentive Plan, 2,568,664 shares available for issuance under the 2011 Incentive Plan and 679,121 shares available for issuance under the 2015 Incentive Plan; however, these plans are closed for new issuances and the only shares remaining to be issued are shares paid in lieu of dividends and for the 2015 Incentive Plan, shares to be issued for unvested performance units and restricted stock units.
- (4) This figure includes 38,492 shares to be issued under the Deferred Compensation Plan for Employees (2005), which is described in the “Non-Qualified Deferred Compensation-Ashland Employees’ Deferral Plan” section of Ashland’s proxy statement, and 14,423 shares to be issued under the Deferred Compensation Plan for Non-Employee Directors (2005), which is described in the “Compensation of Directors” section of Ashland’s proxy statement, payable in Ashland Common Stock upon termination of employment or service with Ashland. Because these plans are not equity compensation plans as defined by the rules of the NYSE, neither plan required approval by Ashland’s stockholders.
- (5) This figure includes 617,486 shares available for issuance under the Deferred Compensation Plan for Employees (2005) and 661,827 shares available for issuance under the Deferred Compensation Plan for Non-Employee Directors (2005). Because these plans are not equity compensation plans as defined by the rules of the NYSE, neither plan required approval by Ashland’s stockholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

There is hereby incorporated by reference the information to appear under the captions “Corporate Governance - Director Independence and Certain Relationships,” “Corporate Governance - Related Person Transaction Policy,” and “Audit Committee Report” in Ashland’s Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

There is hereby incorporated by reference the information with respect to principal accounting fees and services to appear under the captions “Audit Committee Report” and “Proposal Two - Ratification of Independent Registered Public Accountants” in Ashland’s Proxy Statement.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this Report

- (1) Financial Statements; and
- (2) See Item 15(b) in this annual report on Form 10-K

The consolidated financial statements of Ashland presented in this annual report on Form 10-K are listed in the index on page F-1.

Schedules other than that listed above have been omitted because of the absence of the conditions under which they are required or because the information required is shown in the consolidated financial statements or the notes thereto. Separate financial statements of unconsolidated affiliates are omitted because each company does not constitute a significant subsidiary using the 20% tests when considered individually.

(b) Documents required by Item 601 of Regulation S-K

- 2.1 – [Stock and Asset Purchase Agreement, dated as of February 18, 2014, between Ashland Inc. and CD&R Seahawk Bidco, LLC \(filed as Exhibit 2.1 to Ashland's Form 8-K filed on February 24, 2014 \(SEC File No. 001-32532\), and incorporated herein by reference\).](#)
- 2.2 – [Sale and Purchase Agreement related to the ASK Chemicals Group, dated April 8, 2014, among Ashland Inc., Ashland International Holdings, Inc., Clariant Produkte \(Deutschland\) GmbH, Clariant Corp., mertus 158. GmbH, Ascot US Bidco Inc. and Ascot UK Bidco Limited \(filed as Exhibit 2.1 to Ashland's Form 8-K filed on April 14, 2014 \(SEC File No. 001-32532\), and incorporated herein by reference\).](#)
- 2.3 – [Agreement and Plan of Merger dated May 31, 2016, by and among Ashland Inc., Ashland Global Holdings Inc. and Ashland Merger Sub Corp. \(filed as Exhibit 2.1 to Ashland's Form 8-K filed on May 31, 2016 \(SEC File No. 001-32532\), and incorporated herein by reference\).](#)
- 2.4 – [Stock and Asset Purchase Agreement, dated November 14, 2018, between Ashland Global Holdings Inc. and INEOS Enterprises Holdings Limited \(pursuant to Item 601\(b\)\(2\) of Regulation S-K, exhibits, schedules and certain annexes to the Stock and Asset Purchase Agreement have been omitted; exhibits, schedules and annexes will be supplementally provided to the SEC upon request\) \(filed as Exhibit 2.1 to Ashland's Form 8-K filed on November 20, 2018 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 2.5 – [First Amendment to Stock and Asset Purchase Agreement, dated July 1, 2019, between Ashland Global Holdings Inc. and INEOS Enterprises Holdings Limited \(pursuant to Item 601\(b\)\(2\) of Regulation S-K, exhibits, schedules and certain annexes to the Stock and Asset Purchase Agreement have been omitted; exhibits, schedules and annexes will be supplementally provided to the SEC upon request\) \(filed as Exhibit 2.1 to Ashland's Form 8-K filed on July 8, 2019 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 2.6 – [Second Amendment to Stock and Asset Purchase Agreement, dated July 30, 2019, between Ashland Global Holdings Inc. and INEOS Enterprises Holdings Limited \(pursuant to Item 601\(b\)\(2\) of Regulation S-K, exhibits, schedules and certain annexes to the Stock and Asset Purchase Agreement have been omitted; exhibits, schedules and annexes will be supplementally provided to the SEC upon request \(filed as Exhibit 2.1 to Ashland's Form 8-K filed on August 2, 2019 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 2.7 – [Asset Purchase Agreement dated July 25, 2020, by and between Ashland LLC and AOC Materials LLC \(filed as Exhibit 2.1 to Ashland's Form 8-K filed on July 27, 2020 \(SEC File No. 333-211719 and incorporated herein by reference\).](#)
- 2.8 – [Master Asset Purchase Agreement, dated January 18, 2021, entered into by and between Schülke & Mayr GmbH, ISP Marl Holdings and Ashland Industries Europe GmbH \(filed as Exhibit 2.1 to Ashland's Form 8-K filed on January 22, 2021 \(SEC File No.333-211719\) and incorporated herein by reference\).](#)

- 2.9 – [Amendment Agreement to the Master Purchase Agreement regarding the acquisition of the Personal Care Business of Schülke & Mayr GmbH dated April 29, 2021, filed as Exhibit 2.2 to Ashland’s Form 10-Q filed on July 29, 2021 \(SEC File No.333-211719\) and incorporated herein by reference\).](#)
- 2.10 – [Purchase and Sale Agreement, dated as of August 30, 2021, between Ashland LLC and Arkema, filed as Exhibit 2.1 to Ashland’s Form 8-K filed on August 31, 2021 \(SEC File No.333-211719\) and incorporated herein by reference\).](#)
- 2.11 – [Amendment No. 1 to the Purchase and Sale Agreement, dated as of February 28, 2022, by and between Arkema and Ashland LLC \(filed as Exhibit 2.1 to Ashland’s Form 8-K filed on February 28, 2022 \(SEC File No.333-211719\) and incorporated herein by reference\).](#)
- 2.12 – [Stock Purchase Agreement, dated April 14, 2017, by and among Ashland LLC, Pharmachem Laboratories, Inc., the holders of common stock of Pharmachem Laboratories, Inc., Dr. David Peele, and Photon SH Representative LLC, solely as the shareholders’ representative \(filed as Exhibit 2.1 to Ashland’s Form 8-K filed on May 18, 2017 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 2.13 – [Amendment No. 1 to the Stock Purchase Agreement, dated May 16, 2017, by and among Ashland LLC, Pharmachem Laboratories, Inc., the holders of common stock of Pharmachem Laboratories, Inc., Dr. David Peele, and Photon SH Representative LLC, solely as the shareholders’ representative \(filed as Exhibit 2.2 to Ashland’s Form 8-K filed on May 18, 2017 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 2.14 – [Amendment No. 2 to the Stock Purchase Agreement, dated August 23, 2017, by and among Ashland LLC, Pharmachem Laboratories, Inc., the holders of common stock of Pharmachem Laboratories, Inc., Dr. David Peele, and Photon SH Representative LLC, solely as the shareholders’ representative \(filed as Exhibit 10.84 to Ashland’s Form 10-K for the fiscal year ended September 30, 2017 \(SEC File No. 333-211719\), and incorporated by reference herein\).](#)
- 3.1 – [Amended and Restated Articles of Incorporation of Ashland Global Holdings Inc. \(filed as Exhibit 3.1 to Ashland’s Form 8-K filed on September 20, 2016 \(SEC File No. 001-32532\)\) and incorporated by reference herein\).](#)
- 3.2 – [Certificate of Ownership & Merger, amending the Company’s Amended and Restated Certificate of Incorporation \(filed as Exhibit 3.1 to Ashland’s Form 8-K filed on August 1, 2022 \(SEC File No. 001-32532\) and incorporated by reference herein\).](#)
- 3.3 – [By-laws of Ashland Inc. \(Amended and Restated as of September 20, 2022\) \(filed as Exhibit 3.1 to Ashland’s Form 8-K filed on September 20, 2022 \(SEC File No. 333-211719\) and incorporated by reference herein\).](#)
- 4.1 – Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, copies of instruments defining the rights of holders of long-term debt of Ashland and all of its subsidiaries are not filed, Ashland agrees to furnish a copy of such instruments with the SEC upon request.
- 4.2 – [Warrant Agreement dated July 27, 1999 between Hercules and The Chase Manhattan Bank, as warrant agent \(filed as Exhibit 4.4 to Hercules’ Form 8-K filed on July 28, 1999 \(SEC File No. 001-00496\), and incorporated herein by reference\).](#)
- 4.3 – [Form of Series A Junior Subordinated Deferrable Interest Debentures \(filed as Exhibit 4.5 to Hercules’ Form 8-K filed on July 28, 1999 \(SEC File No. 001-00496\), and incorporated herein by reference\).](#)
- 4.4 – [Form of CRESTSM Unit \(filed as Exhibit 4.7 to Hercules’ Form 8-K filed on July 28, 1999 \(SEC File No. 001-00496\), and incorporated herein by reference\).](#)
- 4.5 – [Form of Warrant \(filed as Exhibit 4.8 to Hercules’ Form 8-K filed on July 28, 1999 \(SEC File No. 001-00496\), and incorporated herein by reference\).](#)
- 4.6 – [Form of \\$100,000,000 6.6% Debenture due August 27, 2027 \(filed as Exhibit 4.2 to Hercules’ Form 8-K filed on July 30, 1997 \(SEC File No. 001-00496\), and incorporated herein by reference\).](#)

- 4.7 – [Indenture, dated as of August 7, 2012, between Ashland Inc. and U.S. Bank N.A., as Trustee \(filed as Exhibit 4.1 to Ashland’s Form 8-K filed on September 21, 2012 \(SEC File No. 001-32532\), and incorporated herein by reference\).](#)
- 4.8 – [First Supplemental Indenture, dated as of February 26, 2013, between Ashland Inc. and U.S. Bank National Association, as Trustee, in respect of the senior notes due 2022 \(filed as Exhibit 4.11 to Ashland’s Form 10-K for the fiscal year ended September 30, 2013 \(SEC File No. 001-32532\), and incorporated herein by reference\).](#)
- 4.9 – [Indenture, dated as of February 26, 2013, between Ashland Inc. and U.S. Bank National Association, as Trustee \(filed as Exhibit 4.3 to Ashland’s Form 8-K filed on February 27, 2013 \(SEC File No. 001- 32532\), and incorporated herein by reference\).](#)
- 4.10 – [First Supplemental Indenture, dated as of February 26, 2013, between Ashland Inc. and U.S. Bank National Association, as Trustee, in respect of the senior notes due 2016, 2018 and 2043 \(filed as Exhibit 4.4 to Ashland’s Form 8-K filed on February 27, 2013 \(SEC File No. 001-32532\), and incorporated herein by reference\).](#)
- 4.11 – [Second Supplemental Indenture, dated as of March 14, 2013, between Ashland Inc. and U.S. Bank National Association, as Trustee, in respect of the senior notes due 2043 \(filed as Exhibit 4.2 to Ashland’s Form 8-K filed on March 18, 2013 \(SEC File No. 001-32532\), and incorporated herein by reference\).](#)
- 4.12** – [First Supplemental Indenture as of August 1, 2022, to the Trust Indenture in respect of the 2031 Notes dated as of August 18, 2021, by and among Ashland Global Holdings Inc. \(now Ashland Inc.\), U.S. Bank Trust Company, National Association, as trustee \(attached hereto and incorporated herein by reference\).](#)
- 4.13 – [Third Supplemental Indenture dated October 19, 2016, among Ashland LLC, Ashland Global Holdings Inc. and US Bank National Association, to the Indenture dated as of February 26, 2013 between Ashland LLC and US Bank National Association \(filed as Exhibit 4.2 to Ashland’s Form 8-K filed on October 20, 2016 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 4.14** – [Fourth Supplemental Indenture dated August 1, 2022, to the Trust Indenture dated as of February 26, 2013, between Ashland Global Holdings Inc. \(now Ashland Inc.\) and U.S. Bank Trust Company, National Association, as trustee \(attached hereto and incorporated herein by reference\).](#)
- 4.15 – [Indenture dated January 23, 2020, among Ashland Services B.V., Ashland Global Holdings Inc., Ashland LLC and U.S. Bank National Association, as trustee, in respect of the Senior Euro-Denominated Notes due 2028 \(filed as Exhibit 4.1 to Ashland’s Form 8-K filed on January 23, 2020 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 4.15(a) – [Description of Capital Stock \(filed as Exhibit 4.14\(a\) to Ashland’s Form 10-K for the fiscal year ended September 30, 2019 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 4.15(b) – [Description of 6.875% Senior Notes due 2043 \(filed as Exhibit 4.14\(b\) to Ashland’s Form 10-K for the fiscal year ended September 30, 2019 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 4.15(c) – [Description of 4.750% Senior Notes due 2022 \(filed as Exhibit 4.14\(c\) to Ashland’s Form 10-K for the fiscal year ended September 30, 2019 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 4.16 – [Indenture dated August 18, 2021, among Ashland LLC, Ashland Global Holdings Inc. and U.S. Bank National Association, as trustee, in respect of the Notes due 2031 \(filed as Exhibit 4.1 to Ashland’s Form 8-K filed on August 18, 2021 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)

The following Exhibits 10.1 through 10.80 are contracts or compensatory plans or arrangements or management contracts required to be filed as exhibits pursuant to Items 601(b)(10)(ii)(A) and 601(b)(10)(iii)(A) and (B) of Regulation S-K.

- 10.1 – [Amended and Restated Ashland Inc. Deferred Compensation Plan for Non-Employee Directors \(2005\) \(filed as Exhibit 10.4 to Ashland’s Form 10-K for the fiscal year ended September 30, 2008 \(SEC File No. 001-32532\), and incorporated herein by reference\).](#)

- 10.2 – [Amendment to the Amended and Restated Ashland Inc. Deferred Compensation Plan for Non-Employee Directors \(2005\) \(filed as Exhibit 10.4 to Ashland’s Form 10-Q for the quarter ended March 31, 2015 \(SEC File No. 001-32532\), and incorporated herein by reference\).](#)
- 10.3 – [Amended and Restated Ashland Global Holdings Inc. Deferred Compensation Plan for Non-Employee Directors \(2005\) effective as of January 1, 2017 \(filed as Exhibit 10.4 to Ashland’s Form 10-Q for the quarter ended December 31, 2016 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.4 – [Amended and Restated Ashland Inc. Deferred Compensation Plan for Employees \(2005\) \(filed as Exhibit 10.3 to Ashland’s Form 10-K for the fiscal year ended September 30, 2008 \(SEC File No. 001-32532\) and incorporated herein by reference\).](#)
- 10.5 – [Ashland Global Holdings Inc. Deferred Compensation Plan for Employees \(Amended and Restated Effective as of May 22, 2019\) \(filed as Exhibit 10.1 to Ashland’s Form 10-Q for the quarter ended June 30, 2019 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.6 – [Ashland Global Holdings Inc. Deferred Compensation Plan for Non-Employee Directors \(Amended and Restated as of May 22, 2019\) \(filed as Exhibit 10.2 to Ashland’s Form 10-Q for the quarter ended June 30, 2019 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.7 – [Ashland Supplemental Defined Contribution Plan for Certain Employees \(filed as Exhibit 10.3 to Ashland’s Form 10-Q for the quarter ended March 31, 2011 \(SEC File No. 001-32532\), and incorporated herein by reference\) \(Frozen\).](#)
- 10.8 – [Amended and Restated 2011 Ashland Inc. Incentive Plan \(filed as Exhibit 10.2 to Ashland’s Form 8-K filed on February 1, 2013 \(SEC File No. 001-32532\), and incorporated herein by reference\).](#)
- 10.9 – [Amended and Restated 2015 Ashland Global Holdings Inc. Incentive Plan \(filed as Exhibit 10.21 to Ashland’s Form 10-K for the fiscal year ended September 30, 2016 \(SEC File No. 333-211719\), and incorporated by reference herein\).](#)
- 10.10 – [Form of Stock Appreciation Rights Award Agreement under the Amended and Restated 2011 Ashland Inc. Incentive Plan \(filed as Exhibit 10.16 to Ashland’s Form 10-K for the fiscal year ended September 30, 2014 \(SEC File No. 001-32532\), and incorporated herein by reference\).](#)
- 10.11 – [Form of Restricted Stock Award Agreement under the Amended and Restated 2011 Ashland Inc. Incentive Plan \(filed as Exhibit 10.18 to Ashland’s Form 10-K for the fiscal year ended September 30, 2014 \(SEC File No. 001-32532\), and incorporated herein by reference\).](#)
- 10.12 – [Form of Restricted Stock Award Agreement under the Amended and Restated 2015 Ashland Global Holdings Inc. Incentive Plan \(filed as Exhibit 10.5 to Ashland’s Form 10-Q for the quarter ended March 31, 2015 \(SEC File No. 001-32532\), and incorporated herein by reference\).](#)
- 10.13 – [Form of Stock Appreciation Rights Award Agreement under the Amended and Restated 2015 Ashland Global Holdings Inc. Incentive Plan \(filed as Exhibit 10.7 to Ashland’s Form 10-Q for the quarter ended March 31, 2015 \(SEC File No. 001-32532\), and incorporated herein by reference\).](#)
- 10.14 – [Form of Restricted Stock Award Agreement under the Amended and Restated 2015 Ashland Global Holdings Inc. Incentive Plan \(Double-Trigger Form\) \(filed as Exhibit 10.2 to Ashland’s Form 8-K filed on July 20, 2015 \(SEC File No. 001-32532\), and incorporated herein by reference\).](#)
- 10.15 – [Form of Performance-Based Restricted Stock Award Agreement \(filed as Exhibit 10.3 to Ashland’s Form 8-K filed on October 9, 2015 \(SEC File No. 001-32532\), and incorporated herein by reference\).](#)
- 10.16 – [Form of Restricted Stock Award Agreement under the Amended and Restated 2015 Ashland Global Holdings Inc. Incentive Plan \(Double-Trigger Form\) \(filed as Exhibit 10.37 to Ashland’s Form 10-K for the fiscal year ended September 30, 2016 \(SEC File No. 333-211719\), and incorporated by reference herein\).](#)
- 10.17 – [Form of Restricted Stock Unit Award Agreement under the Amended and Restated 2015 Ashland Global Holdings Inc. Incentive Plan \(Double-Trigger Form\) \(filed as Exhibit 10.38 to Ashland’s Form 10-K for the fiscal year ended September 30, 2016 \(SEC File No. 333-211719\), and incorporated by reference herein\).](#)

- 10.18 – [Form of Stock Appreciation Rights Award Agreement under the Amended and Restated 2015 Ashland Global Holdings Inc. Incentive Plan \(Double-Trigger Form\) \(filed as Exhibit 10.39 to Ashland’s Form 10-K for the fiscal year ended September 30, 2016 \(SEC File No. 333-211719\), and incorporated by reference herein\).](#)
- 10.19 – [Form of Performance Unit \(LTIP\) Award Agreement under the Amended and Restated 2015 Ashland Global Holdings Inc. Incentive Plan \(Double-Trigger Form\) \(filed as Exhibit 10.40 to Ashland’s Form 10-K for the fiscal year ended September 30, 2016 \(SEC File No. 333-211719\), and incorporated by reference herein\).](#)
- 10.20 – [Form of Indemnification Agreement between Ashland and members of its Board of Directors \(filed as Exhibit 10.2 to Ashland’s Form 8-K filed on September 20, 2016 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.21 – [Form of Cash-Settled Performance Unit \(LTIP\) Award Agreement under the Amended and Restated 2015 Ashland Global Holdings Inc. Incentive Plan \(Double-Trigger Form\) \(filed as Exhibit 10.59 to Ashland’s Form 10-K for the fiscal year ended September 30, 2016 \(SEC File No. 333-211719\), and incorporated by reference herein\).](#)
- 10.22 – [Amended and Restated Hercules Deferred Compensation Plan effective January 1, 2008 \(filed as Exhibit 10.8 to Ashland’s Form 10-K for the fiscal year ended on September 30, 2010 \(SEC File No. 001-32532\), and incorporated herein by reference\).](#)
- 10.23 – [Amendment to the Amended and Restated Hercules Deferred Compensation Plan dated September 30, 2016 \(annuity cash-out\) \(filed as Exhibit 10.61 to Ashland’s Form 10-K for the fiscal year ended September 30, 2016 \(SEC File No. 333-211719\), and incorporated by reference herein\).](#)
- 10.24 – [Ashland Global Holdings Inc. 2018 Omnibus Incentive Compensation Plan \(filed as Exhibit 10.1 to Ashland’s Form 8-K filed on January 26, 2018 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.25 – [Form of Stock-Settled Restricted Stock Unit Award Agreement under the Ashland Global Holdings Inc. 2018 Omnibus Incentive Compensation Plan \(filed as Exhibit 10.2 to Ashland’s Form 8-K filed on January 26, 2018 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.26 – [Form of Restricted Stock Award Agreement under the Ashland Global Holdings Inc. 2018 Omnibus Incentive Compensation Plan \(filed as Exhibit 10.3 to Ashland’s Form 8-K filed on January 26, 2018 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.27 – [Form of Stock Appreciation Rights Award Agreement under the Ashland Global Holdings Inc. 2018 Omnibus Incentive Compensation Plan \(filed as Exhibit 10.4 to Ashland’s Form 8-K filed on January 26, 2018 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.28 – [Form of Performance Unit Award Agreement under the Ashland Global Holdings Inc. 2018 Omnibus Incentive Compensation Plan \(filed as Exhibit 10.5 to Ashland’s Form 8-K filed on January 26, 2018 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.29 – [Form of Cash-Settled Restricted Stock Unit Award Agreement under the Ashland Global Holdings Inc. 2018 Omnibus Incentive Compensation Plan \(filed as Exhibit 10.6 to Ashland’s Form 8-K filed on January 26, 2018 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.30 – [Ashland Global Holdings Inc. NonQualified Defined Contribution Plan \(Amended and Restated as of May 22, 2019\) \(filed as Exhibit 10.3 to Ashland’s Form 10-Q for the quarter ended June 30, 2019 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.31 – [Ashland Global Holdings Inc. Supplemental Defined Contribution Plan for Certain Employees \(Amended and Restated as of May 22, 2019\) \(filed as Exhibit 10.39 to Ashland’s Form 10-K filed on November 25, 2019 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.32 – [Form of Restricted Stock Award Agreement under the Ashland Global Holdings Inc. 2018 Omnibus Incentive Compensation Plan \(with pro-rata vesting upon death, disability and retirement\) \(filed as Exhibit 10.5 to Ashland’s Form 10-Q for the quarter ended June 30, 2019 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)

- 10.33 – [Form of Stock Appreciation Rights Award Agreement \(Stock Settled\) under the Ashland Global Holdings Inc. 2018 Omnibus Incentive Compensation Plan \(with pro-rata vesting upon death, disability and retirement\) \(filed as Exhibit 10.6 to Ashland’s Form 10-Q for the quarter ended June 30, 2019 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.34 – [Form of Restricted Stock Unit Award Agreement under the Ashland Global Holdings Inc. 2018 Omnibus Incentive Compensation Plan \(with pro-rata vesting upon death, disability and retirement\) \(filed as Exhibit 10.7 to Ashland’s Form 10-Q for the quarter ended June 30, 2019 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.35 – [Form of Stock-Settled Performance Unit Award Agreement under the Ashland Global Holdings Inc. 2018 Omnibus Incentive Compensation Plan \(with pro-rata vesting upon death, disability and retirement\) \(filed as Exhibit 10.8 to Ashland’s Form 10-Q for the quarter ended June 30, 2019 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.36 – [Offer Letter dated as of October 8, 2019, entered into by Guillermo Novo and Ashland Global Holdings Inc. \(filed as Exhibit 10.1 to Ashland’s Form 8-K filed on October 8, 2019 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.37 – [Letter Agreement dated as of October 8, 2019, entered into by William A. Wulfsohn and Ashland Global Holdings Inc. \(filed as Exhibit 10.2 to Ashland’s Form 8-K filed on October 8, 2019 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.38 – [Separation Agreement and General Release between Jack William Heitman, Jr. A and Ashland LLC, effective as of December 31, 2019 \(filed as Exhibit 10.2 to Ashland’s Form 10-Q filed on January 29, 2020 \(SEC File No: 333-211719\) and incorporated herein by reference\).](#)
- 10.39 – [Separation Agreement and General Release between William A. Wulfsohn and Ashland LLC, effective as of December 31, 2019 \(filed as Exhibit 10.3 to Ashland’s Form 10-Q filed on January 29, 2020 \(SEC File No: 333-211719\) and incorporated herein by reference\).](#)
- 10.40 – [Form of Chief Executive Officer Change in Control Agreement \(filed as Exhibit 10.4 to Ashland’s Form 10-Q filed on January 29, 2020 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.41 – [Amendment to Ashland’s Severance Pay Plan dated January 29, 2020 \(filed as Exhibit 10.1 to Ashland’s Form 10-Q filed on May 6, 2020 \(SEC File No: 333-211719\) and incorporated herein by reference\).](#)
- 10.42 – [Letter Agreement by and between Ashland Global Holdings Inc. and Peter J. Ganz, dated May 19, 2020 \(filed as Exhibit 10.1 to Ashland’s Form 8-K filed on May 22, 2020 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.43 – [Consulting Agreement by and between Ashland Global Holdings Inc. and Peter J. Ganz, dated May 19, 2020 \(filed as Exhibit 10.2 to Ashland’s Form 8-K filed on May 22, 2020 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.44 – [Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan \(filed as Exhibit 10.1 to Ashland’s Form 8-K filed on February 3, 2021 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.45 – [Form of Stock-Settled Restricted Stock Unit Award Agreement \(filed as Exhibit 10.2 to Ashland’s Form 8-K filed on February 3, 2021 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.46 – [Form of Restricted Share Award Agreement \(filed as Exhibit 10.3 to Ashland’s Form 8-K filed on February 3, 2021 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.47 – [Form of Stock Appreciation Rights Award Agreement \(filed as Exhibit 10.4 to Ashland’s Form 8-K filed on February 3, 2021 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.48 – [Form of Performance Unit Award Agreement \(filed as Exhibit 10.5 to Ashland’s Form 8-K filed on February 3, 2021 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.49 – [Form of Cash-Settled Restricted Stock Unit Award Agreement \(filed as Exhibit 10.6 to Ashland’s Form 8-K filed on February 3, 2021 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)

- 10.50 – [Separation Agreement and General Release between Peter S. Ganz and Ashland LLC, effective as of December 31, 2020 \(filed as Exhibit 10.3 to Ashland’s Form 10-Q filed on February 4, 2021 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.51 – [Separation Agreement and General Release between Keith Silverman and Ashland LLC, effective as of November 30, 2020 \(filed as Exhibit 10.4 to Ashland’s Form 10-Q filed on February 4, 2021 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.52 – [Ashland Global Holdings Inc. Senior Leadership Severance Plan \(filed as Exhibit 10.1 to Ashland’s Form 8-K filed on August 6, 2021 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.53 – [Form of Cash Settled Restricted Stock Equivalent Award Agreement for Non-U.S. Participants under the Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan \(filed as Exhibit 10.2 to Ashland’s Form 8-K filed on August 6, 2021 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.54 – [Form of Cash Settled Performance Unit Award Agreement for Non-U.S. Participants under the Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan \(filed as Exhibit 10.3 to Ashland’s Form 8-K filed on August 6, 2021 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.55 – [Form of Stock Settled Performance Unit Agreement for U.S. Employees under the Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan \(filed as Exhibit 10.4 to Ashland’s Form 8-K filed on August 6, 2021 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.56 – [Form of Restricted Stock Unit Agreement for U.S. Employees under the Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan \(filed as Exhibit 10.5 to Ashland’s Form 8-K filed on August 6, 2021 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.57 – [Form of Stock-Settled Performance Unit Agreement for \(Germany\) under the Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan \(filed as Exhibit 10.6 to Ashland’s Form 8-K filed on August 6, 2021 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.58 – [Form of Restricted Stock Unit Agreement for \(Germany\) under the Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan \(filed as Exhibit 10.7 to Ashland’s Form 8-K filed on August 6, 2021 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.59 – [Form of Chief Executive Officer Change in Control Agreement \(filed as Exhibit 10.69 to Ashland's Form 10-K for the fiscal year ended September 30, 2021, filed on November 22, 2021 \(SEC File No. 333-211719\), and incorporated by reference herein\).](#)
- 10.60** – [Ashland Inc. Senior Leadership Severance Plan \(Effective as of September 19, 2022\).](#)
- 10.61** – [Form of Stock-Settled Performance Unit Agreement for US Employees, effective as of September 19, 2022 under the Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan.](#)
- 10.62** – [Form of Cash-Settled Performance Unit \(PSU\) Award Agreement for Non-US Participants, effective as of September 19, 2022 under the Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan.](#)
- 10.63** – [Form of Restricted Stock Unit \(RSU\) Award Agreement for US Participants, effective as of September 19, 2022 under the Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan.](#)
- 10.64** – [Form of Cash-Settled Restricted Equivalent \(RSE\) Award Agreement for Non-US Participants, effective as of September 19, 2022 under the Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan.](#)
- 10.65** – [Amendment No. 1 effective as of November 17, 2022, to the Ashland Global Holdings Inc. Deferred Compensation Plan for Non-Employee Directors \(Amended and Restated as of May 2019\).](#)
- 10.66** – [Ashland Inc. Independent Director Deferred Compensation Program effective as of November 17, 2022.](#)
- 10.67** – [Form of Restricted Stock Unit Agreement \(Independent Directors\), effective as of November 17, 2022.](#)

- 10.68 – [Credit Agreement dated as of January 10, 2020, among Ashland Global Holdings Inc., Ashland Chemco Inc., Ashland LLC, Ashland Services B.V., each lender from time to time party thereto, the Bank of Nova Scotia, as administrative agent, swing line lender and a letter of credit issuer, each other letter of credit issuer from time to time party thereto and Citibank, N.A., as syndication agent \(filed as Exhibit 10.1 to Ashland’s Form 8-K filed on January 10, 2020 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.69 – [Amended and Restated Credit Agreement dated as of July 22, 2022, among Ashland Global Holdings Inc., Ashland Chemco Inc., Ashland LLC, Ashland Services B.V., each lender from time to time party thereto, the Bank of Nova Scotia, Houston Branch, as administrative agent, swing line lender and a letter of credit issuer, each other letter of credit issuer from time to time party thereto and Citibank, N.A., as syndication agent \(filed as Exhibit 10.1 to Ashland’s Form 8-K filed on July 22, 2022 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.70 – [Second Amended and Restated Purchase and Sale Agreement, dated March 17, 2021, by and among Ashland LLC and Ashland Specialty Ingredients G.P., as originators, Ashland LLC, as initial servicer, and CVG Capital III LLC, as purchaser \(filed as Exhibit 10.1 to Ashland’s Form 8-K filed on March 18, 2021 \(SEC File No.333-211719\) and incorporated herein by reference\).](#)
- 10.71 – [Receivables Purchasing Agreement, dated March 17, 2021, by and among CVG Capital III LLC, PNC Bank, National Association, as administrative agent, PNC Bank Capital Markets LLC, as structuring agent, Ashland LLC, as initial servicer, and certain other persons from time to time party thereto \(filed as Exhibit 10.2 to Ashland’s Form 8-K filed on March 18, 2021 \(SEC File No.333-211719\) and incorporated herein by reference\).](#)
- 10.72 – [First Amendment as of February 22, 2022, to the Receivables Purchase Agreement dated March 17, 2021, by and among CVG Capital III LLC, PNC Bank, National Association, as administrative agent, Ashland LLC, as initial servicer, and certain other persons identified as Purchasers, LC, LC Participants and Group Agents and other persons from time to time identified as parties thereto \(filed as Exhibit 10.1 to Ashland’s Form 8-K filed on February 28, 2022 \(SEC File No.333-211719\) and incorporated herein by reference\).](#)
- 10.73 – [Assignment Agreement dated February 22, 2022, between CVG Capital III LLC and Ashland LLC \(filed as Exhibit 10.2 to Ashland’s Form 8-K filed on February 28, 2022 \(SEC File No.333-211719\) and incorporated herein by reference\).](#)
- 10.74** – [First Amendment as of August 1, 2022, to the Second Amended and Restated Purchase and Sale Agreement, dated March 17, 2021, by and among Ashland Inc. as an originator and servicer, and Ashland Specialty Ingredients G.P., as originator, and CVG Capital III LLC, as purchaser.](#)
- 10.75** – [Second Amendment as of August 1, 2022, to the Receivables Purchase Agreement dated March 17, 2021, by and among CVG Capital III LLC, PNC Bank, National Association, as administrative agent, Ashland Inc. in its individual capacity and as initial servicer, and certain other persons identified as Purchasers, LC, LC Participants and Group Agents and other persons from time to time identified as parties thereto.](#)
- 10.76 – [Assumption Agreement dated September 20, 2016, by and between Ashland Global Holdings Inc. and Ashland Inc. \(filed as Exhibit 10.1 to Ashland’s Form 8-K filed on September 20, 2016 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.77 – [Separation Agreement dated as of September 22, 2016, between and among Ashland Global Holdings Inc. and Valvoline Inc. \(filed as Exhibit 10.1 to Ashland’s Form 8-K filed on September 28, 2016 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.78 – [Tax Matters Agreement dated as of September 22, 2016, between and among Ashland Global Holdings Inc. and Valvoline Inc. \(filed as Exhibit 10.4 to Ashland’s Form 8-K filed on September 28, 2016 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.79 – [Employee Matters Agreement dated as of September 22, 2016, between and among Ashland Global Holdings Inc. and Valvoline Inc. \(filed as Exhibit 10.5 to Ashland’s Form 8-K filed on September 28, 2016 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)

- 10.80 – [Agreement, dated January 22, 2019, by and amount Ashland Global Holdings Inc., Cruiser Capital Advisors, LLC, Keith M. Rosenbloom, Cruiser Capital Master Fund LP, Metamorphosis IV LLC, William H. Joyce, Metamorphosis Master Fund LP, Cruiser Capital Metamorphosis Advisors, LLC, Cruiser Capital, LLC, Cruiser Capital, Ltd., the William H. Joyce Revocable Trust and the Joyce Family Irrevocable Trust \(filed as Exhibit 10.1 to Ashland’s Form 8-K filed on January 22, 2019 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.81 – [Master Confirmation – Uncollared Accelerated Share Repurchase, dated May 6, 2019, between Ashland Global Holdings Inc. and Goldman Sachs \(filed as Exhibit 10.1 to Ashland’s Form 8-K filed on May 7, 2019 \(SEC File No. 333-211719\) and incorporated herein by reference\).](#)
- 10.82 – [Master Confirmation - Uncollared Accelerated Share Repurchase, dated September 2, 2021, between Ashland Global Holdings Inc. and JPMorgan Chase Bank, National Association \(filed as Exhibit 10.1 to Ashland’s Form 8-K filed on September 7, 2021 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 10.83 – [Amendment dated November 22, 2021 to the Master Confirmation \(as supplemented by the Supplemental Confirmation\) – Uncollared Accelerated Share Repurchase September 2, 2021, between Ashland Global Holdings Inc. and JPMorgan Chase Bank, National Association \(filed as Exhibit 10.1 to Ashland’s Form 10-Q filed on February 3, 2022 \(SEC File No. 333-211719\), and incorporated herein by reference\).](#)
- 21** – [List of Subsidiaries.](#)
- 23.1** – [Consent of Ernst & Young LLP.](#)
- 23.2** – [Consent of Gnarus Advisors LLC.](#)
- 24** – [Power of Attorney.](#)
- 31.1** – [Certification of Guillermo Novo, Chief Executive Officer of Ashland, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2** – [Certification of J. Kevin Willis, Chief Financial Officer of Ashland, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32** – [Certification of Guillermo Novo, Chief Executive Officer of Ashland, and J. Kevin Willis, Chief Financial Officer of Ashland, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 101.INS* Inline XBRL Instance Document.
- 101.SCH* Inline XBRL Taxonomy Extension Schema Document.
- 101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase Document.
- 101.LAB* Inline XBRL Taxonomy Extension Label Linkbase Document.
- 101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document.
- 104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

* Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Statements of Consolidated Comprehensive Income (Loss) for years ended September 30, 2022, 2021 and 2020; (ii) Consolidated Balance Sheets at September 30, 2022 and 2021; (iii) Statements of Consolidated Equity at September 30, 2022, 2021 and 2020; (iv) Statements of Consolidated Cash Flows for years ended September 30, 2022, 2021 and 2020; and (v) Notes to Consolidated Financial Statements.

** Filed herewith.

SM Service mark, Ashland or its subsidiaries, registered in various countries.

TM Trademark, Ashland or its subsidiaries, registered in various countries.

[†] Trademark owned by a third party.

Upon written or oral request, a copy of the above exhibits will be furnished at cost.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

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

ASHLAND INC.

(Registrant)

By:

/s/ J. Kevin Willis

J. Kevin Willis

Senior Vice President and Chief Financial Officer

Date: November 21, 2022

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant, in the capacities indicated, on November 21, 2022.

Signatures

/s/ Guillermo Novo

Guillermo Novo

/s/ J. Kevin Willis

J. Kevin Willis

/s/ Eric N. Boni

Eric N. Boni

*

Steven D. Bishop

*

Brendan M. Cummins

*

William G. Dempsey

*

Suzan F. Harrison

*

Jay V. Ihlenfeld

*

Wetteny Joseph

*

Susan L. Main

*

Jerome A. Peribere

*

Ricky C. Sandler

*

Janice J. Teal

Capacity

Chair of the Board, Chief Executive Officer and Director

(Principal Executive Officer)

Senior Vice President and Chief Financial Officer

(Principal Financial Officer)

Vice President, Finance and Principal Accounting Officer

(Principal Accounting Officer)

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

*By: /s/ Yvonne Winkler von Mohrenfels

Yvonne Winkler von Mohrenfels

Attorney-in-Fact

Date: November 21, 2022

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Consolidated Financial Statements and the accompanying Notes to Consolidated Financial Statements for the years ended September 30, 2022, 2021 and 2020.

BUSINESS OVERVIEW

Ashland profile

Ashland is a global specialty additives and materials company with a conscious and proactive mindset for sustainability. The company serves customers in a wide range of consumer and industrial markets including architectural coatings, construction, energy, food and beverage, nutraceuticals, personal care and pharmaceutical. With approximately 3,900 employees worldwide, Ashland serves customers in more than 100 countries.

Ashland's sales generated outside of North America were 68% in 2022 and 2021, and 67% in 2020, respectively. Sales by region expressed as a percentage of total consolidated sales were as follows:

Sales by Geography	2022	2021	2020
North America (a)	32 %	32 %	33 %
Europe (a)	35 %	36 %	36 %
Asia Pacific	24 %	23 %	22 %
Latin America & other	9 %	9 %	9 %
	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

(a) Ashland includes only U.S. and Canada in its North American designation and includes Europe, the Middle East and Africa in its Europe designation.

Reportable segments

Ashland's reportable segments include Life Sciences, Personal Care, Specialty Additives and Intermediates. Unallocated and Other includes corporate governance activities and certain legacy matters. The contribution to sales by each reportable segment expressed as a percentage of total consolidated sales for the year ended September 30 were as follows:

Sales by Reportable Segment	2022	2021	2020
Life Sciences	34 %	35 %	35 %
Personal Care	28 %	28 %	31 %
Specialty Additives	30 %	31 %	29 %
Intermediates	8 %	6 %	5 %
	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

KEY DEVELOPMENTS

Business Results

Ashland's net income was \$927 million (\$181 million income from continuing operations and \$746 million income from discontinued operations) in 2022 compared to income of \$220 million (\$173 million income from continuing operations and \$47 million income from discontinued operations) in 2021. Results for Ashland's continuing operations for 2022 and 2021 were impacted by restructuring costs of \$5 million in 2022 and \$10 million in 2021, environmental reserve adjustments of \$53 million in 2022 and \$45 million in 2021, and unrealized losses of \$102 million and unrealized gains of \$21 million on restricted investment securities. Fiscal 2022 also included \$42 million of gains associated with the sale of two excess and unused parcels of land and a \$22 million gain on pension and other postretirement plan remeasurements. Additionally, the prior year included \$17 million of debt restructuring costs, \$13 million restructuring related impairment charges, and a \$4 million charge for inventory adjustments. Discontinued operations were primarily driven by the change in results of the Performance Adhesives business including the \$726 million gain as a result of the sale of that business during fiscal 2022. Ashland's Adjusted EBITDA is \$590 million for the current year compared to \$495 million in the prior year (see U.S. GAAP reconciliation under consolidated review). The \$95 million increase in Adjusted EBITDA was primarily driven by disciplined pricing leading to cost recovery in a high-inflation environment and improved product mix partially offset by higher raw material and operating costs, unfavorable currency exchange and higher selling, general and administration costs.

Uncertainty relating to the Ukraine and Russia conflict

Business disruptions, including those related to the ongoing conflict between Ukraine and Russia continue to impact businesses around the globe. While it is impossible to predict the effects of the conflict such as possible escalating geopolitical tensions (including the imposition of existing and additional sanctions by the U.S and the European Union on Russia), worsening macroeconomic and general business conditions, supply chain interruptions and unfavorable energy markets, the impact could be material. Ashland is closely monitoring the situation and maintains business continuity plans that are intended to continue operations or mitigate the effects of events that could disrupt its business.

Ashland does not have manufacturing operations in Russia, Ukraine, or Belarus. Ashland sells (or previously sold) additives and specialty ingredients to manufacturers in these countries for their use in pharmaceuticals, personal care, and coatings applications. Sales to Russia and Belarus were previously limited and our products were primarily used in products and applications that are essential to the population's wellbeing and currently support our customers' humanitarian efforts. We have sales controls in place to ensure that future potential sales into the region are only to support critical pharmaceutical or personal hygiene products which are essential for the general population and in accordance with any applicable sanctions. Sales to Ukraine, Russia, and Belarus represent less than 1% of total consolidated sales and less than 1% of total consolidated assets (related to accounts receivable).

Uncertainty relating to the COVID-19 pandemic

Ashland continues to closely monitor the impact of the COVID-19 pandemic on all aspects of its business and geographies, including how it will impact customers, employees, suppliers, vendors, business partners and distribution channels. Ashland is unable to predict the impact that the COVID-19 pandemic will have on its future financial position and operating results due to numerous uncertainties. These uncertainties include the severity of the virus and any variants, the duration of the outbreak, governmental, business or other actions, impacts on Ashland's supply chain, the effect on customer demand, or changes to Ashland's operations. The health of Ashland's workforce and its ability to meet staffing needs throughout the critical functions cannot be predicted and is vital to operations. Further, the impacts of a potential worsening of global economic conditions and the continued disruptions to, and volatility in, the credit and financial markets, consumer spending as well as other unanticipated consequences remain unknown. In addition, Ashland cannot predict the impact that the COVID-19 pandemic will have on its customers, vendors, suppliers and other business partners; however, any material effect on these parties could adversely impact Ashland.

Ashland continues to successfully navigate the uncertain environment associated with the COVID-19 pandemic. Through fiscal year 2022, Ashland has not experienced any additional major operating surprises related to the COVID-19 pandemic, continues to maintain supply chains in a challenging environment, had strong safety performance in the face of unprecedented pressures and improved operating discipline across each of its businesses. Ashland businesses continue to show resiliency in the face of difficult economic circumstances. While sales were up in the year period-over-period, continued supply-chain and labor-shortage challenges inhibited Ashland's ability to meet strong overall customer demand. Ashland's overall liquidity remains strong and Ashland is more than able to meet its operating cash needs and other investing and financing cash requirements at this time, including those necessary to grow the business as economic conditions improve.

The situation surrounding the COVID-19 pandemic remains fluid, and Ashland is actively managing its response in collaboration with customers, government officials, team members and business partners. For further information regarding the impact of the COVID-19 pandemic on the Company, please see Item 1A, Risk Factors in this report, which is incorporated herein by reference.

Other significant items

Performance Adhesives

Ashland completed the sale of its Performance Adhesives business segment on February 28, 2022, resulting in proceeds to Ashland of approximately \$1.7 billion, net of transaction costs. Ashland recognized an after-tax gain of \$726 million within the income from discontinued operations caption of the Statement of Consolidated Comprehensive Income (Loss) for the twelve months ended September 30, 2022 related to the sale of Performance Adhesives. Since this transaction represented a strategic

shift in Ashland's business and had a major effect on Ashland's operations and financial results, the operating results and cash flows related to Performance Adhesives have been reflected as discontinued operations in the statement of Consolidated Comprehensive Income (Loss) and Statements of Condensed Consolidated Cash Flows. See Note C of the Notes to the Consolidated Financial Statements for more information. Certain indirect corporate costs included within the selling, general and administrative expense caption of the Statement of Consolidated Comprehensive Income (Loss) that were previously allocated to the Performance Adhesives segment do not qualify for classification within discontinued operations and are now reported as selling, general and administrative expense within continuing operations on a consolidated basis and within the Unallocated and other segment. These costs were \$9 million, \$15 million, and \$20 million during the twelve months ended September 30, 2022, 2021, and 2020, respectively.

Debt Repayment Activities

Ashland used a portion of the proceeds from the sale of its Performance Adhesives segment to prepay \$250 million of principal on its Term loan A, reduce \$240 million of outstanding borrowing under the 2020 Revolving Credit Facility, reduce \$102 million of outstanding borrowing under the Foreign Accounts Receivable Securitization Facility, and repay the \$23 million outstanding balance on its European short-term loan facility during 2022.

2022 Stock repurchase program

On May 25, 2022, Ashland's board of directors authorized a new, evergreen \$500 million common share repurchase program (2022 stock repurchase program). The new authorization terminates and replaces the company's 2018 \$1 billion share repurchase program, which had \$150 million outstanding at the date of termination.

2018 Stock repurchase program

In September 2021, under the 2018 stock repurchase program, Ashland entered into an accelerated share repurchase agreement (2021 ASR Agreement). Under the 2021 ASR Agreement, Ashland paid an initial purchase price of \$450 million and received an initial delivery of 3.9 million shares of common stock during September 2021. The bank exercised its early termination option under the 2021 ASR Agreement in February 2022, and an additional 0.7 million shares were repurchased, bringing the total shares repurchased upon settlement to 4.6 million.

On March 1, 2022, under the 2018 stock repurchase program, Ashland entered into an agreement to repurchase an aggregate amount of \$200 million of Ashland common stock using open-market purchases under rule 10b-18. On April 8, 2022, Ashland completed repurchases under this agreement repurchasing a total of 2.15 million shares for a total amount of \$200 million.

Operational business model changes and restructurings

As previously disclosed, during the second quarter of fiscal year 2020, Ashland changed the manner in which it manages the business moving from a functionally led to a business led organization. This new business-centric operational model required redesign of core operating systems and processes leading to a realignment in both the selling, general and administrative and research and development costs (SARD) associated with each business. In addition to the realignment of SARD, a productivity review with a focus on cost of goods sold (COGS) was also initiated. Based on these initiatives, Ashland targeted the following savings:

- \$50 million of incremental SARD cost savings
- \$50 million of incremental COGS productivity savings

As of September 30, 2022, Ashland has achieved all of its target run-rate cost savings under these initiatives.

RESULTS OF OPERATIONS – CONSOLIDATED REVIEW

Consolidated review

Net income

Ashland's net income (loss) is primarily affected by results within operating income (loss), net interest and other expense, other net periodic benefit income (loss), net income (loss) on acquisitions and divestitures, income tax expense (benefit), discontinued operations and other significant events or transactions that are unusual or nonrecurring.

Key financial results for 2022, 2021 and 2020 included the following:

- Ashland's net income/loss amounted to income of \$927 million in 2022, income of \$220 million in 2021 and loss of \$508 million in 2020, or income of \$16.41, income of \$3.59 and loss of \$8.39 diluted earnings per share, respectively.
- Discontinued operations, which are reported net of taxes, resulted in income of \$746 million in 2022, and \$47 million each in 2021 and 2020. Fiscal 2022 includes a \$726 million gain associated with the sale of the Performance Adhesives business.
- Results from continuing operations, which excludes results from discontinued operations, amounted to income of \$181 million and \$173 million in 2022 and 2021, respectively, and loss of \$555 million in 2020. Fiscal 2020 includes a non-cash pre-tax goodwill impairment charge of \$530 million.
- The effective income tax was an income tax expense rate of 12% for 2022, and income tax benefit rates of 28% and 4% for 2021 and 2020, respectively. These rates were impacted by certain tax specific key items and tax discrete items.
- Ashland incurred pre-tax net interest and other expense of \$149 million, \$56 million and \$119 million during 2022, 2021 and 2020, respectively. This includes charges for \$16 million and \$59 million for debt refinancing costs during fiscal 2021 and 2020, respectively, and \$1 million and \$8 million for accelerated debt issuance costs during 2021 and 2020, respectively, as well as losses of \$102 million and gains of \$21 million, and \$20 million on restricted investments during 2022, 2021 and 2020, respectively.
- Other net periodic benefit income (loss) totaled income of \$22 million during 2022, loss of \$1 million in 2021, and income of \$3 million in 2020.
- Operating income/loss amounted to income of \$333 million and \$192 million in 2022 and 2021, respectively, and loss of \$461 million in 2020. Fiscal 2020 included a non-cash goodwill impairment charge of \$530 million.

For further information on the items reported above, see the discussion in the comparative Statements of Consolidated Comprehensive Income (Loss) caption review analysis.

Operating income

Operating income/loss was income of \$333 million in 2022 compared to income of \$192 million and a loss of \$461 million in 2021 and 2020, respectively. The current and prior years' operating income included certain key items that were excluded to arrive at Adjusted EBITDA and are quantified in the table below in the "EBITDA and Adjusted EBITDA" section. These operating key items for the applicable periods are summarized as follows:

- Restructuring, separation and other costs – Ashland periodically implements company-wide cost reduction programs related to acquisitions, divestitures and other cost reduction programs in order to enhance profitability through streamlined operations and an improved overall cost structure. Ashland often incurs severance, facility and integration costs associated with these programs. See Note E in the Notes to Consolidated Financial Statements for further information on the restructuring activities.
- Environmental reserve adjustments – Ashland is subject to various federal, state and local environmental laws and regulations that require environmental assessment or remediation efforts (collectively environmental remediation) at multiple locations. As a result of these activities, Ashland recorded adjustments during each year to its environmental

liabilities and receivables primarily related to previously divested businesses or non-operational sites. See Note N of the Notes to Consolidated Financial Statements for more information.

- Income/loss on acquisitions/divestitures – Ashland recorded income of \$42 million during 2022 related to pre-tax gains related to the sale of excess corporate property, and \$11 million during 2021. The income in 2021 includes \$3 million of expense relating to the Schülke acquisition and a \$14 million gain related to the sale of a Specialty Additives facility.
- Inventory adjustments – During 2021, Ashland recorded non-cash charges related to the fair value adjustment of inventory acquired from Schülke at the date of acquisition during the current year. During 2020, Ashland incurred charges associated with a program to reduce overall inventory levels as part of a working capital efficiency program. While successful in managing inventory levels, these actions resulted in increased expense primarily related to abnormal production variances due to plant shutdowns.
- Asset impairments – Ashland recognized impairment charges to certain assets during 2021. See Note E of the Notes to Consolidated Financial Statements for more information.
- Goodwill impairment – During 2020, Ashland realigned its operations into five reportable segments which resulted in a reassessment of the Company’s reporting units used to evaluate goodwill impairment. The impairment test under the new reporting unit structure concluded that the carrying value of the Personal Care and the Specialty Additives reporting units exceeded their fair value, resulting in a \$530 million non-cash pre-tax goodwill impairment charge in 2020. See note H and Critical Accounting Policies for additional information.

Operating income/loss for 2022, 2021 and 2020 included depreciation and amortization of \$241 million, \$244 million and \$235 million, respectively.

Non-operating key items affecting EBITDA

During the current and prior years, there were certain key items that were not included in operating income but were excluded to arrive at Adjusted EBITDA. These non-operating key items for the applicable periods are summarized as follows:

- Gain/loss on pension and other postretirement plan remeasurements - Ashland recognized actuarial gains and losses for defined benefit pension and other postretirement benefit plans annually in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for a remeasurement during a fiscal year. See Note M of the Notes to Consolidated Financial Statements for more information.

Statements of Consolidated Comprehensive Income (Loss) – caption review

A comparative analysis of the Statements of Consolidated Comprehensive Income (Loss) by caption is provided as follows for the years ended September 30, 2022, 2021 and 2020.

(In millions)	2022	2021	2020	2022 change	2021 change
Sales	\$ 2,391	\$ 2,111	\$ 2,016	\$ 280	\$ 95

The following table provides a reconciliation of the change in sales between fiscal years 2022 and 2021 and between fiscal years 2021 and 2020.

(In millions)	2022 change	2021 change
Volume	\$ 15	\$ (3)
Product pricing/mix	289	20
Currency exchange	(77)	46
Acquisition	53	32
Change in sales	\$ 280	\$ 95

Sales for 2022 increased \$280 million, or 13%, compared to 2021. Favorable volume, including the acquisition of Schülke within the Personal Care reportable segment, and product pricing/mix associated with cost inflation pricing actions increased sales by \$68 million and \$289 million, respectively, partially offset by unfavorable foreign currency exchange of \$77 million.

Sales for 2021 increased \$95 million, or 5%, compared to 2020. The acquisition of Schülke within the Personal Care reportable segment, product pricing/mix and foreign currency exchange increased sales by \$32 million, \$20 million and \$46 million, respectively. These increases were partially offset by unfavorable volume, which decreased sales by \$3 million.

(In millions)	2022	2021	2020	2022 change	2021 change
Cost of sales	\$ 1,561	\$ 1,441	\$ 1,417	\$ 120	\$ 24
Gross profit as a percent of sales	34.7%	31.7%	29.7%		

Fluctuations in cost of sales are driven primarily by the effects of challenges in shipping and logistics in the current year, the impact of the COVID-19 pandemic, raw material prices, volume and changes in product mix, currency exchange, acquisitions and divestitures and other certain charges incurred as a result of changes or events within the businesses or restructuring activities.

The following table provides a reconciliation of the changes in cost of sales between fiscal years 2022 and 2021 and between fiscal years 2021 and 2020.

(In millions)	2022 change	2021 change
Volume	\$ 8	\$ 5
Price/mix	91	(7)
Currency exchange	(39)	22
Operating costs (plant)	29	(16)
Acquisition	31	20
Change in cost of sales	<u>\$ 120</u>	<u>\$ 24</u>

Cost of sales for 2022 increased \$120 million compared to 2021. Price/mix, which includes cost inflation associated with plant manufacturing and shipping costs, and higher volume, including Schülke, and higher operating costs increased cost of sales by \$91 million, \$39 million, and \$29 million, respectively. These increases were partially offset by foreign currency exchange, which decreased cost of sales by \$39 million. Disciplined pricing and mix actions by Ashland's commercial teams continue to improve operating margins as gross profit as a percentage of sales expanded 3.0 percentage points during the current period.

Cost of sales for 2021 increased \$24 million compared to 2020. Foreign currency exchange, the Schülke acquisition, and higher volume increased cost of sales by \$22 million, \$20 million, and \$5 million, respectively. These increases were partially offset by the impact of lower price/mix and lower costs which decreased cost of sales by \$7 million and \$16 million, respectively.

(In millions)	2022	2021	2020	2022 change	2021 change
Selling, general and administrative expense	\$ 393	\$ 358	\$ 400	\$ 35	\$ (42)
As a percent of sales	16.4%	17.0%	19.8%		

Selling, general and administrative expense for 2022 increased \$35 million compared to 2021, while expenses as a percent of sales decreased 0.6 percentage points. Key drivers of the fluctuation in selling, general and administrative expense compared to 2021 were:

- Expense of \$5 million and \$10 million comprised of key items for severance, lease abandonment and other restructuring costs during 2022 and 2021, respectively;
- \$53 million and \$45 million in net environmental-related expenses during 2022 and 2021, respectively (see Note N for more information);
- \$10 million related to a capital project impairment during 2021; and

- Increases associated with the following:
 - o Higher incentive pay of \$14 million;
 - o Lower transition services income from INEOS of \$10 million;
 - o Higher deferred and stock compensation expense of \$8 million;
 - o Higher expense of \$6 million related to the acquisition of the personal care business of Schülke;
 - o Higher salary, benefits and travel and entertainment expenses of \$2 million.

Selling, general and administrative expense for 2021 decreased \$42 million compared to 2020, while expenses as a percent of sales decreased 2.8 percentage points. Key drivers of the fluctuation in selling, general and administrative expense compared to 2020 were:

- \$45 million and \$36 million in net environmental-related expenses during 2021 and 2020, respectively (see Note N for more information);
- \$10 million and \$58 million of key items for severance, lease abandonment and other restructuring costs during 2021 and 2020, respectively;
- \$15 million and \$20 million of stranded divestiture costs during 2021 and 2020, respectively;
- \$10 million related to a capital project impairment during 2021; and
- Unfavorable currency exchange of \$7 million and lower variable compensation expense.

(In millions)	2022	2021	2020	2022 change	2021 change
Research and development expense	\$ 55	\$ 50	\$ 56	\$ 5	\$ (6)

Research and development expense increased \$5 million in 2022 compared to 2021 primarily due to increased incentive accruals and the Schülke acquisition. In 2021, the \$6 million decrease compared to 2020 was a result of achieved cost savings and other costs.

(In millions)	2022	2021	2020	2022 change	2021 change
Intangibles amortization expense	\$ 94	\$ 90	\$ 84	\$ 4	\$ 6

Amortization expense increased by \$4 million in 2022 compared to 2021 primarily due to the amortization of intangible assets associated with the Schülke acquisition.

Amortization expense increased by \$6 million in 2021 compared to 2020 primarily due to the amortization of intangible assets associated with the Schülke acquisition.

(In millions)	2022	2021	2020	2022 change	2021 change
Equity and other income	\$ 3	\$ 9	\$ 8	\$ (6)	\$ 1

Equity and other income's decrease in 2022 compared to 2021 was primarily related to a gain on sale of corporate assets of roughly \$4 million in 2021, while 2020 included a liquidation gain of \$3 million.

(In millions)	2022	2021	2020	2022 change	2021 change
Goodwill impairment	\$ —	\$ —	\$ 530	\$ —	\$ (530)

Ashland recorded an impairment charge of \$530 million in 2020. See Note H Goodwill and Other Intangibles for additional information.

(In millions)	2022	2021	2020	2022 change	2021 change
Income on acquisitions and divestitures	\$ 42	\$ 11	\$ 2	\$ 31	\$ 9

Income on acquisitions and divestitures during 2022 primarily relates to a \$42 million gain on the sale of excess corporate real estate.

Income on acquisitions and divestitures during 2021 primarily relates to a \$14 million gain related to the sale of a Specialty Additives facility. This was partially offset by a \$3 million expense in transaction net costs associated with the personal care acquisition of Schülke, including a gain of \$1 million associated with foreign currency derivatives entered into to mitigate the foreign exchange exposure of the purchase price.

Net income (loss) on divestitures during 2020 primarily related to the sale of corporate assets and post-closing adjustments for certain divestitures.

(In millions)	2022	2021	2020	2022 change	2021 change
Net interest and other expense					
Interest expense	\$ 62	\$ 69	\$ 88	\$ (7)	\$ (19)
Interest income	(4)	(1)	(1)	(3)	—
Loss on the accounts receivable sale program	1	1	—	—	1
Loss on early retirement of debt	—	16	59	(16)	(43)
Loss (income) from restricted investments	86	(33)	(30)	119	(3)
Other financing costs	4	4	3	—	1
	<u>\$ 149</u>	<u>\$ 56</u>	<u>\$ 119</u>	<u>\$ 93</u>	<u>\$ (63)</u>

Net interest and other expense increased by \$93 million in 2022 compared to 2021. Interest expense decreased \$7 million primarily due to lower debt levels during 2022 compared to 2021. Restricted investments loss of \$86 million and income of \$33 million included mark-to-market losses of \$102 million compared to gains of \$21 million for 2022 and 2021, respectively. See Note F for more information on the restricted investments.

Net interest and other expense decreased by \$63 million in 2021 compared to 2020. Interest expense decreased by \$19 million due to lower average debt levels, lower cost of debt related to the debt restructuring activity during 2020 and lower accelerated debt issuance costs and original issuance discount costs of \$7 million in 2021 compared to 2020. Ashland incurred \$16 million of debt refinancing costs during 2021 compared to \$59 million during 2020. See Note I for more information on the refinancing activity. The investment securities income of \$33 million in 2021 compared to \$30 million in 2020 represents investment income related to restricted investments discussed in Note F of the Notes to the Consolidated Financial Statements.

(In millions)	2022	2021	2020	2022 change	2021 change
Other net periodic benefit income (loss)	\$ 22	\$ (1)	\$ 3	\$ 23	\$ (4)

Other net periodic benefit income during 2022 primarily included actuarial gains of \$25 million and expected return on plan assets of \$7 million, offset by interest cost of \$10 million.

Other net periodic benefit expense during 2021 primarily included interest cost of \$8 million and a \$1 million loss on pension and other postretirement plan remeasurements, offset by expected return on plan assets of \$8 million.

Other net periodic benefit income during 2020 primarily included interest cost of \$9 million, offset by expected return on plan assets of \$11 million and a \$1 million gain on pension and other postretirement plan remeasurements.

(In millions)	2022	2021	2020	2022 change	2021 change
Income tax expense (benefit)	\$ 25	\$ (38)	\$ (22)	\$ 63	\$ (16)
Effective tax rate	12%	28%	(4)%		

The 2022 effective tax rate was impacted by jurisdictional income mix, as well as favorable discrete items of \$15 million primarily related to uncertain tax positions and restructuring activities.

The 2021 effective tax rate was impacted by jurisdictional income mix, as well as favorable discrete items of \$59 million primarily related to the sale of a Specialty Additives facility and uncertain tax positions.

The 2020 effective tax rate was impacted by nondeductible goodwill impairment of \$527 million as well as \$15 million favorable tax discrete items primarily from the tax benefit related to the Swiss Tax Reform enacted in the first quarter.

Adjusted income tax expense (benefit)

Key items are defined as the financial effects from significant transactions that may have caused short-term fluctuations in net income and/or operating income which Ashland believes do not accurately reflect Ashland's underlying business performance and trends. Tax specific key items are defined as the financial effects from tax specific financial transactions, tax law changes or other matters that fall within the definition of key items as previously described. The effective tax rate, excluding key items, which is a non-GAAP measure, has been prepared to illustrate the ongoing tax effects of Ashland's operations. Management believes investors and analysts use this financial measure in assessing Ashland's business performance and that presenting this non-GAAP measure on a consolidated basis assists investors in better understanding Ashland's ongoing business performance and enhancing their ability to compare period-to-period financial results.

The effective tax rates during 2022, 2021 and 2020 were significantly impacted by the following tax specific key items:

- Uncertain tax position - Includes the impact from the settlement of uncertain tax positions with various tax authorities;
- Valuation allowances - Includes the impact from the release of certain foreign tax credit valuation allowances during 2022; and
- Restructuring and separation activity – Includes the impact from company-wide cost reduction programs, and the impact of the sale of a Specialty Additives facility.

The following table is a calculation of the effective tax rate, excluding the impact of these key items:

(In millions)	2022	2021	2020
Income (loss) from continuing operations			
before income taxes	\$ 206	\$ 135	\$ (577)
Key items (pre-tax) (a)	96	56	719
Adjusted income from continuing operations			
before income taxes	\$ 302	\$ 191	\$ 142
Income tax expense (benefit)	25	(38)	(22)
Income tax rate adjustments:			
Tax effect of key items (b)	21	11	35
Tax specific key items: (c)			
Uncertain tax positions	8	53	(3)
Valuation allowance	4	—	—
Restructuring and separation activity	(3)	13	—
Other tax reform related activity	—	(6)	20
Total income tax rate adjustments	30	71	52
Adjusted income tax expense (benefit)	\$ 55	\$ 33	\$ 30
Effective tax rate, excluding key items (Non-GAAP) (d)	18%	17%	21%

(a) See Adjusted EBITDA reconciliation table disclosed below in this Management, Discussion and Analysis for a summary of the key items, before tax.

(b) The tax rate specific to the jurisdiction in which the key item originates is used to calculate the tax effect of key items.

(c) For additional information on the effect that these tax specific key items had on EPS, see the Adjusted Diluted EPS table disclosed below in this Management Discussion and Analysis.

(d) Due to rounding conventions, the effective tax rate presented may not recalculate precisely based on the numbers disclosed within this table.

The following table provides a reconciliation of tax specific key items within the statutory federal income tax with the provision for income taxes summary disclosed in Note L of the Notes to Consolidated Financial Statements.

(In millions)	2022	2021	2020
Tax effect of key items computed at applicable statutory rate (a)	\$ 21	\$ 11	\$ 35
Tax reform	—	—	25
Uncertain tax positions	8	53	(4)
Deemed inclusions, foreign dividends and other restructuring	—	—	(4)
Valuation allowance changes	4	(8)	—
Other items	(3)	15	—
	\$ 30	\$ 71	\$ 52

(In millions)	2022	2021	2020	2022 change	2021 change
Income (loss) from discontinued operations (net of taxes)					
Performance Adhesives	\$ 41	\$ 64	\$ 64	\$ (23)	\$ —
Composites and Marl Facility	2	—	4	2	(4)
Asbestos-related litigation	(14)	(9)	(18)	(5)	9
Water Technologies	4	(3)	—	7	(3)
Distribution	(7)	(5)	(8)	(2)	3
Valvoline	(6)	3	(24)	(9)	27
Gain (loss) on disposal of discontinued operations					
Performance Adhesives	726	—	—	726	—
Composites/Marl facility	—	(4)	29	4	(33)
Water Technologies	—	1	—	(1)	1
	\$ 746	\$ 47	\$ 47	\$ 699	\$ —

As a result of the divestiture of the Performance Adhesives segment and the divestiture of the Composites segment (including the Maleic business) and Marl facility, the related operating results have been reflected as discontinued operations (net of tax) within the Statements of Consolidated Comprehensive Income (Loss). See Note C for more information on these transactions. In

2022, the sales and pre-tax income included in discontinued operations were \$171 million and \$33 million, respectively, for the Performance Adhesives segment. In 2021, the sales and pre-tax income included in discontinued operations were \$372 million and \$83 million, respectively, for the Performance Adhesives segment. In 2020, the sales and pre-tax income included in discontinued operations were \$310 million and \$74 million for the Performance Adhesives segment, respectively, and \$51 million and \$9 million for the Composites segment (including the Maleic business) and Marl Facility, respectively. In 2022, a \$726 million gain on disposal was recorded associated with the February 28, 2022 closing of the Performance Adhesives business segment divestiture. In 2020, a \$29 million gain on disposal was recorded in the fourth quarter associated with the September 30, 2020 closing of the sale of the Maleic business.

Asbestos-related activity during 2022, 2021 and 2020 included after-tax net adjustments to the asbestos reserves and receivables of \$14 million of expense, \$9 million of expense and \$18 million of expense, respectively, including the adjustments for the annual update.

The Valvoline activity within 2022, 2021 and 2020 primarily represents subsequent adjustments that were made in conjunction with the post-closing disputes and Tax Matters Agreement.

The activity for Water Technologies and Distribution were primarily related to post-closing adjustments associated with environment remediation reserves.

Other comprehensive income (loss)

A comparative analysis of the components of other comprehensive income (loss) is provided below for the last three fiscal years ended September 30.

(In millions)	2022	2021	2020	2022 change	2021 change
Other comprehensive income (loss) (net of taxes)					
Unrealized translation gain (loss)	\$ (197)	\$ 7	\$ 27	\$ (204)	\$ (20)
Unrealized gain (loss) on commodity hedges	(1)	4	—	(5)	4
Pension and postretirement obligation adjustment	1	—	—	1	—
	<u>\$ (197)</u>	<u>\$ 11</u>	<u>\$ 27</u>	<u>\$ (208)</u>	<u>\$ (16)</u>

Total other comprehensive income (loss), net of tax, decreased \$208 million in 2022 as compared to 2021 as a result of the following components.

- In 2022, the change in unrealized gain (loss) from foreign currency translation adjustments resulted in a loss of \$197 million, compared to a gain of \$7 million during 2021. The fluctuations in unrealized translation gains and losses were primarily due to translating foreign subsidiary financial statements from local currencies to U.S. Dollars.
- In 2022, a \$1 million unrealized loss on commodity hedges was recorded compared to a gain of \$4 million during 2021. See Note F for more information.
- In 2022, a \$1 million pension and postretirement obligation adjustment was recorded.

Total other comprehensive income (loss), net of tax, decreased \$16 million in 2021 as compared to 2020 as a result of the following components.

- In 2021, the change in unrealized gain (loss) from foreign currency translation adjustments resulted in a gain of \$7 million, compared to a gain of \$27 million during 2020. The fluctuations in unrealized translation gains and losses were primarily due to translating foreign subsidiary financial statements from local currencies to U.S. Dollars.
- In 2021, a \$4 million unrealized gain on commodity hedges was recorded. See Note F for more information.

Use of non-GAAP measures

Ashland has included within this document the following non-GAAP measures, on both a consolidated and reportable segment basis, which are not defined within U.S. GAAP and do not purport to be alternatives to net income or cash flows from operating activities as a measure of operating performance or cash flows:

- EBITDA – net income (loss), plus income tax expense (benefit), net interest and other expenses, and depreciation and amortization.
- Adjusted EBITDA – EBITDA adjusted for discontinued operations and key items (including remeasurement gains and losses related to pension and other postretirement plans).
- Adjusted EBITDA margin – Adjusted EBITDA divided by sales.
- Adjusted diluted earnings per share (EPS) – income (loss) from continuing operations, adjusted for key items, net of tax, divided by the average outstanding diluted shares for the applicable period.
- Adjusted diluted earnings per share (EPS) excluding intangibles amortization expense – Adjusted earnings per share adjusted for intangibles amortization expense net of tax, divided by the average outstanding diluted shares for the applicable period.
- Free cash flow – operating cash flows less capital expenditures.
- Ongoing free cash flow – operating cash flows less capital expenditures and certain other adjustments as applicable.
- Ongoing free cash flow conversion – ongoing free cash flow divided by adjusted EBITDA.

Management believes the use of EBITDA and Adjusted EBITDA measures on a consolidated and reportable segment basis assists investors in understanding the ongoing operating performance by presenting comparable financial results between periods. Ashland believes that by removing the impact of depreciation and amortization and excluding certain non-cash charges, amounts spent on interest and taxes and certain other charges that are highly variable from year to year, EBITDA and Adjusted EBITDA provide Ashland's investors with performance measures that reflect the impact to operations from trends in changes in sales, margin and operating expenses, providing a perspective not immediately apparent from net income and operating income. The adjustments Ashland makes to derive the non-GAAP measures of EBITDA and Adjusted EBITDA exclude items which may cause short-term fluctuations in net income and operating income and which Ashland does not consider to be the fundamental attributes or primary drivers of its business. EBITDA and Adjusted EBITDA provide disclosure on the same basis as that used by Ashland's management to evaluate financial performance on a consolidated and reportable segment basis and provide consistency in our financial reporting, facilitate internal and external comparisons of Ashland's historical operating performance and its segments and provide continuity to investors for comparability purposes.

The Adjusted diluted EPS metric enables Ashland to demonstrate what effect key items have on an earnings per diluted share basis by taking income (loss) from continuing operations, adjusted for key items after tax that have been identified in the Adjusted EBITDA table, and dividing by the average outstanding diluted shares for the applicable period. Ashland's management believes this presentation is helpful to illustrate how the key items have impacted this metric during the applicable period.

The Adjusted diluted EPS, excluding intangibles amortization expense metric enables Ashland to demonstrate the impact of non-cash intangibles amortization expense on EPS, in addition to the key items previously mentioned. Ashland's management believes this presentation is helpful to illustrate how previous acquisitions impact applicable period results.

The free cash flow metrics enable Ashland to provide a better indication of the ongoing cash being generated that is ultimately available for both debt and equity holders as well as other investment opportunities. Unlike cash flow provided by operating activities, free cash flow and ongoing free cash flow includes the impact of capital expenditures from continuing operations and other significant items impacting cash flow, providing a more complete picture of current and future cash generation. Free cash flow has certain limitations, including that it does not reflect adjustment for certain non-discretionary cash flows such as mandatory debt repayments. The amount of mandatory versus discretionary expenditures can vary significantly between periods.

Although Ashland may provide forward-looking guidance for Adjusted EBITDA, Adjusted diluted EPS and ongoing free cash flow, Ashland is not reaffirming or providing forward-looking guidance for U.S. GAAP-reported financial measures or a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP measure because it is unable to predict with reasonable certainty the ultimate outcome of certain significant items that affect these metrics such as domestic and international economic, political, legislative, regulatory and legal actions. In addition, certain economic conditions, such as recessionary trends, inflation, interest and monetary exchange rates, government fiscal policies and changes in the prices of certain key raw materials, can have a significant effect on operations and are difficult to predict with certainty.

These non-GAAP measures should be considered supplemental in nature and should not be construed as more significant than comparable measures defined by U.S. GAAP. Limitations associated with the use of these non-GAAP measures include that these measures do not present all of the amounts associated with our results as determined in accordance with U.S. GAAP. The non-GAAP measures provided are used by Ashland management and may not be determined in a manner consistent with the methodologies used by other companies. EBITDA and Adjusted EBITDA provide a supplemental presentation of Ashland's operating performance on a consolidated and reportable segment basis. Adjusted EBITDA generally includes adjustments for items that impact comparability between periods. In addition, certain financial covenants related to Ashland's 2022 Credit Agreement are based on similar non-GAAP measures and are defined further in the sections that reference this metric.

In accordance with U.S. GAAP, Ashland recognizes actuarial gains and losses for defined benefit pension and other postretirement benefit plans annually in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for a remeasurement during a fiscal year. Actuarial gains and losses occur when actual experience differs from the estimates used to allocate the change in value of pension and other postretirement benefit plans to expense throughout the year or when assumptions change, as they may each year. Significant factors that can contribute to the recognition of actuarial gains and losses include changes in discount rates used to remeasure pension and other postretirement obligations on an annual basis or upon a qualifying remeasurement, differences between actual and expected returns on plan assets and other changes in actuarial assumptions, for example, the life expectancy of plan participants. Management believes Adjusted EBITDA, which includes the expected return on pension plan assets yet excludes both the actual return on pension plan assets and the impact of actuarial gains and losses, provides investors with a meaningful supplemental presentation of Ashland's operating performance (see the Adjusted EBITDA reconciliation table for additional details on exact amounts included within this non-GAAP measure related to pension and other postretirement plans). Management believes these actuarial gains and losses are primarily financing activities that are more reflective of changes in current conditions in global financial markets (and in particular interest rates) that are not directly related to the underlying business. For further information on the actuarial assumptions and plan assets referenced above, see Note M of the Notes to Consolidated Financial Statements.

EBITDA and Adjusted EBITDA

EBITDA totaled income of \$1,342 million, income of \$482 million and a loss of \$176 million for 2022, 2021 and 2020, respectively. EBITDA and Adjusted EBITDA results in the following table have been prepared to illustrate the ongoing effects of Ashland's operations, which exclude certain key items previously described. Management believes the use of such non-GAAP measures on a consolidated and reportable segment basis assists investors in understanding the ongoing operating performance by presenting the financial results between periods on a more comparable basis.

(In millions)	2022	2021	2020
Net income (loss)	\$ 927	\$ 220	\$ (508)
Income tax expense (benefit)	25	(38)	(22)
Net interest and other financing expense	149	56	119
Depreciation and amortization	241	244	235
EBITDA	1,342	482	(176)
Income from discontinued operations (net of taxes)	(746)	(47)	(47)
Key items included in EBITDA:			
Goodwill impairment	—	—	530
Restructuring, separation and other costs	5	10	58
Environmental reserve adjustments	53	43	34
Inventory adjustments	—	4	51
Asset impairments	—	13	—
Income on acquisitions and divestitures (a)	(42)	(11)	—
Loss (gain) on pension and other postretirement plan remeasurements	(22)	1	(1)
Total key items included in EBITDA	(6)	60	672
Adjusted EBITDA (b)	\$ 590	\$ 495	\$ 449
Total key items included in EBITDA	\$ (6)	\$ 60	\$ 672
Accelerated amortization of debt issuance costs	—	1	8
Debt refinancing costs (c)	—	16	59
Unrealized (gain) loss on securities	102	(21)	(20)
Total key items, before tax	\$ 96	\$ 56	\$ 719

(a) Excludes income of \$2 million during 2020, related to ongoing adjustments of previous divestiture transactions.

(b) Includes \$8 million, \$6 million and \$4 million during 2022, 2021 and 2020, respectively, of net periodic pension and other postretirement expense recognized ratably through the fiscal year. These expenses are comprised of service cost, interest cost, expected return on plan assets, and amortization of prior service credit and are disclosed in further detail in Note M of the Notes to Consolidated Financial Statements.

(c) Debt refinancing costs during 2021 included a \$16 million loss on early retirement of debt and a \$1 million charge for accelerated debt issuance costs. Debt refinancing costs during 2020 included \$59 million loss on early retirement of debt. All debt refinancing costs were recorded within the net interest and other financing expense caption on the Statements of Consolidated Comprehensive Income (Loss). See Note I of the Notes to Consolidated Financial Statements for more information.

Diluted EPS and Adjusted Diluted EPS

The following table reflects the U.S. GAAP calculation for the income (loss) from continuing operations adjusted for the cumulative diluted EPS effect for key items after tax that have been identified in the Adjusted EBITDA table in the previous section. Key items are defined as the financial effects from significant transactions that may have caused short-term fluctuations in net income and/or operating income which Ashland believes do not accurately reflect Ashland's underlying business performance and trends. The Adjusted Diluted EPS for the income (loss) from continuing operations and Adjusted Diluted EPS from continuing operations excluding intangibles amortization expense in the following table have been prepared to illustrate these ongoing effects on Ashland's operations. Management believes investors and analysts use this financial measure in assessing Ashland's business performance and that presenting this non-GAAP measure on a consolidated basis assists investors in better understanding Ashland's ongoing business performance and enhancing their ability to compare period-to-period financial results.

	2022	2021	2020
Diluted EPS from continuing operations (as reported)	\$ 3.20	\$ 2.82	\$ (9.16)
Key items, before tax:			
Goodwill impairment	—	—	8.75
Restructuring, separation and other costs (including accelerated depreciation)	0.09	0.16	0.95
Environmental reserve adjustments	0.95	0.70	0.58
Inventory adjustments	—	0.07	0.83
Asset impairments	—	0.21	—
Income on acquisitions and divestitures	(0.75)	(0.18)	—
Loss (gain) on pension and other postretirement plan remeasurements	(0.40)	0.02	(0.01)
Unrealized gain on securities	1.82	(0.34)	(0.33)
Accelerated amortization of debt issuance costs	—	0.02	0.13
Debt refinancing costs	—	0.26	0.97
Key items, before tax	1.71	0.92	11.87
Tax effect of key items (a)	(0.38)	(0.18)	(0.58)
Key items, after tax	1.33	0.74	11.29
Tax specific key items:			
Uncertain tax positions	(0.15)	(0.87)	0.05
Restructuring and separation activity	0.06	(0.21)	—
Valuation allowance	(0.07)	—	—
Other tax reform related activity	—	0.10	(0.33)
Tax specific key items (b)	(0.16)	(0.98)	(0.28)
Total key items	1.17	(0.24)	11.01
Adjusted diluted EPS from continuing operations (non-GAAP)	\$ 4.37	\$ 2.58	\$ 1.85
Amortization expense adjustment (net of tax) (c)	1.33	1.17	1.08
Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense	\$ 5.70	\$ 3.75	\$ 2.93

(a) Represents the diluted EPS impact from the tax effect of the key items that are previously identified above.

(b) Represents the diluted EPS impact from tax specific financial transactions, tax law changes or other matters that fall within the definition of tax specific key items. For additional explanation of these tax specific key items, see the income tax expense (benefit) discussion within the following caption review section.

(c) Amortization expense adjustment (net of tax) tax rates were 20.0%, 20.0% and 21.0% for the years ended 2022, 2021 and 2020, respectively.

RESULTS OF OPERATIONS – REPORTABLE SEGMENT REVIEW

Ashland's reportable segments include Life Sciences, Personal Care, Specialty Additives, and Intermediates. Unallocated and Other includes corporate governance activities and certain legacy matters. The historical segment information has been recast to conform to the current segment structure.

Results of Ashland's reportable segments are presented based on its management and internal accounting structure. The structure is specific to Ashland; therefore, the financial results of Ashland's reportable segments are not necessarily comparable with similar information for other companies. Ashland allocates all significant costs to its reportable segments except for certain significant company-wide restructuring activities, certain corporate governance costs and other costs or activities that relate to former businesses that Ashland no longer operates. The service cost component of pension and other postretirement benefits costs is allocated to each reportable segment on a ratable basis; while the remaining components of pension and other postretirement benefits costs are recorded within the other net periodic benefit income (loss) caption on the Statements of Consolidated Comprehensive Income (Loss). Ashland refines its expense allocation methodologies to the reportable segments from time to time as internal accounting practices are improved, more refined information becomes available and the industry or market changes. Significant revisions to Ashland's methodologies are adjusted for all segments on a retrospective basis. This includes charges in prior years for indirect corporate costs previously allocated to Performance Adhesives. These costs are now reflected in Unallocated and Other for all periods presented.

The following table shows sales, operating income, depreciation and amortization and EBITDA by reportable segment for each of the last three years ended September 30.

(In millions)	2022	2021	2020
Sales			
Life Sciences	\$ 815	\$ 737	\$ 708
Personal Care	678	592	615
Specialty Additives	719	655	589
Intermediates	256	178	129
Intersegment sales (a)	(77)	(51)	(25)
	<u>\$ 2,391</u>	<u>\$ 2,111</u>	<u>\$ 2,016</u>
Operating income (loss)			
Life Sciences	\$ 155	\$ 130	\$ 123
Personal Care (b)	102	73	(296)
Specialty Additives (b)	103	61	(132)
Intermediates	87	35	(10)
Unallocated and Other (b)	(114)	(107)	(146)
	<u>\$ 333</u>	<u>\$ 192</u>	<u>\$ (461)</u>
Depreciation expense			
Life Sciences	\$ 35	\$ 36	\$ 33
Personal Care	37	39	41
Specialty Additives	63	66	62
Intermediates	12	12	13
Unallocated and Other	—	1	2
	<u>\$ 147</u>	<u>\$ 154</u>	<u>\$ 151</u>
Amortization expense			
Life Sciences	\$ 28	\$ 28	\$ 27
Personal Care	47	42	36
Specialty Additives	18	19	19
Intermediates	1	1	1
Unallocated and Other	—	—	1
	<u>\$ 94</u>	<u>\$ 90</u>	<u>\$ 84</u>
EBITDA (c)			
Life Sciences	\$ 218	\$ 194	\$ 183
Personal Care	186	154	(219)
Specialty Additives	184	146	(51)
Intermediates	100	48	4
Unallocated and Other	(114)	(106)	(143)
	<u>\$ 574</u>	<u>\$ 436</u>	<u>\$ (226)</u>

(a) Intersegment sales from Intermediates are accounted for at prices that approximate fair value. All other intersegment sales are accounted for at cost.

(b) Includes income on acquisitions and divestitures, net for fiscal 2022, 2021 and 2020 within Unallocated and Other. Includes a fixed asset impairment of \$3 million related to Personal Care and a capital project impairment of \$10 million related to Specialty Additives for the year ended September 30, 2021.

(c) Excludes income from discontinued operations and other net periodic benefit income (loss). See the Statement of Consolidated Comprehensive Income (Loss) for applicable amounts excluded.

Life Sciences

Life Sciences is comprised of pharmaceuticals, nutrition, nutraceuticals, agricultural chemicals, diagnostic films (formerly known as advanced materials) and fine chemicals. Pharmaceutical solutions include controlled release polymers, disintegrants, tablet coating, thickeners, solubilizers, and tablet binders. Nutrition solutions include thickeners, stabilizers, emulsifiers and additives for enhancing mouthfeel, controlling moisture migration, reducing oil uptake and binding structured foods. Nutraceutical solutions include products for weight management, joint comfort, stomach and intestinal health, sports nutrition and general wellness. The nutraceutical business also provide custom formulation, toll processing and particle engineering solutions. Customers include pharmaceutical, food, beverage, nutraceuticals and supplements manufacturers, hospitals and radiologists and industrial manufacturers.

2022 compared to 2021

Life Sciences' sales for the current year increased \$78 million to \$815 million compared to 2021. Favorable pricing/mix and higher volume increased sales by \$75 million and \$28 million, respectively, while unfavorable foreign currency exchange decreased sales by \$25 million.

Operating income increased \$25 million to \$155 million compared to 2021. Favorable price/mix and higher volume increased operating income by \$54 million and \$10 million, respectively, partially offset by unfavorable foreign currency exchange and higher costs which decreased operating income by \$16 million and \$23 million, respectively.

EBITDA for the current year increased \$24 million to \$218 million compared to 2021. Adjusted EBITDA increased \$23 million to \$218 million. Adjusted EBITDA margin increased 0.2 percentage points in the current period to 26.7%.

2021 compared to 2020

Life Sciences' sales for 2021 increased \$29 million to \$737 million compared to 2020. Favorable currency exchange, favorable volume and favorable pricing increased sales by \$14 million, \$11 million and \$4 million, respectively.

Operating income increased \$7 million to \$130 million compared to 2020. Favorable foreign currency exchange and higher volume increased operating income \$12 million and \$3 million, respectively, offset by unfavorable pricing and higher production costs, and environmental reserve adjustments of \$14 million, \$4 million, and \$1 million, respectively. Additionally, there were \$11 million of inventory control costs in 2020 compared to zero in 2021.

EBITDA for 2021 increased \$11 million to \$194 million compared to 2020. Adjusted EBITDA was flat year over year, while adjusted EBITDA margin decreased 1.0 percentage points in the current period to 26.5%.

EBITDA and Adjusted EBITDA reconciliation

The EBITDA and Adjusted EBITDA amounts presented within this business section are provided as a means to enhance the understanding of financial measurements that Ashland has internally determined to be relevant measures of comparison for each segment. Each of these non-GAAP measures is defined as follows: EBITDA (operating income plus depreciation and amortization), Adjusted EBITDA (EBITDA adjusted for key items as applicable), and Adjusted EBITDA margin (Adjusted EBITDA divided by sales). Ashland does not allocate items to each reportable segment below operating income, such as interest expense and income taxes. As a result, reportable segment EBITDA and Adjusted EBITDA are reconciled directly to operating income since it is the most directly comparable Statements of Consolidated Comprehensive Income (Loss) caption.

The following EBITDA presentation for the years ended September 30, 2022, 2021 and 2020, is provided as a means to enhance the understanding of financial measurements that Ashland has internally determined to be relevant measures of comparison for the results of Life Sciences.

The key items during year ended September 30, 2021 related to environmental reserve adjustments of \$1 million.

The key items during year ended September 30, 2020 related to inventory control measures of \$11 million and restructuring costs of \$1 million.

(In millions)	Life Sciences		
	2022	2021	2020
Operating income	\$ 155	\$ 130	\$ 123
Depreciation and amortization	63	64	60
EBITDA	218	194	183
Restructuring and other costs	—	—	1
Environmental reserve adjustments	—	1	—
Inventory control measures	—	—	11
Adjusted EBITDA	\$ 218	\$ 195	\$ 195

Personal Care

Personal Care is comprised of biofunctionals, microbial protectants (preservatives), skin care, sun care, oral care, hair care and household solutions. These businesses have a broad range of natural, nature-derived, biodegradable, and high-performance ingredients for customer driven solutions to help protect, renew, moisturize and revitalize skin and hair, and provide solutions for toothpastes, mouth washes and rinses, denture cleaning and care for teeth. Household supplies nature-derived rheology ingredients, biodegradable surface wetting agents, performance encapsulates, and specialty polymers for household, industrial and institutional cleaning products. Customers include formulators at large multinational branded consumer products companies and smaller, independent boutique companies.

On April 30, 2021, Ashland completed the \$312 million acquisition of the personal care business from Schülke. The completion of the acquisition is expected to strengthen the profitable growth of the personal care segment, enhance the specialty ingredients solutions and expand the biotechnology and microbiology technical competencies.

2022 compared to 2021

Personal Care's sales for the current year increased \$86 million to \$678 million compared to 2021. Favorable product pricing/mix and volume, including the impact of the Schülke acquisition, increased sales by \$40 million and \$68 million, respectively. Unfavorable currency exchange decreased sales by \$22 million.

Operating income/loss for the current year increased \$29 million to income of \$102 million compared to 2021. Favorable price/mix, lower costs and higher volume, including the impact of the Schülke acquisition increased operating income by \$16 million, \$13 million and \$6 million, respectively. Unfavorable currency exchange decreased operating income by \$6 million.

EBITDA for the current year increased \$32 million to \$186 million compared to 2021. Adjusted EBITDA increased \$25 million to \$186 million. Adjusted EBITDA margin increased 0.2 percentage points in the current period to 27.4%.

2021 compared to 2020

Personal Care's sales for 2021 decreased \$23 million to \$592 million compared to 2020. Unfavorable volume and product pricing decreased sales by \$64 million and \$3 million, respectively. These decreases were partially offset by the Schülke acquisition and foreign currency, which increased sales by \$32 million and \$12 million, respectively.

Operating income/loss for 2021 increased \$369 million to income of \$73 million compared to 2020. Favorable foreign currency exchange, lower costs, a prior year goodwill impairment and prior year inventory control costs increased operating income by \$6 million, \$37 million, \$356 million and \$13 million, respectively. These increases were partially offset by an inventory adjustment related to the Schülke acquisition, lower volume, unfavorable price/mix, a plant restructuring related impairment charge, and storm related unplanned plant shutdown costs which decreased operating income by \$4 million, \$23 million, \$2 million, \$3 million, and \$11 million, respectively.

EBITDA for 2021 increased \$373 million to income of \$154 million compared to 2020. Adjusted EBITDA increased \$11 million to \$161 million. Adjusted EBITDA margin increased 2.8 percentage points in the current period to 27.2%.

EBITDA and Adjusted EBITDA reconciliation

The following EBITDA presentation (as defined and described in the section above) for the years ended September 30, 2022, 2021 and 2020, is provided as a means to enhance the understanding of financial measurements that Ashland has internally determined to be relevant measures of comparison for the results of Personal Care.

The key items during year ended September 30, 2021 related to inventory adjustments of \$4 million and an asset impairment of \$3 million.

The key items during year ended September 30, 2020 related to a goodwill impairment of \$356 million and \$13 million in inventory control measures.

(In millions)	Personal Care		
	2022	2021	2020
Operating income (loss)	\$ 102	\$ 73	\$ (296)
Depreciation and amortization	84	81	77
EBITDA	<u>186</u>	<u>154</u>	<u>(219)</u>
Inventory adjustment	—	4	—
Asset impairment	—	3	—
Goodwill impairment	—	—	356
Inventory control measures	—	—	13
Adjusted EBITDA	<u>\$ 186</u>	<u>\$ 161</u>	<u>\$ 150</u>

Specialty Additives

Specialty Additives is comprised of rheology- and performance-enhancing additives serving the architectural coatings, construction, energy, automotive and various industrial markets. Solutions include coatings additives for architectural paints, finishes and lacquers, cement- and gypsum- based dry mortars, ready-mixed joint compounds, synthetic plasters for commercial and residential construction, and specialty materials for industrial applications. Products include rheology modifiers (cellulosic and associative thickeners), foam control agents, surfactants and wetting agents, pH neutralizers, advanced ceramics used in catalytic converters, and environmental filters, ingredients that aid the manufacturing process of ceramic capacitors, plasma display panels and solar cells, ingredients for textile printing, thermoplastic metals and alloys for welding. Products help improve desired functional outcomes through rheology modification and control, water retention, workability, adhesive strength, binding power, film formation, deposition and suspension and emulsification. Customers include global paint manufacturers, electronics and automotive manufacturers, textile mills, the construction industry, and welders.

2022 compared to 2021

Specialty Additives sales for the current year increased \$64 million to \$719 million compared to 2021. Favorable product pricing/mix increased sales by \$99 million. Unfavorable volume and currency exchange decreased sales by \$10 million and \$25 million, respectively.

Operating income/loss for the current year increased \$42 million to \$103 million compared to 2021. Favorable pricing/mix and a capital project impairment in the prior year period increased operating income by \$54 million and \$10 million, respectively. Higher costs, lower volume and unfavorable foreign currency decreased operating income by \$18 million, \$2 million and \$2 million, respectively.

EBITDA for the current year increased \$38 million to \$184 million compared to 2021, Adjusted EBITDA increased \$27 million to \$185 million and Adjusted EBITDA margin increased 1.6 percentage points in 2022 to 25.7%.

2021 compared to 2020

Specialty Additives sales for 2021 increased \$66 million to \$655 million compared to 2020. Higher volume, favorable currency exchange, and product pricing increased sales by \$44 million, \$19 million, and \$3 million, respectively.

Operating income/loss for 2021 increased \$193 million to \$61 million compared to 2020. Higher volume, favorable price/mix, foreign currency exchange, a prior year goodwill impairment charge and prior year inventory control costs increased operating income by \$12 million, \$14 million, \$2 million, \$174 million and \$18 million, respectively. Those improvements were partially offset by higher production costs and a capital project impairment of \$17 million and \$10 million, respectively.

EBITDA for 2021 increased \$197 to \$146 million compared to 2020, Adjusted EBITDA increased \$15 million to \$158 million and Adjusted EBITDA margin decreased 0.2 percentage points in 2021 to 24.1%.

EBITDA and adjusted EBITDA reconciliation

The following EBITDA presentation (as defined and described in the section above) for the years ended September 30, 2022, 2021 and 2020 below is provided as a means to enhance the understanding of financial measurements that Ashland has internally determined to be relevant measures of comparison for the results of Specialty Additives.

The key items during 2022 included \$1 million related to environmental reserve adjustments within Specialty Additives.

The key items during 2021 included \$10 million and \$2 million related to a capital project impairment and environmental reserve adjustments within Specialty Additives, respectively.

The key items during 2020 included \$174 million related to Goodwill impairment, \$18 million for inventory control measures and \$2 million of environmental reserve adjustments.

(In millions)	Specialty Additives		
	2022	2021	2020
Operating income (loss)	\$ 103	\$ 61	\$ (132)
Depreciation and amortization (a)	81	85	81
EBITDA	<u>184</u>	<u>146</u>	<u>(51)</u>
Goodwill impairment	—	—	174
Asset impairment	—	10	—
Inventory control measures	—	—	18
Environmental reserve adjustments	1	2	2
Adjusted EBITDA	<u>\$ 185</u>	<u>\$ 158</u>	<u>\$ 143</u>

Intermediates

Intermediates is comprised of the production of 1,4 butanediol (BDO) and related derivatives, including n-methylpyrrolidone. These products are used as chemical intermediates in the production of engineering polymers and polyurethanes, and as specialty process solvents in a wide array of applications including electronics, pharmaceuticals, water filtration membranes and more. BDO is also supplied to Life Sciences, Personal Care, and Specialty Additives for use as a raw material.

2022 compared to 2021

Intermediates' sales for 2022 increased \$78 million to \$256 million compared to 2021. Improved product pricing/mix increased sales by \$100 million, partially offset by unfavorable volumes and unfavorable foreign currency exchange which decreases sales by \$17 million and \$5 million, respectively.

Operating income/loss for 2022 increased \$52 million to income of \$87 million compared to 2021. Price/mix increased operating income by \$75 million, and was partially offset by higher costs, lower volume and unfavorable foreign currency which decreased operating income by \$13 million, \$6 million and \$4 million, respectively.

EBITDA and Adjusted EBITDA for 2022 increased \$52 million to \$100 million compared to 2021. Adjusted EBITDA margin increased 12.1 percentage points in 2022 to 39.1%.

2021 compared to 2020

Intermediates' sales for 2021 increased \$49 million to \$178 million compared to 2020 primarily due to higher product pricing, higher volume, and favorable foreign exchange increasing sales \$31 million, \$17 million, and \$1 million, respectively.

Operating income/loss for 2021 increased \$45 million to income of \$35 million compared to 2020. Pricing/mix, lower production costs, prior year inventory adjustments, and favorable foreign exchange increased operating income by \$28 million, \$9 million, \$9 million, and \$1 million, respectively. This increase was partially offset by unfavorable volume which decreased operating income by \$2 million.

EBITDA for 2021 increased \$44 million to \$48 million compared to 2020, while Adjusted EBITDA increased \$35 million to \$48 million. Adjusted EBITDA margin increased 16.9 percentage points in 2021 to 27.0%.

EBITDA and Adjusted EBITDA reconciliation

The following EBITDA presentation (as defined and described in the section above) for the years ended September 30, 2022, 2021 and 2020 is provided as a means to enhance the understanding of financial measurements that Ashland has internally determined to be relevant measures of comparison for the results of Intermediates.

Key items for 2020 included inventory control measures of \$9 million.

(In millions)	Intermediates		
	2022	2021	2020
Operating income (loss)	\$ 87	\$ 35	\$ (10)
Depreciation and amortization	13	13	14
EBITDA	<u>100</u>	<u>48</u>	<u>4</u>
Inventory control measures	—	—	9
Adjusted EBITDA	<u>\$ 100</u>	<u>\$ 48</u>	<u>\$ 13</u>

Unallocated and other

The following table summarizes the key components of the Unallocated and other segment's operating income (loss) for each of the last three years ended September 30.

(In millions)	Unallocated and Other		
	2022	2021	2020
Restructuring activities	\$ (14)	\$ (25)	\$ (78)
Environmental expenses	(51)	(40)	(33)
Legal settlement/reserve	—	—	(2)
Income on acquisitions and divestitures, net	42	11	2
Other expenses (primarily governance and legacy expenses)	(91)	(53)	(35)
Total expense	<u>\$ (114)</u>	<u>\$ (107)</u>	<u>\$ (146)</u>

Unallocated and other recorded expense of \$114 million, \$107 million and \$146 million for 2022, 2021 and 2020 respectively. The charges for restructuring activities of \$14 million, \$25 million and \$78 million during 2022, 2021 and 2020, respectively, were primarily comprised of the following items:

- \$5 million, \$10 million and \$58 million of severance, lease abandonment and other restructuring costs related to company-wide cost reduction programs during 2022, 2021 and 2020, respectively, and;
- \$9 million, \$15 million and \$20 million of stranded divestiture costs during 2022, 2021 and 2020, respectively.

The remaining items included: \$51 million, \$40 million and \$33 million for environmental expenses in 2022, 2021 and 2020, respectively, and \$2 million for legal settlement reserves in 2020, and income of \$42 million, \$11 million and \$2 million from acquisitions and divestitures in 2022, 2021 and 2020, respectively. See income on acquisitions and divestitures caption review above for additional details.

Other expenses between periods were driven by increases in governance and legacy expenses associated with foreign currency, deferred compensation, stock compensation and incentive compensation.

FINANCIAL POSITION

Liquidity

Ashland had \$646 million in cash and cash equivalents as of September 30, 2022, of which \$230 million was held by foreign subsidiaries and had no significant limitations that would prohibit remitting the funds to satisfy corporate obligations. In certain circumstances, if such amounts were repatriated to the United States, additional taxes might need to be accrued and paid depending on the source of the earnings remitted. Ashland currently has no plans to repatriate any amounts for which additional taxes would need to be accrued. However, due to the Tax Act enacted in 2018, Ashland may reassess this position as it pertains to future earnings.

Ashland has taken actions and may continue to take actions intended to increase its cash position and preserve financial flexibility in light of current uncertainty in global markets. During July 2022, Ashland enacted an amendment to the 2020 credit agreement. The amended credit agreement (the 2022 Credit Agreement) provides for a \$600 million five-year revolving credit facility (the 2022 Revolving Credit Facility). Proceeds of borrowings under the 2022 Revolving Credit Facility are intended to provide ongoing working capital and for other general corporate purposes. During 2022, Ashland prepaid its Term loan A principal balance of \$250 million and repaid the existing balance on its European short-term loan facility for \$23 million. As of September 30, 2022, Ashland has total remaining borrowing capacity of \$680 million available under the Revolving Credit Facility and foreign Accounts Receivable Securitization Facility. Ashland had zero available liquidity under the U.S. Accounts Receivable Sales Program as of September 30, 2022. Ashland has no maturities related to revolving credit facilities or bonds until fiscal 2027. See Note I for more information.

Ashland believes that cash flow from operations, availability under existing credit facilities and arrangements, current cash and investment balances and the ability to obtain other financing, if necessary, will provide adequate cash funds for Ashland's foreseeable working capital needs, capital expenditures at existing facilities, dividend payments and debt service obligations. Ashland's cash requirements are subject to change as business conditions warrant and opportunities arise. The timing and size of any new business ventures or acquisitions that the Company may complete may also impact its cash requirements.

Ashland's cash flows from operating, investing and financing activities, as reflected in the Statements of Consolidated Cash Flows, are summarized as follows.

(In millions)	2022	2021	2020
Cash provided (used) by:			
Operating activities from continuing operations	\$ 193	\$ 466	\$ 227
Investing activities from continuing operations	(102)	(367)	(85)
Financing activities from continuing operations	(896)	(426)	9
Discontinued operations	1,252	80	69
Effect of currency exchange rate changes on cash and cash equivalents	(11)	3	2
Net increase (decrease) in cash and cash equivalents	<u>\$ 436</u>	<u>\$ (244)</u>	<u>\$ 222</u>

Ashland paid income taxes of \$406 million, of which \$339 million related to discontinued operations, during 2022 compared to \$1 million in 2021 and \$91 million in 2020. Cash receipts for interest income were \$4 million in 2022, and \$1 million in 2021 and 2020, respectively, while cash payments for interest expense amounted to \$56 million in 2022, \$62 million in 2021 and \$77 million in 2020.

Operating activities

The following discloses the cash flows associated with Ashland's operating activities for 2022, 2021 and 2020, respectively.

(In millions)	2022	2021	2020
Cash flows provided (used) by operating activities from continuing operations			
Net income (loss)	\$ 927	\$ 220	\$ (508)
Income from discontinued operations (net of tax)	(746)	(47)	(47)
Adjustments to reconcile income from continuing operations to cash flows from operating activities			
Depreciation and amortization	241	244	235
Original issue discount and debt issuance cost amortization	7	7	15
Deferred income taxes	(35)	(26)	(42)
Distributions from equity affiliates	—	1	1
Gain from sales of property and equipment	—	(4)	—
Stock based compensation expense - Note P	18	15	14
Excess tax benefits on stock based compensation	1	2	1
Loss on early retirement of debt	—	16	59
Loss (income) from restricted investments	86	(33)	(30)
Income on acquisitions and divestitures - Notes B and C	(42)	(15)	(3)
Impairments	—	13	530
Pension contributions	(5)	(8)	(6)
Loss (gain) on pension and other postretirement plan remeasurements	(22)	1	(1)
Change in operating assets and liabilities (a)	(237)	80	9
Total cash flows provided by operating activities from continuing operations	\$ 193	\$ 466	\$ 227

(a) Excludes changes resulting from operations acquired or sold.

Cash flows provided by operating activities from continuing operations, a major source of Ashland's liquidity, amounted to \$193 million in 2022, \$466 million in 2021 and \$227 million in 2020.

Operating Activities - Operating Assets and Liabilities

The cash results during each year were primarily driven by net income, excluding discontinued operation results, adjusted for certain non-cash items including depreciation and amortization (including debt issuance cost amortization), income on acquisitions and divestitures as well as changes in working capital, which are fluctuations within accounts receivable, inventory, trade payables and accrued expenses.

The following details certain changes in key operating assets and liabilities for 2022, 2021 and 2020, respectively.

(In millions)	2022	2021	2020
Cash flows from assets and liabilities (a)			
Accounts receivable	\$ (23)	\$ 72	\$ 2
Inventories	(141)	41	64
Trade and other payables	34	3	(46)
Other assets and liabilities	(107)	(36)	(11)
Change in operating assets and liabilities	\$ (237)	\$ 80	\$ 9

(a) Excludes changes resulting from operations acquired or sold.

Changes in net working capital accounted for outflows of \$130 million in 2022, and inflows of \$116 million in 2021 and \$20 million in 2020, and were driven by the following:

- Accounts receivable – Changes in accounts receivable resulted in outflows of \$23 million, and inflows of \$72 million, and \$2 million in 2022, 2021 and 2020, respectively, and were primarily related to \$17 million and \$92 million of inflows from the U.S. Accounts Receivable Sales Program in 2022 and 2021, respectively, and to sales volumes in each period.
- Inventory – Changes in inventory resulted in cash outflows of \$141 million in 2022 and inflows of \$41 million in 2021 and \$64 million in 2020 and were primarily driven by inventory management activities, including significant plant shut-downs in the fourth quarter of 2020. Additionally, 2022 was impacted by cost inflation and management efforts to rebuild inventory levels globally in response to global supply-chain challenges.
- Trade and other payables – Changes in trade and other payables resulted in cash inflows of \$34 million in 2022, cash inflows of \$3 million in 2021 and cash outflows of \$46 million in 2020, respectively, and primarily related to the timing of certain payments.

The remaining cash outflows of \$107 million, \$36 million and \$11 million in 2022, 2021 and 2020, respectively, were primarily due to income taxes paid or income tax refunds, interest paid, and adjustments to certain accruals and other long-term assets and liabilities such as payments associated with environmental remediation.

Operating Activities - Other

Operating cash flows for 2022 included income from continuing operations of \$181 million and significant non-cash adjustments of \$241 million for depreciation and amortization, \$18 million for stock-based compensation expense, \$86 million of losses from restricted investments, \$22 million gain on pension and other postretirement plan remeasurements, \$35 million for deferred taxes, and \$42 million of income on acquisitions and divestitures.

Operating cash flows for 2021 included income from continuing operations of \$173 million and significant non-cash adjustments of \$244 million for depreciation and amortization, \$15 million for stock-based compensation expense, \$16 million for losses on early retirement of debt, \$33 million of income from restricted investments, \$26 million for deferred taxes, \$15 million of income on acquisitions and divestitures and \$13 million for impairment charges.

Operating cash flows for 2020 included loss from continuing operations of \$555 million and significant non-cash adjustments of \$530 million for a goodwill impairment charge, \$235 million for depreciation and amortization, \$59 million loss on early retirement of debt, \$15 million original issue discounts and debt issuance cost amortization, \$42 million for deferred income taxes, \$14 million related for stock-based compensation expense and \$30 million income from restricted investments.

Investing activities

The following discloses the cash flows associated with Ashland's investing activities for 2022, 2021 and 2020.

(In millions)	2022	2021	2020
Cash flows provided (used) by investing activities from continuing operations			
Additions to property, plant and equipment	\$ (113)	\$ (105)	\$ (133)
Proceeds from disposal of property, plant and equipment	51	5	5
Purchase of operations - net of cash acquired	—	(309)	—
Proceeds from sale or restructuring of operations	—	14	9
Proceeds from settlement of Company-owned life insurance contracts	3	91	8
Company-owned life insurance payments	(4)	(6)	(6)
Net purchases of funds restricted for specific transactions	(74)	(91)	(3)
Reimbursement from restricted investments	35	33	35
Proceeds from sale of securities	87	149	21
Purchase of securities	(87)	(149)	(21)
Proceeds from the settlement of derivative instruments	—	1	—
Total cash flows used by investing activities from continuing operations	\$ (102)	\$ (367)	\$ (85)

Cash used by investing activities was \$102 million in 2022 compared to \$367 million and \$85 million in 2021 and 2020, respectively. The significant cash investing activities for the current year primarily related to cash outflows of \$113 million for capital expenditures and \$74 million restricted for investment trust purposes for environmental. Additionally, there were inflows of \$51 million from the disposal of excess corporate property and reimbursements of \$35 million from the restricted renewable annual investment trusts.

The 2021 year included cash outflows of \$105 million for capital expenditures and \$309 million related to the purchase of the Schülke personal care business. Additionally, there were reimbursements of \$33 million from the restricted renewable annual investment trusts and \$14 million of proceeds from the sale of a manufacturing facility as well as post-closing adjustments. During the fourth quarter of fiscal 2021, Ashland liquidated \$90 million in company owned life insurance contracts to initiate the environmental trust as part of restricted investments.

The 2020 year included cash outflows of \$133 million for capital expenditures. Additionally, there were reimbursements of \$35 million from the restricted renewable annual investment trusts and \$9 million of proceeds from the sale of a manufacturing facility.

Financing activities

The following discloses the cash flows associated with Ashland's financing activities for 2022, 2021 and 2020, respectively.

(In millions)	2022	2021	2020
Cash flows provided (used) by financing activities from continuing operations			
Proceeds from issuance of long-term debt	\$ —	\$ 450	\$ 804
Repayment of long-term debt	(250)	(411)	(767)
Premium on long-term debt repayment	—	(16)	(59)
Proceeds from (repayment of) short-term debt	(365)	84	115
Repurchase of common stock	(200)	(450)	—
Debt issuance costs	(2)	(6)	(11)
Cash dividends paid	(70)	(70)	(66)
Stock based compensation employee withholding taxes paid in cash	(9)	(7)	(7)
Total cash flows provided (used) by financing activities from continuing operations	<u>\$ (896)</u>	<u>\$ (426)</u>	<u>\$ 9</u>

Cash used by financing activities was \$896 million for 2022, \$426 million for 2021, and \$9 million inflow for 2020. Significant cash financing activities for 2022 included outflows of \$250 million for the full prepayment of the term loan A and short-term debt repayment of \$365 million. See note I for additional information. 2022 also included cash dividends paid of \$1.27 per share, for a total of \$70 million and common stock repurchases of \$200 million.

Significant cash financing activities for 2021 included \$411 million for the full repayment of the 4.750% notes due 2022, \$16 million of premiums paid on the retirement of the aforementioned notes, \$450 million of proceeds from the issuance of new 3.375% senior notes due 2031, payments of \$6 million of new debt issuance costs, and short-term debt of \$84 million. See note I for additional information. 2021 also included cash dividends paid of \$1.15 per share, for a total of \$70 million and common stock repurchases of \$450 million.

Significant cash financing activities for 2020 included proceeds from issuance of long-term debt, repayment of long-term debt, premiums paid on retirement of long-term debt, and debt issuance costs paid of \$804 million, \$767 million, \$59 million and \$11 million, respectively, all related to debt refinancing activity. See note I for additional information. 2020 also included short-term cash inflows of \$115 million, primarily related to draws on the 2020 Revolving Credit Facility and cash dividends paid of \$1.10 per share, for a total of \$66 million.

Cash provided (used) by discontinued operations

The following discloses the cash flows associated with Ashland's discontinued operations for 2022, 2021 and 2020, respectively.

(In millions)	2022	2021	2020
Cash provided (used) by discontinued operations			
Operating cash flows	\$ (406)	\$ 94	\$ (24)
Investing cash flows	1,658	(14)	93
Total cash provided (used) by discontinued operations	<u>\$ 1,252</u>	<u>\$ 80</u>	<u>\$ 69</u>

Cash flows for discontinued operations in 2022, 2021 and 2020 primarily related to net cash inflows of \$1.3 billion (which includes net proceeds from the completed sale of the Performance Adhesives business segment of \$1.7 billion in 2022) related to the divestiture of the Performance Adhesives business segment including \$339 million in cash tax payments associated with the transaction in 2022; Inflows of \$88 million related to the Performance Adhesives segment and a \$30 million cash inflow for a tax refund associated with the Composites divestiture in 2021; \$80 million inflows related to the Performance Adhesives segment, \$98 million inflows related to the sale of the Maleic business and \$59 million cash outflows for tax payments associated with the sale of the Composites business and Marl facility in 2020. The remaining cash flows for discontinued operations for these years related to other previously divested businesses, including net payments of asbestos and environmental liabilities related to those divested businesses.

Free cash flow and other liquidity resources

The following represents Ashland's calculation of free cash flow and ongoing free cash flow for the disclosed periods. Free cash flow does not reflect adjustments for certain non-discretionary cash flows such as mandatory debt repayments.

(In millions)	September 30		
	2022	2021	2020
Cash flows provided by operating activities from continuing operations	\$ 193	\$ 466	\$ 227
Less:			
Additions to property, plant and equipment	(113)	(105)	(133)
Free cash flow	80	361	94
Cash (inflows) outflows from U.S. Accounts Receivable Sales Program (a)	(17)	(92)	—
Restructuring-related payments (b)	10	44	30
Environmental and related litigation payments (c)	54	38	29
Ongoing free cash flow	<u>\$ 127</u>	<u>\$ 351</u>	<u>\$ 153</u>
Adjusted EBITDA (d)	590	495	449
Ongoing free cash flow conversion (e)	22%	71%	34%

(a) Represents activity associated with the U.S. Accounts Receivable Sales Program impacting each period presented.

(b) Restructuring payments incurred during each period.

(c) Represents cash outflows associated with environmental and related litigation payments which will be reimbursed by the environmental trust.

(d) See adjusted EBITDA reconciliation.

(e) Ongoing free cash flow divided by Adjusted EBITDA.

Working capital (current assets minus current liabilities, excluding long-term debt due within one year) amounted to \$1,215 million and \$792 million as of September 30, 2022 and September 30, 2021, respectively. The increase in working capital was the primary reason of the \$224 million decline in ongoing free cash flow between periods primarily as a result of increased inventories to navigate supply-chain issues as well as cost inflation and increased accounts receivable as a result of higher sales volumes. Higher cash tax payments of \$39 million also negatively impacted ongoing free cash flow between periods. Liquid assets (cash, cash equivalents and accounts receivable) amounted to 190% and 65% of current liabilities (excluding current liabilities held for sale) as of September 30, 2022 and September 30, 2021, respectively.

The following summary reflects Ashland's cash, investment securities and unused borrowing capacity as of September 30, 2022, 2021 and 2020.

(In millions)	September 30		
	2022	2021	2020
Cash and investment securities			
Cash and cash equivalents	\$ 646	\$ 210	\$ 454
Restricted investments (a)	374	421	331
Unused borrowing capacity			
Revolving credit facility	\$ 581	\$ 356	\$ 500
2018 accounts receivable securitization (foreign)	99	—	—
Accounts receivable sales program (U.S.)	—	12	—

(a) Includes \$245 million, \$333 million and \$331 million related to the Asbestos trust and \$129 million, \$88 million and zero related to the Environmental trust as of September 30, 2022, 2021 and 2020 respectively.

The borrowing capacity remaining under the \$600 million revolving credit facility was \$581 million due to an outstanding balance of zero, as well as a reduction of \$19 million for letters of credit outstanding at September 30, 2022. In total, Ashland's available liquidity position, which includes cash, the revolving credit facilities and accounts receivable securitization facilities, was \$1,326 million at September 30, 2022 as compared to \$566 million at September 30, 2021 and \$954 million at September 30, 2020. Ashland had zero liquidity available under the U.S. Accounts Receivable Sales Program as of September 30, 2022 compared to \$12 million as of September 30, 2021. Ashland also maintained \$374 million of restricted investments to pay for future asbestos claims and environmental remediation and litigation. For further information, see Note I within the Notes to Consolidated Financial Statements.

Capital resources

Debt

The following summary reflects Ashland's debt as of September 30, 2022 and 2021.

(In millions)	September 30	
	2022	2021
Short-term debt (includes current portion of long-term debt)	\$ —	\$ 374
Long-term debt (less current portion and debt issuance cost discounts) (a)	1,270	1,596
Total debt	\$ 1,270	\$ 1,970

(a) Includes \$14 million and \$17 million of debt issuance cost discounts as of September 30, 2022 and 2021, respectively.

During July 2022, Ashland enacted an amendment to the 2020 credit agreement which provides for a \$600 million five-year revolving credit facility. Proceeds of borrowings under the 2022 Revolving Credit Facility are intended to provide ongoing working capital and for other general corporate purposes. During fiscal 2021, Ashland completed the issuance of 3.375% senior unsecured notes due 2031 with an aggregate principal amount of \$450 million. Ashland used the net proceeds of the offering to redeem its obligations under the existing 4.750% senior notes due 2022 for a total of \$411 million.

Debt as a percent of capital employed was 28% at September 30, 2022 and 42% at September 30, 2021. At September 30, 2022, Ashland's total debt had an outstanding principal balance of \$1,321 million, discounts of \$37 million and debt issuance costs of \$14 million. Ashland had no long-term debt (excluding debt issuance costs) maturing within the next 4 years and \$4 million due in fiscal 2027.

Credit Agreements and Refinancing

Note Issuances

During August 2021, Ashland, through one of its subsidiaries, completed the issuance of 3.375% senior unsecured notes due 2031 with an aggregate principal amount of \$450 million (the 2031 Notes). The notes are guaranteed on an unsecured basis by Ashland. Ashland used the net proceeds of the offering (after deducting initial purchasers' discounts and other fees and expenses) to redeem its obligations under the existing 4.750% senior notes due 2022 described below in debt repayments, and to pay fees and expenses associated therewith.

Ashland incurred \$6 million of new debt issuance costs in connection with the 2031 Notes, which is amortized using the effective interest method over the 2031 Notes' term and was included in the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss).

During January 2020, a subsidiary of Ashland, Ashland Services B.V., completed the issuance of 2.00% senior unsecured notes due 2028 with an aggregate principal amount of €500 million (the 2028 Notes). The notes are senior unsecured obligations of Ashland Services B.V and are guaranteed on an unsecured basis by Ashland.

Ashland incurred \$8 million of new debt issuance costs in connection with the 2028 Notes, which is amortized using the effective interest method over the 2028 Notes' term.

2020 Credit Agreement

During January 2020, Ashland, through two of its subsidiaries, entered into a new senior unsecured credit agreement (the 2020 Credit Agreement) with a group of lenders, replacing the 2017 Credit Agreement. The 2020 Credit Agreement provided for (i) a \$600 million unsecured five-year revolving credit facility (the 2020 Revolving Credit Facility) and (ii) a \$250 million unsecured five-year term loan facility (the 2020 Term Loan Facility). Proceeds of borrowings under the 2020 Revolving Credit Facility were used to refinance the Ashland's existing 2017 Credit Agreement, to provide ongoing working capital and for other general corporate purposes.

Ashland incurred \$4 million of new debt issuance costs in connection with the 2020 Credit Agreement, of which \$1 million was expensed immediately during 2020 within the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss). The remaining balance is amortized using the straight-line method.

During July 2022, Ashland, through two of its subsidiaries, enacted an amendment to the 2020 credit agreement. The amended credit agreement (the 2022 Credit Agreement) provides for a \$600 million five-year revolving credit facility (the 2022 Revolving Credit Facility). The 2022 Credit Agreement and the obligations of Ashland Services B.V. under the 2022 Revolving Credit Facility are guaranteed by Ashland.

At Ashland's option, loans issued under the 2022 Credit Agreement will bear interest at (a) in the case of loans denominated in U.S. dollars, either Term SOFR or an alternate base rate and (b) in the case of loans denominated in Euros, EURIBOR, in each case plus the applicable interest rate margin. Loans will initially bear interest at Term SOFR or EURIBOR plus 1.250% per annum, in the case of Term SOFR borrowings or EURIBOR borrowings, respectively, or at the alternate base rate plus 0.250% per annum, in the case of alternate base rate borrowings, through and including the date of delivery of a quarterly compliance certificate and thereafter the interest rate will fluctuate between Term SOFR or EURIBOR plus 1.250% per annum and Term SOFR or EURIBOR plus 1.750% per annum (or between the alternate base rate plus 0.250% per annum and the alternate base rate plus 0.750% per annum), based upon the Consolidated Net Leverage Ratio (as defined in the Credit Agreement) at such time. Term SOFR borrowings are subject to a credit spread adjustment of 0.10% per annum. In addition, the Company will initially be required to pay fees of 0.125% per annum on the daily unused amount of the Revolving Facility through and including the date of delivery of a quarterly compliance certificate, and thereafter the fee rate will fluctuate between 0.125% and 0.275% per annum, based upon the Consolidated Net Leverage Ratio. Borrowings under the 2022 Credit Agreement may be prepaid at any time without premiums.

As a result of the amendment of the 2020 Credit Agreement, Ashland recognized a \$1 million charge for accelerated amortization of previously capitalized debt issuance costs during 2022, which is included in the net interest and other expense

caption of the Statements of Consolidated Comprehensive Income (Loss). Ashland also incurred \$2 million of new debt issuance costs in connection with the 2022 Credit Agreement, of which \$1 million was expensed immediately during 2022 within the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss). The remaining balance is amortized using the straight-line method.

The 2022 Credit Agreement contains financial covenants for leverage and interest coverage ratios akin to those in effect under the 2020 Credit Agreement. The 2022 Credit Agreement contains usual and customary representations, warranties and affirmative and negative covenants, including financial covenants for leverage and interest coverage ratios, limitations on liens, additional indebtedness, further negative pledges, investments, mergers, sale of assets and restricted payments, and other customary limitations.

Debt repayments and repurchases

Cash repatriation

During 2022 and 2021, Ashland repatriated approximately \$250 million and \$131 million, respectively, in cash that was primarily used to repay existing debt, principally portions of the 4.75% senior notes due 2022, the 6.875% senior notes due 2043 and the 6.5% junior notes in 2020 (as previously discussed).

2022 Debt repayments and repurchases

2020 Credit Agreement

During 2022, Ashland prepaid its Term loan A principal balance of \$250 million.

Other Debt

During 2022, Ashland repaid the outstanding balance on its European short-term loan facility for \$23 million.

2021 Debt repayments and repurchases

Redemption of 4.750% senior notes due 2022

During 2021, Ashland redeemed all of its outstanding 4.750% senior notes due 2022 (the 2022 Notes), of which approximately \$411 million were outstanding. Ashland recognized a \$1 million charge related to accelerated accretion on debt discounts and accelerated amortization of previously capitalized debt issuance costs, which is included in the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss).

Total premiums paid for all the tender offers in 2021 noted above were \$16 million, which is included in the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss).

2020 Debt repayments and repurchases

Tender offers of 4.750% senior notes due 2022

During 2020, Ashland executed tender offers of the 2022 Notes. As a result of these repurchases, the carrying values of the 2022 Notes was reduced by \$670 million. Ashland recognized a \$5 million charge related to accelerated accretion on debt discounts and accelerated amortization of previously capitalized debt issuance costs, which is included in the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss).

Tender offers of 6.875% notes due 2043

During 2020, Ashland executed tender offers of its 6.875% notes due 2043 (the 2043 Notes). As a result of these repurchases, the carrying values of the 2043 Notes was reduced by \$92 million. Ashland recognized a \$1 million charge related to accelerated accretion on debt premiums and accelerated amortization of previously capitalized debt issuance costs, which is included in the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss).

Tender offers of 6.500% Junior Subordinated Debentures due 2029

During 2020, Ashland executed tender offers of Hercules LLC's 6.500% junior subordinated debentures due 2029 (the 2029 Junior Debentures). As a result of these repurchases, the carrying values of the 2029 Junior Debentures was reduced by \$2 million.

Total premiums paid for all the tender offers in 2020 noted above were \$59 million, which is included in the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss).

Accounts receivable facilities and off-balance sheet arrangements

U.S. accounts receivable sales program

On March 17, 2021, a wholly-owned, bankruptcy-remote special purpose entity and consolidated Ashland subsidiary (SPE) entered into an agreement with a group of entities (buyers) to sell certain trade receivables, without recourse beyond the pledged receivables, of two other U.S. based Ashland subsidiaries. Under the agreement, Ashland can transfer whole receivables up to a limit established by the buyer, which is currently set at \$125 million between February and October of each year and up to \$100 million all other times. Ashland's continuing involvement is limited to servicing the receivables, including billing, collections and remittance of payments to the buyers as well as a limited guarantee on over-collateralization. The arrangement terminates on May 31, 2023, unless terminated earlier pursuant to the terms of the agreement.

Ashland determined that any receivables transferred under this agreement are put presumptively beyond the reach of Ashland and its creditors, even in bankruptcy or other receivership. Ashland received a true sale at law and non-consolidation opinions to support the legal isolation of these receivables. Ashland accounts for the receivables transferred to buyers as sales. Ashland recognizes any gains or losses based on the excess of proceeds received net of buyer's discounts and fees compared to the carrying value of the assets. Proceeds received, net of buyer's discounts and fees, are recorded within the operating activities of the Statements of Consolidated Cash Flows. Losses on sale of assets, including related transaction expenses are recorded within the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss). Ashland regularly assesses its servicing obligations and records them as assets or liabilities when appropriate. Ashland also monitors its obligation with regards to the limited guarantee and records the resulting guarantee liability when warranted. When applicable, Ashland discloses the amount of the receivable that serves as over-collateralization as a restricted asset.

Ashland recognized a \$1 million loss within the Statements of Consolidated Comprehensive Income (Loss) for 2022 and 2021, respectively, within the net interest and other expense caption associated with sales under the program. Ashland has recorded \$110 million of sales against the buyer's limit, which was \$125 million at September 30, 2022, compared to \$113 million of sales against the buyer's limit, which was \$125 million at September 30, 2021. Ashland transferred \$136 million and \$167 million in receivables to the SPE as of September 30, 2022 and 2021, respectively. Ashland recorded liabilities related to its service obligations and limited guarantee as of September 30, 2022 and 2021 of less than \$1 million. As of September 30, 2022, the year-to-date gross cash proceeds received for receivables transferred and derecognized was \$312 million, of which \$315 million was collected by Ashland in our capacity as a servicer of the receivables and remitted to the buyer. The difference of \$3 million represents the impact of a net reduction in account receivable sales volume during the current year.

2018 foreign accounts receivable securitization

During July 2018, Ashland entered into a €115 million accounts receivable securitization facility (the Program) for the transfer by certain subsidiaries of Ashland (the Sellers) directly or indirectly to Ester Finance Titrisation (the Purchaser), a wholly-owned subsidiary of Crédit Agricole Corporate and Investment Bank (the Arranger), of certain receivables and/or collections originated by the Sellers towards certain corporate debtors located in multiple European jurisdictions and denominated in multiple currencies. The Program originally had a term of two years, but was extended to August 2021 in September 2019. During July 2021, the termination date of the Program was extended to July 2023. During July 2020, the available funding for qualified receivables under the accounts receivable securitization facility decreased from €115 million to €100 million.

Under the Program, each Seller will assign, on an ongoing basis, certain of its accounts receivable and the right to the collections on those accounts receivable to the Purchaser. Under the terms of the Program, the Sellers could, from time to time, obtain up to €100 million from the Purchaser through the sale of an undivided interest in such accounts receivable and collections. Ashland accounts for the securitization facility as secured borrowings, and the receivables sold pursuant to the facility are included in the Consolidated Balance Sheets as accounts receivable. Fundings under the Program will be repaid as accounts

receivable are collected, with new fundings being advanced (through daily advanced purchase price) as new accounts receivable are originated by the Sellers and assigned to the Purchaser, with settlement occurring monthly. Ashland classifies any borrowings under this facility as a short-term debt instrument within the Consolidated Balance Sheets. Once sold to the Purchaser, the accounts receivable and rights to collection described above are separate and distinct from each Sellers' own assets and are not available to its creditors should such Sellers become insolvent.

At September 30, 2022 and 2021, the outstanding amount of accounts receivable transferred by Ashland to the Purchaser was \$162 million and \$152 million, respectively, and there were zero and \$117 million, respectively, of borrowings (denominated in multiple currencies) under the facility. The weighted-average interest rate for this instrument was 0.5% and 0.6% for 2022 and 2021, respectively.

Other debt

At September 30, 2022 and 2021, Ashland held other debt totaling \$63 million and \$83 million, respectively, comprised primarily of a European short-term loan facility, the 6.50% notes due 2029 and other notes.

Available borrowing capacity and liquidity

The borrowing capacity remaining under the \$600 million 2022 Revolving Credit Facility was \$581 million due to an outstanding balance of zero, as well as a reduction of \$19 million for letters of credit outstanding at September 30, 2022. Ashland's total borrowing capacity at September 30, 2022 was \$680 million, which included \$99 million of available capacity from the foreign 2018 accounts receivable securitization facility.

Additionally, Ashland has zero available liquidity under its current U.S. Accounts Receivable Sales Program.

Covenants related to current Ashland debt agreements

Ashland's debt contains usual and customary representations, warranties and affirmative and negative covenants, including financial covenants for leverage and interest coverage ratios, limitations on liens, additional subsidiary indebtedness, restrictions on subsidiary distributions, investments, mergers, sale of assets and restricted payments and other customary limitations. As of September 30, 2022, Ashland was in compliance with all debt agreement covenant restrictions.

The maximum consolidated net leverage ratio permitted under Ashland's most recent credit agreement (the 2022 Credit Agreement) is 4.0. The 2022 Credit Agreement defines the consolidated net leverage ratio as the ratio of consolidated indebtedness minus unrestricted cash and cash equivalents to consolidated EBITDA (Covenant Adjusted EBITDA) for any measurement period. In general, the 2022 Credit Agreement defines Covenant Adjusted EBITDA as net income plus consolidated interest charges, taxes, depreciation and amortization expense, fees and expenses related to capital market transactions and proposed or actual acquisitions and divestitures, restructuring and integration charges, certain environmental charges, non-cash stock and equity compensation expense, and any other nonrecurring expenses or losses that do not represent a cash item in such period or any future period; less any non-cash gains or other items increasing net income. The computation of Covenant Adjusted EBITDA differs from the calculation of EBITDA and Adjusted EBITDA, which have been reconciled on page M-14. In general, consolidated indebtedness includes debt plus all purchase money indebtedness, banker's acceptances and bank guaranties, deferred purchase price of property or services, attributable indebtedness and guaranties. At September 30, 2022, Ashland's calculation of the consolidated net leverage ratio was 1.1.

The minimum required consolidated interest coverage ratio under the 2022 Credit Agreement is 3.0. The 2022 Credit Agreement defines the consolidated interest coverage ratio as the ratio of Covenant Adjusted EBITDA to consolidated interest charges for any measurement period. At September 30, 2022, Ashland's calculation of the consolidated interest coverage ratio was 10.8.

Any change in Covenant Adjusted EBITDA of \$100 million would have an approximate 0.2x effect on the consolidated net leverage ratio and a 1.8x effect on the consolidated interest coverage ratio. Any change in consolidated indebtedness of \$100 million would affect the consolidated net leverage ratio by approximately 0.2x.

Ashland credit ratings

Ashland's corporate credit ratings remained unchanged at BB+ by Standard & Poor's and Ba1 by Moody's Investor Services. As of September 30, 2022, both Moody's Investor Services and Standard & Poor's outlook remained at stable. Subsequent changes to these ratings or outlook may have an effect on Ashland's borrowing rate or ability to access capital markets in the future.

Additional capital resources*Ashland cash projection*

Ashland believes that cash flow from operations, availability under existing credit facilities and arrangements, current cash and investment balances and the ability to obtain other financing, if necessary, will provide adequate cash funds for the Company's foreseeable working capital needs, capital expenditures at existing facilities, pending acquisitions, dividend payments and debt service obligations. The Company's cash requirements are subject to change as business conditions warrant and opportunities arise. The timing and size of any new business ventures or acquisitions that the Company may complete may also impact its cash requirements.

Ashland expects the following material cash funding requirements from known contractual obligations at September 30, 2022:

(In millions)	Total	Less than 1 year	More than 1 year
Material Cash Funding Requirements Contractual obligations			
Raw material and service contract purchase obligations (a)	\$ 53	\$ 27	\$ 26
Employee benefit obligations (b)	57	7	50
Operating lease obligations (c)	151	20	131
Interest payments (d)	645	54	591
Unrecognized tax benefits (e)	84	3	81
One-time transition tax (f)	46	5	41
Total contractual obligations	<u>\$ 1,036</u>	<u>\$ 116</u>	<u>\$ 920</u>
Other commitments			
Letters of credit (g)	\$ 48	\$ 48	\$ —

- (a) Includes raw material and service contracts where minimal committed quantities and prices are fixed.
- (b) Includes estimated funding of Ashland's qualified U.S. and non-U.S. pension plans for 2022 as well as projected benefit payments through 2030 under Ashland's unfunded pension and other postretirement benefit plans. Excludes the benefit payments from the pension plan trust funds. See Note M of the Notes to Consolidated Financial Statements for additional information.
- (c) Includes leases for office buildings, transportation equipment, warehouses and storage facilities and other equipment. For further information, see Note K of the Notes to Consolidated Financial Statements.
- (d) Includes interest expense on both variable and fixed rate debt assuming no prepayments. Variable interest rates have been assumed to remain constant through the end of the term at rates that existed as of September 30, 2022.
- (e) Due to uncertainties in the timing of the effective settlement of tax positions with respect to taxing authorities, Ashland is unable to determine the timing of payments related to noncurrent unrecognized tax benefits, including interest and penalties. Therefore, these amounts were included in the "More than 1 year" column.
- (f) As a result of the Tax Act enacted during fiscal year 2018, Ashland has currently recorded a \$46 million liability for the one-time transition tax. This liability will be payable over five years.
- (g) Ashland issues various types of letters of credit as part of its normal course of business.

Total Equity

Total equity was \$3,220 million and \$2,752 million at September 30, 2022 and September 30, 2021, respectively. During 2022, there were increases of \$927 million for net income, \$8 million for common shares issued under stock incentive plans, and a \$1 million gain on pension and postretirement obligation adjustments. The increases were partially offset by decreases of \$197 million for deferred translation losses, \$1 million for unrealized losses on commodity hedges, \$200 million for repurchases of common stock and \$70 million for dividends paid during 2022.

Stock repurchase programs

On May 25, 2022, Ashland's board of directors authorized a new, evergreen \$500 million common share repurchase program (2022 stock repurchase program). The new authorization terminates and replaces the company's 2018 \$1 billion share repurchase program, which had \$150 million outstanding at the date of termination. As of September 30, 2022, \$500 million remained available for repurchase under the 2022 stock repurchase program.

Stock repurchase program agreements

In September 2021, under the 2018 stock repurchase program, Ashland announced that it entered into an accelerated share repurchase agreement (2021 ASR Agreement). Under the 2021 ASR Agreement, Ashland paid an initial purchase price of \$450 million and received an initial delivery of 3.9 million shares of common stock during September 2021. The bank exercised its early termination option under the 2021 ASR Agreement in February 2022, and an additional 0.7 million shares were repurchased, bringing the total shares repurchased upon settlement to 4.6 million.

On March 1, 2022, under the 2018 stock repurchase program, Ashland entered into an agreement to repurchase an aggregate amount of \$200 million of Ashland common stock using open-market purchases under rule 10b-18. On April 8, 2022, Ashland completed repurchases under this agreement repurchasing a total of 2.15 million shares for a total amount of \$200 million.

Stockholder dividends

Ashland paid dividends per common share of \$1.27, \$1.15 and \$1.10 during 2022, 2021 and 2020, respectively.

In May 2022, the Board of Directors of Ashland announced a quarterly cash dividend of 33.5 cents per share to eligible stockholders at record, which represented an increase from the previous quarterly cash dividend of 30.0 cents per share. This dividend was paid in the third and fourth quarters of fiscal 2022.

In May 2021, the Board of Directors of Ashland announced a quarterly cash dividend of 30.0 cents per share to eligible stockholders at record, which represented an increase from the previous quarterly cash dividend of 27.5 cents per share. This dividend was paid in the third and fourth quarters of fiscal 2021 and the first and second quarters of fiscal 2022.

In May 2019, the Board of Directors of Ashland announced a quarterly cash dividend of 27.5 cents per share to eligible stockholders at record, which represented an increase from the previous quarterly cash dividend of 25.0 cents per share. This dividend was paid in each quarter of fiscal 2020 and the first and second quarters of fiscal 2021.

Capital expenditures

Capital expenditures were \$113 million for 2022 and averaged \$117 million during the last three years. Ashland expects capital expenditures over the next three years of approximately \$190 million in 2023 and \$165 million annually the next two years. A summary of capital expenditures by reportable segment during 2022, 2021 and 2020 follow.

(In millions)	2022	2021	2020
Life Sciences	\$ 28	\$ 27	\$ 51
Personal Care	14	7	13
Specialty Additives	61	67	59
Intermediates	7	2	5
Unallocated and Other	3	2	5
Total capital expenditures	<u>\$ 113</u>	<u>\$ 105</u>	<u>\$ 133</u>

A summary of the capital employed in Ashland's current operations, which is calculated by adding equity to capital investment, as of the end of the last two years is as follows.

(In millions)	2022	2021
Capital employed (a)		
Life Sciences	\$ 1,801	\$ 1,857
Personal Care	994	1,082
Specialty Additives	1,379	1,447
Intermediates	138	132

(a) Excludes the assets and liabilities classified within unallocated and other which primarily includes debt and other long-term liabilities such as asbestos and pension. The net liability in unallocated and other was \$1,092 million and \$2,313 million as of September 30, 2022 and 2021, respectively. Additionally, net assets held for sale were zero million and \$547 million as of September 30, 2022 and 2021, respectively.

OFF-BALANCE SHEET ARRANGEMENTS

As part of its normal course of business, Ashland is a party to various financial guarantees and other commitments. These arrangements involve elements of performance and credit risk that are not included in the Consolidated Balance Sheets. The possibility that Ashland would have to make actual cash expenditures in connection with these obligations is largely dependent on the performance of the guaranteed party, or the occurrence of future events that Ashland is unable to predict. The fair value of these guarantees are not significant.

NEW ACCOUNTING PRONOUNCEMENTS

For a discussion and analysis of recently issued accounting pronouncements and its impact on Ashland, see Note A of Notes to Consolidated Financial Statements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of Ashland's Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, sales and expenses, and the disclosures of contingent assets and liabilities. Significant items that are subject to such estimates and assumptions include, but are not limited to, environmental remediation, asbestos litigation, the accounting for goodwill and other intangible assets and income taxes. Although management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, actual results could differ significantly from the estimates under different assumptions or conditions. Management has reviewed the estimates affecting these items with the Audit Committee of Ashland's Board of Directors.

Environmental remediation and asset retirement obligations

Ashland is subject to various federal, state and local environmental laws and regulations that require environmental assessment or remediation efforts (collectively environmental remediation) at multiple locations. At September 30, 2022, such locations included 76 sites where Ashland has been identified as a potentially responsible party under Superfund or similar state laws, 111 current and former operating facilities and about 1,125 service station properties, of which 17 are being actively remediated. See Note N of the Notes to Consolidated Financial Statements for additional information.

Ashland's reserves for environmental remediation and related environmental litigation amounted to \$211 million at September 30, 2022 compared to \$207 million at September 30, 2021 of which \$157 million at September 30, 2022 and \$152 million at September 30, 2021 were classified in other noncurrent liabilities on the Consolidated Balance Sheets. The remaining reserves were classified in accrued expenses and other liabilities on the Consolidated Balance Sheets.

The total reserves for environmental remediation reflect Ashland's estimates of the most likely costs that will be incurred over an extended period to remediate identified conditions for which the costs are reasonably estimable, without regard to any third-party recoveries. Engineering studies, historical experience and other factors are used to identify and evaluate remediation alternatives and their related costs in determining the estimated reserves for environmental remediation. Ashland continues to discount certain environmental sites and regularly adjusts its reserves as environmental remediation continues. Ashland has estimated the value of its probable insurance recoveries associated with its environmental reserve based on management's interpretations and estimates surrounding the available or applicable insurance coverage. At September 30, 2022 and 2021, Ashland's recorded receivable for these probable insurance recoveries was \$21 million and \$16 million, respectively, of which \$17 million and \$13 million, respectively, were classified in other noncurrent assets in the Consolidated Balance Sheets.

During 2022, 2021 and 2020, Ashland recognized \$66 million, \$50 million and \$48 million of expense, respectively, for certain environmental liabilities related to normal ongoing remediation cost estimate updates for sites, which is consistent with Ashland's historical environmental accounting policy.

Environmental remediation reserves are subject to uncertainties that affect Ashland's ability to estimate its share of the costs. Such uncertainties involve the nature and extent of contamination at each site and the extent of required cleanup efforts under existing environmental regulations, with varying costs of alternate cleanup methods. Although it is not possible to predict with certainty the ultimate costs of environmental remediation, Ashland currently estimates that the upper end of the reasonably possible range of future costs for identified sites could be as high as approximately \$465 million. The largest reserve for any site is 13% of the remediation reserve.

Asbestos litigation

Ashland and Hercules have liabilities from claims alleging personal injury caused by exposure to asbestos. To assist in developing and annually updating independent reserve estimates for future asbestos claims and related costs, Ashland has retained third party actuarial experts Gnarus Advisors, LLC (Gnarus). The methodology used by Gnarus to project future asbestos costs is based largely on recent experience, including claim-filing and settlement rates, disease mix, open claims and litigation defense. The claim experience of Ashland and Hercules are separately compared to the results of previously conducted third party epidemiological studies estimating the number of people likely to develop asbestos-related diseases. Those studies were undertaken in connection with national analyses of the population expected to have been exposed to asbestos. Using that

information, Gnarus estimates a range of the number of future claims that may be filed, as well as the related costs that may be incurred in resolving those claims. Changes in asbestos-related liabilities and receivables are recorded on an after-tax basis within the discontinued operations caption in the Statements of Consolidated Comprehensive Income (Loss). See Note N of the Notes to Consolidated Financial Statements for additional information.

Ashland asbestos-related litigation

The claims alleging personal injury caused by exposure to asbestos asserted against Ashland result primarily from indemnification obligations undertaken in 1990 in connection with the sale of Riley, a former subsidiary. The amount and timing of settlements and number of open claims can fluctuate from period to period.

Ashland asbestos-related liability

From the range of estimates, Ashland records the amount it believes to be the best estimate of future payments for litigation defense and claim settlement costs. Ashland reviews this estimate and related assumptions quarterly and annually updates the results of a non-inflated, non-discounted approximate 40-year model developed with the assistance of Gnarus.

During the most recent update completed during 2022, it was determined that the liability for Ashland asbestos-related claims should be increased by \$16 million. Total reserves for asbestos claims were \$305 million at September 30, 2022 compared to \$320 million at September 30, 2021.

Ashland asbestos-related receivables

Ashland has insurance coverage for certain litigation defense and claim settlement costs incurred in connection with its asbestos claims, and coverage-in-place agreements exist with the insurance companies that provide substantially all of the coverage that will be accessed.

For the Ashland asbestos-related obligations, Ashland has estimated the value of probable insurance recoveries associated with its asbestos reserve based on management's interpretations and estimates surrounding the available or applicable insurance coverage, including an assumption that all solvent insurance carriers remain solvent. Substantially all of the estimated receivables from insurance companies are expected to be due from domestic insurers, all of which are solvent.

At September 30, 2022, Ashland's receivable for recoveries of litigation defense and claim settlement costs from insurers amounted to \$101 million (excluding the Hercules receivable for asbestos claims). Receivables from insurers amounted to \$100 million at September 30, 2021. During 2022, the annual update of the model used for purposes of valuing the asbestos reserve and its impact on valuation of future recoveries from insurers, was completed. This model update resulted in a \$7 million increase in the receivable for probable insurance recoveries.

Hercules asbestos-related litigation

Hercules has liabilities from claims alleging personal injury caused by exposure to asbestos. Such claims typically arise from alleged exposure to asbestos fibers from resin encapsulated pipe and tank products which were sold by one of Hercules' former subsidiaries to a limited industrial market. The amount and timing of settlements and number of open claims can fluctuate from period to period.

Hercules asbestos-related liability

From the range of estimates, Ashland records the amount it believes to be the best estimate of future payments for litigation defense and claim settlement costs. Ashland reviews this estimate and related assumptions quarterly and annually updates the results of a non-inflated, non-discounted approximate 40-year model developed with the assistance of Gnarus. As a result of the most recent annual update of this estimate, completed during 2022, it was determined that the liability for Hercules asbestos-related claims should be increased by \$15 million. Total reserves for asbestos claims were \$213 million at September 30, 2022 compared to \$217 million at September 30, 2021.

Hercules asbestos-related receivables

For the Hercules asbestos-related obligations, certain reimbursement obligations pursuant to coverage-in-place agreements with insurance carriers exist. As a result, any increases in the asbestos reserve have been partially offset by probable insurance

recoveries. Ashland has estimated the value of probable insurance recoveries associated with its asbestos reserve based on management's interpretations and estimates surrounding the available or applicable insurance coverage, including an assumption that all solvent insurance carriers remain solvent. The estimated receivable consists exclusively of solvent domestic insurers.

As of September 30, 2022 the receivables from insurers amounted to \$52 million compared to \$47 million as of September 30, 2021. During 2022, the annual update of the model used for purposes of valuing the asbestos reserve and its impact on valuation of future recoveries from insurers was completed. This model update resulted in a \$7 million increase in the receivable for probable insurance recoveries.

Asbestos litigation cost projection

Projecting future asbestos costs is subject to numerous variables that are difficult to predict. In addition to the uncertainties surrounding the number of claims that might be received, other variables include the type and severity of the disease alleged by each claimant and the related costs incurred in resolving those claims, dismissal rates, uncertainties surrounding the litigation process from jurisdiction to jurisdiction and from case to case. Furthermore, any predictions with respect to these variables are subject to even greater uncertainty as the projection period lengthens. In light of these inherent uncertainties, Ashland believes that the asbestos reserves for Ashland and Hercules represent the best estimate within a range of possible outcomes. As a part of the process to develop these estimates of future asbestos costs, a range of long-term cost models was developed. These models are based on national studies that predict the number of people likely to develop asbestos-related diseases and are heavily influenced by assumptions regarding long-term inflation rates for indemnity payments and legal defense costs, as well as other variables mentioned previously. Ashland has currently estimated in various models ranging from approximately 40 year periods that it is reasonably possible that total future litigation defense and claim settlement costs on an inflated and undiscounted basis could range as high as approximately \$456 million for the Ashland asbestos-related litigation (current reserve of \$305 million) and approximately \$317 million for the Hercules asbestos-related litigation (current reserve of \$213 million), depending on the combination of assumptions selected in the various models. If actual experience is worse than projected, relative to the number of claims filed, the severity of alleged disease associated with those claims or costs incurred to resolve those claims, or actuarial refinement or improvements to the assumptions used within these models are initiated, Ashland may need to further increase the estimates of the costs associated with asbestos claims and these increases could be material over time.

Accounting for goodwill and other intangible assets

Goodwill

Ashland accounts for goodwill and other intangible assets acquired in a business combination in conformity with current accounting guidance which does not allow for goodwill and indefinite-lived intangible assets to be amortized.

Ashland reviews goodwill for impairment annually as of July 1 or when events and circumstances indicate an impairment may have occurred. Ashland tests goodwill for impairment by comparing the estimated fair value of the reporting units to the related carrying value. If the fair value of the reporting unit is lower than its carrying amount, goodwill is written down for the amount by which the carrying amount exceeds fair value. However, the loss recognized cannot exceed the carrying amount of goodwill. Reporting units are defined as either operating segments or one level below the operating segments for which discrete financial information is available and reviewed by the business management. Ashland determined that its reporting units are Life Sciences, Personal Care, Specialty Additives and Intermediates.

Ashland makes various estimates and assumptions in determining the estimated fair value of each reporting unit using a combination of discounted cash flow models and valuations based on earnings multiples for guideline public companies in each reporting unit's industry peer group, when externally quoted market prices are not readily available. Discounted cash flow models are reliant on various assumptions, including projected business results, long-term growth factors and weighted-average cost of capital. Management judgement is involved in estimating these variables, and they include uncertainties since they are forecasting future events. Ashland performs sensitivity analyses by using a range of inputs to confirm the reasonableness of the long-term growth rate and weighted average cost of capital estimates. Additionally, Ashland compares the indicated equity value to Ashland's market capitalization and evaluates the resulting implied control premium/discount to determine if the estimated enterprise value is reasonable compared to external market indicators.

Ashland performed its annual goodwill impairment using the quantitative approach as of July 1, 2022 and concluded there was no impairment as of that date. The impairment test at July 1, 2022 concluded that all reporting units had fair values significantly in excess of its respective carrying amounts. Ashland compared the total fair values of the reporting units to Ashland's market capitalization at July 1, 2022 to determine if the fair values are reasonable compared to external market indicators. Ashland believes its valuation models are reasonable estimates of fair value and reflect appropriate levels of conservatism. Subsequent to this annual impairment test, no additional indications of an impairment were identified.

Assumptions inherent in the valuation methodologies include estimates of future projected business results (principally revenue and EBITDA), long-term growth rates, and the weighted-average cost of capital. Ashland performed sensitivity analyses by using a range of inputs to confirm the reasonableness of long-term growth rate and weighted average cost of capital estimates. Significant assumptions utilized in the impairment analysis included the weighted-average cost of capital, ranging between 10.5% and 11.8%, and terminal growth rate, ranging between 2.0% and 4.0% depending on the reporting unit. Based on sensitivity analysis performed on two key assumptions in the discounted cash flow model at July 1, 2022, a 1% decrease in the long-term growth factor assumption or a 1% increase in the weighted average cost of capital assumption across each of Ashland's reporting units would not have resulted in a fair value below the respective reporting units carrying value. For further information, see Note H of Notes to the Consolidated Financial Statements.

Finite-lived intangible assets

Finite-lived intangible assets principally consist of certain trademarks and trade names, intellectual property, and customer relationships. These intangible assets are amortized on a straight-line basis over their estimated useful lives. The cost of trademarks and trade names is amortized principally over 3 to 20 years, intellectual property over 3 to 20 years and customer and supplier relationships over 10 to 24 years. Ashland reviews finite-lived intangible assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Ashland monitors these changes and events on at least a quarterly basis.

Amortization expense recognized on finite-lived intangible assets was \$94 million for 2022, \$90 million for 2021 and \$84 million for 2020.

Other indefinite-lived intangible assets

Other indefinite-lived intangible assets include certain trademarks and trade names. Ashland reviews these intangible assets for possible impairment annually as of July 1 or whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. If the carrying value of an individual indefinite-lived intangible asset exceeds its fair value, the asset is written down to its fair value and the amount of the write down is the impairment charge. Similar to its annual assessment for goodwill, Ashland performs a quantitative test for impairment.

When a quantitative analysis is performed, Ashland tests these assets using a "relief-from-royalty" valuation method to determine the fair value. Significant assumptions inherent in the valuation methodologies include, but are not limited to, future projected business results, growth rates, the weighted-average cost of capital for a market participant, and royalty and discount rates.

In conjunction with the July 1 annual assessment of indefinite-lived intangible assets, Ashland's quantitative approach models did not indicate any impairment, as each indefinite-lived intangible asset's fair value exceeded their carrying values.

Ashland's assessment of an impairment on any of these assets classified currently as having indefinite lives, including goodwill, could change in future periods if significant events happen and/or circumstances change that effect the previously mentioned assumptions. Significant assumptions inherent in the valuation methodologies include, but are not limited to, such estimates as future projected business results, growth rates, the weighted average cost of capital for a market participant, and royalty and discount rates. For further information, see Note H of Notes to Consolidated Financial Statements.

Income taxes

Ashland is subject to income taxes in the United States and numerous foreign jurisdictions. Judgment in the forecasting of taxable income using historical and projected future operating results is required in determining Ashland's provision for income taxes and the related assets and liabilities. The provision for income taxes includes income taxes paid, currently payable or receivable, and deferred taxes. Under U.S. GAAP, deferred tax assets and liabilities are determined based on differences between financial reporting and tax basis of assets and liabilities and are measured using enacted tax rates and laws that are expected to be in effect when the differences reverse. Deferred tax assets are also recognized for the estimated future effects of tax loss and credit carryforwards. The effect on deferred taxes of changes in tax rates is recognized in the period in which the enactment date occurs. Valuation allowances are established when necessary on a jurisdictional basis to reduce deferred tax assets to the amounts expected to be realized. Deferred taxes are not provided on the unremitted earnings of subsidiaries outside of the United States when it is expected that these earnings are indefinitely reinvested. In the event that the actual outcome of future tax consequences differs from Ashland's estimates and assumptions due to changes or future events such as tax legislation, geographic mix of earnings, completion of tax audits or earnings repatriation plans, the resulting change to the provision for income taxes could have a material effect on the Statement of Consolidated Comprehensive Income (Loss) and Consolidated Balance Sheet.

The recoverability of deferred tax assets and the recognition and measurement of uncertain tax positions are subject to various assumptions and judgment by Ashland. If actual results differ from the estimates made by Ashland in establishing or maintaining valuation allowances against deferred tax assets, the resulting change in the valuation allowance would generally impact earnings or other comprehensive income depending on the nature of the respective deferred tax asset. Additionally, the positions taken with regard to tax contingencies may be subject to audit and review by tax authorities, which may result in future taxes, interest and penalties. Positive and negative evidence is considered in determining the need for a valuation allowance against deferred tax assets, which includes such evidence as historical earnings, projected future earnings, tax planning strategies and expected timing of reversal of existing temporary differences.

In determining the recoverability of deferred tax assets Ashland gives consideration to all available positive and negative evidence including reversals of deferred tax liabilities (other than those with an indefinite reversal period), projected future taxable income, tax planning strategies and recent financial operations. Ashland attaches the most weight to historical earnings due to their verifiable nature. In evaluating the objective evidence that historical results provide, Ashland considers three years of cumulative income or loss. In addition, Ashland has reflected increases and decreases in our valuation allowance based on the overall weight of positive versus negative evidence on a jurisdiction by jurisdiction basis.

EFFECTS OF INFLATION AND CHANGING PRICES

Ashland's financial statements are prepared on the historical cost method of accounting in accordance with U.S. GAAP and, as a result, do not reflect changes in the purchasing power of the U.S. dollar. Monetary assets (such as cash, cash equivalents and accounts receivable) lose purchasing power as a result of inflation, while monetary liabilities (such as accounts payable and indebtedness) result in a gain, because they can be settled with dollars of diminished purchasing power. As of September 30, 2022, Ashland's monetary assets exceed its monetary liabilities, leaving it currently more exposed to the effects of future inflation. While inflation rose significantly during 2022 and is expected to increase through fiscal 2023, the company managed to reduce its impact on its results of operations and financial liquidity through the use of select derivative programs, disciplined pricing and cost actions. See item 1A - Risk Factors for additional information.

Certain of the industries in which Ashland operates are capital-intensive, and replacement costs for its plant and equipment generally would substantially exceed their historical costs. Accordingly, depreciation and amortization expense would be greater if it were based on current replacement costs. However, because replacement facilities would reflect technological improvements and changes in business strategies, such facilities would be expected to be more productive than existing facilities, mitigating at least part of the increased expense.

OUTLOOK

Ashland issued its financial outlook for fiscal 2023 as shown in the table below.

	FY2023 Outlook
Key Operating Metrics	
Sales	\$2.5 - \$2.7 billion
Adjusted EBITDA	\$600 - \$650 million

Ashland is unable to reconcile forward-looking adjusted EBITDA to forward-looking net income, the most closely comparable GAAP financial measure, because the information needed to provide such reconciliation would require unreasonable efforts.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements including, without limitation, statements made under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operation” (MD&A), within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Ashland has identified some of these forward-looking statements with words such as “anticipates,” “believes,” “expects,” “estimates,” “is likely,” “predicts,” “projects,” “forecasts,” “objectives,” “may,” “will,” “should,” “plans” and “intends” and the negative of these words or other comparable terminology. Ashland may from time to time make forward-looking statements in its Annual Report to Stockholders, quarterly reports and other filings with the Securities and Exchange Commission (SEC), news releases and other written and oral communications. These forward-looking statements are based on Ashland’s expectations and assumptions, as of the date such statements are made, regarding Ashland’s future operating performance and financial condition and expected effects of the COVID-19 pandemic on Ashland’s business, as well as the economy and other future events or circumstances. Ashland’s expectations and assumptions include, without limitation, those mentioned within the MD&A, internal forecasts and analyses of current and future market conditions and trends, management plans and strategies, operating efficiencies, cost savings and economic conditions (such as prices, supply and demand, cost of raw materials, and the ability to recover raw-material cost increases through price increases), and risks and uncertainties associated with the following: the impact of acquisitions and/or divestitures Ashland has made or may make (including the possibility that Ashland may not realize the anticipated benefits from such transactions); Ashland’s substantial indebtedness (including the possibility that such indebtedness and related restrictive covenants may adversely affect Ashland’s future cash flows, results of operations, financial condition and its ability to repay debt); execution risks associated with our growth strategies; the competitive nature of our business; severe weather, natural disasters, public health crises (including the COVID-19 pandemic), cyber events and legal proceedings and claims (including product recalls, environmental and asbestos matters); the effects of the COVID-19 pandemic and the ongoing Ukraine and Russia conflict on the geographies in which Ashland operates, the end markets Ashland serves and on Ashland’s supply chain and customers; and without limitation, risks and uncertainties affecting Ashland that are contained in “Use of estimates, risks and uncertainties” in Note A of Notes to Consolidated Financial Statements and in Item 1A of this Annual Report Form 10-K. Various risks and uncertainties may cause actual results to differ materially from those stated, projected or implied by any forward-looking statements. The extent and duration of the COVID-19 pandemic on our business and operations remains uncertain. Factors that influence the impact on our business and operations include the duration and extent of the pandemic, the extent of imposed or recommended containment and mitigation measures, and the general economic consequences of the pandemic. Ashland believes its expectations and assumptions are reasonable, but there can be no assurance that the expectations reflected herein will be achieved. Unless legally required, Ashland undertakes no obligation to update any forward-looking statements made in this Form 10-K whether as a result of new information, future events or otherwise. Information on Ashland’s website is not incorporated into or a part of this Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Ashland conducts business in a variety of foreign currencies. Accordingly, Ashland regularly uses foreign currency derivative instruments to manage exposure on certain transactions denominated in foreign currencies to curtail potential earnings volatility effects of certain assets and liabilities, including short-term inter-company loans, denominated in currencies other than Ashland's functional currency of an entity. These derivative contracts generally require exchange of one foreign currency for another at a fixed rate at a future date and generally have maturities of less than twelve months. All contracts are valued at fair value with net changes in fair value recorded within the selling, general and administrative expense caption. The impacts of these contracts were largely offset by gains and losses resulting from the impact of changes in exchange rates on transactions denominated in non-functional currencies.

As of September 30, 2022 and 2021, Ashland had not identified any significant credit risk on open derivative contracts. The potential loss from a hypothetical 10% adverse change in foreign currency rates on Ashland's open foreign currency derivative instruments would be largely offset by gains resulting from the impact of changes in exchange rates on transactions denominated in non-functional currencies. Ashland did not have any significant open hedging contracts with respect to commodities or any related raw material requirements as of and for the year ended September 30, 2022.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the preparation and integrity of the Consolidated Financial Statements and other financial information included in this annual report on Form 10-K. Such financial statements are prepared in accordance with accounting principles generally accepted in the United States. Accounting principles are selected, and information is reported which, using management's best judgment and estimates, present fairly Ashland's consolidated financial position, results of operations and cash flows. The other financial information in this annual report on Form 10-K is consistent with the Consolidated Financial Statements.

Ashland's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Ashland's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ashland's Consolidated Financial Statements. Ashland's internal control over financial reporting is supported by a code of business conduct which summarizes our guiding values such as obeying the law, adhering to high ethical standards and acting as responsible members of the communities where we operate. Compliance with that Code forms the foundation of our internal control systems, which are designed to provide reasonable assurance that Ashland's assets are safeguarded, and its records reflect, in all material respects, transactions in accordance with management's authorization. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control should not exceed the related benefits. Management believes that adequate internal controls are maintained by the selection and training of qualified personnel, by an appropriate division of responsibility in all organizational arrangements, by the establishment and communication of accounting and business policies, and by internal audits.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements and even when determined to be effective, can only provide reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Board, subject to stockholder ratification, selects and engages the independent auditors based on the recommendation of the Audit Committee. The Audit Committee, composed of directors who are not members of management, reviews the adequacy of Ashland's policies, procedures, controls and risk management strategies, the scope of auditing and other services performed by the independent auditors, and the scope of the internal audit function. The Committee holds meetings with Ashland's internal auditor and independent auditors, with and without management present, to discuss the findings of their audits, the overall quality of Ashland's financial reporting and their evaluation of Ashland's internal controls. The report of Ashland's Audit Committee can be found in Ashland's Proxy for its 2023 Annual Meeting.

Management assessed the effectiveness of Ashland's internal control over financial reporting as of September 30, 2022. Management conducted its assessment utilizing the framework described in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this assessment, management believes that Ashland maintained effective internal control over financial reporting as of September 30, 2022.

Ernst & Young LLP, an independent registered public accounting firm, has audited and reported on the Consolidated Financial Statements of Ashland Inc. and Consolidated Subsidiaries as of and for the year ended September 30, 2022 and the effectiveness of Ashland's internal control over financial reporting as of September 30, 2022. The reports of the independent registered public accounting firm are contained in this Annual Report on Form 10-K.

/s/ Guillermo Novo
Guillermo Novo
Chair of the Board and Chief Executive Officer

/s/ J. Kevin Willis
J. Kevin Willis
Senior Vice President and Chief Financial Officer
November 21, 2022

To the Stockholders and the Board of Directors of Ashland Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Ashland Inc. and Consolidated Subsidiaries' internal control over financial reporting as of September 30, 2022, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, Ashland Inc. and Consolidated Subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of September 30, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of September 30, 2022 and 2021, the related consolidated statements of comprehensive income (loss), equity and cash flows for each of the three years in the period ended September 30, 2022, and the related notes and our report dated November 21, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

/s/ Ernst & Young LLP
Grandview Heights, Ohio
November 21, 2022

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Ashland Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Ashland Inc. and Consolidated Subsidiaries (the Company) as of September 30, 2022 and 2021, the related consolidated statements of comprehensive income (loss), equity and cash flows for each of the three years in the period ended September 30, 2022, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at September 30, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 30, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated November 21, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Valuation of Environmental Remediation Reserves

Description of the Matter At September 30, 2022, the reserves for environmental remediation amounted to \$211 million. As discussed within Note N of the consolidated financial statements, the reserves for environmental remediation reflect Ashland's estimates of the most likely costs that will be incurred over an extended period to remediate identified conditions for which the costs are reasonably estimable and probable of being incurred, without regard to any third-party recoveries. The Company uses engineering studies, historical experience and other factors to identify and evaluate remediation alternatives and their related costs in determining the estimated reserves for environmental remediation. Ashland regularly adjusts its reserves as environmental remediation continues.

Auditing the environmental remediation reserve was complex due to inherent uncertainties that affect Ashland's ability to estimate probable costs. Such uncertainties include the nature and extent of contamination at each site, and the nature and extent of required cleanup efforts.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design and tested the operating effectiveness of relevant controls over Ashland's environmental remediation process. For example, we tested controls over the Company's annual reserve setting training process, management's identification and monitoring of new and existing sites, and management's development of the environmental reserve estimates. We also tested management's controls over the completeness and accuracy of the underlying data used in the reserve estimates.

To test the environmental reserves, we performed audit procedures that included, among others: assessing the appropriateness of Ashland's policies and procedures and testing management's development of the environmental reserve estimates. We obtained an understanding of the reserve estimates through discussions with Ashland's remediation project managers. We also involved our environmental reserve subject matter specialists to evaluate the reasonableness of management's reserve estimates, including consideration of information available on regulatory databases in the public domain that was assessed for possible contrary evidence. With the support of our environmental reserve subject matter specialists, we evaluated whether the environmental reserve estimates were appropriate based on engineering studies and historical experience.

Valuation of Asbestos Litigation Reserves

Description of the Matter

At September 30, 2022, the reserves for asbestos litigation amounted to \$518 million. As discussed within Note N of the consolidated financial statements, Ashland has liabilities from claims alleging personal injury caused by exposure to asbestos. Ashland retained third party actuarial experts to assist in developing and annually updating independent reserve estimates for future asbestos claims and related costs given various assumptions. The methodology used by the actuarial experts to project future asbestos costs is based largely on recent experience, including claim-filing and settlement rates, disease mix, open claims and litigation defense. Further, the claim experience identified is compared to the results of previously conducted third party epidemiological studies estimating the number of people likely to develop asbestos-related diseases. Using that information, the Company estimates a range of the number of future claims that may be filed, as well as the related costs that may be incurred in resolving those claims. Ashland records the amount it believes to be the best estimate of future payments for litigation defense and claim settlement costs using the results of a non-inflated, non-discounted approximate 40-year model developed with the assistance of the Company's third party actuarial experts.

Auditing the Company's asbestos litigation reserve is complex and highly judgmental due to uncertainty associated with the estimate of projected future asbestos costs. The methodology employed by management to develop the estimate of projected future asbestos costs is subject to assumptions such as the number of claims that may be received in the future, the type and severity of disease alleged by claimant, the related costs incurred in resolving those claims, and the dismissal rates. These assumptions have a significant effect on the asbestos litigation reserve.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls over the asbestos litigation reserves process. These include controls over management's assessment of the assumptions utilized within the estimate, management's oversight of asbestos trends including claims movement and costs incurred, and the completeness and accuracy of the underlying data utilized to project future costs.

To evaluate the reasonableness of the reserve for asbestos litigation, our audit procedures included testing the completeness and accuracy of the underlying claims data provided to management's actuarial experts utilized to project future costs. Additionally, we evaluated the claims and spend activity from legal letters obtained from internal and external legal counsel. Furthermore, we involved our actuarial subject matter specialists to assist in the evaluation of the methodologies and assumptions applied by management's experts as described above to determine the appropriateness of the asbestos litigation reserve, and to independently prepare an estimated range of the liability. We then assessed the reasonableness of the Company's recorded reserve against our independently calculated range.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2014.
Grandview Heights, Ohio
November 21, 2022

Ashland Inc. and Consolidated Subsidiaries
Statements of Consolidated Comprehensive Income (Loss)
Years Ended September 30

(In millions except per share data)	2022	2021	2020
Sales	\$ 2,391	\$ 2,111	\$ 2,016
Cost of sales	1,561	1,441	1,417
Gross profit	830	670	599
Selling, general and administrative expense	393	358	400
Research and development expense	55	50	56
Intangibles amortization expense - Note H	94	90	84
Equity and other income	3	9	8
Goodwill impairment - Note H	—	—	530
Income on acquisitions and divestitures, net - Note B and C	42	11	2
Operating income (loss)	333	192	(461)
Net interest and other expense - Note I	149	56	119
Other net periodic benefit income (loss) - Note M	22	(1)	3
Income (loss) from continuing operations before income taxes	206	135	(577)
Income tax expense (benefit) - Note L	25	(38)	(22)
Income (loss) from continuing operations	181	173	(555)
Income from discontinued operations (net of income tax) - Note D	746	47	47
Net income (loss)	\$ 927	\$ 220	\$ (508)

PER SHARE DATA - NOTE A

Basic earnings per share			
Income (loss) from continuing operations	\$ 3.26	\$ 2.85	\$ (9.16)
Income from discontinued operations	13.45	0.78	0.77
Net income (loss)	\$ 16.71	\$ 3.63	\$ (8.39)

Diluted earnings per share			
Income (loss) from continuing operations	\$ 3.20	\$ 2.82	\$ (9.16)
Income from discontinued operations	13.21	0.77	0.77
Net income (loss)	\$ 16.41	\$ 3.59	\$ (8.39)

COMPREHENSIVE INCOME (LOSS)

Net income (loss)	\$ 927	\$ 220	\$ (508)
Other comprehensive income (loss), net of tax			
Unrealized translation gain (loss)	(197)	7	27
Unrealized gains (losses) on commodity hedges	(1)	4	—
Pension and postretirement obligation adjustment	1	—	—
Other comprehensive income (loss)	(197)	11	27
Comprehensive income (loss)	\$ 730	\$ 231	\$ (481)

See Notes to Consolidated Financial Statements.

Ashland Inc. and Consolidated Subsidiaries
Consolidated Balance Sheets
At September 30

(In millions)	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 646	\$ 210
Accounts receivable (a) - Notes A and I	402	369
Inventories - Note A	629	473
Other assets	91	68
Current assets held for sale - Note C	—	597
Total current assets	1,768	1,717
Noncurrent assets		
Property, plant and equipment - Note G		
Cost	3,050	3,066
Accumulated depreciation	1,712	1,639
Net property, plant and equipment	1,338	1,427
Goodwill - Note H	1,312	1,430
Intangibles - Note H	963	1,099
Operating lease assets, net - Note K	107	124
Restricted investments - Note F	313	384
Asbestos insurance receivable (b) - Notes A and N	138	134
Deferred income taxes - Note L	20	30
Other assets - Note J	254	267
Total noncurrent assets	4,445	4,895
Total assets	\$ 6,213	\$ 6,612
Liabilities and Equity		
Current liabilities		
Short-term debt - Note I	\$ —	\$ 365
Current portion of long-term debt	—	9
Trade and other payables	265	236
Accrued expenses and other liabilities	269	251
Current operating lease obligations - Note K	19	23
Current liabilities held for sale - Note C	—	50
Total current liabilities	553	934
Noncurrent liabilities		
Long-term debt - Note I	1,270	1,596
Asbestos litigation reserve - Note N	472	490
Deferred income taxes - Note L	176	237
Employee benefit obligations - Note M	103	144
Operating lease obligations - Note K	94	110
Other liabilities - Note J	325	349
Total noncurrent liabilities	2,440	2,926
Commitments and contingencies - Notes K and N		
Equity - Notes O and P		
Common stock, par value \$.01 per share, 200 million shares authorized	1	1
Issued 54 million and 57 million shares in 2022 and 2021		
Paid-in capital	135	327
Retained earnings	3,653	2,796
Accumulated other comprehensive loss	(569)	(372)
Total equity	3,220	2,752
Total liabilities and equity	\$ 6,213	\$ 6,612

(a) Accounts receivable includes an allowance for credit losses of \$4 million and \$3 at September 30, 2022 and 2021, respectively

(b) Asbestos insurance receivable includes an allowance for credit losses of \$3 million at both September 30, 2022 and 2021.

See Notes to Consolidated Financial Statements.

Ashland Inc. and Consolidated Subsidiaries
Statements of Consolidated Equity

(In millions)	Common stock	Paid-in capital	Retained earnings	Accumulated other comprehensive income (loss) (a)	Total
Balance at September 30, 2019	\$ 1	\$ 756	\$ 3,224	\$ (410)	\$ 3,571
Total comprehensive income (loss)					
Net loss			(508)		(508)
Other comprehensive income				27	27
Dividends, \$1.10 per common share			(67)		(67)
Compensation expense and common shares issued					
under stock incentive and other plans (c) (d)		13			13
Balance at September 30, 2020	1	769	2,649	(383)	3,036
Adoption of new accounting pronouncements (b)			(2)		(2)
Total comprehensive income					
Net income			220		220
Other comprehensive income				11	11
Dividends, \$1.15 per common share			(71)		(71)
Compensation expense and common shares issued					
under stock incentive and other plans (c) (d)		8			8
Repurchase of common stock (e)		(450)			(450)
Balance at September 30, 2021	1	327	2,796	(372)	2,752
Total comprehensive income (loss)					
Net income			927		927
Other comprehensive loss				(197)	(197)
Dividends, \$1.27 per common share			(70)		(70)
Compensation expense and common shares issued					
under stock incentive and other plans (c) (d)		8			8
Repurchase of common stock (e)		(200)			(200)
Balance at September 30, 2022	\$ 1	\$ 135	\$ 3,653	\$ (569)	\$ 3,220

- (a) At September 30, 2022 and 2021, the accumulated other comprehensive loss of \$569 million and \$372 million, respectively, was comprised of net unrealized translation losses of \$571 million and \$374 million, respectively, unrecognized prior service costs as a result of certain employee benefit plan amendments of \$1 million and \$2 million, respectively, and unrealized gains on commodity hedges of \$3 million and \$4 million, respectively.
- (b) Represents the cumulative-effect adjustment related to the adoption of the new guidance related to the measurement of credit losses on financial instruments during fiscal 2021. See note A for more information.
- (c) Includes income tax expense resulting from the exercise of stock appreciation rights of zero in a 2022, and \$1 million each in 2021 and 2020.
- (d) Common shares issued were 168,270, 183,281, and 391,180 for 2022, 2021 and 2020, respectively.
- (e) Common shares repurchased were 2,853,312 for 2022 and 3,922,423 for 2021.
- See Notes to Consolidated Financial Statements.

Ashland Inc. and Consolidated Subsidiaries
Statements of Consolidated Cash Flows
Years Ended September 30

(In millions)	2022	2021	2020
Cash flows provided (used) by operating activities from continuing operations			
Net income (loss)	\$ 927	\$ 220	\$ (508)
Income from discontinued operations (net of tax)	(746)	(47)	(47)
Adjustments to reconcile income from continuing operations to cash flows from operating activities			
Depreciation and amortization	241	244	235
Original issue discount and debt issuance cost amortization	7	7	15
Deferred income taxes	(35)	(26)	(42)
Distributions from equity affiliates	—	1	1
Gain from sales of property and equipment	—	(4)	—
Stock based compensation expense - Note P	18	15	14
Excess tax benefits on stock based compensation	1	2	1
Loss on early retirement of debt	—	16	59
Loss (income) from restricted investments	86	(33)	(30)
Income on acquisitions and divestitures - Notes B and C	(42)	(15)	(3)
Impairments	—	13	530
Pension contributions	(5)	(8)	(6)
Loss (gain) on pension and other postretirement plan remeasurements	(22)	1	(1)
Change in operating assets and liabilities (a)	(237)	80	9
Total cash flows provided by operating activities from continuing operations	193	466	227
Cash flows provided (used) by investing activities from continuing operations			
Additions to property, plant and equipment	(113)	(105)	(133)
Proceeds from disposal of property, plant and equipment	51	5	5
Purchase of operations - net of cash acquired	—	(309)	—
Proceeds from sale or restructuring of operations	—	14	9
Proceeds from settlement of Company-owned life insurance contracts	3	91	8
Company-owned life insurance payments	(4)	(6)	(6)
Net purchases of funds restricted for specific transactions	(74)	(91)	(3)
Reimbursement from restricted investments	35	33	35
Proceeds from sale of securities	87	149	21
Purchase of securities	(87)	(149)	(21)
Proceeds from the settlement of derivative instruments	—	1	—
Total cash flows used by investing activities from continuing operations	(102)	(367)	(85)
Cash flows provided (used) by financing activities from continuing operations			
Proceeds from issuance of long-term debt	—	450	804
Repayment of long-term debt	(250)	(411)	(767)
Premium on long-term debt repayment	—	(16)	(59)
Proceeds from (repayment of) short-term debt	(365)	84	115
Repurchase of common stock	(200)	(450)	—
Debt issuance costs	(2)	(6)	(11)
Cash dividends paid	(70)	(70)	(66)
Stock based compensation employee withholding taxes paid in cash	(9)	(7)	(7)
Total cash flows provided (used) by financing activities from continuing operations	(896)	(426)	9
Cash provided (used) by continuing operations	(805)	(327)	151
Cash provided (used) by discontinued operations			
Operating cash flows	(406)	94	(24)
Investing cash flows	1,658	(14)	93
Total cash provided (used) by discontinued operations	1,252	80	69
Effect of currency exchange rate changes on cash and cash equivalents	(11)	3	2
Increase (decrease) in cash and cash equivalents	436	(244)	222
Cash and cash equivalents - beginning of year	210	454	232
Cash and cash equivalents - end of year	\$ 646	\$ 210	\$ 454
Changes in assets and liabilities (a)			
Accounts receivable	\$ (23)	\$ 72	\$ 2
Inventories	(141)	41	64
Trade and other payables	34	3	(46)
Other assets and liabilities	(107)	(36)	(11)
Change in operating assets and liabilities	\$ (237)	\$ 80	\$ 9
Supplemental disclosures			
Interest paid	\$ 56	\$ 62	\$ 77
Income taxes paid (including discontinued operations)	406	1	91

(a) Excludes changes resulting from operations acquired or sold.
See Notes to Consolidated Financial Statements.

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation and basis of presentation

The accompanying Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and U.S. Securities and Exchange Commission (SEC) regulations. The Consolidated Financial Statements include the accounts of Ashland Inc. (Ashland) (formerly Ashland Global Holdings Inc.) and its majority owned subsidiaries and, when applicable, entities for which Ashland has a controlling financial interest or is the primary beneficiary. Investments in joint ventures and 20% to 50% owned affiliates where Ashland has the ability to exert significant influence are accounted for under the equity method. All intercompany transactions and balances have been eliminated. Additionally, certain prior period data, primarily related to discontinued operations, have been reclassified in the Consolidated Financial Statements and accompanying notes to conform to the current period presentation.

Ashland is comprised of the following reportable segments: Life Sciences, Personal Care, Specialty Additives and Intermediates. Unallocated and Other includes corporate governance activities and certain legacy matters. See Note R for more information.

Use of estimates, risks and uncertainties

The preparation of Ashland's Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosures of contingent assets and liabilities. Significant items that are subject to such estimates and assumptions include, but are not limited to, environmental remediation, asbestos litigation, the accounting for goodwill and other intangible assets and income taxes. Although management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, actual results could differ significantly from the estimates under different assumptions or conditions.

Ashland's results are affected by domestic and international economic, political, legislative, regulatory and legal actions. Economic conditions, such as recessionary trends, inflation, interest and monetary exchange rates, government fiscal policies and changes in the prices of certain key raw materials, can have a significant effect on operations. While Ashland maintains reserves for anticipated liabilities and carries various levels of insurance, Ashland could be affected by civil, criminal, regulatory or administrative actions, claims or proceedings relating to asbestos, environmental remediation or other matters.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid investments maturing within three months after purchase.

Allowance for credit losses on accounts receivable

Effective with the October 1, 2020 adoption of ASU 2016-13, "Financial Instruments - Credit Losses" (Topic 326), Ashland records an allowance for credit losses using the expected credit loss model. Ashland estimates expected credit losses based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. When measuring expected credit losses, Ashland pools assets with similar country risk and credit risk characteristics. Each period the allowance for credit losses is adjusted through earnings to reflect expected credit losses over the remaining lives of the assets.

A progression of activity in the allowance for credit losses is presented in the following table.

(In millions)	2022	2021	2020
Allowance for credit losses - beginning of year	\$ 3	\$ 3	\$ 3
Adjustments to allowances for credit losses	2	1	2
Reserves utilized	(1)	(1)	(2)
Allowance for credit losses - end of year	<u>\$ 4</u>	<u>\$ 3</u>	<u>\$ 3</u>

Inventories

Inventories are carried at the lower of cost or net realizable value. Inventories are stated at cost using the weighted-average cost method. This method values inventories using average costs for raw materials and most recent production costs for labor and overhead.

The following summarizes Ashland's inventories as of the Consolidated Balance Sheet dates.

(In millions)	2022	2021
Finished products	\$ 391	\$ 282
Raw materials, supplies and work in process	238	191
	<u>\$ 629</u>	<u>\$ 473</u>

A progression of activity in the inventory reserves, which reduce the amounts of finished products and raw materials, supplies and work in process reported, is presented in the following table.

(In millions)	2022	2021	2020
Inventory reserves - beginning of year	\$ 13	\$ 16	\$ 19
Adjustments to inventory reserves	3	2	3
Reserves utilized	(3)	(5)	(6)
Inventory reserves - end of year	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ 16</u>

Property, plant and equipment

The cost of property, plant and equipment is depreciated by the straight-line method over the estimated useful lives of the assets. Buildings are depreciated principally over 12 to 35 years and machinery and equipment principally over 2 to 25 years. Such costs are periodically reviewed for recoverability when impairment indicators are present. Such indicators include, among other factors, operating losses, unused capacity, market value declines and technological obsolescence. Recorded values of asset groups of property, plant and equipment that are not expected to be recovered through undiscounted future net cash flows are written down to current fair value, which generally is determined from estimated discounted future net cash flows (assets held for use) or net realizable value (assets held for sale). See Note G for additional information related to property, plant and equipment.

Leasing arrangements

Ashland determines if an arrangement contains a lease at inception based on whether or not it has the right to control the asset during the contract period and other facts and circumstances.

Operating lease right-of-use assets represent Ashland's right to use an underlying asset for the lease term and lease liabilities represent Ashland's obligation to make lease payments arising from the lease, both of which are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. Leases with a lease term of 12 months or less at inception are not recorded within the Consolidated Balance Sheet and are expensed on a straight-line basis over the lease term within the Statements of Consolidated Comprehensive Income (Loss). The lease term is determined by assuming the exercise of renewal options that are reasonably certain. As most leases do not provide an implicit interest rate, Ashland used its incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. When contracts contain lease and non-lease components, Ashland generally accounts for both components as a single lease component.

For additional information, see Note K for additional information on leasing arrangements.

Goodwill and other intangibles

Ashland tests goodwill and other indefinite-lived intangible assets for impairment annually as of July 1 and when events and circumstances indicate an impairment may have occurred. Ashland reviews goodwill for impairment based on its identified reporting units. Ashland determined that its reporting units are Life Sciences, Personal Care, Specialty Additives and Intermediates. Ashland tests goodwill for impairment by comparing the carrying value to the estimated fair value of its reporting units. If the fair value of the reporting unit is lower than its carrying amount, goodwill is written down for the amount by which the carrying amount exceeds the fair value. However, the loss recognized cannot exceed the carrying amount of goodwill.

Using the quantitative approach, Ashland makes various estimates and assumptions in determining the estimated fair value of each reporting unit using a combination of discounted cash flow models and valuations based on earnings multiples for guideline public companies in each reporting unit's industry peer group, when externally quoted market prices are not readily available. Discounted cash flow models are reliant on various assumptions, including projected business results, long-term growth factors and weighted-average cost of capital. Management judgement is involved in estimating these variables, and they include uncertainties since they are forecasting future events. Ashland performs sensitivity analyses by using a range of inputs to confirm the reasonableness of the long-term growth rate and weighted average cost of capital. Additionally, Ashland compares the indicated equity value to Ashland's market capitalization and evaluates the resulting implied control premium/discount to determine if the estimated enterprise value is reasonable compared to external market indicators.

Ashland tests at least annually its indefinite-lived intangible assets, principally trademarks and trade names. If the carrying value of an individual indefinite-lived intangible asset exceeds its fair value, such individual indefinite-lived intangible asset is written down by an amount equal to such excess. Ashland performs a quantitative impairment test for the trademarks and trade names during which, trademarks and trade names are valued using a "relief-from-royalty" valuation method compared to the carrying value. Assumptions inherent in the valuation methodologies include, but are not limited to, such estimates as future projected business results, growth rates, the weighted-average cost of capital for a market participant, and royalty and discount rates.

Finite-lived intangible assets principally consist of certain trademarks and trade names, intellectual property, and customer lists. These intangible assets are amortized on a straight-line basis over their estimated useful lives. The cost of trademarks and trade names is amortized principally over 3 to 20 years, intellectual property over 3 to 20 years and customer and supplier relationships over 10 to 24 years. Ashland reviews finite-lived intangible assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Ashland monitors these changes and events on at least a quarterly basis. The intangibles amortization expense caption within the Statement of Consolidated Comprehensive Income (Loss) includes amortization expense related to trademarks and trade names, intellectual property and customer and supplier relationships. Intangible assets classified as finite are amortized on a straight-line basis over their estimated useful lives. For further information on goodwill and other intangible assets, see Note H.

Derivative instruments

Ashland regularly uses derivative instruments to manage its exposure to fluctuations in foreign currencies and certain commodities. All derivative instruments are recognized as either assets or liabilities on the balance sheet and are measured at fair value. Changes in the fair value of all derivatives are recognized immediately in the Statements of Consolidated Comprehensive Income (Loss) unless the derivative qualifies as a hedge of future cash flows or a hedge of a net investment in a foreign operation. Gains and losses related to an instrument that qualifies for hedge accounting are either recognized in the Statements of Consolidated Comprehensive Income (Loss) immediately to offset the gain or loss on the hedged item, or deferred and recorded in the stockholders' equity section of the Consolidated Balance Sheets as a component of accumulated other comprehensive income and subsequently recognized in the Statements of Consolidated Comprehensive Income (Loss) when the hedged item affects net income. For additional information on derivative instruments, see Note F.

Restricted investments

On January 13, 2015, Ashland and Hercules LLC (formerly Hercules Incorporated), an indirect wholly-owned subsidiary of Ashland that was acquired in fiscal 2009, entered into a comprehensive settlement agreement related to certain insurance coverage for asbestos bodily injury claims with Underwriters at Lloyd's, certain London companies and Chartis (AIG) member companies, along with National Indemnity Company and Resolute Management, Inc., under which Ashland and Hercules received a total of \$398 million (the January 2015 asbestos insurance settlement). During 2015, Ashland placed \$335 million of the settlement funds into a renewable annual trust for asbestos (Asbestos trust) that Ashland determined is restricted for the purpose of paying ongoing and future litigation defense and claim settlement costs incurred in conjunction with asbestos claims. These funds are presented primarily as noncurrent assets within the restricted investments caption of the Consolidated Balance Sheets, with \$27 million classified within other current assets in the Consolidated Balance Sheets as of September 30, 2022 and 2021.

As of September 30, 2022 and 2021, the funds within the Asbestos trust had a balance of \$245 million and \$333 million, respectively, and were primarily invested in public equity, U.S. government bonds and investment grade corporate bond investments with a portion maintained in demand deposits.

On September 8, 2021, Ashland established a renewable annual trust for environmental remediation (Environmental trust) that Ashland determined is restricted for ongoing and future environmental remediation and related litigation costs. These funds are presented primarily as noncurrent assets within the restricted investments caption of the Consolidated Balance Sheets, with \$34 million and \$10 million classified within other current assets in the Consolidated Balance Sheets as of September 30, 2022 and 2021, respectively. As of September 30, 2022 and 2021, the funds within the Environmental trust had a balance of \$129 million and \$88 million, respectively, and were primarily invested in public equity, U.S. government bonds and investment grade corporate bond investments with a portion maintained in demand deposits.

The funds within these trusts are classified as investment securities reported at fair value. Interest income and gains and losses on the investment securities are reported in the net interest and other expense caption in the Statements of Consolidated Comprehensive Income (Loss). See Note F for additional information regarding the fair value of these investments within the trusts.

Revenue recognition

Ashland's revenue is measured as the amount of consideration it expects to receive in exchange for transferring goods and is recognized when performance obligations are satisfied under the terms of contracts or purchase orders with customers. Ashland generally utilizes standardized language for the terms of contracts or purchase orders.

A performance obligation is deemed to be satisfied by Ashland when control of the product or service is transferred to the customer. The transaction price of a contract or purchase order, or the amount Ashland expects to receive upon satisfaction of all performance obligations, is determined by reference to the contract's terms. Ashland generally collects the cash from its customers within 60 days of the product delivery date. Sales and other similar taxes collected from customers on behalf of third parties are excluded from the contract price.

All of Ashland's revenue is derived from contracts or purchase orders with customers, and nearly all contracts or purchase orders with customers contain one performance obligation for the transfer of goods where such performance obligation is satisfied at a point in time. Control of a product is deemed to be transferred to the customer generally upon shipment or delivery. Costs for shipping and handling activities, whether performed before or after the customer obtains control of the goods, are accounted for as fulfillment costs when not reimbursed.

Costs incurred to obtain contracts with customers are not significant and are expensed immediately as the period of performance is generally one year or less. Ashland records credit losses in specific situations when it is determined that the customer is unable to meet its financial obligation.

Expense recognition

Cost of sales include material and production costs, as well as the costs of inbound and outbound freight, purchasing and receiving, inspection, warehousing, internal transfers and all other distribution network costs. Selling, general and administrative expense includes sales and marketing costs, advertising, customer support, environmental remediation, corporate and divisional administrative and other costs. Advertising costs (\$2 million in 2022, \$1 million in 2021 and \$2 million in 2020) and research and development costs (\$55 million in 2022, \$50 million in 2021 and \$56 million in 2020) are expensed as incurred.

Income taxes

Ashland is subject to income taxes in the United States and numerous foreign jurisdictions. The provision for income taxes includes income taxes paid, currently payable or receivable, and deferred taxes. Ashland recognizes the income tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Ashland evaluates and adjusts these accruals based on changing facts and circumstances. Deferred tax assets and liabilities are determined based on differences between financial reporting and tax basis of assets and liabilities, and are measured using enacted tax rates and laws that are expected to be in effect when the differences reverse. Deferred tax assets are also recognized for the estimated future effects of tax loss and credit carryforwards. The effect on deferred taxes of changes in tax rates is recognized in the period in which the enactment date occurs. Taxes due on future Global Intangible Low-Taxed Income (GILTI) inclusions in U.S. are recognized as a current period expense when incurred. Valuation allowances are established when necessary on a jurisdictional basis to reduce deferred tax assets to the amounts expected to be realized. In the event that the actual outcome of future tax consequences differs from Ashland's estimates and assumptions due to changes or future events such as tax legislation, geographic mix of earnings, completion of tax audits or earnings repatriation plans, the resulting change to the provision for income taxes could have a material effect on the Statements of Consolidated Comprehensive Income (Loss) and Consolidated Balance Sheets. For additional information on income taxes, see Note L.

A progression of activity in the tax valuation allowances is presented in the following table.

(In millions)	2022	2021	2020
Tax valuation allowances - beginning of year	\$ 74	\$ 75	\$ 83
Adjustments to valuation allowances	(19)	9	2
Reserves utilized	1	(10)	(10)
Tax valuation allowances - end of year	<u>\$ 56</u>	<u>\$ 74</u>	<u>\$ 75</u>

Asbestos-related litigation

Ashland is subject to liabilities from claims alleging personal injury caused by exposure to asbestos. Such claims result from indemnification obligations undertaken in 1990 in connection with the sale of Riley Stoker Corporation (Riley) and the acquisition of Hercules in November 2008. Although Riley, a former subsidiary, was neither a producer nor a manufacturer of asbestos, its industrial boilers contained some asbestos-containing components provided by other companies. Hercules, an indirect wholly-owned subsidiary of Ashland, has liabilities from claims alleging personal injury caused by exposure to asbestos. Such claims typically arise from alleged exposure to asbestos fibers from resin encapsulated pipe and tank products sold by one of Hercules' former subsidiaries to a limited industrial market.

Ashland retained Gnarus Advisors LLC (Gnarus) to assist in developing and annually updating independent reserve estimates for future asbestos claims and related costs given various assumptions. The methodology used to project future asbestos costs is based largely on Ashland's recent experience, including claim-filing and settlement rates, disease mix, open claims, and litigation defense. Ashland's claim experience is compared to the results of previously conducted epidemiological studies estimating the number of people likely to develop asbestos-related diseases. Those studies were undertaken in connection with national analyses of the population expected to have been exposed to asbestos. Using that information, Gnarus estimates a range of the number of future claims that may be filed, as well as the related costs that may be incurred in resolving those claims. Ashland records the amount it believes to be the best estimate of future payments for litigation defense and claim settlement costs using the results of a non-inflated, non-discounted approximate 40-year model. For additional information on asbestos-related litigation, see Note N.

Environmental remediation

Accruals for environmental remediation are recognized when it is probable a liability has been incurred and the amount of that liability can be reasonably estimated. Such costs are charged to expense if they relate to the remediation of conditions caused by past operations or are not expected to mitigate or prevent contamination from future operations. Accruals for environmental remediation reflect Ashland's estimates of the most likely costs that will be incurred over an extended period of time to remediate identified conditions for which costs are reasonably estimatable and probable of being incurred, without regard to any third-party recoveries, and are regularly adjusted as environmental assessments and remediation efforts continue. For additional information on environmental remediation, see Note N.

Pension and other postretirement benefits

The funded status of Ashland's pension and other postretirement benefit plans is recognized in the Consolidated Balance Sheets. The funded status is measured as the difference between the fair value of plan assets and the benefit obligation at September 30, the measurement date. For defined benefit pension plans, the benefit obligation is the projected benefit obligation (PBO) and for the other postretirement benefit plans, the benefit obligation is the accumulated postretirement benefit obligation (APBO). The PBO represents the actuarial present value of benefits expected to be paid upon retirement based on estimated future compensation levels. The APBO represents the actuarial present value of postretirement benefits attributed to employee services already rendered. The measurement of the benefit obligation is based on Ashland's estimates and actuarial valuations. These valuations reflect the terms of the plans and use participant-specific information such as compensation, age and years of service, as well as certain assumptions that require judgment, including, but not limited to, estimates of discount rates, rate of compensation increases, interest rates and mortality rates. The fair value of plan assets represents the current market value of assets held by an irrevocable trust fund for the sole benefit of participants. For additional information regarding plan assumptions and the current financial position of the pension and other postretirement plans, see Note M.

Ashland recognizes the change in the fair value of plan assets and net actuarial gains and losses annually in the fourth quarter of each fiscal year and whenever a plan is determined to qualify for a remeasurement. The remaining components of pension and other postretirement benefits expense are recorded ratably on a quarterly basis. Pension and other postretirement benefits adjustments charged directly to cost of sales that are applicable to inactive participants are excluded from inventoriable costs. The service cost component of pension and other postretirement benefits costs is allocated to each reportable segment on a ratable basis; while the remaining components of pension and other postretirement benefits costs are recorded within the other net periodic benefit income (costs) caption on the Statements of Consolidated Comprehensive Income (Loss).

Foreign currency translation

Operations outside the United States are measured primarily using the local currency as the functional currency. Upon consolidation, the results of operations of the subsidiaries and affiliates whose functional currency is other than the U.S. dollar are translated into U.S. dollars at the average exchange rates for the year while assets and liabilities are translated at year-end exchange rates. Adjustments to translate assets and liabilities into U.S. dollars are recorded in the stockholders' equity section of the Consolidated Balance Sheets as a component of accumulated other comprehensive income (loss) and are included in net earnings only upon sale or substantial liquidation of the underlying foreign subsidiary or affiliated company.

Stock incentive plans

Ashland recognizes compensation expense for stock incentive plans awarded to key employees and directors, primarily in the form of stock appreciation rights (SARs), restricted stock and restricted stock units, performance shares and other non-vested stock awards, that are generally based upon the grant-date fair value over the appropriate vesting period. Ashland utilizes several industry accepted valuation models to determine the fair value. For further information concerning stock incentive plans, see Note P.

Earnings per share

The following is the computation of basic and diluted earnings per share (EPS) from continuing operations attributable to Ashland. Earnings per share are reported under the treasury stock method. SARs and warrants for each reported year whose grant price was greater than the market price of Ashland Common Stock at the end of each fiscal year were not included in the computation of earnings per share from continuing operations per diluted share because the effect of these instruments would be antidilutive. The total number of these shares outstanding was 1.2 million for 2022, 1.2 million for 2021 and 1.7 million for 2020.

(In millions except per share data)	2022	2021	2020
Numerator			
Numerator for basic and diluted EPS - Income (loss) from continuing operations, net of tax	\$ 181	\$ 173	\$ (555)
Denominator			
Denominator for basic EPS - Weighted-average common shares outstanding	55	60	61
Share based awards convertible to common shares (a)	1	1	—
Denominator for diluted EPS - Adjusted weighted - average shares and assumed conversions	56	61	61
EPS from continuing operations			
Basic	\$ 3.26	\$ 2.85	\$ (9.16)
Diluted	3.20	2.82	(9.16)

(a) As a result of the loss from continuing operations for 2020, the effect of approximately one million share-based awards convertible to common shares would be antidilutive. In accordance with US GAAP, they have been excluded from the diluted EPS calculation.

Other accounting pronouncements

In June 2016, the FASB issued amended accounting guidance related to the measurement of credit losses on financial instruments. The amended accounting guidance changes the impairment model for most financial assets to require measurement and recognition of expected credit losses for financial assets held. This guidance became effective for Ashland on October 1, 2020. As a result, Ashland recorded a \$3 million increase in its allowance for credit losses, primarily related to asbestos receivables, and a \$2 million decrease to retained earnings, net of tax, reflecting the cumulative effect on retained earnings. Under the new expected credit loss model, Ashland records an allowance for credit losses inherent in its receivables from revenue transactions and reinsurance recoverables. The allowance for credit losses is a valuation account deducted from the amortized cost basis of the assets to present their net carrying value at the amount expected to be collected. Ashland estimates expected credit losses based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. When measuring expected credit losses, Ashland pools assets with similar country risk and credit risk characteristics. Each period the allowance for credit losses is adjusted through earnings to reflect expected credit losses over the remaining lives of the assets. No significant credit losses were incurred in 2022 and 2021.

NOTE B – ACQUISITIONS

Personal Care acquisition

On April 30, 2021, Ashland completed its acquisition of the personal care business of Schülke & Mayr GmbH (Schülke), a portfolio company of the global investment organization EQT. Ashland has included the purchase of this business within the Personal Care reporting segment.

Purchase price allocation

The acquisition was recorded by Ashland using the purchase method of accounting in accordance with applicable U.S. GAAP whereby the total purchase price was allocated to tangible and intangible assets acquired and liabilities assumed based on respective fair values.

The all-cash purchase price of Schülke was \$312 million. Ashland incurred acquisition related transaction cost of \$4 million during the twelve months ended September 30, 2021, which are recorded within the income on acquisitions and divestitures caption within the Statement of Consolidated Comprehensive Income (Loss). Within this same caption, Ashland recognized income of \$1 million during the year ended September 30, 2021, associated with gains on foreign derivative exchange contracts entered into to mitigate the exposure of the Euro dominated purchase price. The following table summarizes the finalized values of the assets acquired and liabilities assumed at the date of acquisition.

Purchase price allocation (in millions)	At April 30, 2021 As Adjusted
Assets:	
Cash and cash equivalents	\$ 3
Accounts receivable	6
Inventories	12
Net property, plant and equipment	3
Goodwill	131
Intangibles	183
Liabilities:	
Trade and other payables	(3)
Deferred income taxes	(17)
Employee benefit obligations	(6)
Total purchase price (a)	<u>\$ 312</u>

(a) Total purchase price less acquired cash and cash equivalents was \$309 million.

Goodwill was calculated as the excess of the consideration transferred over the net assets recognized and represents the estimated future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. The factors contributing to the recognition of goodwill were based on strategic and synergistic benefits expected to be realized from the acquisition. A portion of the goodwill associated with foreign asset deal entities is expected to be deductible for income tax purposes.

Intangible assets identified

The purchase price allocation included \$183 million of certain definite-lived intangible assets which are being amortized over the estimated useful life in proportion to the economic benefits consumed. The determination of the useful lives is based upon various industry studies, historical acquisition experience, economic factors, and future cash flows of the combined company. In addition, Ashland reviewed certain technological trends and also considered the relative stability and retention rates in the current Schülke personal care customer base.

The following details the total intangible assets identified as of April 30, 2021.

Intangible asset type (in millions)	Value	Weighted-average amortization period (years)
Trademarks and trade names	\$ 41	20
Intellectual property	24	8
Customer and supplier relationships	118	20
Total	<u>\$ 183</u>	

NOTE C – DIVESTITURES

Performance Adhesives

On February 28, 2022, Ashland completed the sale of its Performance Adhesives business to Arkema, a French société anonyme. Proceeds from the sale were approximately \$1.7 billion, net of transaction costs. Ashland recognized a \$726 million after-tax gain on sale within the Income (loss) from Discontinued Operations caption of the Statements of Consolidated Comprehensive Income (Loss) for the twelve months ended September 30, 2022.

The transaction represented a strategic shift in Ashland's business and had a major effect on Ashland's operations and financial results. Accordingly, the operating results and cash flows related to Performance Adhesives have been reflected as discontinued operations in the Statements of Consolidated Comprehensive Income (Loss) and Statements of Consolidated Cash Flows, while the assets and liabilities that were sold have been classified within the Consolidated Balance Sheets as held for sale in periods preceding the sale. See Note D for the results of operations for Performance Adhesives for all periods presented.

Certain indirect corporate costs included within the selling, general and administrative expense caption of the Statements of Consolidated Comprehensive Income (Loss) that were previously allocated to the Performance Adhesives segment do not qualify for classification within discontinued operations and are now reported as selling, general and administrative expense within continuing operations on a consolidated basis and within the Unallocated and other segment. These costs were \$9 million, \$15 million and \$20 million during the twelve months ended September 30, 2022, 2021 and 2020 respectively.

Maleic

On September 30, 2020, Ashland completed the sale of its Maleic business to AOC Materials LLC (AOC). Net proceeds from the sale were approximately \$98 million. As a result of the sale, Ashland recognized a \$29 million after-tax gain within the Statement of Consolidated Comprehensive Income (Loss) within the income from discontinued operations caption for the twelve months ended September 30, 2020.

Since the Maleic business was operated under the Composites business and Marl facility disposal group which signified a strategic shift in Ashland's business and had a major effect on Ashland's operations and financial results, the operating results and cash flows related to the Maleic business, have been reflected as discontinued operations in the Statements of Consolidated Comprehensive Income (Loss) and Statements of Consolidated Cash Flows. See Note D of the Notes to Consolidated Financial Statements for the results of operations for the Maleic business, for all periods presented.

Other manufacturing facility sales

During 2020, Ashland entered into a definitive sale agreement to sell a Specialty Additives facility, the assets and liabilities of which were classified as held for sale as of September 30, 2020. During 2021, Ashland completed the sale of the Specialty Additives facility. Net proceeds received from the sale were approximately \$20 million (\$14 million and \$6 million received during the twelve months September 30 2021 and 2020, respectively). The company recognized a pre-tax gain of \$14 million recorded within the income on acquisitions and divestitures caption in the Statements of Consolidated Comprehensive Income (Loss) for the twelve months ended September 30, 2021.

Ashland determined this transaction did not qualify for discontinued operations treatment since it did not represent a strategic shift that had or will have a major effect on Ashland's operations and financial results.

Other corporate assets

Ashland sometimes pursues to divest corporate assets, primarily related to land and buildings. When sales for these assets are expected to close within 12 months, they are classified as held for sale. During 2022, Ashland completed the sale of two excess land properties with a net book value of \$8 million as of September 30, 2021. Ashland received net proceeds of approximately \$50 million and recorded pre-tax gain of \$42 million within the income on acquisitions and divestitures caption within the Statement of Consolidated Comprehensive Income (Loss) for 2022. During 2020, Ashland completed the sale of an office building with a net book value of \$6 million and received net proceeds of \$5 million. As a result, Ashland recognized a loss of \$1 million before tax. The loss was reported within the income on acquisitions and divestitures caption within the Statement of Consolidated Comprehensive Income (Loss) for 2020

Held for sale classification

The assets and liabilities of the Performance Adhesives segment, along with other properties, have been reflected as assets and liabilities held for sale as described above. As a result, in accordance with U.S. GAAP standards, depreciation and amortization were not being recorded within the Statements of Consolidated Comprehensive Income (Loss) and the Consolidated Balance Sheets. There were no assets classified as held for sale as of September 30, 2022. These assets and liabilities were comprised of the following components as of September 30, 2021:

(In millions)	2021	
Accounts receivable, net	\$	26
Inventories		27
Net property, plant and equipment		80
Goodwill		453
Operating lease assets, net		10
Other assets		1
Current assets held for sale	\$	597
Trade and other payables	\$	33
Accrued expenses and other liabilities		7
Current operating lease obligations		1
Operating lease obligations		9
Current liabilities held for sale	\$	50

NOTE D – DISCONTINUED OPERATIONS

Ashland has divested certain businesses that have qualified as discontinued operations. The operating results from these divested businesses and subsequent adjustments related to ongoing assessments and activities of certain retained liabilities and tax items have been recorded within the discontinued operations caption in the Statements of Consolidated Comprehensive Income (Loss) for all periods presented and are discussed further within this note.

As previously described in Note C, Ashland completed the sale of its Performance Adhesives segment to Arkema during 2022. Ashland determined that this disposal group qualified as a discontinued operation, in accordance with U.S. GAAP, since it represents a strategic shift for Ashland and had a major effect on Ashland's operations and financial results. Accordingly, the operating results and cash flows for the Performance Adhesives segment have been classified as discontinued operations within the Consolidated Financial Statements for all periods presented.

Ashland has completed the previously announced sale its Maleic business to AOC during 2020. Ashland determined that this business (which was part of the Composites and the Marl facility disposal group) qualified as a discontinued operation, in accordance with U.S. GAAP, since it represents a strategic shift for Ashland and had a major effect on Ashland's operations and financial results. Accordingly, the operating results and cash flows for the Maleic business have been classified as discontinued operations within the Consolidated Financial Statements for all periods presented.

During 2019, Ashland completed the sale of the Composites business and Marl facility. Ashland determined that this sale qualifies as a discontinued operation, in accordance with U.S. GAAP, since Ashland does not have significant continuing involvement in the Composites business. Ashland has made subsequent adjustments to the discontinued operations caption related to this sale.

During 2017, Ashland completed the separation of Valvoline Inc. (Valvoline). Ashland determined that this sale qualified as a discontinued operation, in accordance with U.S. GAAP, since Ashland does not have significant continuing involvement in the Valvoline business. Ashland has made subsequent adjustments to the discontinued operations caption related to the separation.

During 2014, Ashland completed the sale of the Ashland Water Technologies (Water Technologies) business. Ashland determined that this sale qualified as a discontinued operation, in accordance with U.S. GAAP, since Ashland does not have significant continuing involvement in the Water Technologies business. Ashland has made subsequent adjustments to the discontinued operations caption related to the sale.

During 2011, Ashland completed the sale of substantially all of the assets and certain liabilities of its global distribution business, which previously comprised the Ashland Distribution (Distribution) reportable segment. Ashland determined that this sale qualified as a discontinued

operation, in accordance with U.S. GAAP, since Ashland does not have significant continuing involvement in the Distribution business. Ashland has made subsequent adjustments to the discontinued operations caption related to the sale.

Ashland is subject to liabilities from claims alleging personal injury caused by exposure to asbestos. Such claims result primarily from indemnification obligations undertaken in 1990 in connection with the sale of Riley Stoker Corporation (Riley), a former subsidiary, which qualified as a discontinued operation and from the acquisition during 2009 of Hercules LLC (formerly Hercules Incorporated), an indirect wholly-owned subsidiary of Ashland. Adjustments to the recorded litigation reserves and related insurance receivables are recorded within the discontinued operations caption. See Note N for more information related to the adjustments on asbestos liabilities and receivables.

Due to the ongoing assessment of certain matters associated with previous divestitures, subsequent adjustments to these divestitures may continue in future periods in the discontinued operations caption in the Statements of Consolidated Comprehensive Income (Loss). Components of amounts reflected in the Statements of Consolidated Comprehensive Income (Loss) related to discontinued operations are presented in the following table for each of the years ended September 30.

(In millions)	2022	2021	2020
Income (loss) from discontinued operations			
Performance Adhesives	\$ 33	\$ 83	\$ 74
Composites/Marl facility (including Maleic)	—	(1)	9
Valvoline	(7)	(33)	(24)
Water Technologies	5	(4)	—
Distribution	(9)	(6)	(10)
Asbestos-related litigation	(17)	(11)	(18)
Gain on disposal of discontinued operations			
Performance Adhesives	1,063	—	—
Composites/Marl facility (including Maleic)	—	(4)	37
Water Technologies	—	1	—
Income before taxes	1,068	25	68
Income tax benefit (expense)			
Benefit (expense) related to income (loss) from discontinued operations			
Performance Adhesives	8	(19)	(10)
Composites/Marl facility (including Maleic)	2	1	(5)
Valvoline	1	36	—
Water Technologies	(1)	1	—
Distribution	2	1	2
Asbestos-related litigation	3	2	—
Expense related to gain on disposal of discontinued operations			
Performance Adhesives	(337)	—	—
Composites/Marl facility (including Maleic)	—	—	(8)
Income from discontinued operations (net of taxes)	\$ 746	\$ 47	\$ 47

Performance adhesives divestiture

The following table presents a reconciliation of the captions within Ashland's Statements of Consolidated Income (Loss) for the income from discontinued operations attributable to the Performance Adhesives segment for each of the years ended September 30.

(In millions)	2022	2021	2020
Income(loss) from discontinued operations attributable to Performance Adhesives			
Sales	\$ 171	\$ 372	\$ 310
Cost of sales	(122)	(256)	(202)
Selling, general and administrative expense	(12)	(25)	(24)
Research and development expense	(4)	(8)	(8)
Intangible amortization expense	—	(1)	(1)
Pretax operating income of discontinued operations	33	82	75
Other net periodic benefit income (loss)	—	1	(1)
Pretax income of discontinued operations	33	83	74
Income tax expense	8	(19)	(10)
Income from discontinued operations	<u>\$ 41</u>	<u>\$ 64</u>	<u>\$ 64</u>

Composites and Marl divestiture

The following table presents a reconciliation of the captions within Ashland's Statements of Consolidated Income (Loss) for the income from discontinued operations attributable to the Maleic business for 2020. The Maleic business, which was sold during 2020 to AOC, was operated under the Composites business and Marl facility disposal group, and is therefore reported in discontinued operations. No items were reportable for this table during 2022 and 2021.

(In millions)	2020
Income(loss) from discontinued operations attributable to Composites/Marl facility disposal group	
Sales	\$ 51
Cost of sales	(35)
Selling, general and administrative expense	(9)
Equity and other income	2
Pretax income of discontinued operations	9
Income tax expense	(5)
Income from discontinued operations	<u>\$ 4</u>

NOTE E – RESTRUCTURING ACTIVITIES

Company-wide restructuring activities

Ashland periodically implements company-wide restructuring programs related to acquisitions, divestitures and other cost reduction programs in order to enhance profitability through streamlined operations and an improved overall cost structure.

Fiscal 2020 restructuring costs

During 2022, 2021 and 2020, Ashland incurred severance income of \$2 million, \$1 million and expense of \$51 million, respectively, attributable to executive management changes and business management changes within the organization initiated in fiscal 2020. As of September 30, 2022 and 2021, the severance reserves associated with this transition were \$1 million and \$6 million, respectively.

The following table details at September 30, 2022 and 2021, the amount of restructuring severance reserves related to this program. The severance reserves were primarily recorded within accrued expenses and other liabilities in the Consolidated Balance Sheet as of September 30, 2022 and 2021.

(In millions)	Severance costs	
Balance as of September 30, 2020	\$	39
Restructuring reserve		(1)
Utilization (cash paid)		(32)
Balance as of September 30, 2021	\$	6
Restructuring reserve		(2)
Utilization (cash paid)		(3)
Balance as of September 30, 2022	\$	1

Impairments

During 2021, Ashland incurred \$3 million of asset impairment charges related to restructuring activities at a plant originating from the shutdown of a product line recorded within the cost of sales caption of the Statements of Consolidated Comprehensive Income (Loss). In addition, Ashland incurred a \$10 million capital project impairment recorded within the selling, general and administrative expense caption of the Statements of Consolidated Comprehensive Income (Loss).

NOTE F – FAIR VALUE MEASUREMENTS

As required by U.S. GAAP, Ashland uses applicable guidance for defining fair value, the initial recording and periodic remeasurement of certain assets and liabilities measured at fair value and related disclosures for instruments measured at fair value. Fair value accounting guidance establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). An instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement. The three levels within the fair value hierarchy are described as follows.

Level 1 – Observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 – Unobservable inputs for the asset or liability for which there is little, if any, market activity at the measurement date. Unobservable inputs reflect Ashland's own assumptions about what market participants would use to price the asset or liability. The inputs are developed based on the best information available in the circumstances, which might include Ashland's own financial data such as internally developed pricing models, discounted cash flow methodologies, as well as instruments for which the fair value determination requires significant management judgment.

For assets that are measured using quoted prices in active markets (Level 1), the total fair value is the published market price per unit multiplied by the number of units held without consideration of transaction costs. Assets and liabilities that are measured using significant other observable inputs (Level 2) are primarily valued by reference to quoted prices of similar assets or liabilities in active markets, adjusted for any terms specific to that asset or liability. For all other assets and liabilities for which unobservable inputs are used (Level 3), fair value is derived through the use of fair value models, such as a discounted cash flow model or other standard pricing models that Ashland deems reasonable.

The following table summarizes financial instruments subject to recurring fair value measurements as of September 30, 2022. For additional information on fair value hierarchy measurements of pension plan asset holdings, see Note M.

(In millions)	Carrying value	Total fair value	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Assets					
Cash and cash equivalents	\$ 646	\$ 646	\$ 646	\$ —	\$ —
Restricted investments (a) (b)	374	374	374	—	—
Investments of captive insurance company (c)	9	9	9	—	—
Foreign currency derivatives (d)	1	1	—	1	—
Commodity derivatives (d)	4	4	—	4	—
Total assets at fair value	\$ 1,034	\$ 1,034	\$ 1,029	\$ 5	\$ —
Liabilities					
Foreign currency derivatives (e)	\$ 9	\$ 9	\$ —	\$ 9	\$ —
Commodity derivatives (e)	1	1	—	1	—
Total liabilities at fair value	\$ 10	\$ 10	\$ —	\$ 10	\$ —

- (a) Included in restricted investments and \$61 million within other current assets in the Consolidated Balance Sheets.
(b) Includes \$245 million related to the Asbestos trust and \$129 million related to the Environmental trust. See Note A for additional details.
(c) Included in other noncurrent assets in the Consolidated Balance Sheets.
(d) Included in accounts receivable in the Consolidated Balance Sheets.
(e) Included in accrued expenses and other liabilities in the Consolidated Balance Sheets.

The following table summarizes financial instruments subject to recurring fair value measurements as of September 30, 2021.

(In millions)	Carrying value	Total fair value	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Assets					
Cash and cash equivalents	\$ 210	\$ 210	\$ 210	\$ —	\$ —
Restricted investments (a) (b)	421	421	421	—	—
Investments of captive insurance company (c)	8	8	8	—	—
Foreign currency derivatives	1	1	—	1	—
Commodity derivatives (d)	5	5	—	5	—
Total assets at fair value	\$ 645	\$ 645	\$ 639	\$ 6	\$ —
Liabilities					
Foreign currency derivatives (e)	\$ 2	\$ 2	\$ —	\$ 2	\$ —

- (a) Included in restricted investments and \$37 million within other current assets in the Consolidated Balance Sheets.
(b) Includes \$333 million related to the Asbestos trust and \$88 million related to the Environmental trust. See Note A for additional details.
(c) Included in other noncurrent assets in the Consolidated Balance Sheets.
(d) Included in accounts receivable in the Consolidated Balance Sheets.
(e) Included in accrued expenses and other liabilities in the Consolidated Balance Sheets.

Restricted investments

As discussed in Note A, Ashland maintains certain investments in a company restricted renewable annual trusts for the purpose of paying future asbestos indemnity and defense costs and future environmental remediation and related litigation costs. The financial instruments are designated as investment securities, classified as Level 1 measurements within the fair value hierarchy. These securities were classified

primarily as noncurrent restricted investment assets, with \$61 million and \$37 million classified within other current assets, in the Consolidated Balance Sheets for the periods ended in September 30, 2022 and 2021, respectively.

The following table presents gross unrealized gains and losses for the restricted securities as of September 30, 2022 and 2021:

(In millions)	Adjusted Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
As of September 30, 2022				
Demand deposit	\$ 6	\$ —	\$ —	\$ 6
Equity mutual fund	186	20	(25)	181
Fixed income mutual fund	234	—	(47)	187
Fair value	<u>\$ 426</u>	<u>\$ 20</u>	<u>\$ (72)</u>	<u>\$ 374</u>
As of September 30, 2021				
Demand deposit	\$ 6	\$ —	\$ —	\$ 6
Equity mutual fund	143	44	(1)	186
Fixed income mutual fund	223	7	(1)	229
Fair value	<u>\$ 372</u>	<u>\$ 51</u>	<u>\$ (2)</u>	<u>\$ 421</u>

The following table presents the investment income, net gains and losses, funds restricted for specific transactions and disbursements related to the investments within the restricted investments portfolio during 2022, 2021 and 2020.

(In millions)	2022	2021	2020
Investment income	\$ 16	\$ 12	\$ 10
Net gains (losses)	(102)	21	20
Funds restricted for specific transactions	74	91	3
Disbursements	(35)	(33)	(35)

Foreign currency derivatives

Ashland conducts business in a variety of foreign currencies. Accordingly, Ashland regularly uses foreign currency derivative instruments to manage exposure on certain transactions denominated in foreign currencies to curtail potential earnings volatility effects of certain assets and liabilities, including short-term inter-company loans denominated in currencies other than Ashland's functional currency of an entity. These derivative contracts generally require exchange of one foreign currency for another at a fixed rate at a future date and generally have maturities of less than twelve months. All contracts are valued at fair value with net changes in fair value recorded within the selling, general and administrative expense caption. The impacts of these contracts were largely offset by gains and losses resulting from the impact of changes in exchange rates on transactions denominated in non-functional currencies.

The following table summarizes the gains and losses recognized during 2022, 2021 and 2020 within the Statements of Consolidated Comprehensive Income (Loss).

(In millions)	2022	2021	2020
Foreign currency derivative gain (loss) (a)	\$ (40)	\$ 4	\$ 5

(a) Includes a \$1 million gain reported within the income from acquisitions and divestitures captured for fiscal 2021.

The following table summarizes the fair values of the outstanding foreign currency derivatives as of September 30, 2022 and 2021 included in accounts receivable and accrued expenses and other liabilities of the Consolidated Balance Sheets.

(In millions)	2022	2021
Foreign currency derivative assets	\$ 1	\$ 1
Notional contract values	133	150
Foreign currency derivative liabilities	\$ 9	\$ 2
Notional contract values	535	212

Commodity derivatives

To manage its exposure to the market price volatility of natural gas consumed by its U.S. plants during the manufacturing process, Ashland regularly enters into forward contracts that are designated as cash flow hedges. See Note A for more information.

The following table summarizes the gains and losses recognized during 2022, 2021, 2020 within the cost of sales caption of the Statements of Consolidated Comprehensive Income (Loss).

(In millions)	2022		2021		2020	
Commodity derivative gain	\$	10	\$	1	\$	—

The following table summarizes the fair values of the outstanding commodity derivatives as of September 30, 2022 and 2021 included in accounts receivable and accrued expenses and other liabilities of the Consolidated Balance Sheets.

(In millions)	2022		2021	
Commodity derivative assets	\$	4	\$	5
Notional contract values		13		6
Commodity derivative liabilities	\$	1	\$	—
Notional contract values		9		—

Other financial instruments

At September 30, 2022 and 2021, Ashland's long-term debt (including the current portion and excluding debt issuance cost discounts) had a carrying values of \$1,284 million and \$1,622 million, respectively, compared to a fair value of \$1,102 million and \$1,794 million, respectively. The fair values of long-term debt are based on quoted market prices or, if market prices are not available, the present values of the underlying cash flows discounted at Ashland's incremental borrowing rates, which are deemed to be Level 2 measurements within the fair value hierarchy.

NOTE G – PROPERTY, PLANT AND EQUIPMENT

The following table describes the various components of property, plant and equipment within the Consolidated Balance Sheets as of September 30, 2022 and 2021.

(In millions)	2022		2021	
Land	\$	138	\$	142
Buildings		458		452
Machinery and equipment		2,324		2,278
Construction in progress		130		194
Total property, plant and equipment (gross)		3,050		3,066
Accumulated depreciation		(1,712)		(1,639)
Total property, plant and equipment (net)	\$	1,338	\$	1,427

The following table summarizes various property, plant and equipment charges recognized during 2022, 2021, 2020 within the Statements of Consolidated Comprehensive Income.

(In millions)	2022		2021		2020	
Depreciation	\$	147	\$	154	\$	151
Capitalized interest		1		2		2

NOTE H – GOODWILL AND OTHER INTANGIBLES

Goodwill

Ashland performed its annual goodwill impairment test using the quantitative approach as of July 1, 2022 and concluded that the reporting unit fair values for all reporting units exceeded their carrying values. No impairment existed as of that date and no subsequent impairment indicators have been identified.

The following is a progression of goodwill by reportable segment for the years ended September 30, 2022 and 2021.

(In millions)	Life Sciences	Personal Care (a)	Specialty Additives (a)	Intermediates (a)	Total
Balance at September 30, 2020	\$ 861	\$ —	\$ 444	\$ —	\$ 1,305
Acquisitions (b)	—	131	—	—	131
Currency translation and other	(5)	(2)	1	—	(6)
Balance at September 30, 2021	856	129	445	—	1,430
Currency translation and other	(69)	(11)	(38)	—	(118)
Balance at September 30, 2022	<u>\$ 787</u>	<u>\$ 118</u>	<u>\$ 407</u>	<u>\$ —</u>	<u>\$ 1,312</u>

(a) As of September 30, 2022 and 2021, there was accumulated impairment of \$356 million, \$174 million, and \$90 million related to the Personal Care, Specialty Additives, and Intermediates reportable segments, respectively. The accumulated impairments for Personal Care and Specialty Additives were recorded in fiscal 2020 within the goodwill impairment caption of the Statements of Consolidated Comprehensive Income (Loss).

(b) Relates to the acquisition of the Schülke personal care business during 2021. See Note B for more information.

Other intangible assets

Intangible assets principally consist of trademarks and trade names, intellectual property and customer and supplier relationships. Intangible assets classified as finite are amortized on a straight-line basis over their estimated useful lives. The cost of trademarks and trade names is amortized principally over 3 to 20 years, intellectual property over 3 to 20 years, and customer and supplier relationships over 10 to 24 years.

Ashland performed its annual impairment test for other indefinite lived intangible assets using the quantitative approach as of July 1, 2022 and concluded that the assets fair values exceeded their carrying values. No impairment existed as of that date.

Other intangible assets were comprised of the following as of September 30, 2022 and 2021.

(In millions)	2022			2021		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Definite-lived intangible assets						
Trademarks and trade names	\$ 95	\$ (37)	\$ 58	\$ 101	\$ (32)	\$ 69
Intellectual property	718	(523)	195	750	(495)	255
Customer and supplier relationships	801	(369)	432	849	(352)	497
Total definite-lived intangible assets	<u>1,614</u>	<u>(929)</u>	<u>685</u>	<u>1,700</u>	<u>(879)</u>	<u>821</u>
Indefinite-lived intangible assets						
Trademarks and trade names	278	—	278	278	—	278
Total intangible assets	<u>\$ 1,892</u>	<u>\$ (929)</u>	<u>\$ 963</u>	<u>\$ 1,978</u>	<u>\$ (879)</u>	<u>\$ 1,099</u>

Amortization expense recognized on intangible assets was \$94 million for 2022, \$90 million for 2021 and \$84 million for 2020, and is included in the intangibles amortization expense caption of the Statements of Consolidated Comprehensive Income (Loss). As of September 30, 2022, all of Ashland's intangible assets that had a carrying value were being amortized except for certain trademarks and trade names that have been determined to have indefinite lives. Estimated amortization expense for future periods is \$94 million in 2023, \$79 million in 2024, \$74 million in 2025, \$70 million in 2026 and \$47 million in 2027. The amortization expense for future periods is an estimate. Actual amounts may change from such estimated amounts due to fluctuations in foreign currency exchange rates, additional intangible asset acquisitions and divestitures, potential impairment, accelerated amortization, or other events.

Goodwill and Other Intangible assets

Ashland's assessment of an impairment on any of these assets classified currently as having indefinite lives, including goodwill, could change in future periods if significant events happen and/or circumstances change that effect the previously mentioned assumptions such as: a significant change in projected business result, a divestiture decision, increase in Ashland's weighted-average cost of capital rates, decrease in growth rates or assumptions, economic deterioration that is more severe or of a longer duration than anticipated, or another significant economic event.

NOTE I – DEBT

The following table summarizes Ashland's current and long-term debt at September 30, 2022 and 2021.

(In millions)	2022	2021
3.375% Senior Notes, due 2031	\$ 450	\$ 450
2.00% Senior Notes, due 2028 (Euro 500 million principal)	489	580
6.875% notes, due 2043	282	282
Term loan A	—	250
Accounts receivable securitizations	—	117
6.50% junior subordinated notes, due 2029	60	57
Revolving credit facility	—	225
Other (a)	(11)	9
Total debt	1,270	1,970
Short-term debt (includes current portion of long-term debt)	—	(374)
Long-term debt (less current portion and debt issuance costs)	\$ 1,270	\$ 1,596

(a) Other includes \$14 million and \$17 million of debt issuance costs as of September 30, 2022 and 2021, respectively. Additionally, as of September 30, 2021 Other included a European short-term loan facility with an outstanding balance of \$23 million.

At September 30, 2022, Ashland's total debt had an outstanding principal balance of \$1,321 million, discounts of \$37 million and debt issuance costs of \$14 million. As of September 30, 2022, Ashland had no long-term debt (excluding debt issuance costs) maturing within the next 4 years and \$4 million due in fiscal 2027.

Credit Agreements and Refinancing

Note Issuances

During August 2021, Ashland, through one of its subsidiaries, completed the issuance of 3.375% senior unsecured notes due 2031 with an aggregate principal amount of \$450 million (the 2031 Notes). The notes are guaranteed on an unsecured basis by Ashland. Ashland used the net proceeds of the offering (after deducting initial purchasers' discounts and other fees and expenses) to redeem its obligations under the existing 4.750% senior notes due 2022 described below in debt repayments, and to pay fees and expenses associated therewith.

Ashland incurred \$6 million of new debt issuance costs in connection with the 2031 Notes, which is amortized using the effective interest method over the 2031 Notes' term and was included in the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss).

During January 2020, a subsidiary of Ashland, Ashland Services B.V., completed the issuance of 2.00% senior unsecured notes due 2028 with an aggregate principal amount of €500 million (the 2028 Notes). The notes are senior unsecured obligations of Ashland Services B.V and are guaranteed on an unsecured basis by Ashland.

Ashland incurred \$8 million of new debt issuance costs in connection with the 2028 Notes, which is amortized using the effective interest method over the 2028 Notes' term.

2020 Credit Agreement

During January 2020, Ashland, through two of its subsidiaries, entered into a new senior unsecured credit agreement (the 2020 Credit Agreement) with a group of lenders, replacing the 2017 Credit Agreement. The 2020 Credit Agreement provided for (i) a \$600 million unsecured five-year revolving credit facility (the 2020 Revolving Credit Facility) and (ii) a \$250 million unsecured five-year term loan facility (the 2020 Term Loan Facility). Proceeds of borrowings under the 2020 Revolving Credit Facility were used to refinance the Ashland's existing 2017 Credit Agreement, to provide ongoing working capital and for other general corporate purposes.

Ashland incurred \$4 million of new debt issuance costs in connection with the 2020 Credit Agreement, of which \$1 million was expensed immediately during 2020 within the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss). The remaining balance is amortized using the straight-line method.

During July 2022, Ashland, through two of its subsidiaries, enacted an amendment to the 2020 credit agreement. The amended credit agreement (the 2022 Credit Agreement) provides for a \$600 million five-year revolving credit facility (the 2022 Revolving Credit Facility). The 2022 Credit Agreement and the obligations of Ashland Services B.V. under the 2022 Revolving Credit Facility are guaranteed by Ashland.

At Ashland's option, loans issued under the 2022 Credit Agreement will bear interest at (a) in the case of loans denominated in U.S. dollars, either Term SOFR or an alternate base rate and (b) in the case of loans denominated in Euros, EURIBOR, in each case plus the applicable interest rate margin. Loans will initially bear interest at Term SOFR or EURIBOR plus 1.250% per annum, in the case of Term SOFR borrowings or EURIBOR borrowings, respectively, or at the alternate base rate plus 0.250% per annum, in the case of alternate base rate borrowings, through and including the date of delivery of a quarterly compliance certificate and thereafter the interest rate will fluctuate between Term SOFR or EURIBOR plus 1.250% per annum and Term SOFR or EURIBOR plus 1.750% per annum (or between the alternate base rate plus 0.250% per annum and the alternate base rate plus 0.750% per annum), based upon the Consolidated Net Leverage Ratio (as defined in the Credit Agreement) at such time. Term SOFR borrowings are subject to a credit spread adjustment of 0.10% per annum. In addition, the Company will initially be required to pay fees of 0.125% per annum on the daily unused amount of the Revolving Facility through and including the date of delivery of a quarterly compliance certificate, and thereafter the fee rate will fluctuate between 0.125% and 0.275% per annum, based upon the Consolidated Net Leverage Ratio. Borrowings under the 2022 Credit Agreement may be prepaid at any time without premiums.

As a result of the amendment of the 2020 Credit Agreement, Ashland recognized a \$1 million charge for accelerated amortization of previously capitalized debt issuance costs during 2022, which is included in the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss). Ashland also incurred \$2 million of new debt issuance costs in connection with the 2022 Credit Agreement, of which \$1 million was expensed immediately during 2022 within the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss). The remaining balance is amortized using the straight-line method.

The 2022 Credit Agreement contains financial covenants for leverage and interest coverage ratios akin to those in effect under the 2020 Credit Agreement. The 2022 Credit Agreement contains usual and customary representations, warranties and affirmative and negative covenants, including financial covenants for leverage and interest coverage ratios, limitations on liens, additional indebtedness, further negative pledges, investments, mergers, sale of assets and restricted payments, and other customary limitations.

Debt repayments and repurchases

Cash repatriation

During 2022 and 2021, Ashland repatriated approximately \$250 million and \$131 million, respectively, in cash that was primarily used to repay existing debt, principally portions of the 4.75% senior notes due 2022, the 6.875% senior notes due 2043 and the 6.5% junior notes in 2020 (as previously discussed).

2022 Debt repayments and repurchases

2020 Credit Agreement

During 2022, Ashland prepaid its Term loan A principal balance of \$250 million.

Other Debt

During 2022, Ashland repaid the outstanding balance on its European short-term loan facility for \$23 million.

2021 Debt repayments and repurchases

Redemption of 4.750% senior notes due 2022

During 2021, Ashland redeemed all of its outstanding 4.750% senior notes due 2022 (the 2022 Notes), of which approximately \$411 million were outstanding. Ashland recognized a \$1 million charge related to accelerated accretion on debt discounts and accelerated amortization of previously capitalized debt issuance costs, which is included in the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss).

Total premiums paid for all the tender offers in 2021 noted above were \$16 million, which is included in the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss).

2020 Debt repayments and repurchases

Tender offers of 4.750% senior notes due 2022

During 2020, Ashland executed tender offers of the 2022 Notes. As a result of these repurchases, the carrying values of the 2022 Notes was reduced by \$670 million. Ashland recognized a \$5 million charge related to accelerated accretion on debt discounts and accelerated amortization of previously capitalized debt issuance costs, which is included in the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss).

Tender offers of 6.875% notes due 2043

During 2020, Ashland executed tender offers of its 6.875% notes due 2043 (the 2043 Notes). As a result of these repurchases, the carrying values of the 2043 Notes was reduced by \$92 million. Ashland recognized a \$1 million charge related to accelerated accretion on debt premiums and accelerated amortization of previously capitalized debt issuance costs, which is included in the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss).

Tender offers of 6.500% Junior Subordinated Debentures due 2029

During 2020, Ashland executed tender offers of Hercules LLC's 6.500% junior subordinated debentures due 2029 (the 2029 Junior Debentures). As a result of these repurchases, the carrying values of the 2029 Junior Debentures was reduced by \$2 million.

Total premiums paid for all the tender offers in 2020 noted above were \$59 million, which is included in the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss).

Accounts receivable facilities and off-balance sheet arrangements

U.S. accounts receivable sales program

On March 17, 2021, a wholly-owned, bankruptcy-remote special purpose entity and consolidated Ashland subsidiary (SPE) entered into an agreement with a group of entities (buyers) to sell certain trade receivables, without recourse beyond the pledged receivables, of two other U.S. based Ashland subsidiaries. Under the agreement, Ashland can transfer whole receivables up to a limit established by the buyer, which is currently set at \$125 million between February and October of each year and up to \$100 million all other times. Ashland's continuing involvement is limited to servicing the receivables, including billing, collections and remittance of payments to the buyers as well as a limited guarantee on over-collateralization. The arrangement terminates on May 31, 2023, unless terminated earlier pursuant to the terms of the agreement.

Ashland determined that any receivables transferred under this agreement are put presumptively beyond the reach of Ashland and its creditors, even in bankruptcy or other receivership. Ashland received a true sale at law and non-consolidation opinions to support the legal isolation of these receivables. Ashland accounts for the receivables transferred to buyers as sales. Ashland recognizes any gains or losses based on the excess of proceeds received net of buyer's discounts and fees compared to the carrying value of the assets. Proceeds received, net of buyer's discounts and fees, are recorded within the operating activities of the Statements of Consolidated Cash Flows. Losses on sale of assets, including related transaction expenses are recorded within the net interest and other expense caption of the Statements of Consolidated Comprehensive Income (Loss). Ashland regularly assesses its servicing obligations and records them as assets or liabilities when appropriate. Ashland also monitors its obligation with regards to the limited guarantee and records the resulting guarantee liability when warranted. When applicable, Ashland discloses the amount of the receivable that serves as over-collateralization as a restricted asset.

Ashland recognized a \$1 million loss within the Statements of Consolidated Comprehensive Income (Loss) for 2022 and 2021, respectively, within the net interest and other expense caption associated with sales under the program. Ashland has recorded \$110 million of sales against the buyer's limit, which was \$125 million at September 30, 2022, compared to \$113 million of sales against the buyer's limit, which was \$125 million at September 30, 2021. Ashland transferred \$136 million and \$167 million in receivables to the SPE as of September 30, 2022 and 2021, respectively. Ashland recorded liabilities related to its service obligations and limited guarantee as of September 30, 2022 and 2021 of less than \$1 million. As of September 30, 2022, the year-to-date gross cash proceeds received for receivables transferred and derecognized was

\$312 million, of which \$315 million was collected by Ashland in our capacity as a servicer of the receivables and remitted to the buyer. The difference of \$3 million represents the impact of a net reduction in account receivable sales volume during the current year.

2018 foreign accounts receivable securitization

During July 2018, Ashland entered into a €115 million accounts receivable securitization facility (the Program) for the transfer by certain subsidiaries of Ashland (the Sellers) directly or indirectly to Ester Finance Titrisation (the Purchaser), a wholly-owned subsidiary of Crédit Agricole Corporate and Investment Bank (the Arranger), of certain receivables and/or collections originated by the Sellers towards certain corporate debtors located in multiple European jurisdictions and denominated in multiple currencies. The Program originally had a term of two years, but was extended to August 2021 in September 2019. During July 2021, the termination date of the Program was extended to July 2023. During July 2020, the available funding for qualified receivables under the accounts receivable securitization facility decreased from €115 million to €100 million.

Under the Program, each Seller will assign, on an ongoing basis, certain of its accounts receivable and the right to the collections on those accounts receivable to the Purchaser. Under the terms of the Program, the Sellers could, from time to time, obtain up to €100 million from the Purchaser through the sale of an undivided interest in such accounts receivable and collections. Ashland accounts for the securitization facility as secured borrowings, and the receivables sold pursuant to the facility are included in the Consolidated Balance Sheets as accounts receivable. Fundings under the Program will be repaid as accounts receivable are collected, with new fundings being advanced (through daily advanced purchase price) as new accounts receivable are originated by the Sellers and assigned to the Purchaser, with settlement occurring monthly. Ashland classifies any borrowings under this facility as a short-term debt instrument within the Consolidated Balance Sheets. Once sold to the Purchaser, the accounts receivable and rights to collection described above are separate and distinct from each Sellers' own assets and are not available to its creditors should such Sellers become insolvent.

At September 30, 2022 and 2021, the outstanding amount of accounts receivable transferred by Ashland to the Purchaser was \$162 million and \$152 million, respectively, and there were zero and \$117 million, respectively, of borrowings (denominated in multiple currencies) under the facility. The weighted-average interest rate for this instrument was 0.5% and 0.6% for 2022 and 2021, respectively.

Other debt

At September 30, 2022 and 2021, Ashland held other debt totaling \$63 million and \$83 million, respectively, comprised primarily of a European short-term loan facility, the 6.50% notes due 2029 and other notes.

Available borrowing capacity and liquidity

The borrowing capacity remaining under the \$600 million 2022 Revolving Credit Facility was \$581 million due to an outstanding balance of zero, as well as a reduction of \$19 million for letters of credit outstanding at September 30, 2022. Ashland's total borrowing capacity at September 30, 2022 was \$680 million, which included \$99 million of available capacity from the foreign 2018 accounts receivable securitization facility.

Additionally, Ashland has zero available liquidity under its current U.S. Accounts Receivable Sales Program.

Covenants related to current Ashland debt agreements

Ashland's debt contains usual and customary representations, warranties and affirmative and negative covenants, including financial covenants for leverage and interest coverage ratios, limitations on liens, additional subsidiary indebtedness, restrictions on subsidiary distributions, investments, mergers, sale of assets and restricted payments and other customary limitations. As of September 30, 2022, Ashland was in compliance with all debt agreement covenant restrictions.

The maximum consolidated net leverage ratio permitted under Ashland's most recent credit agreement (the 2022 Credit Agreement) is 4.0. The 2022 Credit Agreement defines the consolidated net leverage ratio as the ratio of consolidated indebtedness minus unrestricted cash and cash equivalents to consolidated EBITDA (Covenant Adjusted EBITDA) for any measurement period. In general, the 2022 Credit Agreement defines Covenant Adjusted EBITDA as net income plus consolidated interest charges, taxes, depreciation and amortization expense, fees and expenses related to capital market transactions and proposed or actual acquisitions and divestitures, restructuring and integration charges, certain environmental charges, non-cash stock and equity compensation expense, and any other nonrecurring expenses or losses that do not represent a cash item in such period or any future period; less any non-cash gains or other items increasing net income. The computation of Covenant Adjusted EBITDA differs from the calculation of EBITDA and Adjusted EBITDA, which have been reconciled within Item 7 of this document.

In general, consolidated indebtedness includes debt plus all purchase money indebtedness, banker's acceptances and bank guaranties, deferred purchase price of property or services, attributable indebtedness and guaranties. At September 30, 2022, Ashland's calculation of the consolidated net leverage ratio was 1.1.

The minimum required consolidated interest coverage ratio under the 2022 Credit Agreement is 3.0. The 2022 Credit Agreement defines the consolidated interest coverage ratio as the ratio of Covenant Adjusted EBITDA to consolidated interest charges for any measurement period. At September 30, 2022, Ashland's calculation of the consolidated interest coverage ratio was 10.8.

Guarantee of senior notes

Ashland Inc. fully and unconditionally guaranteed the 2.00% notes due 2028 and has no significant independent assets or operations.

Net interest and other expense (income)

(In millions)	2022	2021	2020
Interest expense (a)	\$ 62	\$ 69	\$ 88
Interest income	(4)	(1)	(1)
Loss on the accounts receivables sale program	1	1	—
Investment securities loss (income) (b)	86	(33)	(30)
Other financing costs (c)	4	20	62
	<u>\$ 149</u>	<u>\$ 56</u>	<u>\$ 119</u>

(a) Includes \$1 million, \$1 million and \$8 million of accelerated accretion and/or amortization for original issue discounts and debt issuance costs during 2022, 2021 and 2020, respectively.

(b) Represents investment loss related to the restricted investments discussed in Note F.

(c) Includes costs of \$16 million related to early redemption premium payments for the 2022 notes during 2021, and \$59 million related to early redemption premium payments for the 2022 Notes, 2043 Notes and 2029 Junior Debentures during 2020.

The following table details the debt issuance cost and original issue discount amortization included in interest expense during 2022, 2021 and 2020.

(In millions)	2022	2021	2020
Normal amortization	\$ 6	\$ 6	\$ 7
Accelerated amortization (a)	1	1	8
Total	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ 15</u>

(a) Fiscal year 2022 includes \$1 million of accelerated debt issuance costs for the 2020 credit agreement. 2021 includes \$1 million of accelerated debt issuance cost for the 2022 Notes. Fiscal year 2020 includes \$2 million of accelerated accretion of the recorded debt discount for the 2022 Notes, 2029 Junior Debentures and 2043 Notes, while the remaining amounts in each year related to the accelerated amortization of debt issuance costs.

NOTE J – OTHER NONCURRENT ASSETS AND LIABILITIES

The following table provides the components of other noncurrent assets in the Consolidated Balance Sheets as of September 30.

(In millions)	2022	2021
Deferred compensation investments	\$ 85	\$ 92
Tax and tax indemnity receivables	2	9
Life insurance policies	73	63
Manufacturing catalyst supplies	25	28
Defined benefit plan assets	21	28
Equity and other unconsolidated investments	3	4
Land use rights	6	7
Environmental insurance receivables	17	13
Debt issuance costs	2	3
Other	20	20
	<u>\$ 254</u>	<u>\$ 267</u>

Deferred compensation investments

Deferred compensation investments consist of insurance policies valued at cash surrender value. Gains and losses related to deferred compensation investments are immediately recognized within the selling, general and administrative expense caption on the Statements of Consolidated Comprehensive Income (Loss). These investments had losses of \$2 million during 2022 and gains of \$10 million during both 2021 and 2020, respectively. During 2022, Ashland liquidated \$5 million of deferred compensation investments, which were reinvested in company owned life insurance assets. During 2021, Ashland liquidated \$90 million of deferred compensation investments to fund the Environmental trust. Ashland did not liquidate any deferred compensation investments during 2020. These cash inflows exclude company-owned life insurance death benefits of \$3 million, \$1 million and \$7 million for 2022, 2021 and 2020, respectively. See Note A for additional details.

The following table provides the components of other noncurrent liabilities in the Consolidated Balance Sheets as of September 30.

(In millions)	2022		2021	
Tax liabilities	\$	127	\$	145
Environmental remediation reserves	\$	157		152
Deferred compensation		25		31
Other		16		21
	\$	<u>325</u>	\$	<u>349</u>

NOTE K – LEASING ARRANGEMENTS

Ashland leases certain office buildings, transportation equipment, warehouses and storage facilities, and equipment. Substantially all of Ashland's leases are operating leases or short-term leases. Real estate leases represented over 85% of the total lease liability at September 30, 2022 and 2021, respectively. See Note A for additional information related to Ashland's leasing policies.

The components of lease cost recognized within the Statements of Consolidated Comprehensive Income (Loss) were as follows:

(In millions)	Location	2022		2021		2020	
Lease cost:							
Operating lease cost	Selling, General & Administrative	\$	13	\$	13	\$	14
Operating lease cost	Cost of Sales		16		15		15
Variable lease cost	Selling, General & Administrative		5		3		5
Variable lease cost	Cost of Sales		4		3		3
Short-term leases	Cost of Sales		3		3		5
Total lease cost (a)		\$	<u>41</u>	\$	<u>37</u>	\$	<u>42</u>

(a) Includes \$2 million lease termination fee in fiscal 2022.

The following table summarizes Ashland's lease assets and liabilities as presented in the Consolidated Balance Sheet at September 30:

(In millions)	2022		2021	
Assets				
Operating lease assets, net	\$	107	\$	124
Total lease assets	\$	<u>107</u>		<u>124</u>
Liabilities				
Current operating lease obligations	\$	19	\$	23
Non-current operating lease obligations		94		110
Total lease liabilities	\$	<u>113</u>	\$	<u>133</u>

Ashland often has options to renew lease terms for buildings and other assets. The exercise of lease renewal options are generally at Ashland's sole discretion. In addition, certain lease arrangements may be terminated prior to their original expiration date at Ashland's discretion. Ashland evaluates renewal and termination options at the lease commencement date to determine if it is reasonably certain to exercise the option on the basis of economic factors. The weighted average remaining lease term for operating leases as of September 30, 2022 and 2021 was approximately 17 and 15 years, respectively.

Residual value guarantees are not common within Ashland's lease agreements nor are restrictions or covenants imposed by leases. Ashland has elected the practical expedient to combine lease and non-lease components. The discount rate implicit within the leases is generally not determinable. Therefore, Ashland determines the discount rate based on its incremental borrowing rate. The incremental borrowing rate is determined using a buildup method resulting in an estimated range of secured borrowing rates matching the lease term and the currency of the jurisdiction in which lease payments are made, adjusted for impacts of collateral. Consideration was given to Ashland's own relevant debt issuances as well as debt instruments of comparable companies with similar credit characteristics. The weighted average discount rate used to measure operating lease liabilities as of September 30, 2022 and 2021 was 2.6% and 2.8%, respectively. There are no leases that have not yet commenced but that create significant rights and obligations for Ashland.

Right-of-use assets exchanged for new operating lease obligations was \$14 million and \$23 million for the twelve months ended September 30, 2022 and 2021, respectively. This includes \$1 million of right-of-use assets and operating lease obligations recorded as a result of the purchase of Schülke personal care business during 2021.

The following table provides cash paid for amounts included in the measurement of operating lease liabilities for during 2022 and 2021:

(In millions)	2022		2021		2020	
Operating cash flows from operating leases	\$	29	\$	29	\$	27

The following table summarizes Ashland's maturities of lease liabilities as of September 30, 2022:

(In millions)	2022	
2023	\$	20
2024		17
2025		12
2026		9
2027		7
Thereafter		86
Total lease payments		151
Less amount of lease payment representing interest		(38)
Total present value of lease payments	\$	113

NOTE L – INCOME TAXES**Income Tax Provision**

A summary of the provision for income taxes related to continuing operations follows.

(In millions)	2022	2021	2020
Current			
Federal	\$ 3	\$ (35)	\$ (4)
State	7	(2)	(7)
Foreign	50	25	31
	60	(12)	20
Deferred	(35)	(26)	(42)
Income tax expense (benefit)	\$ 25	\$ (38)	\$ (22)

Foreign net operating loss carryforwards primarily relate to certain European and Asian Pacific operations and generally may be carried forward. U.S. state net operating loss carryforwards relate to losses within certain states and generally may be carried forward. Temporary differences that give rise to significant deferred tax assets and liabilities as of September 30 are presented in the following table.

(In millions)	2022	2021
Deferred tax assets		
Foreign net operating loss carryforwards (a)	\$ 23	\$ 30
Employee benefit obligations	18	30
Environmental, self-insurance and litigation reserves (net of receivables)	116	99
State net operating loss carryforwards (net of unrecognized tax benefits) (b)	19	32
Compensation accruals	29	24
Credit carryforwards (net of unrecognized tax benefits) (c)	20	19
Other items	21	11
Other lease liability	17	20
Valuation allowances (d)	(56)	(74)
Total deferred tax assets	207	191
Deferred tax liabilities		
Goodwill and other intangibles (e)	169	201
Property, plant and equipment	175	179
Right of use assets	16	18
Other	3	—
Total deferred tax liabilities	363	398
Net deferred tax liability	\$ (156)	\$ (207)

(a) Gross net operating loss carryforwards of \$93 million will expire in future years beyond 2023 or have no expiration.

(b) Apportioned net operating loss carryforwards generated of \$585 million will expire in future years as follows: \$106 million in 2023, \$83 million in 2024 and the remaining balance in other future years.

(c) Credit carryforwards consist primarily of foreign tax credits of \$17 million expiring in future years, and state tax credits of \$3 million that will expire in 2026 and other future years.

(d) Valuation allowances primarily relate to certain state and foreign net operating loss carryforwards and certain federal credit carryforwards.

(e) The total gross amount of goodwill as of September 30, 2022 expected to be deductible for tax purposes is \$44 million.

The U.S. and foreign components of income from continuing operations before income taxes and a reconciliation of the statutory federal income tax with the provision for income taxes follow. The foreign components of income from continuing operations disclosed in the following table exclude any allocations of certain corporate expenses incurred in the U.S.

(In millions)	2022	2021	2020
Income (loss) from continuing operations before income taxes			
United States	\$ (133)	\$ (96)	\$ (642)
Foreign	339	231	65
Income (loss) from continuing operations before income taxes	<u>\$ 206</u>	<u>\$ 135</u>	<u>\$ (577)</u>
Income taxes computed at U.S. statutory rate	\$ 43	\$ 28	\$ (121)
Increase (decrease) in amount computed resulting from			
Tax reform (a)	—	—	(23)
Uncertain tax positions	(6)	(49)	9
Deemed inclusions, foreign dividends and other restructuring (b)	40	25	35
Foreign tax credits	(32)	(20)	(14)
Valuation allowance changes (c)	(4)	4	(1)
Research and development credits	(2)	(3)	(6)
State taxes	(4)	(5)	(4)
Goodwill impairment	—	2	95
International rate differential	(27)	(18)	(2)
Other items (d)	17	(2)	10
Income tax expense (benefit)	<u>\$ 25</u>	<u>\$ (38)</u>	<u>\$ (22)</u>

(a) 2020 includes a benefit of \$23 million from Swiss tax reform.

(b) 2022 includes \$31 million primarily related to GILTI permanent adjustment. 2021 includes \$17 million primarily related to GILTI permanent adjustments. 2020 includes \$33 million primarily related to GILTI permanent adjustments.

(c) 2022 includes \$4 million related to state NOL's. 2021 includes \$13 million related to certain foreign tax credits partially offset by \$5 million related to state NOL's and \$4 million related to foreign jurisdictions.

(d) 2022 includes \$8 million related to withholding tax. 2021 includes \$14 million related to the sale of a Specialty Additives facility partially offset by miscellaneous other items. 2020 includes \$4 million for foreign withholding taxes.

Unrecognized tax benefits

U.S. GAAP prescribes a recognition threshold and measurement attribute for the accounting and financial statement disclosure of tax positions taken or expected to be taken in a tax return. The evaluation of a tax position is a two-step process. The first step requires Ashland to determine whether it is more likely than not that a tax position will be sustained upon examination based on the technical merits of the position. The second step requires Ashland to recognize in the financial statements each tax position that meets the more likely than not criteria, measured at the amount of benefit that has a greater than 50% likelihood of being realized. Ashland had \$84 million and \$82 million of unrecognized tax benefits at September 30, 2022 and 2021, respectively, recorded within other noncurrent liabilities. As of September 30, 2022, the total amount of unrecognized tax benefits that, if recognized, would affect the tax rate for continuing and discontinued operations was \$56 million. The remaining unrecognized tax benefits relate to tax positions for which ultimate deductibility is highly certain but for which there is uncertainty as to the timing of such deductibility. Recognition of these tax benefits would not have an impact on the effective tax rate.

Ashland recognizes interest and penalties related to uncertain tax positions as a component of income tax expense (benefit) in the Statements of Consolidated Comprehensive Income (Loss). Such interest and penalties totaled a \$3 million expense in 2022, \$15 million benefit in 2021 and \$8 million expense in 2020. Ashland had \$10 million and \$11 million in interest and penalties related to unrecognized tax benefits accrued as of September 30, 2022 and 2021, respectively.

Changes in unrecognized tax benefits were as follows:

(In millions)		
Balance at September 30, 2020 (a)	\$	171
Increases related to positions taken on items from prior years		8
Decreases related to positions taken on items from prior years		(70)
Increases related to positions taken in the current year		11
Lapse of statute of limitations		(20)
Settlements		(18)
Balance at September 30, 2021	\$	82
Decreases related to positions taken on items from prior years		(5)
Increases related to positions taken in the current year		19
Lapse of statute of limitations		(12)
Balance at September 30, 2022	\$	84

(a) Ashland has indemnity receivables from Valvoline and Pharmachem for zero and \$1 million of the gross unrecognized tax benefits at September 30, 2022 and 2021, respectively, recorded within other noncurrent assets.

From a combination of statute expirations and audit settlements in the next twelve months, Ashland expects a decrease in the amount of accrual for uncertain tax positions of between \$3 million and \$6 million for continuing operations. For the remaining balance as of September 30, 2022, it is reasonably possible that there could be material changes to the amount of uncertain tax positions due to activities of the taxing authorities, settlement of audit issues, reassessment of existing uncertain tax positions or the expiration of applicable statute of limitations; however, Ashland is not able to estimate the impact of these items at this time.

Ashland or one of its subsidiaries files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. Foreign taxing jurisdictions significant to Ashland include Brazil, China, Germany, Mexico, Netherlands, Spain, Switzerland and United Kingdom. Ashland is subject to U.S. federal income tax examinations by tax authorities for periods after September 30, 2018 and U.S. state income tax examinations by tax authorities for periods after September 30, 2015. With respect to countries outside of the United States, with certain exceptions, Ashland's foreign subsidiaries are subject to income tax audits for years after 2017.

NOTE M – EMPLOYEE BENEFIT PLANS

Pension plans

Ashland and its subsidiaries have several contributory and noncontributory qualified defined benefit pension plans that generally cover international employees and a small portion of certain U.S. manufacturing union employees. Pension obligations for applicable employees of non-U.S. consolidated subsidiaries are provided for in accordance with local practices and regulations of the respective countries. The majority of these foreign pension plans are closed to new participants while those that remain open relate to areas where jurisdictions require plans to operate within the applicable country.

Benefits for those eligible for Ashland's U.S. pension plans generally are based on employees' years of service and compensation during the years immediately preceding their retirement. The remaining U.S. plans are still open for enrollment for qualifying union employees within certain manufacturing sites.

Other postretirement benefit plans

Ashland and its subsidiaries maintain limited health care for certain eligible employees in the U.S. who are retired or disabled. Ashland shares the costs of providing health care coverage with certain eligible retired employees through premiums, deductibles and coinsurance provisions. Ashland funds its share of the costs of the postretirement benefit plans as the benefits are paid.

Postretirement health care plans include a limit on Ashland's share of costs for recent and future retirees. The assumed pre-65 health care cost increase trend rate as of September 30, 2022 was 6.6% and continues to be reduced to 4.5% in 2039 and thereafter. The assumptions used to project the liability anticipate future cost-sharing changes to the written plans that are consistent with the increase in health care costs.

Plan Amendments and Remeasurements

Following the completion of the sale of its Performance Adhesives business segment on February 28, 2022, the post-retirement benefits for approximately 40 employees transferred to Arkema, all of whom participated in a non-contributory defined benefit plan in the U.S., were

frozen. This resulted in a decrease in total expected future years of service within the plan and required Ashland to remeasure the plan as February 28, 2022. As a result, Ashland recorded a \$1 million actuarial gain within the other net periodic benefit income (loss) caption of the Statements of Consolidated Comprehensive Income (Loss) for fiscal 2022.

Net periodic benefit loss (income) allocation

Consistent with Ashland's historical accounting policies, service cost for continuing operations is proportionately allocated to each reportable segment, excluding the Unallocated and other segment, while all other costs for continuing operations are recorded within the Unallocated and other segment.

The following table summarizes the components of pension and other postretirement benefit costs for continuing operations and the assumptions used to determine net periodic benefit loss (income) for the plans.

(In millions)	Pension benefits			Other postretirement benefits		
	2022	2021	2020	2022	2021	2020
Net periodic benefit loss (income)						
Service cost (a)	\$ 4	\$ 5	\$ 5	\$ 1	\$ 1	\$ 1
Interest cost (b)	8	6	7	2	2	2
Curtailment, settlement and other (b)	(1)	—	—	—	—	—
Expected return on plan assets (b)	(7)	(8)	(11)	—	—	—
Actuarial (gain) loss (b)	(16)	3	1	(8)	(2)	(2)
	<u>\$ (12)</u>	<u>\$ 6</u>	<u>\$ 2</u>	<u>\$ (5)</u>	<u>\$ 1</u>	<u>\$ 1</u>
Weighted-average plan assumptions (c)						
Discount rate for service cost	2.99%	1.81%	1.84%	3.19%	3.15%	3.39%
Discount rate for interest cost	3.33%	1.69%	2.16%	2.10%	1.93%	2.76%
Rate of compensation increase	2.50%	2.53%	2.51%			
Expected long-term rate of return on plan assets	2.89%	2.43%	3.05%			

(a) Service cost is classified within the selling, general and administrative expense and cost of sales captions on the Statements of Consolidated Comprehensive Income (Loss).

(b) These components are classified within the other net periodic benefit income (loss) caption on the Statements of Consolidated Comprehensive Income (Loss).

(c) The plan assumptions discussed are a blended weighted-average rate for Ashland's U.S. and non-U.S. plans.

The changes in prior service credit recognized in accumulated other comprehensive income during both 2022 and 2021 were less than \$1 million each. At September 30, 2022, Ashland expects to recognize less than \$1 million of the prior service credit in accumulated other comprehensive income as net periodic benefit income (loss) during the next fiscal year.

At September 30, 2022 and 2021, the amounts included in accumulated other comprehensive income are shown in the following table.

(In millions)	Pension		Postretirement	
	2022	2021	2022	2021
Prior service cost	\$ 2	\$ 2	\$ —	\$ —

Obligations and funded status

Actuarial valuations are performed for the pension and other postretirement benefit plans to determine Ashland's obligation for each plan. In accordance with U.S. GAAP, Ashland recognizes the unfunded status of the plans as a liability in the Consolidated Balance Sheets. Summaries of the change in benefit obligations, plan assets, funded status of the plans, amounts recognized in the balance sheet, and assumptions used to determine the benefit obligations for 2022 and 2021 are as follows:

(In millions)	Pension plans		Other postretirement benefit plans	
	2022	2021	2022	2021
Change in benefit obligations				
Benefit obligations at October 1	\$ 422	\$ 418	\$ 47	\$ 50
Service cost	4	5	1	1
Interest cost	8	6	2	1
Participant contributions	—	—	—	—
Benefits paid	(16)	(16)	(6)	(3)
Actuarial (gain) loss	(123)	2	(8)	(2)
Curtailments	(1)	(1)	—	—
Foreign currency exchange rate changes	(38)	8	—	—
Other (including acquisitions)	(1)	3	—	—
Settlements	(5)	(3)	—	—
Benefit obligations at September 30	\$ 250	\$ 422	\$ 36	\$ 47
Change in plan assets				
Value of plan assets at October 1	\$ 351	\$ 347	\$ —	\$ —
Actual return on plan assets	(100)	7	—	—
Employer contributions	5	7	—	—
Participant contributions	—	—	—	—
Benefits paid	(16)	(16)	—	—
Foreign currency exchange rate changes	(33)	10	—	—
Settlements	(5)	(3)	—	—
Other	(1)	(1)	—	—
Value of plan assets at September 30	\$ 201	\$ 351	\$ —	\$ —
Unfunded status of the plans	\$ (49)	\$ (71)	\$ (36)	\$ (47)
Amounts recognized in the balance sheet				
Other assets (noncurrent)	\$ 21	\$ 28	\$ —	\$ —
Accrued expenses and other liabilities	(3)	(3)	(4)	(4)
Employee benefit obligations	(67)	(96)	(32)	(43)
Net amount recognized	\$ (49)	\$ (71)	\$ (36)	\$ (47)
Weighted-average plan assumptions				
Discount rate	5.09%	2.06%	2.98%	2.75%
Rate of compensation increase	2.50%	2.53%		

The accumulated benefit obligation for all pension plans was \$245 million at September 30, 2022 and \$415 million at September 30, 2021. All Ashland pension plans are either qualified U.S. or non-US plans. Information for pension plans with an accumulated benefit obligation in excess of plan assets follows:

(In millions)	2022	2021
Projected benefit obligation	\$ 146	\$ 216
Accumulated benefit obligation	141	209
Fair value of plan assets	76	117

Plan assets

The expected long-term rate of return on pension plan assets was 2.89% and 2.43% for September 30, 2022 and 2021, respectively. The basis for determining the expected long-term rate of return is a combination of future return assumptions for various asset classes in Ashland's investment portfolio, historical analysis of previous returns, market indices and a projection of inflation.

The following table summarizes the various investment categories that the pension plan assets are invested in and the applicable fair value hierarchy that the financial instruments are classified within these investment categories as of September 30, 2022. For additional information and a detailed description of each level within the fair value hierarchy, see Note F.

(In millions)	Total fair value	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Cash and cash equivalents	\$ 1	\$ 1	\$ —	\$ —
U.S. Government securities	10	—	10	—
Non-U.S. Government securities	24	—	24	—
Corporate debt instruments	90	—	90	—
Listed real assets	9	—	9	—
Asset-backed securities	17	—	17	—
Corporate stocks	27	—	27	—
Insurance contracts	23	—	23	—
Total assets at fair value	\$ 201	\$ 1	\$ 200	\$ —

The following table summarizes the various investment categories that the pension plan assets are invested in and the applicable fair value hierarchy that the financial instruments are classified within these investment categories as of September 30, 2021.

(In millions)	Total fair value	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Cash and cash equivalents	\$ 6	\$ 6	\$ —	\$ —
U.S. Government securities	18	—	18	—
Non-U.S. Government securities	74	—	74	—
Corporate debt instruments	149	—	149	—
Listed real assets	16	—	16	—
Asset-backed securities	22	—	22	—
Corporate stocks	41	—	41	—
Insurance contracts	25	—	25	—
Total assets at fair value	\$ 351	\$ 6	\$ 345	\$ —

Ashland's pension plan holds a variety of investments designed to diversify risk. Investments classified as a Level 1 fair value measure principally represent marketable securities priced in active markets. Cash and cash equivalents and public equity and debt securities are well diversified and invested in U.S. and international small-to-large companies across various asset managers and styles. Investments classified as a Level 2 fair value measure principally represents fixed-income securities and other investment grade corporate bonds and debt obligations.

Investments and Strategy

In developing an investment strategy for its defined benefit plans, Ashland has considered the following factors: the nature of the plans' liabilities, the allocation of liabilities between active, deferred and retired members, the funded status of the plans, the applicable investment horizon, the respective size of the plans and historical and expected capital market returns. Ashland's U.S. pension plan assets are managed by outside investment managers, which are monitored against investment return benchmarks and Ashland's established investment strategy. Investment managers are selected based on an analysis of, among other things, their investment process, historical investment results, frequency of management turnover, cost structure and assets under management. Assets are periodically reallocated between investment managers to maintain an appropriate asset mix and diversification of investments and to optimize returns.

The current asset allocation for the U.S. plans is 42.5% fixed income securities, 42% equity securities and 15.5% other securities. Fixed income securities primarily include cash and cash equivalents, long duration corporate debt obligations and U.S. government debt obligations. In addition, Ashland's non-U.S. plan fixed income securities include insurance contracts. Equity securities are comprised solely of traditional public equity investments. Investment managers may employ a limited use of derivatives to gain efficient exposure to markets.

Ashland's investment strategy and management practices relative to plan assets of non-U.S. plans generally are consistent with those for U.S. plans, except in those countries where investment of plan assets is dictated by applicable regulations. Although the investment allocation may vary based on funding percentages and whether plans are still accruing additional liabilities, the weighted-average asset allocations for Ashland's U.S. and non-U.S. plans at September 30, 2022 and 2021 by asset category follow.

(In millions)	Target	Actual at September 30	
		2022	2021
Plan assets allocation			
Equity securities	5 - 45%	14 %	13 %
Fixed income securities	55 - 95%	81 %	82 %
Other	0 - 5%	5 %	5 %
		<u>100 %</u>	<u>100 %</u>

Cash flows

During 2022 and 2021, Ashland contributed less than \$1 million and \$2 million to its U.S. pension plans, respectively, and \$5 million and \$6 million to its non-U.S. pension plans, respectively. Ashland does not expect to contribute to its U.S. pension plans and expects to contribute approximately \$4 million to its non-U.S. pension plans during 2023.

The following benefit payments, which reflect future service expectations, are projected to be paid from plan assets in each of the next five years and in aggregate for five years thereafter.

(In millions)	Pension benefits	Other postretirement benefits
2023	\$ 15	\$ 3
2024	15	3
2025	15	3
2026	16	3
2027	17	3
2028 - 2032	84	15

Other plans

Ashland sponsors savings plans to assist eligible employees in providing for retirement or other future needs. Under such plans, company contributions amounted to \$23 million, \$21 million, and \$24 million in 2022, 2021 and 2020, respectively. Ashland also sponsors various other employee benefit plans, some of which are required by different countries. The total noncurrent liabilities associated with these plans were \$4 million and \$5 million for September 30, 2022 and 2021, respectively.

NOTE N – LITIGATION, CLAIMS AND CONTINGENCIES

Asbestos litigation

Ashland and Hercules have liabilities from claims alleging personal injury caused by exposure to asbestos. To assist in developing and annually updating independent reserve estimates for future asbestos claims and related costs, Ashland has retained third party actuarial experts Gnarus. The methodology used by Gnarus to project future asbestos costs is based largely on recent experience, including claim-filing and settlement rates, disease mix, open claims and litigation defense. The claim experience of Ashland and Hercules are separately compared to the results of previously conducted third party epidemiological studies estimating the number of people likely to develop asbestos-related diseases. Those studies were undertaken in connection with national analyses of the population expected to have been exposed to asbestos. Using that information, Gnarus estimates a range of the number of future claims that may be filed, as well as the related costs that may be incurred in resolving those claims. Changes in asbestos-related liabilities and receivables are recorded on an after-tax basis within the discontinued operations caption in the Statements of Consolidated Comprehensive Income (Loss).

Ashland asbestos-related litigation

The claims alleging personal injury caused by exposure to asbestos asserted against Ashland result primarily from indemnification obligations undertaken in 1990 in connection with the sale of Riley, a former subsidiary. The amount and timing of settlements and number of open claims can fluctuate from period to period. A summary of Ashland asbestos claims activity, excluding Hercules claims, follows.

(In thousands)	2022	2021	2020
Open claims - beginning of year	46	49	53
New claims filed	2	2	2
Claims settled	(1)	(1)	(1)
Claims dismissed	(3)	(4)	(5)
Open claims - end of year	<u>44</u>	<u>46</u>	<u>49</u>

Ashland asbestos-related liability

From the range of estimates, Ashland records the amount it believes to be the best estimate of future payments for litigation defense and claim settlement costs. Ashland reviews this estimate and related assumptions quarterly and annually updates the results of a non-inflated, non-discounted approximate 40-year model developed with the assistance of Gnarus.

During the most recent update completed during 2022, it was determined that the liability for Ashland asbestos-related claims should be increased by \$16 million. Total reserves for asbestos claims were \$305 million at September 30, 2022 compared to \$320 million at September 30, 2021.

A progression of activity in the asbestos reserve is presented in the following table.

(In millions)	2022	2021	2020
Asbestos reserve - beginning of year	\$ 320	\$ 335	\$ 352
Reserve adjustment	16	12	13
Amounts paid	(31)	(27)	(30)
Asbestos reserve - end of year (a)	<u>\$ 305</u>	<u>\$ 320</u>	<u>\$ 335</u>

(a) Included \$29 million classified in accrued expenses and other liabilities on the Consolidated Balance Sheets as of September 30, 2022 and 2021.

Ashland asbestos-related receivables

Ashland has insurance coverage for certain litigation defense and claim settlement costs incurred in connection with its asbestos claims, and coverage-in-place agreements exist with the insurance companies that provide substantially all of the coverage that will be accessed.

For the Ashland asbestos-related obligations, Ashland has estimated the value of probable insurance recoveries associated with its asbestos reserve based on management's interpretations and estimates surrounding the available or applicable insurance coverage, including an assumption that all solvent insurance carriers remain solvent. Substantially all of the estimated receivables from insurance companies are expected to be due from domestic insurers, all of which are solvent.

At September 30, 2022, Ashland's receivable for recoveries of litigation defense and claim settlement costs from insurers amounted to \$101 million (excluding the Hercules receivable for asbestos claims discussed below). Receivables from insurers amounted to \$100 million at

September 30, 2021. During 2022, the annual update of the model used for purposes of valuing the asbestos reserve and its impact on valuation of future recoveries from insurers, was completed. This model update resulted in a \$7 million increase in the receivable for probable insurance recoveries.

A progression of activity in the Ashland insurance receivable is presented in the following table.

(In millions)	2022	2021	2020
Insurance receivable - beginning of year	\$ 100	\$ 103	\$ 123
Receivable adjustment (a)	7	6	1
Insurance settlement	—	—	(10)
Amounts collected	(6)	(9)	(11)
Insurance receivable - end of year (b)	<u>\$ 101</u>	<u>\$ 100</u>	<u>\$ 103</u>

(a) 2021 includes a \$2 million reserve adjustment related to allowances for credit losses as a result of Ashland's adoption of the new credit measurement standard described in Note A. The total allowance for credit losses was \$2 million as of September 30, 2022.

(b) Included \$12 million classified in accounts receivable on the Consolidated Balance Sheets as of September 30, 2022 and 2021.

Hercules asbestos-related litigation

Hercules has liabilities from claims alleging personal injury caused by exposure to asbestos. Such claims typically arise from alleged exposure to asbestos fibers from resin encapsulated pipe and tank products which were sold by one of Hercules' former subsidiaries to a limited industrial market. The amount and timing of settlements and number of open claims can fluctuate from period to period. A summary of Hercules' asbestos claims activity follows.

(In thousands)	2022	2021	2020
Open claims - beginning of year	12	12	13
New claims filed	1	1	1
Claims dismissed	(2)	(1)	(2)
Open claims - end of year	<u>11</u>	<u>12</u>	<u>12</u>

Hercules asbestos-related liability

From the range of estimates, Ashland records the amount it believes to be the best estimate of future payments for litigation defense and claim settlement costs. Ashland reviews this estimate and related assumptions quarterly and annually updates the results of a non-inflated, non-discounted approximate 40-year model developed with the assistance of Gnarus. As a result of the most recent annual update of this estimate, completed during 2022, it was determined that the liability for Hercules asbestos-related claims should be increased by \$15 million. Total reserves for asbestos claims were \$213 million at September 30, 2022 compared to \$217 million at September 30, 2021.

A progression of activity in the asbestos reserve is presented in the following table.

(In millions)	2022	2021	2020
Asbestos reserve - beginning of year	\$ 217	\$ 229	\$ 252
Reserve adjustments	15	8	(3)
Amounts paid	(19)	(20)	(20)
Asbestos reserve - end of year (a)	<u>\$ 213</u>	<u>\$ 217</u>	<u>\$ 229</u>

(a) Included \$18 million classified in accrued expenses and other liabilities on the Consolidated Balance Sheets as of September 30, 2022 and 2021.

Hercules asbestos-related receivables

For the Hercules asbestos-related obligations, certain reimbursement obligations pursuant to coverage-in-place agreements with insurance carriers exist. As a result, any increases in the asbestos reserve have been partially offset by probable insurance recoveries. Ashland has estimated the value of probable insurance recoveries associated with its asbestos reserve based on management's interpretations and estimates surrounding the available or applicable insurance coverage, including an assumption that all solvent insurance carriers remain solvent. The estimated receivable consists exclusively of solvent domestic insurers.

As of September 30, 2022 and 2021, the receivables from insurers amounted to \$52 million and \$47 million, respectively. During 2022, the annual update of the model used for purposes of valuing the asbestos reserve and its impact on valuation of future recoveries from insurers was completed. This model update resulted in a \$7 million increase in the receivable for probable insurance recoveries.

A progression of activity in the Hercules insurance receivable is presented in the following table.

(In millions)	2022		2021		2020	
Insurance receivable - beginning of year	\$	47	\$	47	\$	49
Receivable adjustment (a)		7		1		(2)
Amounts collected		(2)		(1)		—
Insurance receivable - end of year (b)	\$	<u>52</u>	\$	<u>47</u>	\$	<u>47</u>

(a) 2021 includes a \$1 million reserve adjustment related to allowances for credit losses as a result of Ashland's adoption of the new credit measurement standard described in Note A. The total allowance for credit losses was \$1 million as of September 30, 2022.

(b) Included \$3 million and \$1 million classified in accounts receivable on the Consolidated Balance Sheets as of September 30, 2022 and 2021, respectively.

Asbestos litigation cost projection

Projecting future asbestos costs is subject to numerous variables that are difficult to predict. In addition to the uncertainties surrounding the number of claims that might be received, other variables include the type and severity of the disease alleged by each claimant and the related costs incurred in resolving those claims, mortality rates, dismissal rates, uncertainties surrounding the litigation process from jurisdiction to jurisdiction and from case to case. Furthermore, any predictions with respect to these variables are subject to even greater uncertainty as the projection period lengthens. In light of these inherent uncertainties, Ashland believes that the asbestos reserves for Ashland and Hercules represent the best estimate within a range of possible outcomes. As a part of the process to develop these estimates of future asbestos costs, a range of long-term cost models was developed. These models are based on national studies that predict the number of people likely to develop asbestos-related diseases and are heavily influenced by assumptions regarding long-term inflation rates for indemnity payments and legal defense costs, as well as other variables mentioned previously. Ashland has currently estimated in various models ranging from approximately 40 year periods that it is reasonably possible that total future litigation defense and claim settlement costs on an inflated and undiscounted basis could range as high as approximately \$456 million for the Ashland asbestos-related litigation (current reserve of \$305 million) and approximately \$317 million for the Hercules asbestos-related litigation (current reserve of \$213 million), depending on the combination of assumptions selected in the various models. If actual experience is worse than projected, relative to the number of claims filed, the severity of alleged disease associated with those claims or costs incurred to resolve those claims, or actuarial refinement or improvements to the assumptions used within these models are initiated, Ashland may need to further increase the estimates of the costs associated with asbestos claims and these increases could be material over time.

Environmental remediation and asset retirement obligations

Ashland is subject to various federal, state and local environmental laws and regulations that require environmental assessment or remediation efforts (collectively environmental remediation) at multiple locations. At September 30, 2022, such locations included 76 sites where Ashland has been identified as a potentially responsible party under Superfund or similar state laws, 111 current and former operating facilities and about 1,225 service station properties, of which 17 are being actively remediated.

Ashland's reserves for environmental remediation and related environmental litigation amounted to \$211 million at September 30, 2022 compared to \$207 million at September 30, 2021, of which \$157 million at September 30, 2022 and \$152 million at September 30, 2021 were classified in other noncurrent liabilities on the Consolidated Balance Sheets. The remaining reserves were classified in accrued expenses and other liabilities on the Consolidated Balance Sheets.

The following table provides a reconciliation of the changes in the environmental remediation reserves during 2022 and 2021.

(In millions)	2022		2021	
Environmental remediation reserve - beginning of year	\$	207	\$	200
Disbursements		(63)		(44)
Revised obligation estimates and accretion		67		51
Environmental remediation reserve - end of year	\$	<u>211</u>	\$	<u>207</u>

The total reserves for environmental remediation reflect Ashland's estimates of the most likely costs that will be incurred over an extended period to remediate identified conditions for which the costs are reasonably estimable, without regard to any third-party recoveries. Engineering studies, historical experience and other factors are used to identify and evaluate remediation alternatives and their related costs in determining the estimated reserves for environmental remediation. Ashland continues to discount certain environmental sites and regularly adjusts its reserves as environmental remediation continues. Ashland has estimated the value of its probable insurance recoveries associated with its environmental reserve based on management's interpretations and estimates surrounding the available or applicable insurance coverage. At

September 30, 2022 and 2021, Ashland's recorded receivable for these probable insurance recoveries was \$21 million and \$16 million, respectively, of which \$17 million and \$13 million was classified in other noncurrent assets in the respective Consolidated Balance Sheets.

During 2022, 2021 and 2020, Ashland recognized \$66 million, \$50 million and \$48 million of expense, respectively, for certain environmental liabilities related to normal ongoing remediation cost estimate updates for sites, which is consistent with Ashland's historical environmental accounting policy.

Components of environmental remediation expense included within the selling, general and administrative expense caption of the Statements of Consolidated Comprehensive Income (Loss) are presented in the following table for the years ended September 30, 2022, 2021 and 2020.

(In millions)	2022		2021		2020	
Environmental expense	\$	66	\$	50	\$	48
Accretion		1		1		1
Legal expense		4		4		5
Total expense		71		55		54
Insurance receivable		(5)		(4)		(6)
Total expense, net of receivable activity (a)	\$	66	\$	51	\$	48

(a) Net expense of \$13 million, \$6 million and \$12 million for the fiscal years ended September 30, 2022, 2021 and 2020, respectively, related to divested businesses which qualified for treatment as discontinued operations and for which certain environmental liabilities were retained by Ashland. These amounts are classified within the income from discontinued operations caption of the Statements of Consolidated Comprehensive Income (Loss).

Environmental remediation reserves are subject to uncertainties that affect Ashland's ability to estimate its share of the costs. Such uncertainties involve the nature and extent of contamination at each site and the extent of required cleanup efforts under existing environmental regulations. Although it is not possible to predict with certainty the ultimate costs of environmental remediation, Ashland currently estimates that the upper end of the reasonably possible range of future costs for identified sites could be as high as approximately \$465 million. The largest reserve for any site is 13% of the remediation reserve.

Other legal proceedings and claims

In addition to the matters described above, there are other various claims, lawsuits and administrative proceedings pending or threatened against Ashland and its current and former subsidiaries. Such actions are with respect to commercial matters, product liability, toxic tort liability, and other environmental matters, which seek remedies or damages, some of which are for substantial amounts. While Ashland cannot predict with certainty the outcome of such actions, it believes that adequate reserves have been recorded and losses already recognized with respect to such actions were immaterial as of September 30, 2022 and 2021. There is a reasonable possibility that a loss exceeding amounts already recognized may be incurred related to these actions; however, Ashland believes that such potential losses were immaterial as of September 30, 2022.

NOTE O – EQUITY ITEMS

Stock repurchase programs

On May 25, 2022, Ashland's board of directors authorized a new, evergreen \$500 million common share repurchase program (2022 stock repurchase program). The new authorization terminates and replaces the company's 2018 \$1 billion share repurchase program, which had \$150 million outstanding at the date of termination. As of September 30, 2022, \$500 million remained available for repurchase under the 2022 stock repurchase program.

Stock repurchase program agreements

In September 2021, under the 2018 stock repurchase program, Ashland announced that it entered into an accelerated share repurchase agreement (2021 ASR Agreement). Under the 2021 ASR Agreement, Ashland paid an initial purchase price of \$450 million and received an initial delivery of 3.9 million shares of common stock during September 2021. The bank exercised its early termination option under the 2021 ASR Agreement in February 2022, and an additional 0.7 million shares were repurchased, bringing the total shares repurchased upon settlement to 4.6 million.

On March 1, 2022, under the 2018 stock repurchase program, Ashland entered into an agreement to repurchase an aggregate amount of \$200 million of Ashland common stock using open-market purchases under rule 10b-18. On April 8, 2022, Ashland completed repurchases under this agreement repurchasing a total of 2.15 million shares for a total amount of \$200 million.

Stockholder dividends

Ashland paid dividends per common share of \$1.27, \$1.15 and \$1.10 during 2022, 2021 and 2020, respectively.

In May 2022, the Board of Directors of Ashland announced a quarterly cash dividend of 33.5 cents per share to eligible stockholders at record, which represented an increase from the previous quarterly cash dividend of 30.0 cents per share. This dividend was paid in the third and fourth quarters of fiscal 2022.

In May 2021, the Board of Directors of Ashland announced a quarterly cash dividend of 30.0 cents per share to eligible stockholders at record, which represented an increase from the previous quarterly cash dividend of 27.5 cents per share. This dividend was paid in the third and fourth quarters of fiscal 2021 and the first and second quarters of fiscal 2022.

In May 2019, the Board of Directors of Ashland announced a quarterly cash dividend of 27.5 cents per share to eligible stockholders at record, which represented an increase from the previous quarterly cash dividend of 25.0 cents per share. This dividend was paid in each quarter of fiscal 2020 and the first and second quarters of fiscal 2021.

Shares reserved for issuance

At September 30, 2022, 17.6 million common shares were reserved for issuance under stock incentive and deferred compensation plans.

Other comprehensive income (loss)

Components of other comprehensive income (loss) recorded in the Statements of Consolidated Comprehensive Income (Loss) are presented in the following table, before tax and net of tax effects.

(In millions)	Before tax	Tax (expense) benefit	Net of tax
Year ended September 30, 2022			
Other comprehensive income (loss)			
Unrealized translation loss	\$ (199)	\$ 2	\$ (197)
Unrealized loss on commodity hedges	(2)	1	(1)
Pension and postretirement obligation adjustment	1	—	1
Total other comprehensive gain (loss)	<u>\$ (200)</u>	<u>\$ 3</u>	<u>\$ (197)</u>
Year ended September 30, 2021			
Other comprehensive income (loss)			
Unrealized translation gain	\$ 8	\$ (1)	\$ 7
Unrealized gain on commodity hedges	5	(1)	4
Total other comprehensive gain (loss)	<u>\$ 13</u>	<u>\$ (2)</u>	<u>\$ 11</u>
Year ended September 30, 2020			
Other comprehensive income (loss)			
Unrealized translation gain	\$ 28	\$ (1)	\$ 27
Total other comprehensive gain (loss)	<u>\$ 28</u>	<u>\$ (1)</u>	<u>\$ 27</u>

Summary of Stockholders' Equity

A reconciliation of changes in stockholders' equity are as follows:

(In millions)	2022	2021	2020
Common stock and paid in capital			
Balance, beginning of period	\$ 328	\$ 770	\$ 757
Common shares issued under stock incentive and other plans (a)	8	8	13
Common shares purchased under repurchase program (b)	(200)	(450)	—
Balance, end of period	136	328	770
Retained earnings			
Balance, beginning of period	2,796	2,649	3,224
Adoption of new accounting pronouncements (c)	—	(2)	—
Net income (loss)	927	220	(508)
Regular dividends	(70)	(71)	(67)
Balance, end of period	3,653	2,796	2,649
Accumulated other comprehensive income (loss)			
Balance, beginning of period	(372)	(383)	(410)
Unrealized translation gain (loss)	(197)	7	27
Unrealized gain (loss) on commodity hedges	(1)	4	—
Pension and postretirement obligation adjustment	1	—	—
Balance, end of period	(569)	(372)	(383)
Total stockholders' equity	\$ 3,220	\$ 2,752	\$ 3,036
Cash dividends declared per common share	\$ 1.27	\$ 1.15	\$ 1.10

(a) Common shares issued were 168,270, 183,281 and 391,180 for 2022, 2021 and 2020, respectively.

(b) Common shares repurchased were 2,853,312 and 3,922,423 for 2022 and 2021, respectively.

(c) Represents the cumulative-effect adjustment related to the adoption of the new guidance related to the measurement of credit losses on financial instruments during fiscal 2021. See Note A for more information.

NOTE P – STOCK INCENTIVE PLANS

Ashland has stock incentive plans under which key employees or directors are granted performance share awards or nonvested stock awards. Each program is typically a long-term incentive plan designed to link employee compensation with increased shareholder value or reward superior performance and encourage continued employment with Ashland. Ashland recognizes compensation expense for the grant date fair value of stock-based awards over the applicable vesting period and accounts for forfeitures when they occur across all stock-based awards.

The components of Ashland's pretax compensation expense for stock-based awards (net of forfeitures) and associated income tax benefits are as follows.

(In millions)	2022 (a)	2021 (b)	2020 (c)
SARs	\$ 1	\$ 2	\$ 5
Nonvested stock awards	12	10	10
Performance share awards	11	6	1
	<u>\$ 24</u>	<u>\$ 18</u>	<u>\$ 16</u>
Income tax benefit	<u>\$ 6</u>	<u>\$ 4</u>	<u>\$ 4</u>

(a) The year ended September 30, 2022 included \$4 million and \$2 million of expense related to cash-settled nonvested restricted stock awards and cash-settled performance units, respectively.

(b) The year ended September 30, 2021 included \$3 million and zero of expense related to cash-settled nonvested restricted stock awards and cash-settled performance units, respectively.

(c) The year ended September 30, 2020 included \$2 million and zero of expense related to cash-settled nonvested restricted stock awards and cash-settled performance units, respectively.

Stock Appreciation Rights

SARs were granted to employees or directors at a price equal to the fair market value of the stock on the date of grant and typically become exercisable over periods of one to three years. Unexercised SARs lapse ten years after the date of grant. Ashland estimates the fair value of SARs granted using the Black-Scholes option-pricing model. This model requires several assumptions, which Ashland has developed and updates based on historical trends and current market observations. The accuracy of these assumptions is critical to the estimate of fair value for these equity instruments. The following table illustrates the weighted-average of key assumptions used within the Black-Scholes option-pricing model. The risk-free interest rate assumption was based on the U.S. Treasury yield curve in effect at the time of the grant for the expected term of the instrument. The dividend yield reflects the assumption that the current dividend payout will continue with no anticipated increases. The volatility assumption was calculated by utilizing peer companies because historical volatility was not considered reflective of future volatility given the divestitures discussed in Notes C and D. The expected life is based on the mid-point of the weighted average time to vest and contractual term. Ashland did not grant any SARs during 2022 or 2021.

(In millions except per share data)	2020
Weighted-average fair value per share of SARs granted	\$ 16.15
Assumptions (weighted-average)	
Risk-free interest rate	1.7%
Expected dividend yield	1.4%
Expected volatility	23.0%
Expected life (in years)	6

A progression of activity and various other information relative to SARs and previously issued and vested stock options is presented in the following table.

(In thousands except per share data)	2022		2021		2020	
	Number of common shares	Weighted-average exercise price per share	Number of common shares	Weighted-average exercise price per share	Number of common shares	Weighted-average exercise price per share
Outstanding - beginning of year	1,543	\$ 62.14	1,993	\$ 61.11	2,102	\$ 57.94
Granted	—	—	—	—	314	77.58
Exercised	(392)	57.32	(386)	54.44	(271)	46.00
Forfeitures and expirations	(9)	54.70	(64)	77.17	(152)	78.27
Outstanding - end of year (a)	<u>1,142</u>	<u>63.85</u>	<u>1,543</u>	<u>62.14</u>	<u>1,993</u>	<u>61.11</u>
Exercisable - end of year	1,094	63.24	1,415	60.68	1,609	57.31

(a) Exercise prices per share for SARs outstanding at September 30, 2022 ranged from \$37.37 to \$47.63 for 101 thousand shares, from \$57.96 to \$59.95 for 523 thousand shares, and from \$67.16 to \$82.34 for 518 thousand shares. The weighted-average remaining contractual life of outstanding SARs was 4.5 years and exercisable SARs and stock options was 4.3 years

The total intrinsic value of SARs exercised was \$19 million in 2022, \$12 million in 2021 and \$8 million in 2020. The actual tax benefit realized from the exercised SARs was \$4 million in 2022, \$3 million in 2021 and \$2 million in 2020. The total grant date fair value of SARs that vested during 2022, 2021 and 2020 was \$1 million, \$1 million and \$4 million, respectively. As of September 30, 2022, there was less than \$1 million of total unrecognized compensation costs related to SARs. That cost is expected to be recognized over a weighted-average period of 0.3 years. As of September 30, 2022, the aggregate intrinsic value of outstanding SARs and exercisable SARs was \$36 million and \$35 million, respectively.

Nonvested stock awards

Nonvested stock awards are granted to employees or directors at a price equal to the fair market value of the stock on the date of grant and generally vest over a one-to-three-year period. However, such shares or units are subject to forfeiture upon termination of service before the vesting period ends. Beginning in 2016, these awards were primarily granted as stock units that will convert to shares upon vesting, while the grants in prior years were generally made in nonvested shares. Only nonvested stock awards granted in the form of shares entitle employees or directors to vote the shares. Dividends on nonvested stock awards granted are in the form of additional units or shares of nonvested stock awards, which are subject to vesting and forfeiture provisions.

A progression of activity and various other information relative to nonvested stock awards is presented in the following table.

(In thousands except per share data)	2022		2021		2020	
	Number of common shares	Weighted-average grant date fair value	Number of common shares	Weighted-average grant date fair value	Number of common shares	Weighted-average grant date fair value
Nonvested - beginning of year	211	\$ 76.10	199	\$ 74.57	215	\$ 73.26
Granted	80	92.34	93	78.96	140	75.42
Vested	(72)	78.81	(69)	75.10	(125)	72.43
Forfeitures	(10)	80.06	(12)	79.02	(31)	77.99
Nonvested - end of year	<u>209</u>	<u>82.55</u>	<u>211</u>	<u>76.10</u>	<u>199</u>	<u>74.57</u>

The total grant date fair value of nonvested stock awards that vested during 2022, 2021 and 2020 was \$6 million, \$5 million and \$9 million, respectively. As of September 30, 2022, there was \$6 million of total unrecognized compensation costs related to nonvested stock awards. That cost is expected to be recognized over a weighted-average period of 1.6 years.

Cash-settled nonvested stock awards

Certain nonvested stock awards are granted to employees and are settled in cash upon vesting. As of September 30, 2022, 76 thousand cash-settled nonvested stock awards were outstanding. The value of these cash-settled nonvested stock awards changes in connection with changes in the fair market value of the Ashland Common Stock. These awards generally vest over a period of three years. The expense recognized related to cash-settled nonvested stock awards was \$6 million, \$3 million, and \$2 million during 2022, 2021 and 2020, respectively.

Performance awards

Ashland sponsors a long-term incentive plan that awards performance shares/units to certain key employees that are tied to Ashland's overall financial performance relative to the financial performance of selected industry peer groups and/or internal targets. Awards are granted annually, with each award covering a three-year vesting period. Nonvested performance shares/units do not entitle employees to vote the shares or to receive any dividends thereon.

Each awarded performance share is convertible to one share of Ashland Common Stock and recorded as a component of stockholders' equity. Performance measures used to determine the actual number of performance shares issuable upon vesting includes 60:40 weighting of Ashland's total shareholder return (TSR) performance and Ashland's return on net assets (RONA) performance as compared to internal targets. TSR relative to peers is considered a market condition while RONA is considered a performance condition in accordance with U.S. GAAP.

The following table shows the performance shares/units granted for all plans that award Ashland Common Stock.

(In thousands)	Vesting period	Target shares/units granted (a)		Weighted-average fair value per share/unit (a)
Fiscal Year 2022	October 1, 2021 - September 30, 2024	110	\$	131.33
Fiscal Year 2021	October 1, 2020 - September 30, 2023	122	\$	90.44
Fiscal Year 2020	October 1, 2019 - September 30, 2022	110	\$	88.65

(a) At the end of the performance period, the actual number of shares/units awarded can range from zero to 200% of the target shares/units granted, which is assumed to be 100%. Both the shares granted and weighted-average fair value per share/unit are as of the grant date.

For these awards, the fair value of the performance unit awards is equal to the fair market value of Ashland's Common Stock as of the end of each reporting period. Compensation cost is recognized over the requisite service period if it is probable that the performance condition will be satisfied.

The fair values of the TSR portion of the performance share awards and TSR modifier of the performance unit awards are calculated using a Monte Carlo simulation valuation model using key assumptions included in the following table. Compensation cost is recognized over the requisite service period regardless of whether the market condition is satisfied.

	2022	2021	2020
Risk-free interest rate	1.18%	0.2%	1.6%
Expected dividend yield	1.3%	1.6%	1.4%
Expected life (in years)	3	3	3
Expected volatility	33.4%	32.7%	20.5%

The following table shows changes in nonvested performance shares/units for all plans that award Ashland Common Stock or cash (fiscal year 2017 only).

(In thousands except per share data)	2022		2021		2020	
	Shares/ Units	Weighted- average grant date fair value	Shares/ Units	Weighted- average grant date fair value	Shares/ Units	Weighted- average grant date fair value
Nonvested - beginning of year	253	\$ 88.66	227	\$ 80.86	260	\$ 76.59
Granted	110	131.33	122	90.44	110	88.65
Vested	(1)	96.32	(79)	68.93	(92)	77.09
Forfeitures	(52)	85.78	(17)	89.36	(51)	82.53
Nonvested - end of year	<u>310</u>	<u>105.78</u>	<u>253</u>	<u>88.66</u>	<u>227</u>	<u>80.86</u>

As of September 30, 2022, there was \$13 million of total unrecognized compensation costs related to nonvested performance share/unit awards. That cost is expected to be recognized over a weighted-average period of approximately 1.7 years.

NOTE Q – REVENUE

Trade receivables

Trade receivables are defined as receivables arising from contracts with customers and are recorded within the accounts receivable caption within the Consolidated Balance Sheets. Ashland's trade receivables were \$369 million and \$308 million as of September 30, 2022 and September 30, 2021, respectively. See Note I for additional information on Ashland's program to sell certain receivables on a revolving basis to third party banks up to an aggregate purchase limit.

Disaggregation of revenue

Ashland disaggregates its revenue from contracts with customers by segment and geographical region, as Ashland believes these categories best depict how management reviews the financial performance of its operations for the twelve months ended September 30, 2022, 2021 and 2020. Ashland includes only U.S. and Canada in its North America designation and includes Europe, the Middle East and Africa in its Europe designation. See the following tables for details (Intersegment sales eliminations have been excluded. See Note R for additional information.):

Sales by geography			
(In millions)	2022	2021	2020
Life Sciences			
North America	\$ 244	\$ 229	\$ 226
Europe	267	242	229
Asia Pacific	218	192	181
Latin America & other	86	74	72
	<u>\$ 815</u>	<u>\$ 737</u>	<u>\$ 708</u>

(In millions)	2022	2021	2020
Personal Care			
North America	\$ 198	\$ 180	\$ 185
Europe	270	240	258
Asia Pacific	126	100	97
Latin America & other	84	72	75
	<u>\$ 678</u>	<u>\$ 592</u>	<u>\$ 615</u>

(In millions)	2022	2021	2020
Specialty Additives			
North America	\$ 247	\$ 203	\$ 199
Europe	258	246	218
Asia Pacific	182	171	134
Latin America & other	32	35	38
	<u>\$ 719</u>	<u>\$ 655</u>	<u>\$ 589</u>

(In millions)	2022		2021		2020	
	Intermediates					
North America	\$	163	\$	114	\$	73
Europe		39		28		24
Asia Pacific		43		29		26
Latin America & other		11		7		6
	\$	256	\$	178	\$	129

For fiscal 2022, Ashland had two product categories that represented 10% or greater of Ashland's total consolidated sales which were celluloseics representing 38% of total consolidated sales and polyvinylprolidones (PVP) representing 20% of total consolidated sales.

NOTE R – REPORTABLE SEGMENT INFORMATION

Ashland determines its reportable segments based on how operations are managed internally for the products and services sold to customers, including how the results are reviewed by the chief operating decision maker, which includes determining resource allocation methodologies used for reportable segments. Operating income and EBITDA are the primary measures of performance that are reviewed by the chief operating decision maker in assessing each reportable segment's financial performance. Ashland does not aggregate operating segments to arrive at these reportable segments.

Change in reportable segments

On February 28, 2022, Ashland completed the sale of its Performance Adhesives segment. The operating results and cash flows for the Performance Adhesives segment have been classified as discontinued operations within the Consolidated Financial Statements for all periods presented. As a result, Ashland's reportable segments include Life Sciences, Personal Care, Specialty Additives, and Intermediates.

Unallocated and Other includes corporate governance activities and certain legacy matters. The historical segment information has been recast to conform to the current segment structure.

Reportable segment business descriptions

Life Sciences is comprised of pharmaceuticals, nutrition, nutraceuticals, agricultural chemicals, diagnostic films (formerly known as advanced materials) and fine chemicals. Pharmaceutical solutions include controlled release polymers, disintegrants, film coatings, solubilizers, and tablet binders. Nutrition solutions include for thickeners, stabilizers, emulsifiers and additives for enhancing mouthfeel, controlling moisture migration, reducing oil uptake and controlling color. Nutraceutical solutions include products for weight management, joint comfort, stomach and intestinal health, sports nutrition and general wellness, and provide custom formulation, toll processing and particle engineering solutions. Customers include pharmaceutical, food, beverage, nutraceuticals and supplements manufacturers, hospitals and radiologists and industrial manufacturers.

Personal Care is comprised of biofunctionals, microbial protectants (preservatives), skin care, sun care, oral care, hair care and household. These businesses have a broad range of natural, nature-derived, biodegradable, and high-performance ingredients for customer-driven solutions to help protect, renew, moisturize and revitalize skin and hair, and provide solutions for toothpastes, mouth washes and rinses, denture cleaning and care for teeth. Household supplies nature-derived rheology ingredients, biodegradable surface wetting agents, performance encapsulates, and specialty polymers for household, industrial and institutional cleaning products. Customers include formulators at large multinational branded consumer products companies and smaller, independent boutique companies.

Specialty Additives is comprised of rheology and performance-enhancing additives serving the architectural coatings, construction, energy, automotive and various industrial markets. Solutions include coatings additives for architectural paints, finishes and lacquers, cement and gypsum based dry mortars, ready-mixed joint compounds, synthetic plasters for commercial and residential construction, and specialty materials for industrial applications. Products include rheology modifiers (cellulosic and associative thickeners), foam control agents, surfactants and wetting agents, pH neutralizers, advanced ceramics used in catalytic converters, and environmental filters, ingredients that aid the manufacturing process of ceramic capacitors, plasma display panels and solar cells, ingredients for textile printing, thermoplastic metals and alloys for welding. Products help improve desired functional outcomes through rheology modification and control, water retention, workability, adhesive strength, binding power, film formation, deposition and suspension and emulsification. Customers include global paint manufacturers, electronics and automotive manufacturers, textile mills, the construction industry, and welders.

Intermediates is comprised of the production of 1,4 butanediol (BDO) and related derivatives, including n-methylpyrrolidone. These products are used as chemical intermediates in the production of engineering polymers and polyurethanes, and as specialty process solvents in a wide array of applications including electronics, pharmaceuticals, water filtration membranes and more. Butanediol is also supplied to Life Sciences, Personal Care, and Specialty Additives for use as a raw material.

Unallocated and Other generally includes items such as certain significant company-wide restructuring activities, corporate governance costs and legacy costs or activities that relate to divested businesses that are no longer operated by Ashland.

International data

Information about Ashland's domestic and international operations follows. Ashland has no operations in any individual international country or single customer that represented more than 10% of sales in 2022, 2021 or 2020.

(In millions)	Sales to external customers			Net assets (liabilities)		Property, plant and equipment - net	
	2022	2021	2020	2022	2021	2022	2021
United States	\$ 731	\$ 637	\$ 623	\$ 1,857	\$ 1,520	\$ 1,042	\$ 1,092
International	1,660	1,474	1,393	1,363	1,232	296	335
	<u>\$ 2,391</u>	<u>\$ 2,111</u>	<u>\$ 2,016</u>	<u>\$ 3,220</u>	<u>\$ 2,752</u>	<u>\$ 1,338</u>	<u>\$ 1,427</u>

Reportable segment results

Results of Ashland's reportable segments are presented based on its management and internal accounting structure. The structure is specific to Ashland; therefore, the financial results of Ashland's reportable segments are not necessarily comparable with similar information for other comparable companies. Ashland allocates all costs to its reportable segments except for certain significant company-wide restructuring activities, certain corporate governance costs and other costs or activities that relate to former businesses that Ashland no longer operates. The service cost component of pension and other postretirement benefits costs is allocated to each reportable segment on a ratable basis; while the remaining components of pension and other postretirement benefits costs are recorded within the other net periodic benefit income (loss) caption of the Statement of Consolidated Comprehensive Income (loss). Ashland refines its expense allocation methodologies to the reportable segments from time to time as internal accounting practices are improved, more refined information becomes available and the industry or market changes. Significant revisions to Ashland's methodologies are adjusted for all segments on a retrospective basis. This includes changes in prior years for indirect corporate costs previously allocated to Performance Adhesives. These costs are now reflected in Unallocated and Other for all periods presented.

Ashland determined that disclosing sales by specific product was impracticable due to the highly customized and extensive portfolio of products offered to customers and since no one product or a small group of products could be aggregated together to represent a majority of revenue within a reportable segment.

The following table presents various financial information for each reportable segment for the years ended September 30, 2022, 2021 and 2020.

Ashland Inc. and Consolidated Subsidiaries

Reportable Segment Information

Years Ended September 30

(In millions)	2022	2021	2020
Sales			
<i>Life Sciences</i>	\$ 815	\$ 737	\$ 708
<i>Personal Care</i>	678	592	615
<i>Specialty Additives</i>	719	655	589
<i>Intermediates</i>	256	178	129
<i>Intersegment sales (a)</i>	(77)	(51)	(25)
	<u>\$ 2,391</u>	<u>\$ 2,111</u>	<u>\$ 2,016</u>
Equity income			
<i>Life Sciences</i>	\$ —	\$ —	\$ —
<i>Personal Care</i>	1	—	—
<i>Specialty Additives</i>	—	—	—
<i>Intermediates</i>	—	—	—
	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ —</u>
Other income (expense)			
<i>Life Sciences</i>	\$ —	\$ —	\$ 1
<i>Personal Care</i>	—	2	—
<i>Specialty Additives</i>	—	—	1
<i>Intermediates</i>	—	—	—
<i>Unallocated and Other</i>	2	7	6
	<u>\$ 2</u>	<u>\$ 9</u>	<u>\$ 8</u>
Equity and other income	<u>\$ 3</u>	<u>\$ 9</u>	<u>\$ 8</u>
Operating income (loss)			
<i>Life Sciences</i>	\$ 155	\$ 130	\$ 123
<i>Personal Care (b)</i>	102	73	(296)
<i>Specialty Additives (b)</i>	103	61	(132)
<i>Intermediates</i>	87	35	(10)
<i>Unallocated and Other (b)</i>	(114)	(107)	(146)
	<u>\$ 333</u>	<u>\$ 192</u>	<u>\$ (461)</u>

(In millions)	2022	2021	2020
Depreciation expense			
<i>Life Sciences</i>	\$ 35	\$ 36	\$ 33
<i>Personal Care</i>	37	39	41
<i>Specialty Additives</i>	63	66	62
<i>Intermediates</i>	12	12	13
<i>Unallocated and Other</i>	—	1	2
	<u>\$ 147</u>	<u>\$ 154</u>	<u>\$ 151</u>
Amortization expense			
<i>Life Sciences</i>	\$ 28	\$ 28	\$ 27
<i>Personal Care</i>	47	42	36
<i>Specialty Additives</i>	18	19	19
<i>Intermediates</i>	1	1	1
<i>Unallocated and Other</i>	—	—	1
	<u>\$ 94</u>	<u>\$ 90</u>	<u>\$ 84</u>
EBITDA (c)			
<i>Life Sciences</i>	\$ 218	\$ 194	\$ 183
<i>Personal Care</i>	186	154	(219)
<i>Specialty Additives</i>	184	146	(51)
<i>Intermediates</i>	100	48	4
<i>Unallocated and Other</i>	(114)	(106)	(143)
	<u>\$ 574</u>	<u>\$ 436</u>	<u>\$ (226)</u>
Additions to property, plant and equipment			
<i>Life Sciences</i>	\$ 28	\$ 27	\$ 51
<i>Personal Care</i>	14	7	13
<i>Specialty Additives</i>	61	67	59
<i>Intermediates</i>	7	2	5
<i>Unallocated and Other</i>	3	2	5
	<u>\$ 113</u>	<u>\$ 105</u>	<u>\$ 133</u>

(In millions)	2022	2021
Assets		
<i>Life Sciences</i>	\$ 1,905	\$ 1,945
<i>Personal Care (d)</i>	1,073	1,145
<i>Specialty Additives</i>	1,567	1,636
<i>Intermediates</i>	170	160
<i>Unallocated and Other (e)</i>	1,498	1,726
	<u>\$ 6,213</u>	<u>\$ 6,612</u>
Property, plant and equipment - net		
<i>Life Sciences</i>	\$ 422	\$ 451
<i>Personal Care</i>	153	159
<i>Specialty Additives</i>	603	651
<i>Intermediates</i>	56	61
<i>Unallocated and Other</i>	104	105
	<u>\$ 1,338</u>	<u>\$ 1,427</u>

(a) Intersegment sales from Intermediates are accounted for at prices that approximate fair value. All other intersegment sales are accounted for at cost.

(b) Includes income on acquisitions and divestitures, net for fiscal 2022, 2021 and 2020 within Unallocated and Other. Includes a fixed asset impairment of \$3 million related to Personal Care and a capital project impairment of \$10 million related to Specialty Additives for the year ended September 30, 2021.

(c) Excludes income from discontinued operations and other net periodic benefit income (loss). See the Statement of Consolidated Comprehensive Income (Loss) for applicable amounts excluded.

(d) See Note B for acquired assets associated with the Schülke personal care business on April 30, 2021.

(e) Includes assets held for sale for the year ended September 30, 2021.

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ASHLAND GLOBAL HOLDINGS INC.

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
as Trustee

3.375% SENIOR NOTES DUE 2031

SUPPLEMENTAL INDENTURE NO. 1

DATED AS OF AUGUST 1, 2022

to

INDENTURE

DATED AS OF AUGUST 18, 2021

SUPPLEMENTAL INDENTURE NO. 1, dated as of August 1, 2022, among Ashland Global Holdings Inc., a Delaware corporation (“Parent”), and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), under the hereafter defined Indenture.

WHEREAS, Ashland LLC, a Kentucky limited liability company and wholly owned, indirect subsidiary of Parent (“LLC”), and Parent, as guarantor, heretofore executed and delivered to the Trustee an Indenture dated as of August 18, 2021 (the “Indenture”), in respect of LLC’s 3.375% Senior Notes due 2031 (the “Notes”); and

WHEREAS, on August 1, 2022, pursuant to Parent’s corporate restructuring plan, Parent, Ashland Chemco Inc. (“Chemco”) and LLC will effect a series of concurrent mergers (the “Mergers”) whereby LLC will be merged with and into Chemco (with Chemco being the surviving company) and, immediately thereafter, Chemco will be merged with and into Parent (with Parent being the surviving company); and

WHEREAS, Section 5.01(a)(ii) of the Indenture requires Parent, after the consummation of the Mergers, to agree to pay the principal of and any premium and interest on, the Notes, and perform and observe all covenants and conditions of the Indenture, in each case, by executing and delivering to the Trustee a supplemental indenture; and

WHEREAS, Parent proposes in and by this Supplemental Indenture No. 1 (the “Supplemental Indenture”) to supplement and amend the Indenture in certain respects as it applies to the Notes issued thereunder; and

WHEREAS, the execution and delivery of this Supplemental Indenture has been duly and validly authorized by each of Chemco and Parent; and

WHEREAS, pursuant to Section 9.01(a)(ii) of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture without notice to or consent of any holder of the Notes; and

WHEREAS, all the conditions and requirements necessary to make this Supplemental Indenture a valid, binding and legal instrument in accordance with its terms have been performed and fulfilled by Parent and the execution and delivery hereof has been in all respects duly authorized by Parent.

NOW, THEREFORE, in consideration of the above premises, each party agrees, for the benefit of the other and for the equal and ratable benefit of the holders of the Notes, as follows:

ARTICLE ONE

REAFFIRMATION AND ACCESSION

SECTION 1.01. Assumption and Agreements.

(a) Parent hereby expressly assumes all of the obligations of LLC as the Issuer under the Indenture and the Notes, including payment of the principal of, and any premium and interest on, the Notes, and agrees to perform and observe all covenants and conditions of the Indenture on the part of the Issuer to be performed or observed. Parent further agrees that as of the date of this Supplemental Indenture, Parent hereby succeeds to and is substituted for and may exercise every right and power of the "Issuer" under the Indenture with the same effect as if Parent had been named as the Issuer in the Indenture.

ARTICLE TWO

MISCELLANEOUS PROVISIONS

SECTION 2.01. Terms Defined. For all purposes of this Supplemental Indenture, except as otherwise defined or unless the context otherwise requires, terms used in capitalized form in this Supplemental Indenture and defined in the Indenture have the meanings specified in the Indenture.

SECTION 2.02. Indenture. Except as amended hereby, the Indenture and the Notes are in all respects ratified and confirmed and all the terms shall remain in full force and effect.

SECTION 2.03. Provisions of General Application. The provisions of Sections 11.09, 11.13 and 11.14 of the Indenture shall apply to this Supplemental Indenture *mutatis mutandis*.

SECTION 2.04. Indemnity. The Issuer shall indemnify and hold harmless the Trustee and Agents and their respective directors, employees and agents against any and all loss, liability, claim, damage or expense (including reasonable attorneys' fees and expenses except for such actions to the extent caused by any negligence, bad faith or willful misconduct on their part) incurred by or in connection with the execution of this Supplemental Indenture the performance of its duties hereunder, including the costs and expenses of enforcing this Supplemental Indenture against the Issuer (including this Section 2.04) and defending itself against or investigating any claim (whether asserted by the Issuer, any holder of the Notes or any other Person). The Trustee and Agents shall notify the Issuer of any claim for which it may seek indemnity promptly upon obtaining actual knowledge thereof; *provided, however*, that any failure so to notify the Issuer shall not relieve the Issuer of its indemnity obligations hereunder. The Issuer shall defend the claim and the indemnified party shall provide reasonable cooperation at the Issuer's expense in the defense. Such indemnified parties may have separate counsel and the Issuer shall pay the fees and expenses of such counsel; *provided, however*, that the Issuer shall not be required to pay such fees and expenses if it assumes such indemnified parties' defense and, in such indemnified parties' reasonable judgment, there is no conflict of interest between the Issuer and such indemnified parties in connection with such defense; *provided, further*, that, unless the Issuer otherwise agrees in writing, the Issuer shall not be liable to pay fees and expenses of more than one counsel at any given time located within one particular jurisdiction. The Issuer need not reimburse any expense or indemnify against any loss, liability or expense incurred by an indemnified party through such party's own willful misconduct, negligence or bad faith.

SECTION 2.05. Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 2.06. Effectiveness. The provisions of this Supplemental Indenture will take effect immediately upon its execution and delivery by the Trustee in accordance with the provisions of the Indenture.

SECTION 2.07. Trustee Disclaimer. The Trustee accepts the amendment of the Indenture effected by this Supplemental Indenture and agrees to execute the trust created by the Indenture as hereby amended, but only upon the terms and conditions set forth in the Indenture, including the terms and provisions defining and limiting the liabilities and responsibilities of the Trustee, which terms and provisions shall in like manner define and limit its liabilities and responsibilities in the performance of the trust created by the Indenture as hereby amended, and without limiting the generality of the foregoing, the Trustee shall not be responsible in any manner whatsoever for or with respect to any of the recitals or statements contained herein, all of which recitals or statements are made solely by Parent, or for or with respect to (i) the validity or sufficiency of this Supplemental Indenture or any of the terms or provisions hereof, (ii) the proper authorization hereof by Parent by corporate action or otherwise, (iii) the due execution hereof by Parent and/or (iv) the consequences (direct or indirect and whether deliberate or inadvertent) of any amendment herein provided for, and the Trustee makes no representation with respect to any such matters.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first written above.

Very truly yours,

ASHLAND GLOBAL HOLDINGS INC.,

By:

/s/ William C. Whitaker

Name: William C. Whitaker

Title: Vice President and Treasurer

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By:

/s/ William Sicking

Name: William Sicking

Title: Vice President

[Signature Page to Supplemental Indenture No. 1]

ASHLAND GLOBAL HOLDINGS INC.

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
as Trustee

SUPPLEMENTAL INDENTURE NO. 4

DATED AS OF AUGUST 1, 2022

to

INDENTURE

DATED AS OF FEBRUARY 26, 2013

SUPPLEMENTAL INDENTURE NO. 4, dated as of August 1, 2022, among Ashland Global Holdings Inc., a Delaware corporation (“Parent”), and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), under the hereafter defined Indenture.

WHEREAS, Ashland LLC, a Kentucky limited liability company formerly known as Ashland Inc. and a wholly owned, indirect subsidiary of Parent (“LLC”), heretofore executed and delivered to the Trustee an Indenture dated as of February 26, 2013 (the “Base Indenture”), a supplemental indenture, dated as of February 26, 2013 (the “First Supplemental Indenture”), a supplemental indenture, dated as of March 14, 2013 (the “Second Supplemental Indenture”), and a supplemental indenture dated as of October 19, 2016 (the “Third Supplemental Indenture” and, together with the Base Indenture, the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, the “Indenture”), providing for the authentication, issuance, delivery and administration of unsecured debentures, notes or other evidences of indebtedness to be issued in one or more series by LLC (the “Notes”); and

WHEREAS, on August 1, 2022, pursuant to Parent’s corporate restructuring plan, Parent, Ashland Chemco Inc. (“Chemco”) and LLC will effect a series of concurrent mergers (the “Mergers”) whereby LLC will be merged with and into Chemco (with Chemco being the surviving company) and, immediately thereafter, Chemco will be merged with and into Parent (with Parent being the surviving company); and

WHEREAS, Section 5.01(a)(ii) of the Base Indenture requires Parent, after the consummation of the Mergers, to agree to pay the principal of and any premium and interest on, the Notes, and perform and observe all covenants and conditions of the Indenture, in each case, by executing and delivering to the Trustee a supplemental indenture, and to assume all of LLC’s obligations as the Company under any applicable registration rights agreement; and

WHEREAS, Parent proposes in and by this Supplemental Indenture No. 4 (the “Supplemental Indenture”) to supplement and amend the Indenture in certain respects as it applies to the Notes issued thereunder; and

WHEREAS, the execution and delivery of this Supplemental Indenture has been duly and validly authorized by each of Chemco and Parent; and

WHEREAS, pursuant to Section 9.01(a)(ii) of the Base Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture without notice to or consent of any holder of the Notes; and

WHEREAS, all the conditions and requirements necessary to make this Supplemental Indenture a valid, binding and legal instrument in accordance with its terms have been performed and fulfilled by Parent and the execution and delivery hereof has been in all respects duly authorized by Parent.

NOW, THEREFORE, in consideration of the above premises, each party agrees, for the benefit of the other and for the equal and ratable benefit of the holders of the Notes, as follows:

ARTICLE ONE

REAFFIRMATION AND ACCESSION

SECTION 1.01. Assumption and Agreements.

(a) Parent hereby expressly assumes all of the obligations of LLC as the Company under the Indenture and the Notes, including payment of the principal of, and any premium and interest on, the Notes, and agrees to perform and observe all covenants and conditions of the Indenture on the part of the Company to be performed or observed and assume all of LLC's obligations as the Company under any applicable registration rights agreement. Parent further agrees that as of the date of this Supplemental Indenture, Parent hereby succeeds to and is substituted for and may exercise every right and power of the "Company" under the Indenture with the same effect as if Parent had been named as the Company in the Indenture.

ARTICLE TWO

MISCELLANEOUS PROVISIONS

SECTION 2.01. Terms Defined. For all purposes of this Supplemental Indenture, except as otherwise defined or unless the context otherwise requires, terms used in capitalized form in this Supplemental Indenture and defined in the Indenture have the meanings specified in the Indenture.

SECTION 2.02. Indenture. Except as amended hereby, the Indenture and the Notes are in all respects ratified and confirmed and all the terms shall remain in full force and effect.

SECTION 2.03. Provisions of General Application. The provisions of Sections 10.09, 10.11 and 10.12 of the Base Indenture shall apply to this Supplemental Indenture *mutatis mutandis*.

SECTION 2.04. Indemnity. The Company shall indemnify and hold harmless the Trustee and Agents and their respective directors, employees and agents against any and all loss, liability, claim, damage or expense (including reasonable attorneys' fees and expenses except for such actions to the extent caused by any negligence, bad faith or willful misconduct on their part) incurred by or in connection with the execution of this Supplemental Indenture the performance of its duties hereunder, including the costs and expenses of enforcing this Supplemental Indenture against the Company (including this Section 2.04) and defending itself against or investigating any claim (whether asserted by the Company, any holder of the Notes or any other Person). The Trustee and Agents shall notify the Company of any claim for which it may seek indemnity promptly upon obtaining actual knowledge thereof; *provided, however*, that any failure so to notify the Company shall not relieve the Company of its indemnity obligations hereunder. The Company shall defend the claim and the indemnified party shall provide reasonable cooperation at the Company's expense in the defense. Such indemnified parties may have separate counsel and the Company shall pay the fees and expenses of such counsel;

provided, however, that the Company shall not be required to pay such fees and expenses if it assumes such indemnified parties' defense and, in such indemnified parties' reasonable judgment, there is no conflict of interest between the Company and such indemnified parties in connection with such defense; *provided, further*, that, unless the Company otherwise agrees in writing, the Company shall not be liable to pay fees and expenses of more than one counsel at any given time located within one particular jurisdiction. The Company need not reimburse any expense or indemnify against any loss, liability or expense incurred by an indemnified party through such party's own willful misconduct, negligence or bad faith.

SECTION 2.05. Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 2.06. Effectiveness. The provisions of this Supplemental Indenture will take effect immediately upon its execution and delivery by the Trustee in accordance with the provisions of the Indenture.

SECTION 2.07. Trustee Disclaimer. The Trustee accepts the amendment of the Indenture effected by this Supplemental Indenture and agrees to execute the trust created by the Indenture as hereby amended, but only upon the terms and conditions set forth in the Indenture, including the terms and provisions defining and limiting the liabilities and responsibilities of the Trustee, which terms and provisions shall in like manner define and limit its liabilities and responsibilities in the performance of the trust created by the Indenture as hereby amended, and without limiting the generality of the foregoing, the Trustee shall not be responsible in any manner whatsoever for or with respect to any of the recitals or statements contained herein, all of which recitals or statements are made solely by Parent, or for or with respect to (i) the validity or sufficiency of this Supplemental Indenture or any of the terms or provisions hereof, (ii) the proper authorization hereof by Parent by corporate action or otherwise, (iii) the due execution hereof by Parent and/or (iv) the consequences (direct or indirect and whether deliberate or inadvertent) of any amendment herein provided for, and the Trustee makes no representation with respect to any such matters.

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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first written above.

Very truly yours,

ASHLAND GLOBAL HOLDINGS INC.,

By:

/s/ William C. Whitaker

Name: William C. Whitaker

Title: Vice President and Treasurer

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By:

/s/ William Sicking

Name: William Sicking

Title: Vice President

[Signature Page to Supplemental Indenture No. 4]

ASHLAND INC.
SENIOR LEADERSHIP SEVERANCE PLAN
(Effective as of September 19, 2022)

1. Establishment; Purpose.

(a) Establishment. Ashland Inc. (collectively referred to herein, together with its majority-owned subsidiaries, as the “Company”) hereby establishes the Ashland Inc. Senior Leadership Severance Plan (the “Plan”), as set forth in this document, effective as of September 19, 2022 (the “Effective Date”). The Plan supersedes and replaces the Ashland Severance Pay Plan and the Ashland Salary Continuation Plan with respect to all Participants, effective as of the Effective Date.

(b) Purpose. The Plan is designed to provide for financial protection to certain key executives of the Company in the event of unexpected job loss (whether before or in connection with a Change in Control), in order to encourage the continued attention of Participants who are expected to make substantial contributions to the success of the Company and thereby provide for stability and continuity of management.

2. Certain Definitions. For purposes of the Plan, the following terms have the meanings set forth below:

“Annual Base Salary” means the Participant’s annual rate of base salary in effect as of the Date of Termination, and if the Date of Termination occurs during a Change in Control Protection Period, prior to any reduction that would qualify as a Good Reason termination event.

“Board” means the Board of Directors of Ashland Inc., as constituted at any time.

“Cause” shall mean (a) the willful and continued failure of a Participant to substantially perform his or her duties with the Company (other than such failure resulting from the Participant’s incapacity due to physical or mental illness), (b) any act by a Participant that would constitute a felony under the laws of the United States, or (c) any act or omission by a Participant which reasonably constitutes dishonesty, disloyalty, fraud, deceit, gross negligence, willful misconduct or recklessness during the course of his or her duties, including, but not limited to the willful violation of the Company’s by-laws, Global Code of Conduct, or other corporate policies and procedures governing employee conduct.

“Change in Control” shall be deemed to have occurred if:

(a) there shall be consummated (i) any consolidation, merger or similar transaction of Ashland Inc. (a “Business Combination”) (other than a consolidation, merger or similar transaction of Ashland Inc. into or with a direct or indirect wholly-owned subsidiary) as a result of which (x) the stockholders of Ashland Inc. immediately prior to the Business Combination own (directly or indirectly), immediately after the Business Combination, less than 50% of the then outstanding shares of common stock that are entitled to vote generally for the election of directors of the corporation resulting from such Business Combination (including as a result of shares of common stock being converted into cash, securities or other property) or (y) the holders of common stock of Ashland Inc. immediately prior to the Business Combination do not have

substantially the same proportionate ownership of common stock of the surviving corporation immediately after the Business Combination; or (ii) any sale, lease, exchange or transfer (in one transaction or a series of related transactions) of all or substantially all the assets of Ashland Inc., provided, however, that no sale, lease, exchange or other transfer of all or substantially all the assets of Ashland Inc. shall be deemed to occur unless the fair market value of assets constituting at least 80% of the fair market value of Ashland Inc.'s total assets are transferred pursuant to such sale, lease, exchange or other transfer, or

(b) the stockholders of Ashland Inc. shall approve any plan or proposal for the liquidation or dissolution of Ashland Inc., or

(c) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended) shall become the Beneficial Owner (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of securities of Ashland Inc. representing 20% or more of the combined voting power of Ashland Inc.'s then outstanding securities ordinarily (and apart from rights accruing in special circumstances) having the right to vote in the election of directors, as a result of a tender or exchange offer, open market purchases, privately-negotiated purchases or otherwise, without the approval of the Board, or

(d) at any time during a period of two (2) consecutive years, individuals who at the beginning of such period constituted the Board shall cease for any reason to constitute at least a majority thereof, unless the election or the nomination for election by Ashland Inc.'s stockholders of each new director during such two-year period was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such two-year period.

“Change in Control Protection Period” means the period beginning upon the occurrence of a Change in Control through and until the second anniversary of the occurrence of such Change in Control.

“Code” means the Internal Revenue Code of 1986, as amended.

“Compensation Committee” means the Compensation Committee of the Board, or its delegate.

“Date of Termination” means the date of the Participant's “separation from service” within the meaning of Section 409A of the Code.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Good Reason” shall mean any of the following events during a Change in Control Protection Period without the Participant's consent: (a) a reduction of fifteen percent or more in the Participant's Annual Base Salary, target annual incentive opportunity, or both, in each case as in effect immediately prior to a Change in Control, or (b) a relocation of the Participant's principal place of business or primary work location (if working remotely) to a location that is outside a 50 mile radius from the Participant's principal place of business or primary work location (if working remotely) as in effect immediately before the Change in Control, or (c) any material diminution in the nature and scope of the Participant's responsibilities, duties or authority from those in effect

immediately prior to the Change of Control, other than any diminution primarily attributable to the fact that the Company may no longer be a public company or to other changes in the identity, nature, size or structure of the Company; and provided, that a change in the Participant's title or reporting relationship shall not of itself constitute Good Reason (unless such change also results in a material diminution as described above). If a Participant terminates his or her employment for Good Reason, the Participant shall provide written notice of the same to his or her direct supervisor, which written notice shall indicate the specific provision relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant's employment for "Good Reason" under the provisions(s) so indicated. Notwithstanding the foregoing, "Good Reason" shall not exist unless and until the Participant provides the Company with written notice of the act(s) alleged to constitute "Good Reason" within 90 calendar days of the Participant's knowledge of the occurrence of such act(s), and the Company fails to cure such acts within 30 calendar days of receipt of such notice. Further, if the Company fails to cure such act(s) within this 30 calendar day period, then the Participant must exercise the right to terminate his or her employment for Good Reason within 60 calendar days thereafter, in writing, in order for the termination to be for Good Reason.

"Participant" means an eligible employee who is one of the Participants in the Plan in accordance with Section 3 hereof.

"Prior Year Annual Incentive" has the meaning provided in Section 4(a)(i).

"Pro-Rated Annual Incentive" has the meaning provided in Section 4(a)(ii).

"Qualified Termination" means any termination of a Participant's employment: (i) at any time other during the Change in Control Protection Period, by the Company without Cause (and not as a result of the Participant's disability or death); or (ii) solely during the Change in Control Protection Period, by the Company without Cause (and not as a result of the Participant's disability or death), or by the Participant for Good Reason.

"Release" has the meaning given to that term in Section 5 hereof.

"Severance Multiple" has the meaning provided in Section 4(a)(v) or Section 4(b)(iii), as applicable.

"Target Annual Incentive" means the dollar value of the Participant's target annual incentive opportunity as in effect as of the Date of Termination, and if the Date of Termination occurs during a Change in Control Protection Period, prior to any reduction that would qualify as a Good Reason termination event.

3. Participation.

(a) Designation of Participants. Subject to the non-duplication provisions of Section 9(b) of the Plan, an employee of the Company who is either (i) classified in employee bands 22 or above (or their successor employee classifications), or (ii) otherwise specifically designated as eligible for this Plan by the Compensation Committee or the Chief Executive Officer of the Company, will be entitled to participate in the Plan, regardless of length of service. Notwithstanding the foregoing, employees of foreign subsidiaries, except U.S. employees on

expatriate assignments, shall not be eligible to participate in this Plan. The employees eligible to participate in the Plan (the “Participants”) are intended to constitute a “select group of management or highly compensated employees,” within the meaning of Sections 201, 301 and 401 of ERISA.

(b) Duration of Participation. A Participant shall cease to be a Participant in this Plan if: (i) the Participant ceases to be employed by the Company, unless such Participant is then entitled to a severance benefit as provided in Section 4 of this Plan; or (ii) the Compensation Committee removes the employee as a Participant. Further, participation in this Plan is subject to the unilateral right of the Compensation Committee to terminate or amend the Plan in whole or in part as provided in Section 16 hereof. Notwithstanding anything herein to the contrary, a Participant who is then entitled to a severance benefit as provided in Section 4 of this Plan shall remain a Participant in this Plan until the amounts and benefits payable under this Plan have been paid or provided to the Participant in full. Any severance benefits to be provided to a Participant under this Plan are subject to all of the terms and conditions of the Plan.

(c) No Employment Rights. Participation in the Plan does not alter the status of a Participant as an at-will employee, and nothing in the Plan will limit or affect in any manner the right of the Company to terminate the employment or adjust the compensation of a Participant at any time and for any reason (with or without Cause).

4. Severance Benefits.

(a) Qualified Termination Other Than During a Change in Control Protection Period. Subject to compliance with Section 5 hereof, in the event that a Participant incurs a Qualified Termination other than during a Change in Control Protection Period, the Participant shall be entitled to the compensation and benefits set forth in this Section 4(a):

(i) *Prior Year Annual Incentive*. The Company shall pay to the Participant the amount of any annual incentive that has been earned by the Participant for a completed fiscal year or other measuring period preceding the Date of Termination (or that would have been earned by the Participant had his or her employment continued through the date such annual incentive is paid to continuing employees), but has not yet been paid to the Participant (the “Prior Year Annual Incentive”), payable in a single lump sum no later than two and one half months following the end of the completed fiscal year or other measuring period.

(ii) *Pro-Rated Annual Incentive*. The Participant will be eligible to receive an amount equal to his or her Target Annual Incentive for the fiscal year or other measuring period during which the Date of Termination occurs, which shall be pro-rated based on the number of days in the Company’s fiscal year or other measuring period through (and including) the Date of Termination (the “Pro-Rated Annual Incentive”) and payable in a single lump sum within 15 calendar days after the Release described in Section 5 becomes effective and irrevocable in accordance with its terms.

(iii) *Severance*. The Company shall pay, or cause to be paid, to the Participant an amount equal to the product of (A) the Severance Multiple (defined in Section 4(a)(v) below), multiplied by (B) the Participant’s Annual Base Salary. Any severance payable pursuant to this

Section 4(a)(iii) will be paid in a single lump sum within 15 calendar days after the Release described in Section 5 becomes effective and irrevocable in accordance with its terms.

(iv) *Welfare Benefits*. The Participant shall be eligible under the Consolidated Omnibus Budget Reconciliation Act (“COBRA”) to elect to continue group health plan coverage under the medical, dental and/or vision plans in which the Participant, and as applicable, the Participant’s eligible dependents, were enrolled immediately prior to the Qualified Termination. The Participant must make a valid and timely COBRA election in order to receive this coverage, and thereafter pay the monthly premiums for this coverage as they become due. Upon commencing COBRA coverage, for the Initial Benefits Continuation Period, as defined below, the Participant will pay monthly premiums equal to the rates that apply to the Company’s active employees for coverage of the employee, and as applicable, the employees’ eligible dependents, under the applicable group health plan(s) as apply from time-to-time. The “Initial Benefits Continuation Period” runs from the date of the Qualified Termination until the earlier of the date on which (A) the COBRA coverage has continued for the number of months that correspond to the years (and fractions thereof) of the Participant’s Severance Multiple (as defined in Section 4(a)(v) below), (B) the COBRA coverage has continued for the number of months the Participant is eligible to receive continuation of group health plan coverage under COBRA, or (C) the date on which the Participant becomes eligible for medical, vision and dental coverage from a third party. In the event that the Initial Benefits Continuation Period is shorter than the total number of months the Participant is eligible to receive continuation of group plan coverage under COBRA, then for the remaining months of the Participant’s COBRA eligibility period, the Participant may continue group plan coverage under COBRA by paying the full monthly premium amounts that apply to terminated employees, and as applicable, the employees’ eligible dependents, under the applicable group health plan(s). The Company may modify its obligation under this Section 4(a)(iv) to the extent reasonably necessary to avoid any penalty or excise taxes imposed on it in connection with the continued payment of premiums by the Company under the Patient Protection and Affordable Care Act of 2010, as amended.

In addition, if (x) the Initial Benefits Continuation Period expires after 18 months because the Participant is no longer eligible for continuation of group health plan coverage under COBRA, (y) the Participant has not obtained coverage through another individual or group health plan, and (z) the Participant’s Severance Multiple (as defined in Section 4(a)(v) below) exceeds 1.5, then to assist the Participant with the cost of obtaining replacement coverage at the expiration of the Initial Benefits Continuation Period, the Participant shall be entitled to receive a single lump sum cash payment equal to the employer paid monthly premium times the number of months remaining in the Severance Multiple (assuming for this purpose that the Severance Multiple is expressed in terms of years) for group health coverage that the Company was subsidizing on behalf of the Participant immediately prior to the expiration of the Initial Benefits Continuation Period, less applicable withholdings, which shall be paid within 15 calendar days after the Release described in Section 5 becomes effective and irrevocable in accordance with its terms.

(v) *Severance Multiple*. For purposes of this Section 4(a), the term “Severance Multiple” means (A) If the Participant is the Chief Executive Officer of the Company, 2.0; (B) if the Participant is designated by the Board as a “Section 16 Officer” (other than the Chief Executive Officer), 1.5; and (C) for any other Participant, 1.0.

(vi) *Additional Payments and Benefits*. In addition to the payments and benefits described in this Section 4(a):

(A) The vesting of equity awards shall be governed by the terms of the Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan, the Ashland Global Holdings Inc. 2018 Omnibus Incentive Compensation Plan, the Amended and Restated 2015 Ashland Global Holdings Inc. Incentive Plan, or any of their successor equity incentive plans, as applicable.

(B) The Company shall, at its sole expense as incurred, (i) provide the Participant with outplacement services from a recognized outplacement service provider selected by the Company for up to one year after the Participant's Qualified Termination, and (ii) continue to provide the Participant with financial planning services, under the terms, and subject to the conditions, of the financial planning policy applicable to the Participant on the Date of Termination, through the end of the calendar year in which the Date of Termination occurs.

(b) Qualified Termination During a Change in Control Protection Period. Subject to compliance with Section 5 hereof, in the event that a Participant incurs a Qualified Termination during a Change in Control Protection Period, then the Company shall pay or provide, or cause to be paid or provided, to the Participant the payments and benefits set forth in Section 4(a) above, as modified by this Section 4(b) as set forth below:

(i) *Prior Year Annual Incentive*. The Company shall pay to the Participant the Prior Year Annual Incentive under the terms, and subject to the conditions, set forth in Section 4(a)(i) above.

(ii) *Pro-Rated Annual Incentive*. Subject to Section 6 below, the Company shall pay to the Participant the Pro-Rated Annual Incentive under the terms, and subject to the conditions, set forth in Section 4(a)(ii) above.

(iii) *Severance*. The Company shall pay, or cause to be paid, to the Participant an amount equal to the product of (A) the Severance Multiple (defined below in this paragraph (iii)), multiplied by (B) the sum of the Participant's Annual Base Salary and Target Annual Incentive. Any severance payable pursuant to this Section 4(b)(iii) will be paid in a single lump sum within 15 calendar days after the Release described in Section 5 becomes effective and irrevocable in accordance with its terms. For purposes of this Section 4(b)(iii), the "Severance Multiple" shall be as follows: (A) If the Participant is the Chief Executive Officer of the Company, 3.0; (B) if the Participant is designated by the Board as a "Section 16 Officer" (other than the Chief Executive Officer), 2.0; and (C) for any other Participant, 1.0, rather than the Severance Multiple set forth in Section 4(a)(v) above.

(iv) *Welfare Benefits*. For purposes of determining the continued welfare benefits described in Section 4(a)(iv) above, the Initial Benefits Continuation Period, as defined therein, shall be determined without regard to application of paragraph (A) of that definition. In addition, if (A) the Initial Benefits Continuation Period expires after 18 months because the Participant is no longer eligible for continuation of group health plan coverage under COBRA, (B) the Participant has not obtained coverage through another individual or group health plan, and (C) the

Participant's Severance Multiple (as defined in Section 4(b)(iii) above) exceeds 1.5, then to assist the Participant with the cost of obtaining replacement coverage at the expiration of the Initial Benefits Continuation Period, the Participant shall be entitled to receive a single lump sum cash payment equal to the employer paid monthly premium times the number of months remaining in the Severance Multiple (assuming for this purpose that the Severance Multiple is expressed in terms of years) for group health coverage that the Company was subsidizing on behalf of the Participant immediately prior to the expiration of the Initial Benefits Continuation Period, less applicable withholdings, which shall be paid within 15 calendar days after the Release described in Section 5 becomes effective and irrevocable in accordance with its terms.

(v) *Additional Payments and Benefits.* In addition to the payments and benefits described in this Section 4(b):

(A) The vesting of equity awards shall be governed by the terms of the Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan, the Ashland Global Holdings Inc. 2018 Omnibus Incentive Compensation Plan, the Amended and Restated 2015 Ashland Global Holdings Inc. Incentive Plan, or any of their successor equity incentive plans, as applicable.

(B) The Company shall, at its sole expense as incurred, (i) provide the Participant with outplacement services from a recognized outplacement service provider selected by the Company for up to one year after the Participant's Qualified Termination, (ii) provide any Participant deemed eligible under the Plan prior to September 19, 2022 with financial planning services, under the terms, and subject to the conditions, of the financial planning policy applicable to the Participant on the Date of Termination, through the end of the calendar year in which the Date of Termination occurs, and (iii) reimburse any Participant for any legal fees or expenses incurred by the Participant during his or her lifetime to enforce the payment of Plan benefits, within 15 business days after the Participant provides copies of applicable invoices to the Company.

(c) Other Benefits. Upon a Qualified Termination, to the extent not theretofore paid or provided, the Company shall pay or provide, or cause to be paid or provided, to the Participant any other amounts or benefits required to be paid or provided or which the Participant is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company in accordance with the terms and normal procedures of each such plan, program, policy or practice or contract or agreement, based on accrued and vested benefits through the Date of Termination.

(d) Resignation from All Positions. Notwithstanding any other provision of this Plan, upon the termination of a Participant's employment for any reason, unless otherwise requested by the Company, the Participant shall immediately resign from all positions that he or she holds or has ever held with the Company, including, if applicable, as a member of the Board. Each Participant agrees to execute any and all documentation to effectuate such resignations upon request by the Company, but he or she shall be treated for all purposes as having so resigned upon termination of his or her employment, regardless of when or whether he or she executes any such documentation.

(e) No Mitigation. In no event shall a Participant be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Participant

under any of the provisions of this Plan and, except as provided in Section 4(a)(iv) of the Plan, such amounts shall not be reduced whether or not the Participant obtains other employment.

5. Release. Notwithstanding anything contained herein to the contrary, the Company shall not be obligated to provide any severance payment or benefit under Sections 4(a) or 4(b) unless the Participant executes a Severance Agreement and General Release on a form provided by the Company (the "Release"), and the Release becomes effective and irrevocable in accordance with its terms, within 55 calendar days after the Participant's Date of Termination. The Release will provide: (a) that the Participant and his or her successors waive all claims against the Company related to his or her employment, (b) that the Participant will not participate in litigation or other legal action against the Company with respect to his or her termination, (c) that the Participant will be subject to certain confidentiality, assignment of works and non-disparagement provisions, (d) that the Participant will be subject to certain non-competition and non-solicitation (employees, service providers and customers) covenants for a period of time equal to the Participant's Severance Multiple (or for such shorter period of time as the Company may determine to be required or reasonably advisable in order to make the covenants enforceable and otherwise compliant with applicable law), and (e) that the Participant will cooperate with the Company on transition matters or in any internal investigation or administrative, regulatory, or judicial proceeding as reasonably requested by the Company. The terms of each Release may differ from other Releases delivered under the Plan at the same time, or at some other times. The Participant's local HR representative will coordinate the preparation and execution of the Release and provide the Participant with a copy for his or her file. The Participant will be responsible for obtaining his or her own legal advice.

6. Treatment of Annual Incentive on a Change in Control. In the event that: (a) a Participant is covered by an annual incentive plan maintained by the Company immediately prior to a Change in Control, (b) the annual incentive plan is not assumed or continued by the resulting entity in a Change in Control, and (c) the Participant remains employed by the Company through the day immediately prior to the Change in Control, then the Company shall pay to the Participant a Pro-Rated Annual Incentive for the fiscal year in which the Change in Control occurs (and, for this purpose, pro-rated through the date immediately preceding the Change in Control), which shall be paid to the Participant in a single lump sum within 15 calendar days after the Change in Control and shall be in lieu of, and not in duplication of, any annual incentive (or pro-rated annual incentive under Section 4(b)(ii) of the Plan) for the portion of such fiscal year or other measuring period ending on the Change in Control.

7. Clawback. Notwithstanding anything contained in Sections 4 or 5 of this Plan to the contrary, in the event the Company determines that the Participant has breached any of his or her obligations under the Release, then: (a) the Company's obligation to pay the amounts or provide the benefits to that Participant under Section 4(a) and 4(b) of the Plan, as applicable, shall immediately terminate and be of no further force or effect and the Participant will forfeit his or her rights to receive any such amounts or benefits; and (b) the Participant shall, immediately upon written demand, repay to the Company the amounts, if any, paid or provided to the Participant under Section 4(a) and 4(b) of the Plan, as applicable, prior to the date that the Participant received the written demand. To the extent not prohibited under applicable law, the Company, in its sole and absolute discretion, will have the right to set off (or cause to be set off) any amounts otherwise due to the Participant from the Company in satisfaction of any repayment obligation of the

Participant under this Section 7, provided that any such amounts are exempt from, or set off in a manner intended to comply with the requirements of Section 409A of the Code. Nothing contained in this Section 7 is intended to or shall be interpreted as diminishing or otherwise limiting the Company's right under applicable law to enforce its interests, including under the other provisions of the Release.

8. Acceptance of Benefits. If a Participant receives and accepts all of the applicable benefits provided under Section 4 of the Plan, he or she shall be deemed thereby to have waived any right or cause of action against the Company and its directors, officers, or employees arising from the termination of the Participant's employment, and he or she shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and any action taken under the Plan by the plan administrator, the Compensation Committee or the Company, in any case in accordance with the terms and conditions of the Plan.

9. Effect on Other Plans, Agreements and Benefits.

(a) Relation to Other Benefits. A Participant's voluntary termination of employment, with or without Good Reason, shall in no way affect the Participant's ability to terminate employment by reason of the Participant's "retirement" under, or to be eligible to receive benefits under, any compensation and benefits plans, programs or arrangements of the Company, including, without limitation, any retirement or pension plans or arrangements or substitute plans adopted by the Company, and any termination which otherwise qualifies as Good Reason shall be treated as such even if it is also a "retirement" for purposes of any such plan. Any economic or other benefit to a Participant under this Plan will not be taken into account in determining any benefits to which the Participant may be entitled under any profit-sharing, retirement, workers compensation or other benefit or compensation plan maintained by the Company.

(b) Non-Duplication. Notwithstanding the foregoing provisions of Section 9(a) above, and except as specifically provided below, any severance payments or benefits received by a Participant pursuant to the Plan shall be in lieu of any general severance policy or other severance plan maintained by the Company (other than a stock option, restricted stock, share or unit, performance share or unit, supplemental retirement, deferred compensation or similar plan or agreement which may contain provisions operative on a termination of the Participant's employment or may incidentally refer to accelerated vesting or accelerated payment upon a termination of employment); provided, however, that if a Participant incurs a Qualified Termination in circumstances under which the Participant becomes entitled to severance payments or benefits pursuant to an employment agreement or change in control agreement with the Company, then the Participant shall not be entitled to any severance payments or benefits under the Plan as a result of such Qualified Termination and, in lieu of, and not in duplication of, any severance payments or benefits the Participant would otherwise be entitled to receive under the Plan, the Participant shall receive the severance payments or benefits to which the Participant is entitled under the employment agreement or change in control agreement, payable or provided under the terms, and subject to the conditions, of the applicable agreement.

10. Certain Tax Matters. In the event it shall be determined that any payment or distribution by the Company to or for the benefit of a Participant (whether paid or payable or

distributed or distributable pursuant to the terms of this Plan or otherwise) (the “Total Payments”), is or will be subject to the excise tax imposed by Section 4999 of the Code (the “Excise Tax”), then the Total Payments shall be reduced to the maximum amount that could be paid to the Participant without giving rise to the Excise Tax (the “Safe Harbor Cap”), if the net after-tax benefit to the Participant after reducing the Participant’s Total Payments to the Safe Harbor Cap is greater than the net after-tax (including the Excise Tax) benefit to the Participant without such reduction. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing first the payments made pursuant to Section 4(b)(iii) of this Plan, and then to any other payment that triggers such Excise Tax in the following order: (i) reduction of cash payments, (ii) cancellation of accelerated vesting of performance-based equity awards (based on the reverse order of the date of grant), (iii) cancellation of accelerated vesting of other equity awards (based on the reverse order of the date of grant), and (iv) reduction of any other payments due to the Participant (with benefits or payments in any group having different payment terms being reduced on a pro-rata basis). All mathematical determinations, and all determinations as to whether any of the Total Payments are “parachute payments” (within the meaning of Section 280G of the Code), that are required to be made under this paragraph, including determinations as to whether the Total Payments to Participant shall be reduced to the Safe Harbor Cap and the assumptions to be utilized in arriving at such determinations, shall be made at the Company’s expense by the Company’s then current independent auditors, or such other nationally recognized accounting or valuation firm selected by the Company prior to the relevant Change in Control.

11. Administration. The Compensation Committee shall have complete discretion to interpret where necessary all provisions of the Plan (including, without limitation, by supplying omissions from, correcting deficiencies in, or resolving inconsistencies or ambiguities in, the language of the Plan), to make factual findings with respect to any issue arising under the Plan, to determine the rights and status under the Plan of Participants or other persons, to resolve questions (including factual questions) or disputes arising under the Plan and to make any determinations with respect to the benefits payable under the Plan and the persons entitled thereto as may be necessary for the purposes of the Plan. Without limiting the generality of the foregoing, the Compensation Committee is hereby granted the authority (a) to determine whether a particular employee is a Participant, and (b) to determine if a person is entitled to benefits hereunder and, if so, the amount and duration of such benefits. The Compensation Committee shall have no obligation to treat eligible employees or Participants uniformly and the Compensation Committee may make determinations selectively among employees or Participants in its business judgment. The Compensation Committee may delegate, subject to such terms as the Compensation Committee shall determine, any of its authority hereunder to such person or persons from time to time as it may designate. In the event of such delegation, all references to the Compensation Committee in this Plan shall be deemed references to such delegates as it relates to those aspects of the Plan that have been delegated. In this regard, the Compensation Committee has delegated authority to the Chief Executive Officer or Head of Human Resources of Ashland Inc. to administer the Plan; provided that the Compensation Committee reserves to itself any or all of the authority or responsibility of the plan administrator under the Plan or may act as the administrator of the Plan for any and all purposes. Any interpretation or construction of, or determination or action by, the Compensation Committee or the Chief Executive Officer or Head of Human Resources of Ashland Inc. with respect to the Plan and its administration shall be final and binding upon any and all parties and persons affected thereby, subject to the exclusive appeal procedure set forth herein; provided, however, that notwithstanding the foregoing, during the Change in

Control Protection Period, any determination by the administrator as to whether “Cause” or “Good Reason” exists will be subject to *de novo* review by a court of competent jurisdiction. Each Participant irrevocably agrees to submit to the exclusive jurisdiction and venue of the federal and state courts located in the State of Delaware in any court action or proceeding brought with respect to or in connection with the *de novo* review described in the immediately preceding sentence.

12. Claims for Benefits.

(a) If any Participant believes that he or she is entitled to benefits provided under the Plan and has not received such benefits within the time prescribed by the Plan, such Participant may submit a written claim for payment of such benefits to the Company. The Company shall promptly deliver to the Participant its written decision on the claim, but in no event later than 90 business days after the receipt of the claim. The 90-day period may be extended under special circumstances which require an extension of time. If special circumstances apply, the Participant will be notified before the end of the 90-day period after the claim was received. Such notice will identify the special circumstances and will specify the expected date of the decision. When special circumstances apply, the Company will deliver to the Participant its written decision on the claim not later than 180 days after the claim is received. Such notice of denial (i) shall be in writing, (ii) shall be written in a manner calculated to be understood by the Participant, and (iii) shall contain (A) the specific reason or reasons for denial of the claim, (B) a specific reference to the pertinent Plan provisions upon which the denial is based, (C) a description of any additional material or information necessary to perfect the claim, along with an explanation of why such material or information is necessary, and (D) an explanation of the claim review procedure, in accordance with the provisions of this Section 12(a), and a statement providing that the Participant may file a civil action under Section 502(a) of ERISA following the exhaustion of claims procedures set forth herein. If the decision on review is not furnished within the time prescribed by this Section 12(a), the claim shall be deemed denied.

(b) Within 60 business days after the receipt by the Participant of a written notice of denial of the claim, the Participant may file a written request with the Company that it conduct a full and fair review of the denial of the claim for benefits. As a part of such full and fair review, the Participant (or such Participant’s duly authorized representative) may review and photocopy pertinent documents (including but not limited to the Participant’s personal history file) and submit issues and comments to the Company in writing. The Participant may also submit materials supporting his or her appeal that will be considered by the Company, even if they were not part of the initial claim review. The Company shall make its determination in accordance with the documents governing the Plan insofar as such documents are consistent with the provisions of ERISA.

(c) The Company shall promptly deliver to the Participant its written decision on the review of the claim, but in no event later than 60 business days after the receipt of the request for review. The 60-day period may be extended under special circumstances (such as a conference with the Participant or his or her representative) which require an extension of time. If special circumstances apply, the Participant will be notified before the end of the 60-day period after the request for review was received. Such notice will identify the special circumstances and will specify the expected date of the decision. When special circumstances apply, the Company will deliver to the Participant its written decision on the claim upon review not later than 120 days after

the claim is received. Such decision shall (i) be written in a manner calculated to be understood by the Participant, (ii) include the specific reason or reasons for the decision, (iii) contain a specific reference to the pertinent Plan provisions upon which the decision is based, (iv) a statement that the Participant may receive free of charge reasonable access to or copies of documents, records and other information relevant to the claim, and (v) a statement that the Participant may file a civil action under Section 502(a) of ERISA. If the decision on review is not furnished within the time prescribed by this Section 12(c), the claim shall be deemed denied on review. Following the exhaustion of the claims procedures set forth herein and in the event of subsequent civil action, the Participant shall be prohibited from presenting any evidence not considered by or presented to the Company in accordance with the claims procedures hereunder. No cause of action may be brought by a Participant who has received a claim denial later than two years following the date of such claim denial.

(d) Except as otherwise provided by the Compensation Committee, the Head of Human Resources of Ashland Inc. shall administer the claims procedure set forth in this Section 12.

13. Successors.

(a) Company Successors. This Plan shall bind any successor of the Company, its assets or its businesses (whether direct or indirect, by purchase, merger, consolidation or otherwise), in the same manner and to the same extent that the Company would be obligated under this Plan if no succession had taken place. The Company shall require any such successor to expressly assume and agree to perform this Plan in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

(b) Participant Successors. The rights of a Participant to receive any benefits hereunder shall not be assignable, transferable or delegable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by his or her will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section 13(b), the Company shall have no liability or obligation to pay any amount so attempted to be assigned, transferred or delegated.

14. Unfunded Status. All payments pursuant to the Plan shall be made from the general funds of the Company and no special or separate fund shall be established or other segregation of assets made to assure payment. No Participant or other person shall have under any circumstances any interest in any particular property or assets of the Company as a result of participating in the Plan.

15. Withholding. The Company shall have the right to deduct from all payments made to any person under the Plan any federal, state, local, foreign or other taxes which, in the opinion of the Company, are required to be withheld with respect to such payments.

16. Amendments; Termination. The Compensation Committee expressly reserves the unilateral right, at any time and from time to time, without either the consent of or any prior notification to any Participant, to terminate, modify or amend the Plan in such respects as it shall deem advisable at any time. Notwithstanding the foregoing, during a Change in Control Protection

Period, the Plan shall not be subject to termination, modification or amendment in any respect which adversely affects the rights of Participants hereunder (including the removal of an individual as a Participant) without the consent of each Participant so affected. Neither a Participant's nor the Company's failure to insist upon strict compliance with any provision of this Plan, or the failure to assert any right a Participant or the Company may have hereunder shall not be deemed to be a waiver of such provision or right or any other provision or right of this Plan.

17. Notices. Any notice provided for in this Plan shall be in writing and shall be either personally delivered, sent by reputable overnight carrier or mailed by first class mail, return receipt requested, to the recipient. Notices to Participant shall be sent to the address of Participant most recently provided to the Company. Notices to the Company should be sent to Ashland Inc., 8145 Blazer Drive, Wilmington, DE 19808, Attention: Head of Human Resources. Notice and communications shall be effective on the date of delivery if delivered by hand, on the first business day following the date of dispatch if delivered utilizing overnight courier, or three business days after having been mailed, if sent by first class mail.

18. Governing Law. This Plan shall be governed, construed, interpreted and enforced in accordance with the substantive laws of the State of Delaware, without regard to conflicts of law principles.

19. Severability. Whenever possible, each provision of this Plan shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Plan is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Plan shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

20. Headings . Headings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

21. Section 409A.

(a) In General. Section 409A of the Code ("Section 409A") imposes payment restrictions on "nonqualified deferred compensation" (*i.e.*, potentially including payments owed to a Participant upon termination of employment). Failure to comply with these restrictions could result in negative tax consequences to a Participant, including immediate taxation, interest and a 20% additional income tax. It is the Company's intent that this Plan be exempt from the application of, or otherwise comply with, the requirements of Section 409A. Specifically, any taxable benefits or payments provided under this Plan are intended to qualify for the "short-term deferral" exception to Section 409A to the maximum extent possible, and to the extent they do not so qualify, are intended to qualify for the involuntary separation pay exceptions to Section 409A, to the maximum extent possible. Each installment of any taxable benefits or payments provided under this Plan is intended to be treated as a separate payment for purposes of Section 409A. To the extent that Section 409A is applicable to any taxable benefit or payment, and if a Participant is a "specified employee" as determined by the Company in accordance with Section 409A, then notwithstanding any provision in this Plan to the contrary and to the extent required to comply with Section 409A, all such amounts that would otherwise be paid or provided to such

Participant during the first six months following the Date of Termination shall instead be accumulated through and paid or provided (without interest) on the first business day following the six-month anniversary of the Date of Termination. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A: (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit; (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; and (iii) such payments shall be made on or before the last day of the Participant's taxable year following the taxable year in which the expense occurred, or such earlier date as required hereunder. If the period during which the Participant's Release must become effective and irrevocable in accordance with its terms spans two calendar years, then, to the extent required to comply with Section 409A of the Code, any payment to be made under this Section 4 that is conditioned upon the effectiveness and irrevocability of the Release will commence on the first payroll date that occurs in the second calendar year and after the Release has become effective and irrevocable in accordance with its terms.

(b) Separation from Service. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Plan providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and the Participant is no longer providing services (at a level that would preclude the occurrence of a "separation from service" within the meaning of Section 409A) to the Company as an employee or consultant, and for purposes of any such provision of this Plan, references to a "termination," "termination of employment" or like terms shall mean "separation from service" within the meaning of Section 409A.

[END OF DOCUMENT]



STOCK-SETTLED PERFORMANCE UNIT AGREEMENT

Ashland Global Holdings Inc.
2021 Omnibus Incentive Compensation Plan

Participant: _____

Number Performance Units: _____

Grant Date: _____, 20__

Performance Period: _____, 20__ to _____, 20__

Vesting Date: _____, 20__

Performance Goals: (see appendix)

1. **Grant.** Ashland Inc. (“Ashland”) hereby grants to the above-named Participant (the “Participant”) _____ Performance Units (the “Award”) pursuant to the Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan (the “Plan”) and this Performance Unit Agreement (“Agreement”) in order to provide the Participant with an additional incentive to continue his or her services to Ashland and to continue to work for the best interests of Ashland. Capitalized terms used but not defined in this Agreement shall have the meanings given such terms in the Plan.
2. **Value.** This Award represents the contingent right (as set forth herein) of the Participant to receive a Share for each Performance Unit (PSU) earned in accordance with this Agreement. Ashland confirms this Award to the Participant, of the number of Performance Units (“PSUs”) set forth above, subject to and upon all the terms, provisions and conditions contained herein and in the Plan.
3. **Vesting.** Following acceptance of this Award by the Participant, as provided for hereunder, and based upon the attainment of the Performance Goals outlined in the appendix, this Award will become vested on the vesting date set forth above (the “Vesting Date”).
4. **Forfeiture.** Except as otherwise provided below or as otherwise determined by the Committee, this Award shall be forfeited in the event the Participant ceases to be a director, officer, employee or consultant of Ashland or its Affiliates for any reason prior to the Vesting Date. Notwithstanding the foregoing, the Committee may, in its sole discretion, provide for accelerated vesting of the Award or any portion thereof at any time and for any reason.
5. **Retirement.** If the Participant’s employment by the Company is terminated due to the Participant’s Retirement after the end of fiscal year in which the PSUs were granted, the unvested PSUs shall be calculated based upon actual achievement of the Performance Goals at the end of the Performance Period. If the Participant’s Retirement is before the end of the

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fiscal year in which the PSUs were granted, the unvested PSUs granted in that year will be forfeited.

6. **Death, Disability or Termination without Cause**. If the Participant's employment by the Company is terminated due to the Participant's death, Disability or the Participant is otherwise terminated by the Company without cause, prior to the Vesting Date, the unvested PSUs will be pro-rated through the last day worked (number of days from grant date through last day worked in the performance period divided by number of days in performance period). The final distribution of shares shall be calculated based upon actual achievement of the Performance Goals at the end of the Performance Period.
7. **Definitions**.
 - (a) For purposes of this Agreement, "Retirement" shall mean a termination of employment after attaining age 55 and having at least ten (10) years of credited service with the Company or any Affiliate.
 - (b) For purposes of this Agreement, "Disability" shall mean a total and permanent disability as defined in Section 22(e)(3) of the Code.
8. **Time of Payment and Taxation**. Based upon the attainment of the Performance Goals outlined in the appendix, the Award will be paid to the Participant in Shares within (30) days following the vesting of the Award at the end of the Performance Period based upon actual achievement of the Performance Goals as provided herein, subject to tax deductions and withholding as set forth in Section 9(d) of the Plan. The Company will withhold from the Award the number of shares to satisfy the minimum statutory withholding requirement.
9. **Change of Control**. The Award shall be treated in accordance with Section 8 of the Plan in the event of a Change of Control prior to a Vesting Date and while the Award remains outstanding.
10. **Non-transferability**. The Participant may not sell, transfer, pledge, assign, attach or otherwise alienate or hypothecate any rights under this Agreement other than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Participant only by him or her. The terms of this Award shall be binding upon the executors, administrators, heirs, successors and assigns of the Participant.
11. **No Right to Employment**. Nothing contained in this Agreement or in the Plan shall confer upon the Participant any right to continue in the employment of, or remain in the service of, Ashland or its Affiliates.
12. **Data Privacy**. Information about the Participant and the Participant's participation in the Plan may be collected, recorded and held, used and disclosed by and among Ashland, its Affiliates and any third-party Plan administrators as necessary for the purpose of managing and administering the Plan. The Participant understands that such processing of this information may need to be carried out by Ashland, its Affiliates and by third-party administrators whether such persons are located within the Participant's country or elsewhere, including the United

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States of America. By accepting this Award, the Participant consents to the processing of information relating to the Participant and the Participant's participation in the Plan in any one or more of the ways referred to above.

13. **Electronic Delivery and Participation.** Ashland may, in its sole discretion, deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by Ashland or a third party designated by Ashland.
14. **Restrictive Covenants.** In consideration of this Award, the Participant agrees that during the Participant's employment and the twelve (12) month period following the Participant's termination of employment with Ashland or its Affiliates for any reason (the "Covenant Period"), without the written consent of Ashland, the Participant will not:
- (a) engage directly or indirectly in any manner or capacity as principal, agent, partner, officer, director, employee or otherwise in any business or activity competitive with the business conducted by Ashland or any of its Affiliates; or
 - (b) perform any act or engage in any activity that is detrimental to the best interests of Ashland or any of its Affiliates, including, without limitation:
 - (i) solicit or encourage any existing or former employee, director, contractor, consultant, customer or supplier of Ashland or any of its Affiliates to terminate his, her or its relationship with Ashland or any of its Affiliates for any reason; or
 - (ii) disclose proprietary or confidential information of Ashland or any of its Affiliates to third parties or use any such proprietary or confidential information for the benefit of anyone other than Ashland and its Affiliates;

provided, however, that this Agreement shall not prohibit the Participant in any way from (1) filing and, as provided for under Section 21F of the Securities Exchange Act of 1934, maintaining the confidentiality of a claim with the Securities and Exchange Commission (the "SEC"); (2) providing proprietary or confidential information to the SEC, or providing the SEC with information that would otherwise violate clause (ii) above, to the extent permitted by Section 21F of the Securities Exchange Act of 1934; (3) cooperating, participating or assisting in an SEC investigation or proceeding without notifying Ashland; or (4) receiving a monetary award as set forth in Section 21F of the Securities Exchange Act of 1934. Furthermore, the Participant is advised that the Participant shall not be held criminally or civilly liable under any Federal or state trade secret law for the disclosure of any proprietary or confidential information that constitutes a trade secret to which the Defend Trade Secrets Act (18 U.S.C. Section 1833(b)) applies that is made (A) in confidence to a Federal, state or local government official, either directly or indirectly, or to an attorney, in each case, solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or proceeding, if such filings are made under seal. The Participant understands that if he or she makes a disclosure of proprietary or confidential information that is covered above, he or she is not required to inform Ashland, in advance or

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otherwise, that such disclosure(s) has been made. The restrictions in this paragraph are referred to herein as the “Participant Covenants”.

Notwithstanding any other provision of the Plan or this Agreement to the contrary, but subject to any applicable laws to the contrary, the Participant agrees that in the event the Participant fails to comply or otherwise breaches any of the Participant Covenants either during the Participant’s employment or within the Covenant Period for any reason Ashland may: (x) cancel this Award; (y) eliminate or reduce the amount of any compensation, benefit, or payment otherwise payable by Ashland or any of its Affiliates (either directly or under any employee benefit or compensation plan, agreement, or arrangement), except to the extent such compensation, benefit or payment constitutes deferred compensation under Section 409A of the Code and such elimination or reduction would trigger a tax or penalty under Section 409A of the Code, to or on behalf of the Participant in an amount up to the total amount paid (or the closing stock price of Shares on the payment date multiplied by the number of Shares awarded) or payable to the Participant under this Agreement; and/or (z) require the Participant to pay Ashland an amount up to the total amount paid (or the closing stock price of Shares on the payment date multiplied by the number of Shares awarded) to the Participant under this Agreement; in each case together with the amount of Ashland’s court costs, attorney fees, and other costs and expenses incurred in connection therewith; provided that the actions described in clauses (x), (y) and (z) shall not be taken with respect to the Award at any time following the third anniversary of the vesting of the Award (or the applicable portion thereof). To the extent a longer Covenant Period is specified in another agreement between the Participant and Ashland or its Affiliates, the provisions of this section 13 shall be extended to apply to such longer period.

15. **Acceptance.** **This Award of Performance Units is subject to the Participant’s online acceptance of the terms and conditions of this Agreement through the Fidelity website. The right to the Performance Units under the Plan shall expire if not accepted by _____, 20__.**

By accepting the terms and conditions of this Agreement, the Participant acknowledges receipt of a copy of the Plan, Prospectus, and Ashland’s most recent Annual Report and Proxy Statement (the “Prospectus Information”). A copy of these documents can be found on the Company’s intranet or your Fidelity account and may also be obtained by contacting the Company’s Human Resources Department. The terms and provisions of the Plan are incorporated herein by reference. The Participant represents that he or she is familiar with the terms and provisions of the Prospectus Information and hereby accepts this Award on the terms and conditions set forth herein and in the Plan, and acknowledges that he or she has had the opportunity to obtain independent legal advice at his or her expense prior to accepting this Award.

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IN WITNESS WHEREOF, Ashland Inc. has caused this instrument to be executed and delivered effective as of the day and year first above written.

Ashland Inc.

Eileen Drury
Senior Vice President and
Chief Human Resources Officer

By: _____

Name: _____

Date: _____

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CASH-SETTLED PERFORMANCE UNIT (PSU) AWARD AGREEMENT
FOR NON-U.S. PARTICIPANTS

Ashland Global Holdings Inc.
 2021 Omnibus Incentive Compensation Plan

Participant: _____

Number of Performance Units: _____

Grant Date: _____

Performance Period: _____ to _____

Vesting Date: _____

Performance Goals: (see appendix)

1. **Grant.** Ashland Inc. (“Ashland”) hereby grants to the above-named Participant (the “Participant”) _____ Performance Units (the “Award”) pursuant to the Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan (the “Plan”) and this Performance Unit Agreement (the “Agreement”), in order to provide the Participant with an additional incentive to continue his or her services to Ashland and its Affiliates and to continue to work for the best interests of Ashland and its Affiliates. For purposes of this Agreement, “Employer” means either Ashland, if the Participant is directly employed by Ashland, or the Affiliate that employs the Participant. Capitalized terms used but not defined in this Agreement shall have the meanings given such terms in the Plan.
2. **Value.** This Award represents the contingent right (as set forth herein) of the Participant to receive a cash payment in Participant’s local currency for each vested Performance Unit (PSU) equal to the Fair Market Value of one (1) Share in accordance with this agreement.
3. **Vesting.** Following acceptance of this Award by the Participant, as provided for hereunder, and based upon the attainment of the Performance Goals outlined in the appendix, this Award will become vested on the vesting date set forth above (the “Vesting Date”). The Performance Units (PSUs) shall be subject to the Participant’s continued employment with Ashland or any of its Affiliates (“Continuous Employment”), through the last business day of the month prior to the Vesting Date.
4. **Forfeiture.** Except as otherwise provided below or as otherwise determined by the Committee, this Award shall be forfeited in the event the Participant ceases to be a director, officer, employee or consultant of Ashland or its Affiliates for any reason prior to the Vesting Date. Notwithstanding the foregoing, the Committee may, in its sole discretion, provide for accelerated vesting of the Award or any portion thereof at any time and for any reason.

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Upon termination of Continuous Employment with Ashland and any of its Affiliates for any reason, the Participant immediately shall cease vesting in the PSUs on the Termination Date and shall forfeit the unvested portion of the PSUs; provided, if the Participant's termination of employment occurs for "Cause" (as defined below), the Participant shall forfeit the PSUs in their entirety (both the vested portion and the unvested portion).

5. **Retirement.** If the Participant's employment by the Company is terminated due to the Participant's Retirement after the end of fiscal year in which the PSUs were granted, the unvested PSUs shall be calculated based upon actual achievement of the Performance Goals at the end of the Performance Period. If the Participant's Retirement is before the end of the fiscal year in which the PSUs were granted, the unvested PSUs granted in that year will be forfeited.
6. **Death, Disability or Termination without Cause.** If the Participant's employment by the Company is terminated due to the Participant's death, Disability or the Participant is otherwise terminated by the Company without cause, prior to the Vesting Date, the unvested PSUs will be pro-rated through the last day worked (number of days from grant date through last day worked in the performance period divided by number of days in performance period). The final distribution of shares shall be calculated based upon actual achievement of the Performance Goals at the end of the Performance Period.
7. **Definitions.**
 - (a) For purposes of this Agreement and unless otherwise required by local law, "Retirement" shall mean a termination of service after attaining age 55 and having at least ten (10) years of credited service with Ashland or any Affiliate.
 - (b) For purposes of this Agreement, "Disability" shall mean a total and permanent disability as defined in Section 22(e)(3) of the Code.
 - (c) For purposes of this Agreement, "Termination Date" shall be the earlier of: (i) the date on which the Participant ceases to render actual continuous services to Ashland and any of its Affiliates; (ii) the date on which the Participant first provides notice of resignation to, or is provided notice of termination of employment by, Ashland or the Employer; or (iii) the first date of any statutory notice period provided under local law, notwithstanding any entitlement that the Participant might have to notice, pay in lieu of notice, severance pay, or termination pay.
 - (d) For purposes of this Agreement, "Cause" shall mean (i) the willful and continued failure of the Participant to substantially perform his or her duties with the Employer (other than such failure resulting from the Participant's incapacity due to physical or mental illness), (ii) willful engaging by the Participant in gross misconduct materially injurious to Ashland, its Affiliates, or the Employer, (iii) the Participant's conviction of or the entering of a plea of *nolo contendere* (or similar plea under the law of a jurisdiction outside the United States) to the commission of a felony (or a similar crime or offense under the law of a jurisdiction outside the United States).

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8. **Settlement.** As soon as administratively practicable following the attainment of the Performance Goals outlined in the appendix, the Employer shall issue the Participant a cash payment in local currency (based upon Ashland's internal F/X conversion rate) for each vested Performance Unit, less any withholding for Tax-Related Items as set forth and defined in Section 8 below.

As a condition to the grant of the Award, the Participant agrees to repatriate all payments attributable to the PSUs and other amounts acquired under the Plan (to the extent such amounts are not paid locally) in accordance with local foreign exchange rules and regulations in the Participant's country of residence (and country of employment, if different). In addition, the Participant agrees to take any and all actions, and consents to any and all actions taken by Ashland and its Affiliates, as may be required to allow Ashland and its Affiliates to comply with local laws, rules and regulations in the Participant's country of residence (and country of employment, if different). Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under local laws, rules and regulations in the Participant's country of residence (and country of employment, if different).

9. **Responsibility for Taxes.** Regardless of any action Ashland, or any of its Affiliates, including the Employer, takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Award ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items legally due by the Participant is and remains the Participant's responsibility and that Ashland and its Affiliates, including the Employer: (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant of the PSUs, the vesting of the PSUs and any payments in settlement of any vested PSUs, and (b) do not commit to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate the Participant's liability for Tax-Related Items.

Prior to the delivery of any cash payment upon the vesting of the Participant's PSUs, if the Participant's country of residence (and/or the country of employment, if different) requires withholding of Tax-Related Items, the Employer shall withhold a portion of the cash payment sufficient to pay the Tax-Related Items required to be withheld. Alternatively, the Employer may withhold the Tax-Related Items required to be withheld from the Participant's regular salary/wages or any other amounts payable to the Participant. In the event the withholding requirements are not satisfied through the withholding from the cash payment attributable to the vested PSUs or through the Participant's regular salary and/or wages or any other amounts payable to the Participant, no payment will be issued to the Participant (or the Participant's estate) upon the vesting of the PSUs unless and until satisfactory arrangements (as determined by the Committee) have been made by the Participant with respect to the payment of any Tax-Related Items that Ashland or the Employer determines, in its sole discretion, must be withheld or collected with respect to such PSUs.

If the Participant relocates to another jurisdiction during the lifetime of the PSUs, the Participant shall be responsible for notifying Ashland of such relocation and shall be

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responsible for compliance with all applicable tax requirements. If the Participant is subject to taxation in more than one jurisdiction, the Participant acknowledges and agrees that the Employer and/or other Affiliates may be required to withhold or account for Tax-Related Items in more than one jurisdiction. By accepting this Award, the Participant expressly and explicitly consents to the withholding methods as provided for hereunder. All other Tax-Related Items related to the PSUs shall be the Participant's sole responsibility.

10. **Acknowledgement and Waiver**. By accepting this Award, the Participant acknowledges, understands and agrees that:
- (a) the Plan is established voluntarily by Ashland, is discretionary in nature and may be modified, amended, suspended or terminated by Ashland at any time;
 - (b) the grant of PSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of PSUs, or benefits in lieu of PSUs, even if PSUs have been granted in the past;
 - (c) all decisions with respect to future grants, if any, will be at the sole discretion of Ashland;
 - (d) the Participant's participation in the Plan shall not create a right to continued employment with Ashland or the Employer, as applicable, and shall not interfere with the ability of Ashland or the Employer, as applicable, to terminate the Participant's employment relationship at any time as may be permitted under applicable law and/or any employment agreement;
 - (e) the Participant is participating voluntarily in the Plan;
 - (f) this Award and any resulting benefits are not intended to replace any pension rights or compensation;
 - (g) this Award and any resulting benefits are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar mandatory payments and in no event should be considered as compensation for, or relating in any way to, past services for Ashland, its Affiliates or the Employer;
 - (h) unless otherwise agreed with Ashland, the PSUs and the income and value of the same, are not granted as consideration for, or in connection with, services the Participant may provide as a director of any Affiliate;
 - (i) this Award will not be interpreted to form an employment contract or relationship with Ashland, any of its Affiliates or the Employer;
 - (j) the future value of the Shares underlying the PSUs is unknown, indeterminable and cannot be predicted with certainty;

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- (k) no claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs resulting from termination of the Participant's employment (for any reason whatsoever and whether or not in breach of local labor laws);
 - (l) in consideration of the grant of the Award to which the Participant is otherwise not entitled, the Participant expressly and irrevocably agrees never to institute any claim against Ashland, its Affiliates, and the Employer, and expressly waives and releases Ashland, its Affiliates and the Employer from any such claim; notwithstanding the foregoing, if any claim is allowed by a court of competent jurisdiction, then, by accepting the Award and participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and to have agreed to execute any and all documents necessary to request dismissal or withdrawal of such claims;
 - (m) neither Ashland, its Affiliates nor the Employer, will be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States dollar that may affect the value of the PSUs or any amounts payable to the Participant pursuant to the settlement of the PSUs; and
 - (n) if Ashland determines that the Participant has engaged in misconduct prohibited by applicable law or any applicable policy of Ashland, as in effect from time to time, or Ashland is required to make recovery from the Participant under applicable law or an Ashland policy adopted to comply with applicable legal requirements, then Ashland may, in its sole discretion, to the extent it determines appropriate and to the extent permitted under applicable law, (i) recover from the Participant the proceeds from PSUs up to three (3) years prior to the Participant's termination of employment or any time thereafter, (ii) cancel the Participant's outstanding PSUs whether or not vested, and (iii) take any other action required or permitted by applicable law.
11. **Data Privacy.** Ashland (or the "Company") is located at 8145 Blazer Drive, Wilmington, DE 19808, U.S.A. and grants PSUs under the Plan and its ongoing administration of such awards, the Company is providing the following information about its data collection, processing and transfer practices ("Personal Data Activities"). In accepting the grant of PSUs, the Participant expressly and explicitly consents to the Personal Data Activities as described herein, except to the extent the following provisions are specifically modified by the Addendum to this Agreement.
- (a) Data Collection, Processing and Usage. The Company processes the Participant's personal data, including the Participant's name, home address, email address, and telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any shares of stock or directorships held in the Company, and details of all PSUs or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in the Participant's favor, which the Company receives from the Participant or the Employer. In granting the PSUs under the Plan, the Company will process the Participant's personal data for purposes of allocating the cash payment and implementing, administering, and managing the Plan. The Company's legal basis for the collection, processing and usage of the Participant's personal data is the Participant's consent.

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- (b) **Stock Plan Administration Service Provider.** The Company may transfer the Participant’s personal data to Fidelity Stock Plan Services LLC, an independent service provider based in the United States, which may assist the Company with the implementation, administration, and management of the Plan (the “Stock Plan Administrator”). In the future, the Company may select a different Stock Plan Administrator and share the Participant’s personal data with another company that serves in a similar manner. The Stock Plan Administrator may open an account for the Participant to receive any cash payment acquired under the Plan. The Participant will be asked to agree on separate terms and data processing practices with the Stock Plan Administrator, which is a condition to the Participant’s ability to participate in the Plan.
- (c) **International Data Transfers.** The Company and the Stock Plan Administrator are based in the United States. The Participant should note that the Participant’s country of residence may have enacted data privacy laws that are different from the United States. The Company’s legal basis for the transfer of the Participant’s personal data to the United States is the Participant’s consent.
- (d) **Voluntariness and Consequences of Consent Denial or Withdrawal.** The Participant’s participation in the Plan and grant of consent is purely voluntary. The Participant may deny or withdraw the Participant’s consent at any time. If the Participant does not consent, or if the Participant withdraws his or her consent, the Participant may be unable to participate in the Plan. This would not affect the Participant’s existing employment or salary; instead, the Participant merely may forfeit the opportunities associated with the Plan.
- (e) **Data Subjects Rights.** The Participant may have a number of rights under the data privacy laws in the Participant’s country of residence. For example, the Participant’s rights may include the right to (i) request access or copies of personal data the Company processes, (ii) request rectification of incorrect data, (iii) request deletion of data, (iv) place restrictions on processing, (v) lodge complaints with competent authorities in the Participant’s country of residence, and/or (vi) request a list with the names and addresses of any potential recipients of the Participant’s personal data. To receive clarification regarding the Participant’s rights or to exercise his or her rights, the Participant should contact his or her local human resources representative.
12. **Change of Control.** The Award shall be treated in accordance with Section 8 of the Plan in the event of a Change of Control prior to the Vesting Date and while the Award remains outstanding.
13. **Non-transferability.** The Participant may not sell, transfer, pledge, assign, attach or otherwise alienate or hypothecate any rights under this Agreement other than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Participant only by him or her. The terms of this Award shall be binding upon the executors, administrators, heirs, successors and assigns of the Participant.
14. **Effect of Agreement.** The Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the terms of the Award), and hereby accepts this Award and agrees to be bound by its contractual terms as set forth herein and in the Plan. The

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Participant hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee regarding any questions relating to this Award. In the event of a conflict between the terms and provisions of the Plan for the LTIP and the terms and provisions of this Agreement, the LTIP and/or the Plan terms and provisions shall prevail.

15. **Restrictive Covenants.** In consideration of this Award, the Participant agrees that during the Participant's employment and the twelve (12) month period following the Participant's termination of employment with Ashland or its Affiliates for any reason (the "Covenant Period"), without the written consent of Ashland, the Participant will not:

- (a) engage directly or indirectly in any manner or capacity as principal, agent, partner, officer, director, employee or otherwise in any business or activity competitive with the business conducted by Ashland or any of its Affiliates; or
- (b) perform any act or engage in any activity that is detrimental to the best interests of Ashland or any of its Affiliates, including, without limitation:
 - (i) solicit or encourage any existing or former employee, director, contractor, consultant, customer or supplier of Ashland or any of its Affiliates to terminate his, her or its relationship with Ashland or any of its Affiliates for any reason; or
 - (ii) disclose proprietary or confidential information of Ashland or any of its Affiliates to third parties or using any such proprietary or confidential information for the benefit of anyone other than Ashland and its Affiliates;

provided, however, that this Agreement shall not prohibit the Participant in any way from (1) filing and, as provided for under Section 21F of the Securities Exchange Act of 1934, maintaining the confidentiality of a claim with the Securities and Exchange Commission (the "SEC"); (2) providing proprietary or confidential information to the SEC, or providing the SEC with information that would otherwise violate clause (ii) above, to the extent permitted by Section 21F of the Securities Exchange Act of 1934; (3) cooperating, participating or assisting in an SEC investigation or proceeding without notifying Ashland; or (4) receiving a monetary award as set forth in Section 21F of the Securities Exchange Act of 1934. Furthermore, the Participant is advised that the Participant shall not be held criminally or civilly liable under any U.S. federal or state trade secret law for the disclosure of any proprietary or confidential information that constitutes a trade secret to which the Defend Trade Secrets Act (18 U.S.C. Section 1833(b)) applies that is made (A) in confidence to a U.S. federal, state or local government official, either directly or indirectly, or to an attorney, in each case, solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or proceeding, if such filings are made under seal. The Participant understands that if he or she makes a disclosure of proprietary or confidential information that is covered above, he or she is not required to inform Ashland, in advance or otherwise, that such disclosure(s) has been made. The restrictions in this paragraph are referred to herein as the "Participant Covenants".

Notwithstanding any other provision of the Plan or this Agreement to the contrary, but subject to any applicable laws to the contrary, the Participant agrees that in the event the Participant

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fails to comply or otherwise breaches any of the Participant Covenants either during the Participant's employment or within the Covenant Period for any reason Ashland may: (x) cancel this Award, (y) eliminate or reduce the amount of any compensation, benefit, or payment otherwise payable by Ashland or any of its Affiliates (either directly or under any employee benefit or compensation plan, agreement, or arrangement), except to the extent such compensation, benefit or payment constitutes deferred compensation under Section 409A of the U.S. Internal Revenue Code (the "Code") and such elimination or reduction would trigger a tax or penalty under Section 409A of the Code, to or on behalf of the Participant in an amount up to the total amount paid (or the closing stock price of Shares on the payment date multiplied by the number of Shares awarded) or payable to the Participant under this Agreement; and/or (z) require the Participant to pay Ashland an amount up to the total amount paid (or the closing stock price of Shares on the payment date multiplied by the number of Shares awarded) to the Participant under this Agreement; in each case together with the amount of Ashland's court costs, attorneys fees, and other costs and expenses incurred in connection therewith; provided that the actions described in clauses (x), (y) and (z) shall not be taken with respect to the Award at any time following the third (3rd) anniversary of the vesting of the Award (or the applicable portion thereof). To the extent a longer Covenant Period is specified in another agreement between the Participant and Ashland or its Affiliates, the provisions of this Section 14 shall be extended to apply to such longer period.

16. **Miscellaneous.**

- (a) **Governing Law; Venue.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed, and interpreted in accordance with the laws of the Commonwealth of Delaware, without giving effect to principles of conflicts of law. For purposes of any action, lawsuit or other proceedings brought to enforce this Agreement, relating to it, or arising from it, the parties hereby submit to and expressly consent to the sole and exclusive jurisdiction of the courts of the state of Delaware, or the Federal courts for the United States for the District of Delaware, and no other courts, where this grant is made and/or to be performed.
- (b) **Entire Agreement; Enforcement of Rights.** This Agreement and the Plan set forth the entire agreement and understanding of the parties relating to the subject matter herein and therein and merges all prior discussions between the parties. Except as contemplated under the Plan, no modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.
- (c) **No Advice Regarding Grant.** Ashland, its Affiliates and the Employer, are not providing any tax, legal or financial advice, nor is Ashland, its Affiliates or the Employer making any recommendations regarding the Participant's participation in the Plan. The Participant should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.
- (d) **Compliance with Law.** Notwithstanding any other provision of the Plan or this Agreement, unless there is an exemption from any registration, qualification or other legal

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requirement applicable to the Shares, Ashland shall not be required to deliver any Shares issuable upon settlement of the PSUs prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the SEC or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval Ashland shall, in its absolute discretion, deem necessary or advisable. The Participant understands that Ashland is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, the Participant agrees that Ashland shall have unilateral authority to amend the Agreement without his or her consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares.

If the Participant is employed and/or resident in a country that is a member of the European Union, the Award and this Agreement are intended to comply with the age discrimination provisions of the EU Equal Treatment Framework Directive, as implemented into local law (the "Age Discrimination Rules"). To the extent that a court or tribunal of competent jurisdiction determines that any provision of the Award and this Agreement are invalid or unenforceable, in whole or in part, under the Age Discrimination Rules, Ashland, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

- (e) **Electronic Delivery and Participation**. Ashland may, in its sole discretion, deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by Ashland or a third party designated by Ashland.
- (f) **Language**. By participating in the Plan, the Participant acknowledges that he or she is sufficiently proficient in English or has consulted with an advisor who is sufficiently proficient in English so as to allow the Participant to understand the terms and conditions of the Agreement. The Participant has received the terms and conditions of the Award and any other related communication, and the Participant consents to receiving these documents in English. If the Participant has received this Agreement, or any other document related to the Award and/or the Plan translated into a language other than English and if the meaning of the translated version is different from the English version, the English version will control.
- (g) **Severability**. If one or more provisions of this Agreement are held to be unenforceable, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this Agreement shall be enforceable in accordance with its terms.

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- (h) **Waiver of Ashland.** The Participant acknowledges that a waiver by Ashland of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant or any other participant.
- (i) **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or at time of transmission if sent by telegram or fax or forty-eight (48) hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, or forty-eight (48) hours after being deposited with an express courier, or at the time an electronic confirmation of receipt is received if delivery is by email, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.
- (j) **Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one (1) instrument.
- (k) **Private Placement.** The grant of the PSUs is not intended to be a public offering of securities in the Participant's country of residence (and country of employment, if different). Ashland has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the PSUs is not subject to the supervision of the local securities authorities.
- (l) **Successors and Assigns.** The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by, Ashland's successors and assigns. The rights and obligations of the Participant under this Agreement may not be assigned without the prior written consent of Ashland.
- (m) **Addendum to Agreement.** Notwithstanding any provision of this Agreement to the contrary, the Award shall be subject to any special terms and conditions for the Participant's country of residence (and country of employment, if different) as set forth in the addendum to the Agreement (the "Addendum"). Further, if the Participant transfers residency and/or employment to another country reflected in the Addendum, the special terms and conditions for such country will apply to the Participant to the extent Ashland determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Award, the LTIP and the Plan (or Ashland may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's transfer). The Addendum shall constitute part of this Agreement.
- (n) **Additional Requirements.** Ashland reserves the right to impose other requirements on the Award and the Participant's participation in the Plan to the extent Ashland determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local laws, rules and regulations, or to facilitate the operation and administration of the Award and the Plan. Such requirements may include (but are not

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limited to) requiring the Participant to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

(n) **Section 409A Compliance.** This Agreement is intended to comply with Section 409A of the Code, and any regulations, rulings, or guidance provided thereunder. Each payment under this Agreement shall be treated as a separate payment for purposes of Section 409A of the Code. In no event may the Participant, directly or indirectly, designate the calendar year of any payment to be made under this Agreement. Ashland reserves the unilateral right to amend this Agreement upon written notice to the Participant in order to prevent taxation under Section 409A of the Code.

17. **Acceptance.** This Award of Performance Units is subject to the Participant's online acceptance of the terms and conditions of the Plan and this Agreement, including as applicable the Addendum attached hereto through the Fidelity website. The right to the Performance Units under the Plan shall expire if not accepted by _____, 20__.

By accepting the terms and conditions of this Agreement, the Participant acknowledges receipt of a copy of the Plan, Prospectus, and Ashland's most recent Annual Report and Proxy Statement (the "Prospectus Information"). A copy of these documents can be found on the Company's intranet or your Fidelity account and may also be obtained by contacting the Company's Human Resources Department. The terms and provisions of the Plan are incorporated herein by reference. The Participant represents that he or she is familiar with the terms and provisions of the Prospectus Information and hereby accepts this Award on the terms and conditions set forth herein and in the Plan, and acknowledges that he or she has had the opportunity to obtain independent legal advice at his or her expense prior to accepting this Award.

IN WITNESS WHEREOF, Ashland Inc. has caused this instrument to be executed and delivered effective as of the day and year first above written.

Ashland Inc.

Eileen Drury
Senior Vice President and
Chief Human Resources Officer

By : _____

Name : _____

Date: _____

ASHLAND GLOBAL HOLDINGS INC.
2021 OMNIBUS INCENTIVE COMPENSATION PLAN
Personal and Confidential

**ADDENDUM TO
CASH-SETTLED PERFORMANCE UNIT (PSU) AWARD AGREEMENT
FOR NON-U.S. PARTICIPANTS**

In addition to the provisions of the Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan, as such plan may be amended from time to time (the “Plan”), the Long-Term Incentive Plan Program Memorandum (the “LTIP memo”) and the Cash-Settled Performance Unit Award Agreement (the “Agreement”), the Performance Units (PSUs) are subject to the following additional terms and conditions as set forth in this addendum to the Agreement to the extent the Participant resides and/or is employed in one of the countries addressed herein (the “Addendum”). All defined terms as contained in this Addendum shall have the same meaning as set forth in the Plan, the LTIP memo and the Agreement. To the extent the Participant transfers residence and/or employment to another country, the special terms and conditions for such country as reflected in this Addendum (if any) will apply to the Participant to the extent Ashland determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and regulations, or to facilitate the operation and administration of the PSUs, the LTIP and the Plan (or Ashland may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant’s transfer).

EUROPEAN UNION (“EU”) / EUROPEAN ECONOMIC UNION (“EEA”) / SWITZERLAND / THE UNITED KINGDOM

Data Privacy. See Section 10 above

AUSTRALIA

1. Securities Law Notice. The grant of PSUs is intended to comply with the provisions of the Corporations Act 2001, Australian Securities and Investments Commission (“ASIC”) Regulatory Guide 49 and ASIC Class Order 14/1000. Additional details are set forth in the offer document for the grant of PSUs to Australian residents, distributed to the Participant with the Plan documentation.

2. PSUs Conditioned on Satisfaction of Regulatory Obligations. If the Participant is (a) a director of an affiliate or subsidiary incorporated in Australia, or (b) a person who is a management-level executive of an affiliate or subsidiary incorporated in Australia and who also is a director of an affiliate or subsidiary incorporated outside of the Australia, the grant of the PSUs is conditioned upon satisfaction of the shareholder approval provisions of section 200B of the Corporations Act 2001 (Cth) and the Corporations Amendment (Improving Accountability on Termination Payments) Act in Australia.

3. Tax Information. The Plan is a program to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the “Act”) applies (subject to the conditions in that Act).

BRAZIL

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1. Commercial Relationship. The Participant expressly acknowledges and agrees that the Participant's participation in the Plan and Ashland's grant of the PSUs does not constitute an employment relationship between the Participant and Ashland. The Participant has been granted the PSUs as a consequence of the commercial relationship between Ashland and the Employer, and the Employer is the Participant's sole employer. Based on the foregoing, the Participant expressly recognizes that (a) the Plan and the benefits the Participant may derive from participation in the Plan do not establish any rights between the Participant and the Employer, (b) the Plan and the benefits the Participant may derive from participation in the Plan are not part of the employment conditions and/or benefits provided by the Employer, and (c) any modifications or amendments of the Plan by Ashland, or a termination of the Plan by Ashland, shall not constitute a change or impairment of the terms and conditions of the Participant's employment with the Employer.

2. Extraordinary Item of Compensation. The Participant expressly acknowledges and agrees that the Participant's participation in the Plan is a result of the discretionary and unilateral decision of Ashland, as well as the Participant's free and voluntary decision to participate in the Plan in accord with the terms and conditions of the Plan, the Agreement and this Addendum. As such, the Participant acknowledges and agrees that Ashland may, in its sole discretion, amend and/or discontinue the Participant's participation in the Plan at any time and without any liability. The value of the PSUs is an extraordinary item of compensation outside the scope of the Participant's employment contract, if any. The PSUs are not part of the Participant's regular or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits, or any similar mandatory payments, which are the exclusive obligations of the Employer.

FRANCE

1. Use of English Language. By accepting the Award, the Participant acknowledges and agrees that it is the Participant's wish that the Agreement, this Addendum, as well as all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, either directly or indirectly, be drawn up in English.

Utilisation de l'anglais. En acceptant l'Attribution, le Participant reconnaît et accepte avoir expressément souhaité la rédaction en anglais du Contrat, de la présente Annexe, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, en vertu de l'Attribution.

INDIA

Labor Law Acknowledgement. The PSUs and any amount paid pursuant to the Award received under the Plan, and the income and value of same, are extraordinary items that are not part of your annual gross salary.

ITALY

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1. Plan Document Acknowledgment. In accepting the PSUs, the Participant acknowledges that he or she received a copy of the Plan and the Agreement and reviewed the Plan and the Agreement, including this Addendum, in their entirety and fully understands and accepts all provisions of the Plan and the Agreement, including this Addendum.

The Participant acknowledges that the Participant has read and specifically and expressly approves the following sections of the Agreement: Section 1 (Grant); Section 3 (Vesting); Section 9 (Responsibility for Taxes); Section 10 (Acknowledgment and Waiver); Section 11 (Data Privacy); Section 16(a) (Governing Law; Venue); Section 16(e) (Electronic Delivery and Participation); Section 16(f) (Language); and Section 16(m) (Addendum to Agreement).

MEXICO

1. Labor Law Policy and Acknowledgment. The Participant expressly recognizes that participation in the Plan and Ashland's grant of the PSUs does not constitute an employment relationship between the Participant and Ashland. The Participant has been granted the PSUs as a consequence of the commercial relationship between Ashland and the Employer in Mexico, and the Employer in Mexico is the Participant's sole employer. Based on the foregoing, the Participant expressly recognizes that (a) the Plan and the benefits derived from participation in the Plan do not establish any rights between the Participant and the Employer, (b) the Plan and the benefits derived from participation in the Plan are not part of the employment conditions and/or benefits provided by the Employer in Mexico, and (c) any modifications or amendments of the Plan by Ashland, or a termination of the Plan by Ashland, shall not constitute a change or impairment of the terms and conditions of the Participant's employment with the Employer in Mexico.

2. Extraordinary Item of Compensation. The Participant expressly recognizes and acknowledges that participation in the Plan is a result of the discretionary and unilateral decision of Ashland, as well as the Participant's free and voluntary decision to participate in the Plan in accord with the terms and conditions of the Plan, the Agreement and this Addendum. As such, the Participant acknowledges and agrees that Ashland may, in its sole discretion, amend and/or discontinue the Participant's participation in the Plan at any time and without any liability. The value of the PSUs is an extraordinary item of compensation outside the scope of the employment contract, if any. The PSUs are not a part of the Participant's regular or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits, or any similar mandatory payments, which are the exclusive obligations of the Employer.

NETHERLANDS

1. Waiver of Termination Rights. As a condition to the grant of the PSUs, the Participant hereby waives any and all rights to compensation or damages as a result of a termination of employment for any reason whatsoever, insofar as those rights result or may result from (a) the loss or diminution in value of such rights or entitlements under the Plan, or (b) the Participant ceasing to have rights under, or ceasing to be entitled to any awards under the Plan as a result of such termination.

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SPAIN

1. Acknowledgement of Discretionary Nature of the Plan; No Vested Rights. By accepting the PSUs, the Participant consents to participation in the Plan and acknowledges receipt of a copy of the Plan. The Participant understands that Ashland has unilaterally, gratuitously and in its sole discretion granted the PSUs under the Plan to individuals who may be employees of Ashland or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind Ashland or any of its Affiliates on an ongoing basis. Consequently, the Participant understands that the PSUs are granted on the assumption and condition that the PSUs and the cash payment in settlement of the PSUs shall not become a part of any employment contract (either with Ashland or any of its Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Participant understands that this grant would not be made to the Participant but for the assumptions and conditions referenced above; thus, the Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason the PSUs shall be null and void.

The Participant understands and agrees that, as a condition of the PSUs, unless otherwise provided in the Agreement, any unvested PSUs as of the date the Participant ceases employment will be forfeited without further entitlement or any amount of indemnification in the event of termination of employment. The Participant acknowledges that the Participant has read and specifically accepts the terms and conditions referred to in the Agreement regarding the impact of a termination of employment on the PSUs.

2. Termination for Cause. Notwithstanding anything to the contrary in the Plan or the Agreement, “Cause” shall be defined as set forth in the Plan, regardless of whether the termination is considered a fair termination (i.e., “despido procedente”) under Spanish legislation.

SWITZERLAND

1. Securities Law Acknowledgment. Neither the Agreement, the Addendum nor any other materials relating to the PSUs (a) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services (“FinSA”), (b) may be publicly distributed nor otherwise made publicly available in Switzerland to any person other than an employee of Ashland and its Affiliates or (c) has been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 of FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (“FINMA”).

UNITED KINGDOM

1. Responsibility for Taxes. The following supplements Section 4 of the Agreement:

Without limitation to Section 4 of the Agreement, the Participant agrees that he or she is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items as and when requested by Ashland, the Employer or by Her Majesty’s Revenue and Customs (“HMRC”) (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified Ashland and the Employer against any taxes that they are required

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to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Participant's behalf.

Notwithstanding the foregoing, if the Participant is an executive officer or director (as within the meaning of Section 13(k) of the Exchange Act), the Participant understands that the terms of the immediately foregoing provision will not apply. In the event that the Participant is a director or an executive officer and income tax due is not collected from or paid by the Participant within 90 days after the end of the U.K. tax year in which the event giving rise to the income tax occurs (or such other period specified in U.K. law), the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and National Insurance Contributions ("NICs") may be payable. The Participant acknowledges that, ultimately, the Participant is responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying Ashland or the Employer (as applicable) the amount of any employee NICs due on this additional benefit. The Participant further acknowledges that Ashland or the Employer (as applicable) may recover such amounts from the Participant by any of the means referred to in Section 4 of the Agreement.

2. Exclusion of Claim. The Participant acknowledges and agrees that the Participant shall have no entitlement to compensation or damages insofar as such entitlement arises or may arise from the Participant's ceasing to have rights under or to be entitled to vest in the Participant's PSUs, whether or not as a result of such termination (whether the termination is in breach of contract or otherwise), or from the loss or diminution in value of the Participant's PSUs. Upon the grant of the PSUs, the Participant shall be deemed irrevocably to have waived any such entitlement.

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RESTRICTED STOCK UNIT (RSU) AGREEMENT

Ashland Global Holdings Inc.
2021 Omnibus Incentive Compensation Plan

Participant: _____

Number of Restricted Stock Units: _____

Grant Date: _____

Vesting Dates: 1/3 on _____

1/3 on _____

1/3 on _____

1. **Grant.** Ashland Inc. (“Ashland”) hereby grants to the above-named Participant (the “Participant”) _____ Restricted Stock Units (the “Award”) pursuant to the Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan (the “Plan”) and this Restricted Stock Unit Agreement (this “Agreement”), in order to provide the Participant with an additional incentive to continue his or her services to Ashland and its Affiliates and to continue to work for the best interests of Ashland. Capitalized terms used but not defined in this Agreement shall have the meanings given to such terms in the Plan.
2. **Value.** Each Restricted Stock Unit represents the contingent right (as set forth herein) of the Participant to receive a Share in accordance with this Agreement. Ashland confirms this Award to the Participant, of the number of Restricted Stock Units (“RSUs”) set forth above, subject to and upon all the terms, provisions and conditions contained herein and in the Plan.
3. **Vesting.** Following acceptance of this Award by the Participant, as provided for hereunder, the applicable number of RSUs set forth above will become vested on the applicable vesting date set forth above (the applicable “Vesting Date”).
4. **Forfeiture.** Except as otherwise provided below or as otherwise determined by the Committee, this Award shall be forfeited in the event the Participant ceases to be a director, officer, employee or consultant of Ashland or its Affiliates for any reason prior to a Vesting Date, all RSUs which have not vested prior to such cessation shall be forfeited. Notwithstanding the foregoing, the Committee may, in its sole discretion, provide for accelerated vesting of the Award or any portion thereof at any time and for any reason.
5. **Retirement.** If the Participant’s employment by the Company is terminated due to the Participant’s Retirement after the end of fiscal year in which the RSUs were granted, the unvested RSUs shall fully vest on termination date. If the Participant’s Retirement is before

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the end of the fiscal year in which the RSUs were granted, the unvested RSUs for that year shall be forfeited.

6. **Death, Disability or Termination without Cause.** If the Participant's employment by the Company is terminated due to the Participant's death, Disability or the Participant is otherwise terminated by the Company without cause, prior to the Vesting Date, the remaining unvested RSUs will be pro-rated through the last day worked (number of days from grant date through last day worked divided by number of days in each vesting period). The pro-rated shares will be accelerated and vested on termination date.
7. **Definitions.**
 - (a) For purposes of this Agreement, "Retirement" shall mean a termination of employment for any reason that is a "separation from service" within the meaning of Section 409A of the Code, after attaining age 55 and having at least ten (10) years of credited service with the Company or any Affiliate.
 - (b) For purposes of this Agreement, "Disability" shall mean a total and permanent disability as defined in Section 22(e)(3) of the Code.
8. **Time of Payment and Taxation.** The Shares underlying any RSUs that become vested in accordance with this Agreement will be delivered within thirty (30) days after such RSUs become vested as provided herein, subject to tax deductions and withholding as set forth in Section 9(d) of the Plan. The Company will withhold from the Award the number of shares to satisfy the minimum statutory withholding requirement.
9. **Dividends.** While this Award is outstanding, on each date that cash dividends are paid to holders of Shares, the Participant will be credited with a number of additional RSUs equal to (1) the product of the number of outstanding RSUs held by the Participant as of the date of record for such dividend times the per share cash dividend amount, divided by (2) the closing stock price of Shares on the date of record for such dividend. Such additional RSUs will be subject to all the terms and conditions of this Agreement and the Plan and to the same vesting conditions and restrictions as the underlying RSUs to which they relate.
10. **Fractional Shares.** Notwithstanding any other provision of this Agreement or the Plan to the contrary, in the event the Participant is credited with any fractional RSUs as a result of any Dividends prior to a Vesting Date, such fractional RSUs shall not vest as of such Vesting Date, but shall instead be treated as an RSU that is scheduled to vest on the subsequent Vesting Date; provided, further, that any fractional RSUs that remain outstanding on the final Vesting Date (or such other date on which all remaining outstanding RSUs become vested in accordance with this Agreement) shall be rounded up to a whole RSU and shall vest in accordance with this Agreement.
11. **Change of Control.** The Award shall be treated in accordance with Section 8 of the Plan in the event of a Change of Control prior to a Vesting Date and while the Award remains outstanding.

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12. **Non-transferability.** The Participant may not sell, transfer, pledge, assign, attach or otherwise alienate or hypothecate any rights under this Agreement other than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Participant only by him or her. The terms of this Award shall be binding upon the executors, administrators, heirs, successors and assigns of the Participant.
13. **No Right to Employment.** Nothing contained in this Agreement or in the Plan shall confer upon the Participant any right to continue in the employment of, or remain in the service of, Ashland or any of its Affiliates.
14. **Data Privacy.** Information about the Participant and the Participant's participation in the Plan may be collected, recorded and held, used and disclosed by and among Ashland, its Affiliates and any third-party Plan administrators as necessary for the purpose of managing and administering the Plan. The Participant understands that such processing of this information may need to be carried out by Ashland and its Affiliates and by third party administrators whether such persons are located within the Participant's country or elsewhere, including the United States of America. By accepting this Award, the Participant consents to the processing of information relating to the Participant and the Participant's participation in the Plan in any one or more of the ways referred to above.
15. **Electronic Delivery and Participation.** Ashland may, in its sole discretion, deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by Ashland or a third party designated by Ashland.
16. **Restrictive Covenants.** In consideration of this Award, the Participant agrees that during the Participant's employment and the twelve (12) month period following the Participant's termination of employment with Ashland or its Affiliates for any reason (the "Covenant Period"), without the written consent of Ashland, the Participant will not:
 - (a) engage directly or indirectly in any manner or capacity as principal, agent, partner, officer, director, employee or otherwise in any business or activity competitive with the business conducted by Ashland or any of its Affiliates; or
 - (b) perform any act or engage in any activity that is detrimental to the best interests of Ashland or any of its Affiliates, including, without limitation:
 - (i) solicit or encourage any existing or former employee, director, contractor, consultant, customer, or supplier of Ashland or any of its Affiliates to terminate his, her or its relationship with Ashland or any of its Affiliates for any reason; or
 - (ii) disclose proprietary or confidential information of Ashland or any of its Affiliates to third parties or use any such proprietary or confidential information for the benefit of anyone other than Ashland and its Affiliates;

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provided, however, that this Agreement shall not prohibit the Participant in any way from (1) filing and, as provided for under Section 21F of the Securities Exchange Act of 1934, maintaining the confidentiality of a claim with the Securities and Exchange Commission (the “SEC”); (2) providing proprietary or confidential information to the SEC, or providing the SEC with information that would otherwise violate clause (ii) above, to the extent permitted by Section 21F of the Securities Exchange Act of 1934; (3) cooperating, participating or assisting in an SEC investigation or proceeding without notifying Ashland; or (4) receiving a monetary award as set forth in Section 21F of the Securities Exchange Act of 1934. Furthermore, the Participant is advised that the Participant shall not be held criminally or civilly liable under any Federal or state trade secret law for the disclosure of any proprietary or confidential information that constitutes a trade secret to which the Defend Trade Secrets Act (18 U.S.C. Section 1833(b)) applies that is made (A) in confidence to a Federal, state or local government official, either directly or indirectly, or to an attorney, in each case, solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or proceeding, if such filings are made under seal. The Participant understands that if he or she makes a disclosure of proprietary or confidential information that is covered above, he or she is not required to inform Ashland, in advance or otherwise, that such disclosure(s) has been made. The restrictions in this paragraph are referred to herein as the “Participant Covenants”.

Notwithstanding any other provision of the Plan or this Agreement to the contrary, but subject to any applicable laws to the contrary, the Participant agrees that in the event the Participant fails to comply or otherwise breaches any of the Participant Covenants either during the Participant’s employment or within the Covenant Period for any reason Ashland may: (x) cancel this Award, (y) eliminate or reduce the amount of any compensation, benefit, or payment otherwise payable by Ashland or any of its Affiliates (either directly or under any employee benefit or compensation plan, agreement, or arrangement), except to the extent such compensation, benefit or payment constitutes deferred compensation under Section 409A of the Code and such elimination or reduction would trigger a tax or penalty under Section 409A of the Code, to or on behalf of the Participant in an amount up to the total amount paid (or the closing stock price of Shares on the payment date multiplied by the number of Shares awarded) or payable to the Participant under this Agreement; and/or (z) require the Participant to pay Ashland an amount up to the total amount paid (or the closing stock price of Shares on the payment date multiplied by the number of Shares awarded) to the Participant under this Agreement; in each case together with the amount of Ashland’s court costs, attorney fees, and other costs and expenses incurred in connection therewith; provided that the actions described in clauses (x), (y) and (z) shall not be taken with respect to the Award at any time following the third anniversary of the vesting of the Award (or the applicable portion thereof). To the extent a longer Covenant Period is specified in another agreement between the Participant and Ashland or its Affiliates, the provisions of this section 15 shall be extended to apply to such longer period.

17. **Acceptance.** This Award of Restricted Stock Units is subject to the Participant’s on-line acceptance of the terms and conditions of this Agreement through the Fidelity website. The right to the Restricted Stock Units under the Plan shall expire if not accepted by _____, 20__.

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By accepting the terms and conditions of this Agreement, the Participant acknowledges receipt of a copy of the Plan, Prospectus, and Ashland's most recent Annual Report and Proxy Statement (the "Prospectus Information"). A copy of these documents can be found on the Company's intranet or your Fidelity account and may also be obtained by contacting the Company's Human Resources Department. The terms and provisions of the Plan are incorporated herein by reference. The Participant represents that he or she is familiar with the terms and provisions of the Prospectus Information and hereby accepts this Award on the terms and conditions set forth herein and, in the Plan, and acknowledges that he or she has had the opportunity to obtain independent legal advice at his or her expense prior to accepting this Award.

IN WITNESS WHEREOF, Ashland Inc. has caused this instrument to be executed and delivered effective as of the day and year first above written.

Ashland Inc.

Eileen Drury
Senior Vice President and
Chief Human Resources Officer

By: _____

Name: _____

Date: _____

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**CASH-SETTLED RESTRICTED STOCK EQUIVALENT (RSE) AWARD AGREEMENT
FOR NON-U.S. PARTICIPANTS**

Ashland Global Holdings Inc.
2021 Omnibus Incentive Compensation Plan

Participant: _____

Number of Restricted Stock Equivalents: _____

Grant Date: _____

Vesting Schedule: 1/3 on _____
1/3 on _____
1/3 on _____

- Grant.** Ashland Inc. (“Ashland”) hereby grants to the above-named Participant (the “Participant”) _____ Restricted Stock Equivalents (“RSEs”) (this “Award”) pursuant to the Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan (the “Plan”) and this Restricted Stock Equivalent Agreement (this “Agreement”), in order to provide the Participant with an additional incentive to continue his or her services to Ashland, and its Affiliates and to continue to work for the best interests of Ashland and its Affiliates. For purposes of this Agreement “Employer” means either Ashland, if the Participant is directly employed by Ashland, or the Affiliate that employs the Participant. Capitalized terms used but not defined in this Agreement shall have the meanings given to such terms in the Plan.
- Value.** This Award represents the contingent right (as set forth herein) of the Participant to receive a cash payment payable in Participant’s local currency for each vested RSE equal to the Fair Market Value of one (1) Share in accordance with this Agreement.
- Vesting.** Following acceptance of this Award by the Participant, as provided for hereunder, the applicable number of RSEs set forth above will become vested on the applicable vesting date set forth above (each, the applicable “Vesting Date”). The RSEs shall vest so long as the Participant remains continuously employed by Ashland or any of its Affiliates (“Continuous Employment”), during the period commencing on the Grant Date and ending on the applicable Vesting Date.
- Forfeiture.** Except as otherwise provided below or as otherwise determined by the Committee, this Award shall be forfeited in the event the Participant ceases to be a director, officer, employee or consultant of Ashland or its Affiliates for any reason prior to a Vesting Date. Notwithstanding the foregoing, the Committee may, in its sole discretion, provide for accelerated vesting of the Award or any portion thereof at any time and for any reason.

Upon termination of Continuous Employment with Ashland and any of its Affiliates for any reason, the Participant immediately shall cease vesting in the RSEs on the Termination Date

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and shall forfeit the unvested portion of the RSEs; provided, if the Participant's termination of employment occurs for "Cause" (as defined below), the Participant shall forfeit the RSEs in their entirety (both the vested portion and the unvested portion).

5. **Retirement.** If the Participant's employment by the Company is terminated due to the Participant's Retirement after the end of fiscal year in which the RSEs were granted, the unvested RSEs shall fully vest on termination date. If the Participant's Retirement is before the end of the fiscal year in which the RSEs were granted, the unvested RSEs for that year shall be forfeited.
6. **Death, Disability or Termination without Cause.** If the Participant's employment by Ashland is terminated due to the Participant's death, Disability or the Participant is otherwise terminated by the Company without cause, prior to the vesting date, the remaining unvested RSEs will be pro-rated through the last day worked (number of days from grant date through last day worked divided by number of days in each vesting period). The pro-rated shares will be accelerated and vested on termination date. _
7. **Definitions.**
 - (a) For purposes of this Agreement and unless otherwise required by local law, "Retirement" shall mean a termination of employment after attaining age 55 and having at least ten (10) years of credited service with Ashland or any Affiliate.
 - (b) For purposes of this Agreement, "Disability" shall mean a total and permanent disability as defined in Section 22(e)(3) of the Code.
 - (c) For purposes of this Agreement, "Termination Date" shall be the earlier of: (i) the date on which the Participant ceases to render actual continuous services to Ashland and any of its Affiliates; (ii) the date on which the Participant first provides notice of resignation to, or is provided notice of termination of employment by, Ashland or the Employer; or (iii) the first date of any statutory notice period provided under local law, notwithstanding any entitlement that the Participant might have to notice, pay in lieu of notice, severance pay, or termination pay.
 - (d) For purposes of this Agreement, "Cause" shall mean (i) the willful and continued failure of the Participant to substantially perform his or her duties with the Employer (other than such failure resulting from the Participant's incapacity due to physical or mental illness), (ii) willful engaging by the Participant in gross misconduct materially injurious to Ashland, its Affiliates or the Employer, or (iii) the Participant's conviction of or the entering of a plea of *nolo contendere* (or similar plea under the law of a jurisdiction outside the United States) to the commission of a felony (or a similar crime or offense under the law of a jurisdiction outside the United States).
8. **Settlement.** As soon as administratively practicable following the vesting of the Award, the Employer shall issue the Participant a cash payment in local currency (based upon Ashland's internal F/X conversion rate) for each vested RSE, less any withholding for Tax-Related Items as set forth and defined in Section 8 below.

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As a condition to the grant of the Award, the Participant agrees to repatriate all payments attributable to the RSEs and other amounts acquired under the Plan (to the extent such amounts are not paid locally) in accordance with local foreign exchange rules and regulations in the Participant's country of residence (and country of employment, if different). In addition, the Participant agrees to take any and all actions, and consents to any and all actions taken by Ashland and its Affiliates, as may be required to allow Ashland and its Affiliates to comply with local laws, rules and regulations in the Participant's country of residence (and country of employment, if different). Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under local laws, rules and regulations in the Participant's country of residence (and country of employment, if different).

9. **Responsibility for Taxes.** Regardless of any action Ashland, or any of its Affiliates, including the Employer, takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Award ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items legally due by the Participant is and remains the Participant's responsibility and that Ashland and its Affiliates, including the Employer: (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant of the RSEs, the vesting of the RSEs and any payments in settlement of any vested RSEs, and (b) do not commit to structure the terms of the grant or any aspect of the RSEs to reduce or eliminate the Participant's liability for Tax-Related Items.

Prior to the delivery of any cash payment upon the vesting of the Participant's RSEs, if the Participant's country of residence (and/or the country of employment, if different) requires withholding of Tax-Related Items, the Employer shall withhold a portion of the cash payment sufficient to pay the Tax-Related Items required to be withheld. Alternatively, the Employer may withhold the Tax-Related Items required to be withheld from the Participant's regular salary/wages or any other amounts payable to the Participant. In the event the withholding requirements are not satisfied through the withholding from the cash payment attributable to the vested RSEs or through the Participant's regular salary and/or wages or any other amounts payable to the Participant, no payment will be issued to the Participant (or the Participant's estate) upon the vesting of the RSE unless and until satisfactory arrangements (as determined by the Committee) have been made by the Participant with respect to the payment of any Tax-Related Items that the Employer determines, in its sole discretion, must be withheld or collected with respect to such RSEs.

If the Participant relocates to another jurisdiction during the lifetime of the RSEs, the Participant shall be responsible for notifying Ashland of such relocation and shall be responsible for compliance with all applicable tax requirements. If the Participant is subject to taxation in more than one jurisdiction, the Participant acknowledges and agrees that the Employer and/or other Affiliates may be required to withhold or account for Tax-Related Items in more than one jurisdiction. By accepting this Award, the Participant expressly and explicitly consents to the withholding methods as provided for hereunder. All other Tax-Related Items related to the RSEs shall be the Participant's sole responsibility.

10. **Acknowledgement and Waiver.** By accepting this Award, the Participant acknowledges, understands and agrees that:

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- (a) the Plan is established voluntarily by Ashland, is discretionary in nature and may be modified, amended, suspended or terminated by Ashland at any time;
- (b) the grant of RSEs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSEs, or benefits in lieu of RSEs, even if RSEs have been granted in the past;
- (c) all decisions with respect to future grants, if any, will be at the sole discretion of Ashland;
- (d) the Participant's participation in the Plan shall not create a right to continued employment with Ashland or the Employer, as applicable, and shall not interfere with the ability of the Employer to terminate the Participant's employment relationship at any time as may be permitted under applicable law and/or any employment agreement;
- (e) the Participant is participating voluntarily in the Plan;
- (f) this Award and any resulting benefits are not intended to replace any pension rights or compensation;
- (g) this Award and any resulting benefits are not part of normal or expected compensation or salary for any purposes, including, but not limited to calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar mandatory payments and in no event should be considered as compensation for, or relating in any way to, past services for Ashland, its Affiliates or the Employer;
- (h) unless otherwise agreed with Ashland, the RSEs and the income and value of same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of any Affiliate;
- (i) this Award will not be interpreted to form an employment contract or relationship with Ashland, any of its Affiliates or the Employer;
- (j) the future value of the Shares underlying the RSEs is unknown, indeterminable and cannot be predicted with certainty;
- (k) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSEs resulting from termination of the Participant's employment (for any reason whatsoever and whether or not in breach of local labor laws);
- (l) in consideration of the grant of the Award to which the Participant is otherwise not entitled, the Participant expressly and irrevocably agrees never to institute any claim against Ashland, its Affiliates and the Employer, and expressly waives and releases Ashland, its Affiliates and the Employer from any such claim; notwithstanding the foregoing, if any claim is allowed by a court of competent jurisdiction, then, by accepting the Award and participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and to have agreed to execute any and all documents necessary to request dismissal or withdrawal of such claims;

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- (m) neither Ashland, its Affiliates nor the Employer will be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States dollar that may affect the value of the RSEs or any amounts payable to the Participant pursuant to the settlement of the RSEs; and
- (n) if Ashland determines that the Participant has engaged in misconduct prohibited by applicable law or any applicable policy of Ashland, as in effect from time to time, or Ashland is required to make recovery from the Participant under applicable law or an Ashland policy adopted to comply with applicable legal requirements, then Ashland may, in its sole discretion, to the extent it determines appropriate and to the extent permitted under applicable law, (i) recover from the Participant the proceeds from RSEs up to three (3) years prior to the Participant's termination of employment or any time thereafter, (ii) cancel the Participant's outstanding RSEs whether or not vested, and (iii) take any other action required or permitted by applicable law.
11. **Data Privacy.** Ashland (or the "Company") is located at 8145 Blazer Drive, Wilmington, DE 19808, U.S.A. and grants RSEs under the Plan and its ongoing administration of such awards, the Company is providing the following information about its data collection, processing and transfer practices ("Personal Data Activities"). In accepting the grant of RSEs, the Participant expressly and explicitly consents to the Personal Data Activities as described herein, except to the extent the following provisions are specifically modified by the Addendum to this Agreement.
- (a) **Data Collection, Processing and Usage.** The Company processes the Participant's personal data, including the Participant's name, home address, email address, and telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any shares of stock or directorships held in the Company, and details of all RSEs or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in the Participant's favor, which the Company receives from the Participant or the Employer. In granting the RSEs under the Plan, the Company will process the Participant's personal data for purposes of allocating the cash payment and implementing, administering and managing the Plan. The Company's legal basis for the collection, processing and usage of the Participant's personal data is the Participant's consent.
- (b) **Stock Plan Administration Service Provider.** The Company may transfer the Participant's personal data to Fidelity Stock Plan Services LLC, an independent service provider based in the United States, which may assist the Company with the implementation, administration and management of the Plan (the "Stock Plan Administrator"). In the future, the Company may select a different Stock Plan Administrator and share the Participant's personal data with another company that serves in a similar manner. The Stock Plan Administrator may open an account for the Participant to receive any cash payment acquired under the Plan. The Participant will be asked to agree on separate terms and data processing practices with the Stock Plan Administrator, which is a condition to the Participant's ability to participate in the Plan.
- (c) **International Data Transfers.** The Company and the Stock Plan Administrator are based in the United States. The Participant should note that the Participant's country of residence may have enacted data privacy laws that are different from the United States. The

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Company's legal basis for the transfer of the Participant's personal data to the United States is the Participant's consent.

- (d) **Voluntariness and Consequences of Consent Denial or Withdrawal.** The Participant's participation in the Plan and grant of consent is purely voluntary. The Participant may deny or withdraw the Participant's consent at any time. If the Participant does not consent, or if the Participant withdraws his or her consent, the Participant may be unable to participate in the Plan. This would not affect the Participant's existing employment or salary; instead, the Participant merely may forfeit the opportunities associated with the Plan.
- (e) **Data Subjects Rights.** The Participant may have a number of rights under the data privacy laws in the Participant's country of residence. For example, the Participant's rights may include the right to (i) request access or copies of personal data the Company processes, (ii) request rectification of incorrect data, (iii) request deletion of data, (iv) place restrictions on processing, (v) lodge complaints with competent authorities in the Participant's country of residence, and/or (vi) request a list with the names and addresses of any potential recipients of the Participant's personal data. To receive clarification regarding the Participant's rights or to exercise his or her rights, the Participant should contact his or her local human resources representative.
12. **Change of Control.** The Award shall be treated in accordance with Section 8 of the Plan in the event of a Change of Control prior to a Vesting Date and while the Award remains outstanding.
13. **Non-transferability.** The Participant may not sell, transfer, pledge, assign, attach or otherwise alienate or hypothecate any rights under this Agreement other than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Participant only by him or her. The terms of this Award shall be binding upon the executors, administrators, heirs, successors and assigns of the Participant.
14. **Effect of Agreement.** The Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the terms of the Award), and hereby accepts this Award and agrees to be bound by its contractual terms as set forth herein and in the Plan. The Participant hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee regarding any questions relating to this Award. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of this Agreement, the Plan terms and provisions shall prevail.
- 15. Restrictive Covenants.** (a) In consideration of this Award, the Participant agrees that during the Participant's employment and the twelve (12) month period following the Participant's termination of employment with Ashland or its Affiliates for any reason (the "Covenant Period"), without the written consent of Ashland, the Participant will not:
- (i) engage directly or indirectly in any manner or capacity as principal, agent, partner, officer, director, employee or otherwise in any business or activity competitive with the business conducted by Ashland or any of its Affiliates; or

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(ii) perform any act or engage in any activity that is detrimental to the best interests of Ashland or any of its Affiliates, including, without limitation:

(y) soliciting or encouraging any existing or former employee, director, contractor, consultant, customer or supplier of Ashland or any of its Affiliates to terminate his, her or its relationship with Ashland or any of its Affiliates for any reason; or

(z) disclosing proprietary or confidential information of Ashland or any of its Affiliates to third parties or using any such proprietary or confidential information for the benefit of anyone other than Ashland and its Affiliates;

provided, however, that this Agreement shall not prohibit the Participant in any way from (1) filing and, as provided for under Section 21F of the Securities Exchange Act of 1934, maintaining the confidentiality of a claim with the U.S. Securities and Exchange Commission (the "SEC"); (2) providing proprietary or confidential information to the SEC, or providing the SEC with information that would otherwise violate clause (ii) above, to the extent permitted by Section 21F of the Securities Exchange Act of 1934; (3) cooperating, participating or assisting in an SEC investigation or proceeding without notifying Ashland; or (4) receiving a monetary award as set forth in Section 21F of the Securities Exchange Act of 1934. Furthermore, the Participant is advised that the Participant shall not be held criminally or civilly liable under any U.S. federal or state trade secret law for the disclosure of any proprietary or confidential information that constitutes a trade secret to which the Defend Trade Secrets Act (18 U.S.C. Section 1833(b)) applies that is made (A) in confidence to a U.S. federal, state or local government official, either directly or indirectly, or to an attorney, in each case, solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or proceeding, if such filings are made under seal. The Participant understands that if he or she makes a disclosure of proprietary or confidential information that is covered above, he or she is not required to inform Ashland, in advance or otherwise, that such disclosure(s) has been made. The restrictions in this paragraph are referred to herein as the "Participant Covenants".

(b) Notwithstanding any other provision of the Plan or this Agreement to the contrary, but subject to any applicable laws to the contrary, the Participant agrees that in the event the Participant fails to comply or otherwise breaches any of the Participant Covenants either during the Participant's employment or within the Covenant Period for any reason Ashland may: (x) cancel this Award; (y) eliminate or reduce the amount of any compensation, benefit, or payment otherwise payable by Ashland or any of its Affiliates (either directly or under any employee benefit or compensation plan, agreement, or arrangement), except to the extent such compensation, benefit or payment constitutes deferred compensation under Section 409A of the U.S. Internal Revenue Code (the "Code") and such elimination or reduction would trigger a tax or penalty under Section 409A of the Code, to or on behalf of the Participant in an amount up to the total amount paid (or closing stock price of Shares on the payment date multiplied by the number of Shares awarded) or payable to the Participant under this Agreement; and/or (z) require the Participant to pay Ashland an amount up to the total amount paid (or closing stock price of Shares on the payment date multiplied by the number of Shares awarded) to the Participant under this Agreement; in each case together with the amount of Ashland's court costs, attorneys fees, and other costs and expenses incurred in connection therewith; provided that the actions described in clauses (x), (y) and (z) shall not be taken with respect to the Award

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at any time following the third (3rd) anniversary of the vesting of the Award (or the applicable portion thereof). To the extent a longer Covenant Period is specified in another agreement between the Participant and Ashland or its Affiliates, the provisions of this Section 14 shall be extended to apply to such longer period.

16. **Miscellaneous.**

- (a) **Governing Law; Venue.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the state of Delaware, without giving effect to principles of conflicts of law. For purposes of any action, lawsuit or other proceedings brought to enforce this Agreement, relating to it, or arising from it, the parties hereby submit to and expressly consent to the sole and exclusive jurisdiction of the courts of the state of Delaware, or the Federal courts for the United States for the District of Delaware, and no other courts, where this grant is made and/or to be performed.
- (b) **Entire Agreement; Enforcement of Rights.** This Agreement and the Plan set forth the entire agreement and understanding of the parties relating to the subject matter herein and therein and merges all prior discussions between the parties. Except as contemplated under the Plan, no modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.
- (c) **No Advice Regarding Grant.** Ashland, its Affiliates and the Employer are not providing any tax, legal or financial advice, nor is Ashland, its Affiliates or the Employer making any recommendations regarding the Participant's participation in the Plan. The Participant should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.
- (d) **Compliance with Law.** Notwithstanding any other provision of the Plan or this Agreement, unless there is an exemption from any registration, qualification or other legal requirement applicable to the Shares, Ashland shall not be required to deliver any Shares issuable upon settlement of the RSEs prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the SEC or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval Ashland shall, in its absolute discretion, deem necessary or advisable. The Participant understands that Ashland is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, the Participant agrees that Ashland shall have unilateral authority to amend the Agreement without his or her consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares.

If the Participant is employed and/or resident in a country that is a member of the European Union, the Award and this Agreement are intended to comply with the age discrimination

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provisions of the EU Equal Treatment Framework Directive, as implemented into local law (the “Age Discrimination Rules”). To the extent that a court or tribunal of competent jurisdiction determines that any provision of the Award and this Agreement are invalid or unenforceable, in whole or in part, under the Age Discrimination Rules, Ashland, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

- (e) **Electronic Delivery and Participation**. Ashland may, in its sole discretion, deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by Ashland or a third party designated by Ashland.
- (f) **Language**. By participating in the Plan, the Participant acknowledges that he or she is sufficiently proficient in English or has consulted with an advisor who is sufficiently proficient in English so as to allow the Participant to understand the terms and conditions of the Agreement. The Participant has received the terms and conditions of the RSEs and any other related communication and the Participant consents to receiving these documents in English. If the Participant has received this Agreement, or any other document related to the Award and/or the Plan translated into a language other than English and if the meaning of the translated version is different from the English version, the English version will control.
- (g) **Severability**. If one or more provisions of this Agreement are held to be unenforceable, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this Agreement shall be enforceable in accordance with its terms.
- (h) **Waiver of Ashland**. The Participant acknowledges that a waiver by Ashland of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant or any other participant.
- (i) **Notices**. Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or at time of transmission if sent by telegram or fax or forty-eight (48) hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, or forty-eight (48) hours after being deposited with an express courier, or at the time an electronic confirmation of receipt is received if delivery is by email, and addressed to the party to be notified at such party’s address as set forth below or as subsequently modified by written notice.
- (j) **Counterparts**. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one (1) instrument.

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- (k) **Private Placement.** The grant of the RSEs is not intended to be a public offering of securities in the Participant's country of residence (and country of employment, if different). Ashland has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the RSEs is not subject to the supervision of the local securities authorities.
- (l) **Successors and Assigns.** The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by, Ashland's successors and assigns. The rights and obligations of the Participant under this Agreement may not be assigned without the prior written consent of Ashland.
- (m) **Addendum to Agreement.** Notwithstanding any provision of this Agreement to the contrary, the Award shall be subject to any special terms and conditions for the Participant's country of residence (and country of employment, if different) as set forth in the addendum to the Agreement (the "Addendum"). Further, if the Participant transfers residency and/or employment to another country reflected in the Addendum, the special terms and conditions for such country will apply to the Participant to the extent Ashland determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Award and the Plan (or Ashland may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's transfer). The Addendum shall constitute part of this Agreement.
- (n) **Additional Requirements.** Ashland reserves the right to impose other requirements on the Award and the Participant's participation in the Plan to the extent Ashland determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local laws, rules and regulations, or to facilitate the operation and administration of the Award and the Plan. Such requirements may include (but are not limited to) requiring the Participant to sign any agreements or undertakings that may be necessary to accomplish the foregoing.
- (o) **Section 409A Compliance.** This Agreement is intended to comply with Section 409A of the Code, and any regulations, rulings, or guidance provided thereunder. Each payment under this Agreement shall be treated as a separate payment for purposes of Section 409A of the Code. In no event may the Participant, directly or indirectly, designate the calendar year of any payment to be made under this Agreement. Ashland reserves the unilateral right to amend this Agreement upon written notice to the Participant in order to prevent taxation under Section 409A of the Code.

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17. **Acceptance.** This Award of Restricted Stock Equivalents is subject to the Participant's online acceptance of the terms and conditions of the Plan and this Agreement, including as applicable the Addendum attached hereto through the Fidelity website. The right to the Restricted Stock Equivalents under the Plan shall expire if not accepted by _____, 20__.

By accepting the terms and conditions of this Agreement, the Participant acknowledges receipt of a copy of the Plan, Prospectus, and Ashland's most recent Annual Report and Proxy Statement (the "Prospectus Information"). A copy of these documents can be found on the Company's intranet or your Fidelity account and may also be obtained by contacting the Company's Human Resources Department. The terms and provisions of the Plan are incorporated herein by reference. The Participant represents that he or she is familiar with the terms and provisions of the Prospectus Information and hereby accepts this Award on the terms and conditions set forth herein and in the Plan, and acknowledges that he or she has had the opportunity to obtain independent legal advice at his or her expense prior to accepting this Award.

IN WITNESS WHEREOF, Ashland Inc. has caused this instrument to be executed and delivered effective as of the day and year first above written.

Ashland Inc.

Eileen Drury
Senior Vice President and
Chief Human Resources Officer

By : _____

Name : _____

Date: _____

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**ASHLAND GLOBAL HOLDINGS INC.
2021 OMNIBUS INCENTIVE COMPENSATION PLAN**

**ADDENDUM TO CASH-SETTLED RESTRICTED STOCK EQUIVALENT (RSE)
AWARD AGREEMENT FOR NON-U.S. PARTICIPANTS**

In addition to the provisions of the 2021 Ashland Global Holdings Inc. Omnibus Incentive Compensation Plan, as such plan may be amended from time to time (the “Plan”), and the Cash-Settled Restricted Stock Equivalent Award Agreement (the “Agreement”), the RSEs are subject to the following additional terms and conditions as set forth in this addendum to the Agreement to the extent the Participant resides and/or is employed in one of the countries addressed herein (the “Addendum”). All defined terms as contained in this Addendum shall have the same meaning as set forth in the Plan and the Agreement. To the extent the Participant transfers residence and/or employment to another country, the special terms and conditions for such country as reflected in this Addendum (if any) will apply to the Participant to the extent Ashland determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and regulations, or to facilitate the operation and administration of the RSEs and the Plan (or Ashland may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant’s transfer).

EUROPEAN UNION (“EU”) / EUROPEAN ECONOMIC UNION (“EEA”) / SWITZERLAND / THE UNITED KINGDOM

Data Privacy. See Section 10 above

AUSTRALIA

1. Securities Law Notice. The grant of RSEs is intended to comply with the provisions of the Corporations Act 2001, Australian Securities and Investments Commission (“ASIC”) Regulatory Guide 49 and ASIC Class Order 14/1000. Additional details are set forth in the offer document for the grant of RSEs to Australian residents, distributed to the Participant with the Plan documentation.

2. RSE Conditioned on Satisfaction of Regulatory Obligations. If the Participant is (a) a director of an affiliate or subsidiary incorporated in Australia, or (b) a person who is a management-level executive of an affiliate or subsidiary incorporated in Australia and who also is a director of an affiliate or subsidiary incorporated outside of the Australia, the grant of the RSEs is conditioned upon satisfaction of the shareholder approval provisions of section 200B of the Corporations Act 2001 (Cth) and the Corporations Amendment (Improving Accountability on Termination Payments) Act in Australia.

3. Tax Information. The Plan is a program to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the “Act”) applies (subject to the conditions in that Act).

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BRAZIL

1. Commercial Relationship. The Participant expressly acknowledges and agrees that the Participant's participation in the Plan and Ashland's grant of the RSEs does not constitute an employment relationship between the Participant and Ashland. The Participant has been granted the RSEs as a consequence of the commercial relationship between Ashland and the Employer, and the Employer is the Participant's sole employer. Based on the foregoing, the Participant expressly recognizes that (a) the Plan and the benefits the Participant may derive from participation in the Plan do not establish any rights between the Participant and the Employer, (b) the Plan and the benefits the Participant may derive from participation in the Plan are not part of the employment conditions and/or benefits provided by the Employer, and (c) any modifications or amendments of the Plan by Ashland, or a termination of the Plan by Ashland, shall not constitute a change or impairment of the terms and conditions of the Participant's employment with the Employer.

2. Extraordinary Item of Compensation. The Participant expressly acknowledges and agrees that the Participant's participation in the Plan is a result of the discretionary and unilateral decision of Ashland, as well as the Participant's free and voluntary decision to participate in the Plan in accord with the terms and conditions of the Plan, the Agreement and this Addendum. As such, the Participant acknowledges and agrees that Ashland may, in its sole discretion, amend and/or discontinue the Participant's participation in the Plan at any time and without any liability. The value of the RSEs is an extraordinary item of compensation outside the scope of the Participant's employment contract, if any. The RSEs are not part of the Participant's regular or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits, or any similar mandatory payments, which are the exclusive obligations of the Employer.

FRANCE

1. Use of English Language. By accepting the Award, the Participant acknowledges and agrees that it is the Participant's wish that the Agreement, this Addendum, as well as all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, either directly or indirectly, be drawn up in English.

Utilisation de l'anglais. En acceptant l'Attribution, le Participant reconnaît et accepte avoir expressément souhaité la rédaction en anglais du Contrat, de la présente Annexe, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, en vertu de l'Attribution.

INDIA

1. Labor Law Acknowledgement. The RSEs and any amount paid pursuant to the Award received under the Plan, and the income and value of same, are extraordinary items that are not part of your annual gross salary.

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ITALY

1. Plan Document Acknowledgment. In accepting the RSEs, the Participant acknowledges that he or she received a copy of the Plan and the Agreement and reviewed the Plan and the Agreement, including this Addendum, in their entirety and fully understands and accepts all provisions of the Plan and the Agreement, including this Addendum.

More specifically, the Participant acknowledges that he or she has read and specifically and expressly approves the following provision of the Agreement: Section 1 (Grant); Section 3 (Vesting); Section 9 (Responsibility for Taxes); Section 10 (Acknowledgment and Waiver); Section 11 (Data Privacy); Section 16(a) (Governing Law; Venue); Section 16(e) (Electronic Delivery and Participation); Section 16(f) (Language); and Section 16(m) (Addendum to Agreement).

MEXICO

1. Labor Law Policy and Acknowledgment. The Participant expressly recognizes that participation in the Plan and Ashland's grant of the RSEs does not constitute an employment relationship between the Participant and Ashland. The Participant has been granted the RSEs as a consequence of the commercial relationship between Ashland and the Employer in Mexico, and the Employer in Mexico is the Participant's sole employer. Based on the foregoing, the Participant expressly recognizes that (a) the Plan and the benefits derived from participation in the Plan do not establish any rights between the Participant and the Employer, (b) the Plan and the benefits derived from participation in the Plan are not part of the employment conditions and/or benefits provided by the Employer in Mexico, and (c) any modifications or amendments of the Plan by Ashland, or a termination of the Plan by Ashland, shall not constitute a change or impairment of the terms and conditions of the Participant's employment with the Employer in Mexico.

2. Extraordinary Item of Compensation. The Participant expressly recognizes and acknowledges that participation in the Plan is a result of the discretionary and unilateral decision of Ashland, as well as the Participant's free and voluntary decision to participate in the Plan in accord with the terms and conditions of the Plan, the Agreement and this Addendum. As such, the Participant acknowledges and agrees that Ashland may, in its sole discretion, amend and/or discontinue the Participant's participation in the Plan at any time and without any liability. The value of the RSEs is an extraordinary item of compensation outside the scope of the employment contract, if any. The RSEs are not a part of the Participant's regular or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits, or any similar mandatory payments, which are the exclusive obligations of the Employer.

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NETHERLANDS

1. Waiver of Termination Rights. As a condition to the grant of the RSEs, the Participant hereby waives any and all rights to compensation or damages as a result of a termination of employment for any reason whatsoever, insofar as those rights result or may result from (a) the loss or diminution in value of such rights or entitlements under the Plan, or (b) the Participant ceasing to have rights under, or ceasing to be entitled to any awards under the Plan as a result of such termination.

SPAIN

1. Acknowledgement of Discretionary Nature of the Plan; No Vested Rights. By accepting the RSEs, the Participant consents to participation in the Plan and acknowledges receipt of a copy of the Plan. The Participant understands that Ashland has unilaterally, gratuitously and in its sole discretion granted the RSEs under the Plan to individuals who may be employees of Ashland or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind Ashland or any of its Affiliates on an ongoing basis. Consequently, the Participant understands that the RSEs are granted on the assumption and condition that the RSEs and the cash payment in settlement of the RSEs shall not become a part of any employment contract (either with Ashland or any of its Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Participant understands that this grant would not be made to the Participant but for the assumptions and conditions referenced above; thus, the Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason the RSEs shall be null and void.

The Participant understands and agrees that, as a condition of the RSEs, unless otherwise provided in the Agreement, any unvested RSEs as of the date the Participant ceases employment will be forfeited without further entitlement or any amount of indemnification in the event of termination of employment. The Participant acknowledges that the Participant has read and specifically accepts the terms and conditions referred to in the Agreement regarding the impact of a termination of employment on the RSEs.

Termination for Cause. Notwithstanding anything to the contrary in the Plan or the Agreement, “Cause” shall be defined as set forth in the Plan, regardless of whether the termination is considered a fair termination (i.e., “despido procedente”) under Spanish legislation.

SWITZERLAND

Securities Law Acknowledgment. Neither the Agreement, the Addendum nor any other materials relating to the RSEs (a) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services (“FinSA”), (b) may be publicly distributed nor otherwise made publicly available in Switzerland to any person other than an employee of Ashland and its Affiliates or (c) has been or will be filed with, approved or supervised by any Swiss reviewing body according to

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UNITED KINGDOM

1. Responsibility for Taxes. The following supplements Section 4 of the Agreement:

Without limitation to Section 4 of the Agreement, the Participant agrees that he or she is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items as and when requested by Ashland, the Employer or by Her Majesty’s Revenue and Customs (“**HMRC**”) (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified Ashland and the Employer against any taxes that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Participant’s behalf.

Notwithstanding the foregoing, if the Participant is an executive officer or director (as within the meaning of Section 13(k) of the Exchange Act), the Participant understands that the terms of the immediately foregoing provision will not apply. In the event that the Participant is a director or an executive officer and income tax due is not collected from or paid by the Participant within 90 days after the end of the U.K. tax year in which the event giving rise to the income tax occurs (or such other period specified in U.K. law), the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and National Insurance Contributions (“**NICs**”) may be payable. The Participant acknowledges that, ultimately, the Participant is responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying Ashland or the Employer (as applicable) the amount of any employee NICs due on this additional benefit. The Participant further acknowledges that Ashland or the Employer (as applicable) may recover such amounts from the Participant by any of the means referred to in Section 4 of the Agreement.

2. Exclusion of Claim. The Participant acknowledges and agrees that the Participant shall have no entitlement to compensation or damages insofar as such entitlement arises or may arise from the Participant’s ceasing to have rights under or to be entitled to vest in the Participant’s RSEs, whether or not as a result of such termination (whether the termination is in breach of contract or otherwise), or from the loss or diminution in value of the Participant’s RSEs. Upon the grant of the RSEs, the Participant shall be deemed irrevocably to have waived any such entitlement.

[End of Document]

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AMENDMENT NO. 1

**ASHLAND GLOBAL HOLDINGS INC.
DEFERRED COMPENSATION PLAN FOR
NON-EMPLOYEE DIRECTORS
(Amended and Restated as of May 22, 2019)**

The Ashland Global Holdings Inc. Deferred Compensation Plan for Non-Employee Directors (Amended and Restated as of May 22, 2019) (the “Plan”) is hereby amended, effective as of November 17, 2022, as follows:

1. The name of the Plan is hereby changed to the “Ashland Inc. Deferred Compensation Plan for Non-Employee Directors”.
2. Section 2(k) of Article I of the Plan is hereby deleted in its entirety and replaced with the following:

“(k) “**Company**” means Ashland Inc. prior to the date of conversion of Ashland Inc. into Ashland LLC, and Ashland Global Holdings Inc. on and after the date of conversion of Ashland Inc. into Ashland LLC, or any successor thereto, and Ashland Inc., effective on and after August 1, 2022.”

3. Section 2(z) of Article I of the Plan is hereby deleted in its entirety and replaced with the following:

“(z) “**Plan**” means this Ashland Inc. Deferred Compensation Plan for Non-Employee Directors (formerly named the Ashland Global Holdings Inc. Deferred Compensation Plan for Non-Employee Directors) as it now exists or may be hereafter amended.”

4. Section 1(c) of Article III of the Plan is hereby deleted in its entirety and replaced with the following:

“(c) **Restricted Stock Account and Restricted Stock Units.** For periods prior to January 1, 2023, each Participant shall have his or her Restricted Stock Account credited on an Accounting Date with the number of Restricted Stock Units approved for such allocation equal to the number of shares of Common Stock (including fractions of a share) that could have been purchased with the dollar amount of the approved grant for this purpose at the Fair Market Value on the Accounting Date. The Restricted Stock Units so credited shall be separately maintained and accounted for in a Restricted Stock Account for the Participant. Amounts credited to the Restricted Stock Account shall be forfeitable until the one (1) year anniversary of the date on which such amounts were so credited; provided, however, if the Participant does not seek re-election as a Director, such forfeitable amounts shall become non-forfeitable on the date of the Board meeting that immediately precedes such one (1) year anniversary so long as the Participant is a Director

on the day before such Board meeting. As of the date of any dividend distribution date for the Common Stock, the Participant's Restricted Stock Account shall be credited with additional Restricted Stock Units equal to the number of shares of Common Stock (including fractions of a share) that could have been purchased, at the Fair Market Value on such date, with the amount which would have been paid as dividends on that number of shares (including fractions of a share) of Common Stock which is equal to the number of Restricted Stock Units then credited to the Participant's Restricted Stock Account. The additional Restricted Stock Units so allocated shall remain forfeitable until the date on which the Restricted Stock Units with respect to which the additional Restricted Stock Units were credited become non-forfeitable. On the date of a Participant's Termination prior to a Change in Control (other than in the circumstance described in the proviso in the third sentence of this paragraph (c)), all Restricted Stock Units (including fractional Restricted Stock Units) that have not become non-forfeitable shall be forfeited; provided, however, that the date of a Participant's Termination on or after a Change in Control, all Restricted Stock Units (including fractional Restricted Stock Units) shall become nonforfeitable. Commencing on January 1, 2023, any Restricted Stock Units granted to Directors shall be awarded under the Ashland Inc. 2021 Omnibus Incentive Compensation Plan (or its successor), rather than credited under this Plan, and Directors may voluntarily elect to defer such Restricted Stock Units under the Ashland Inc. Independent Director Deferred Compensation Program."

5. Except as explicitly set forth herein, the Plan will remain in full force and effect.

ASHLAND INC.

By: _____
[Name][Title]

ASHLAND INC.
INDEPENDENT DIRECTOR
DEFERRED COMPENSATION PROGRAM

This Ashland Inc. Independent Director Deferred Compensation Program (this “Program”) has been adopted by the Board to govern the deferral of RSUs by Independent Directors pursuant to the Ashland Inc. 2021 Omnibus Incentive Compensation Plan (the “Equity Plan”). Capitalized terms used but not defined herein shall have the meaning given such terms in the Equity Plan.

1. Election to Defer RSUs. An Independent Director may elect to defer the issuance of Shares underlying RSUs, including initial and annual RSU grants (each, an “Equity Retainer”), that would otherwise be issued to the Independent Director in connection with the vesting or grant of the Equity Retainer until the applicable payment date set forth in Section 4 of this Program. Any deferral election under this Program shall be made on a form provided by the Company (a “Deferral Election”) and in accordance with the following rules:

a. **Initial Deferral Election.** Each individual who first becomes an Independent Director may make a Deferral Election with respect to his or her Equity Retainers to be granted in the same calendar year as such individual first becomes an Independent Director (the “Initial Deferral Election”). The Initial Deferral Election must be submitted to the Company before the date that the individual first becomes an Independent Director and shall become irrevocable as of the date immediately prior to the date that the individual first becomes an Independent Director.

b. **Annual Deferral Election.** No later than December 31 of each calendar year, or such earlier deadline as may be established by the Company, in its discretion (the “Annual Election Deadline”), each individual who is serving as an Independent Director as of immediately before the Annual Election Deadline may make a Deferral Election with respect to Equity Retainers to be granted in the following calendar year (the “Annual Deferral Election”). The Annual Deferral Election must be submitted to the Company on or before the applicable Annual Election Deadline and shall become irrevocable for the subsequent calendar year as of the applicable Annual Election Deadline.

c. **Evergreen Elections.** A Deferral Election (whether an Initial Deferral Election or an Annual Deferral Election) shall remain in effect from calendar year to calendar year and shall become effective for each subsequent calendar year as of the applicable Annual Election Deadline, unless and until revoked prospectively by an Independent Director on a form provided by the Company. Any revocation of a Deferral Election shall become effective only with respect to Equity Retainers that are granted in calendar years that begin after receipt and acceptance by the Company of the written revocation.

2. Deferred Account. Upon the vesting of any Equity Retainer that is subject to a valid Deferral Election, the Shares that otherwise would have been issued to the Independent Director upon such vesting shall be converted to a number of Deferred Share Units on a one-to-one basis, and the Deferred Share Units shall be credited to the Independent Director’s deferred account

("Account") until payment as provided in Section 4 below. The Account shall be a bookkeeping entry only and shall be used solely as a device to measure and determine the amounts, if any, to be paid to an Independent Director or his or her beneficiary under the Program.

3. Dividend Equivalents. As of each date that the Company pays a cash dividend to holders of Shares, the Company shall credit each Independent Director's Account with a number of whole and fractional Deferred Share Units equal to (a) the number of Deferred Share Units credited to the Independent Director's Account as of the record date for the dividend, multiplied by (b) a fraction, the numerator of which is the amount of the cash dividend paid per Share and the denominator of which is the Fair Market Value of a Share on the dividend payment date.

4. Payment Date. Each whole Deferred Share Unit credited to an Independent Director's Account shall be paid to the Independent Director or his or her beneficiary or estate, as applicable, in the form of Shares (with one Deferred Share Unit equaling one Share), in a single lump sum within 30 calendar days after the earlier of (a) the date on which the Independent Director ceases to serve as a member of the Board and incurs a "separation from service" within the meaning of Section 409A of the Code ("Section 409A"), subject to Section 9(e) of the Equity Plan, (b) that date on which the Company experiences a "change in the ownership," a "change in the effective control" or a "change in the ownership of a substantial portion of the assets", as each of those terms is defined in Section 409A, or (c) the date of the Independent Director's death. Any fractional Deferred Share Unit as of the payment date shall be rounded up to the nearest whole Deferred Share Unit and paid in accordance with this Section 4.

5. Designation of Beneficiary. An Independent Director may designate, on a form provided by the Company or the stock plan administrator, one or more beneficiaries to receive payments from his or her Account in the event of his or her death. A beneficiary designation may apply to a specified percentage of the Independent Director's entire interest in his or her Account. Such designation, or any change therein, must be in writing and shall be effective upon receipt by the Company or the stock plan administrator, as applicable. If there is no effective designation of beneficiary, or if no beneficiary survives the Independent Director, the estate of the Independent Director shall be deemed to be the beneficiary. All payments to a beneficiary or an estate shall be made in accordance with Section 4 above.

6. Adjustments. The Deferred Share Units credited to an Independent Director's Account shall be subject to adjustment as provided in Section 4(b), Section 7(c) and Section 8 of the Equity Plan.

7. Incorporation of Equity Plan. This Program shall be subject to the terms and conditions of the Equity Plan, which are fully incorporated herein. Any Shares issued to an Independent Director as a result of this Program shall be issued under, and reduce the available Plan Share Limit of, the Equity Plan.

8. Effective Date. This Program was adopted by the Board as of November ____, 2022 and shall be effective with respect to RSUs granted on or after January 1, 2023.



EQUITY DEFERRAL ELECTION

1. Pursuant to the Ashland Inc. Independent Director Deferred Compensation Program (the “Program”) and the Ashland Inc. 2021 Omnibus Incentive Compensation Plan (the “Equity Plan”), I, the undersigned Independent Director, hereby elect and instruct Ashland Inc. (the “Company”) to defer payment of my Equity Retainers in accordance with the Program. I understand that I will receive the deferred amounts credited to my Account in a single lump sum in the form of Shares on the payment date set forth in Section 4 of the Program. Capitalized terms in this election form shall have the meaning specified in the Program and the Equity Plan unless a different meaning is specified herein.

2. I hereby confirm that my beneficiary designation(s), as maintained by the stock plan administrator for purposes of the Equity Plan, shall apply to the Program.

3. I understand that the election to defer under paragraph 1 shall remain in effect for all subsequent calendar years unless the Company accepts, pursuant to the Program, a revocation of this election. I acknowledge that any revocation of my Deferral Election will become effective with respect to Equity Retainers granted in calendar years beginning after the date of revocation.

4. I acknowledge that I have been advised to consult with my own financial, tax, estate planning and legal advisors before making this election to defer in order to determine the tax effects and other implications of my participation in the Program.

Executed this _____ day of _____, 20 ____.

Signature

Print Name: _____

Received and accepted by the Company on this _____ day of _____, 20 ____.

Name: _____

Title: _____



EQUITY DEFERRAL REVOCATION NOTICE

Pursuant to the Ashland Inc. Independent Director Deferred Compensation Program (the “Program”) and the Ashland Inc. 2021 Omnibus Incentive Compensation Plan (the “Equity Plan”), I, the undersigned Independent Director, hereby revoke my election to defer my Equity Retainers pursuant to the Program. I understand that my revocation shall apply to Equity Retainers to be granted in the calendar year beginning after the Company’s receipt of this notice, and that Equity Retainers granted prior to then will be controlled by the terms of the Program and my prior Deferral Election. Furthermore, my revocation will continue thereafter, until and unless I deliver a subsequent Deferral Election pursuant to the Program. Capitalized terms in this revocation notice shall have the meaning specified in the Program and the Equity Plan unless a different meaning is specified herein.

Executed this _____ day of _____, 20 ____.

Signature

Print Name: _____

Received and accepted by the Company on this _____ day of _____, 20 ____.

Name: _____

Title: _____

FORM OF RESTRICTED STOCK UNIT AGREEMENT
(Independent Directors)

Ashland Inc.
2021 Omnibus Incentive Compensation Plan

Participant: _____

Number of RSUs: _____

Grant Date: _____

Vesting Date: The one (1) year anniversary of the Grant Date; provided, however, if the Participant does not seek re-election to the Board, such forfeitable amounts shall become non-forfeitable on the date of the Board meeting that immediately precedes such one (1) year anniversary so long as the Participant is an Independent Director on the day before such Board meeting.

1. **Grant.** Ashland Inc. (“Ashland”) hereby grants to the above-named Participant (the “Participant”) _____ RSUs (the “Award”) pursuant to the Ashland Inc. 2021 Omnibus Incentive Compensation Plan (the “Plan”) and this Restricted Stock Unit Agreement (this “Agreement”), in order to provide the Participant with an additional incentive to continue his or her services to Ashland and its Affiliates and to continue to work for the best interests of Ashland. Capitalized terms used but not defined in this Agreement shall have the meanings given to such terms in the Plan.
 2. **Value.** Each RSU represents the contingent right (as set forth herein) of the Participant to receive a Share in accordance with this Agreement. Ashland confirms this Award to the Participant, of the number of RSUs set forth above, subject to and upon all the terms, provisions and conditions contained herein and in the Plan.
 3. **Vesting.** Following acceptance of this Award by the Participant, as provided for hereunder, the applicable number of RSUs set forth above will become vested on the applicable vesting date set forth above (the applicable “Vesting Date”).
 4. **Forfeiture.** Except as otherwise provided below or as otherwise determined by the Committee, in the event the Participant ceases to serve on the Board for any reason prior to a Vesting Date, all RSUs which have not vested prior to such cessation shall be forfeited. Notwithstanding the foregoing, the Committee may, in its sole discretion, provide for accelerated vesting of the Award or any portion thereof at any time and for any reason.
-

5. **Death, Disability or Retirement.** If the Participant's service on the Board is terminated due to the Participant's death or Disability, prior to a Vesting Date, the unvested RSUs will become immediately vested in full. For purposes of this Agreement, "Disability" shall mean a total and permanent disability as defined in Section 22(e)(3) of the Code.
6. **Time of Payment and Taxation.** Except as otherwise provided under the Ashland Inc. Independent Director Deferred Compensation Program, the Shares underlying any RSUs that become vested in accordance with this Agreement (with any fractional Share rounded up to the nearest whole Share) will be delivered within thirty (30) days after such RSUs become vested as provided herein, subject to tax deductions and withholding as set forth in Section 9(d) of the Plan. The Company will withhold from the Award the number of shares to satisfy the minimum statutory withholding requirement.
7. **Dividends.** While this Award is outstanding, on each date that cash dividends are paid to holders of Shares, the Participant will be credited with a number of additional whole and fractional RSUs equal to (1) the product of the number of outstanding RSUs held by the Participant as of the date of record for such dividend times the per share cash dividend amount, divided by (2) the closing stock price of Shares on the date of record for such dividend. Such additional RSUs will be subject to all the terms and conditions of this Agreement and the Plan and to the same vesting conditions and restrictions as the underlying RSUs to which they relate.
8. **Change of Control.** The Award shall be treated in accordance with Section 8 of the Plan in the event of a Change of Control prior to the Vesting Date and while the Award remains outstanding.
9. **Nontransferability.** The Participant may not sell, transfer, pledge, assign, attach or otherwise alienate or hypothecate any rights under this Agreement other than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Participant only by him or her. The terms of this Award shall be binding upon the executors, administrators, heirs, successors and assigns of the Participant.
10. **No Right to Employment.** Nothing contained in this Agreement or in the Plan shall confer upon the Participant any right to continue in the employment of, or remain in the service of, Ashland or any of its Affiliates.
11. **Data Privacy.** Information about the Participant and the Participant's participation in the Plan may be collected, recorded and held, used and disclosed by and among Ashland, its Affiliates and any third party Plan administrators as necessary for the purpose of managing and administering the Plan. The Participant understands that such processing of this information may need to be carried out by Ashland and its Affiliates and by third party administrators whether such persons are located within the Participant's country or elsewhere, including the United States of America. By accepting this Award, the

Personal and Confidential

Participant consents to the processing of information relating to the Participant and the Participant's participation in the Plan in any one or more of the ways referred to above.

12. **Electronic Delivery and Participation.** Ashland may, in its sole discretion, deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by Ashland or a third party designated by Ashland.

13. **Acceptance.** This Award of RSUs is subject to the Participant's on-line acceptance of the terms and conditions of this Agreement through the Fidelity website. The right to the RSUs under the Plan shall expire if not accepted by _____, 20__.

By accepting the terms and conditions of this Agreement, the Participant acknowledges receipt of a copy of the Plan, Prospectus, and Ashland's most recent Annual Report and Proxy Statement (the "Prospectus Information"). A copy of these documents can be found on the Company's intranet or your Fidelity account and may also be obtained by contacting the Company's Human Resources Department. The terms and provisions of the Plan are incorporated herein by reference. The Participant represents that he or she is familiar with the terms and provisions of the Prospectus Information and hereby accepts this Award on the terms and conditions set forth herein and, in the Plan, and acknowledges that he or she has had the opportunity to obtain independent legal advice at his or her expense prior to accepting this Award.

IN WITNESS WHEREOF, Ashland Inc. has caused this instrument to be executed and delivered effective as of the day and year first above written.

Ashland Inc.

Eileen Drury, Senior Vice President and Chief Human Resources Officer

By: _____

Name: _____

Date: _____

Personal and Confidential

**FIRST AMENDMENT TO THE
SECOND AMENDED AND RESTATED
PURCHASE AND SALE AGREEMENT**

This FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT (this "Amendment"), dated as of August 1, 2022 is entered into by and among the following parties:

- (i) ASHLAND, INC., a Delaware corporation (successor by merger to Ashland LLC, a Kentucky limited liability company, and f/k/a Ashland Global Holdings Inc.) ("Ashland Inc."), as an Originator and as Servicer;
- (ii) ASHLAND SPECIALTY INGREDIENTS G.P., a Delaware general partnership, as an Originator; and
- (iii) CVG CAPITAL III LLC, a Delaware limited liability company (the "Buyer").

Capitalized terms used but not otherwise defined herein (including such terms used above) have the respective meanings assigned thereto in the Purchase and Sale Agreement described below.

BACKGROUND

A. The parties hereto have entered into that certain Second Amended and Restated Purchase and Sale Agreement, dated as of March 17, 2021 (as amended, restated, supplemented or otherwise modified through the date hereof, the "Purchase and Sale Agreement").

B. Substantially concurrently with this Amendment, (i) *first*, Ashland LLC, a Kentucky limited liability company ("Ashland LLC"), merged with and into Ashland Chemco Inc., a Delaware corporation, which was the surviving entity of such merger, (ii) *second*, Ashland Chemco Inc. merged with and into Ashland Global Holdings Inc., a Delaware corporation, which was the surviving entity of such merger, and (iii) *third*, Ashland Global Holdings Inc. changed its registered corporate name in the State of Delaware to Ashland Inc. (such transactions, the "Reorganization").

C. As a result of the Reorganization, (i) Ashland Inc. is the successor to, and has assumed, all rights, obligations and liabilities of Ashland LLC under the Transaction Documents, including in Ashland LLC's individual capacity and in its capacities as Servicer, an Originator and a Performance Guarantor, and (ii) Ashland Inc. is the direct or indirect owner of 100% of the membership interests in the Buyer.

D. Concurrently herewith in order to reflect and permit the Reorganization, the parties to the Receivables Purchase Agreement are entering into that certain Second Amendment thereto (the "2nd RPA Amendment"). Pursuant to the 2nd RPA Amendment, the Purchaser Parties are consenting to this Amendment, which constitutes the "1st PSA Amendment" referenced in the 2nd RPA Amendment.

E. In connection with, and in order to permit, the Reorganization, the parties hereto desire to amend the Purchase and Sale Agreement as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Amendments to the Purchase and Sale Agreement. The Purchase and Sale Agreement is hereby amended as follows:

(a) Each reference to Ashland LLC in the Purchase and Sale Agreement is hereby replaced with a reference to Ashland Inc.

(b) Existing Schedules I, II, III and IV to the Purchase and Sale Agreement are hereby replaced with new Schedules I, II, III and IV attached to this Amendment.

SECTION 2. Consent. The Buyer hereby consents to the Reorganization.

SECTION 3. Representations and Warranties of the Buyer and the Originators. Each of the Buyer and each Originator hereby represents and warrants, as to itself, to the other parties hereto, the Administrative Agent and each Purchaser Party, as follows:

(a) *Representations and Warranties*. Immediately after giving effect to this Amendment, the representations and warranties made by such Person in the Transaction Documents to which it is a party are true and correct as of the date hereof (unless stated to relate solely to an earlier date, in which case such representations or warranties were true and correct as of such earlier date).

(b) *Enforceability*. This Amendment and each other Transaction Document to which it is a party, as amended hereby, constitute the legal, valid and binding obligation of such Person enforceable against such Person in accordance with its respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether enforceability is considered in a proceeding in equity or at law.

(c) *No Termination Event*. No event has occurred and is continuing, or would result from the Reorganization or the other transactions contemplated hereby, that constitutes an Event of Termination, Servicer Default or Unmatured Event of Termination.

SECTION 4. Effect of Amendment. All provisions of the Purchase and Sale Agreement and the other Transaction Documents, as expressly amended and modified by this Amendment, shall remain in full force and effect. After this Amendment becomes effective, all references in the Purchase and Sale Agreement (or in any other Transaction Document) to "this Purchase and Sale Agreement", "this Agreement", "hereof", "herein" or words of similar effect referring to the Purchase and Sale Agreement shall be deemed to be references to the Purchase and Sale Agreement as amended by this Amendment. This Amendment shall not be deemed, either expressly or impliedly, to waive, amend or supplement any provision of the Purchase and Sale Agreement other than as set forth herein.

SECTION 5. Effectiveness. This Amendment shall become effective as of the date hereof upon the Administrative Agent's receipt of counterparts to this Amendment executed by each of the parties hereto and effectiveness of the 2nd RPA Amendment in accordance with its terms.

SECTION 6. Counterparts. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or e-mail transmission shall be effective as delivery of a manually executed counterpart hereof.

SECTION 7. GOVERNING LAW. THIS AMENDMENT, INCLUDING THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT WITHOUT REGARD TO ANY OTHER CONFLICTS OF LAW PROVISIONS THEREOF).

SECTION 8. Section Headings. The various headings of this Amendment are included for convenience only and shall not affect the meaning or interpretation of this Amendment, the Purchase and Sale Agreement or any provision hereof or thereof.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by their duly authorized officers as of the date first above written.

ASHLAND INC.,
as an Originator and as Servicer

By: _____
Name: William Whitaker
Title: Vice President & Treasurer

By: _____
Name: Matthew Spence
Title: Assistant Treasurer

ASHLAND SPECIALTY INGREDIENTS G.P.,
as an Originator

By: _____
Name: William Whitaker
Title: Vice President & Treasurer

CVG CAPITAL III LLC,
as Buyer

By: _____
Name: William Whitaker
Title: Vice President & Treasurer

*S-1 1st PSA Amendment
(Ashland / CVG Capital III LLC)*

LIST AND LOCATION OF EACH ORIGINATOR

<u>Originator</u>	<u>Location</u>
Ashland Inc.	Delaware
Ashland Specialty Ingredients G.P.	Delaware

LOCATION OF BOOKS AND RECORDS OF ORIGINATORS

Ashland Inc.:

5475 Rings Road
Dublin, OH 43017

5200 Blazer Memorial Parkway
Dublin, OH 43017

ATOS
6431 Longhorn Drive
Irving, TX 75063

Ashland Specialty Ingredients G.P.:

8145 Blazer Drive
Wilmington, DE 19808

ATOS
6431 Longhorn Drive
Irving, TX 75063

TRADE NAMES

Ashland Inc.:

Valvoline

Valvoline Instant Oil Change

Ashland Performance Materials

Ashland Distribution

Ashland Consumer Markets, a Commercial Unit of Ashland Inc.

Valvoline Oil & Tire

Ashland Specialty Chemical

Ashland LLC

Ashland Specialty Ingredients G.P.:

Aqualon Company

NOTICE ADDRESSES

If to Ashland:

Ashland Inc.
Suite 450, 5475 Rings Road
Dublin, OH 43017
Attention: William Whitaker
Telephone: (614) 790-2095
Facsimile: (614) 790-5299
Email: wcwhitaker@ashland.com

If to any other Originator:

c/o Ashland Inc.
Suite 450, 5475 Rings Road
Dublin, OH 43017
Attention: William Whitaker
Telephone: (614) 790-2095
Facsimile: (614) 790-5299
Email: wcwhitaker@ashland.com

**SECOND AMENDMENT TO THE
RECEIVABLES PURCHASE AGREEMENT**

This SECOND AMENDMENT TO THE RECEIVABLES PURCHASE AGREEMENT (this "Amendment"), dated as of August 1, 2022 is entered into by and among the following parties:

- (i) CVG CAPITAL III LLC, a Delaware limited liability company, as Seller (together with its successors and assigns, the "Seller");
- (ii) the Persons identified on the signature pages hereto as Purchasers, LC Banks, LC Participants and Group Agents;
- (iii) PNC BANK, NATIONAL ASSOCIATION ("PNC"), as Administrative Agent; and
- (iv) ASHLAND INC, a Delaware corporation (successor by merger to Ashland LLC, a Kentucky limited liability company, and f/k/a Ashland Global Holdings Inc.), in its individual capacity ("Ashland Inc.") and as initial Servicer (in such capacity, together with its successors and assigns in such capacity, the "Servicer").

Capitalized terms used but not otherwise defined herein (including such terms used above) have the respective meanings assigned thereto in the Receivables Purchase Agreement described below.

BACKGROUND

A. The parties hereto have entered into a Receivables Purchase Agreement, dated as of March 17, 2021 (as amended, restated, supplemented or otherwise modified through the date hereof, the "Receivables Purchase Agreement").

B. Substantially concurrently with this Amendment, (i) *first*, Ashland LLC, a Kentucky limited liability company ("Ashland LLC"), merged with and into Ashland Chemco Inc., a Delaware corporation, which was the surviving entity of such merger, (ii) *second*, Ashland Chemco Inc. merged with and into Ashland Global Holdings Inc., a Delaware corporation, which was the surviving entity of such merger, and (iii) *third*, Ashland Global Holdings Inc. changed its registered corporate name in the State of Delaware to Ashland Inc. (such transactions, the "Reorganization").

C. As a result of the Reorganization, (i) Ashland Inc. is the successor to, and has assumed, all rights, obligations and liabilities of Ashland LLC under the Transaction Documents, including in Ashland LLC's individual capacity and in its capacities as Servicer, an Originator and a Performance Guarantor, and (ii) Ashland Inc. is the direct or indirect owner of 100% of the membership interests in the Seller.

D. Concurrently herewith in order to reflect and permit the Reorganization, (i) Ashland Inc., Ashland Specialty Ingredients G.P., and the Seller are entering into that certain First Amendment to the Purchase and Sale Agreement (the "1st PSA Amendment"), and (ii) Ashland

Inc. and the Administrative Agent are entering into that certain Fourth Amended and Restated Parent Undertaking (the “4th A&R Performance Guaranty”).

E. In connection with, and in order to permit, the Reorganization, the parties hereto desire to amend the Receivables Purchase Agreement as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Amendments to the Receivables Purchase Agreement. The Receivables Purchase Agreement is hereby amended as set forth in Exhibit A to this Amendment, with text marked in underline indicating additions to the Receivables Purchase Agreement and with text marked with ~~strikethrough~~ indicating deletions to the Receivables Purchase Agreement.

SECTION 2. Consents. Each Purchaser Party hereby consents to:

- (a) the Reorganization;
- (b) the 1st PSA Amendment; and
- (c) the 4th A&R Performance Guaranty.

SECTION 4. Representations and Warranties of the Seller and Ashland Inc. Each of the Seller and Ashland Inc. hereby represents and warrants, as to itself, to the Administrative Agent and each Purchaser Party, as follows:

(a) *Representations and Warranties*. Immediately after giving effect to this Amendment, the representations and warranties made by such Person in the Transaction Documents to which it is a party are true and correct as of the date hereof (unless stated to relate solely to an earlier date, in which case such representations or warranties were true and correct as of such earlier date).

(b) *Enforceability*. This Amendment and each other Transaction Document to which it is a party, as amended hereby, constitute the legal, valid and binding obligation of such Person enforceable against such Person in accordance with its respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors’ rights generally and by general principles of equity, regardless of whether enforceability is considered in a proceeding in equity or at law.

(c) *No Termination Event*. No event has occurred and is continuing, or would result from the Reorganization or the other transactions contemplated hereby, that constitutes an Event of Termination, Servicer Default or Unmatured Event of Termination.

SECTION 3. Effect of Amendment. All provisions of the Receivables Purchase Agreement and the other Transaction Documents, as expressly amended and modified by this Amendment, shall remain in full force and effect. After this Amendment becomes effective, all references in the Receivables Purchase Agreement (or in any other Transaction Document) to “this

Receivables Purchase Agreement”, “this Agreement”, “hereof”, “herein” or words of similar effect referring to the Receivables Purchase Agreement shall be deemed to be references to the Receivables Purchase Agreement as amended by this Amendment. This Amendment shall not be deemed, either expressly or impliedly, to waive, amend or supplement any provision of the Receivables Purchase Agreement other than as set forth herein.

SECTION 4. Effectiveness. This Amendment shall become effective as of the date hereof upon receipt by the Administrative Agent of the following:

- (a) counterparts to this Amendment executed by each of the parties hereto;
- (a) fully-executed copies of the 1st PSA Amendment and the 4th A&R Performance Guaranty;
- (b) customary certificates of officers to the Seller and Ashland Inc. (including with respect to incumbency and signatures, resolutions and approvals and organizational documents) in form and substance reasonably acceptable to the Administrative Agent; and
- (c) favorable opinions of counsel to Ashland Inc. and its Subsidiaries (including with respect to customary corporate, no-conflicts, enforceability, true sale, substantive consolidation and security interest matters) in form and substance reasonably acceptable to the Administrative Agent.

SECTION 5. Counterparts. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or e-mail transmission shall be effective as delivery of a manually executed counterpart hereof.

SECTION 6. GOVERNING LAW. THIS AMENDMENT, INCLUDING THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT WITHOUT REGARD TO ANY OTHER CONFLICTS OF LAW PROVISIONS THEREOF).

SECTION 7. Section Headings. The various headings of this Amendment are included for convenience only and shall not affect the meaning or interpretation of this Amendment, the Receivables Purchase Agreement or any provision hereof or thereof.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by their duly authorized officers as of the date first above written.

CVG CAPITAL III LLC,
as Seller

By: _____
Name:
Title:

ASHLAND INC.,
as Servicer

By: _____
Name:
Title:

By: _____
Name:
Title:

*S-1 2nd RPA Amendment
(Ashland / CVG Capital III LLC)*

PNC BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By:
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION,
as Group Agent for the PNC Group

By:
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION,
as an LC Bank, Committed Purchaser and LC Participant

By:
Name:
Title:

*S-2 2nd RPA Amendment
(Ashland / CVG Capital III LLC)*

FIFTH THIRD BANK, NATIONAL ASSOCIATION,
as Group Agent for the Fifth Third Group

By:
Name:
Title:

FIFTH THIRD BANK, NATIONAL ASSOCIATION,
as a Committed Purchaser and LC Participant

By:
Name:
Title:

*S-3 2nd RPA Amendment
(Ashland / CVG Capital III LLC)*

Exhibit A

**SECOND AMENDMENT TO THE
RECEIVABLES PURCHASE AGREEMENT**

[Attached]

RECEIVABLES PURCHASE AGREEMENT

Dated as of March 17, 2021

by and among

CVG CAPITAL III LLC,
as Seller,

THE PERSONS FROM TIME TO TIME PARTY HERETO,
as Purchasers, Group Agents, LC Banks and LC Participants,

PNC BANK, NATIONAL ASSOCIATION,
as Administrative Agent,

ASHLAND ~~LLC~~ INC.,
as initial Servicer,

and

PNC CAPITAL MARKETS LLC,
as Structuring Agent

-

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This RECEIVABLES PURCHASE AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement") is entered into as of March 17, 2021 by and among the following parties:

- (v) CVG CAPITAL III LLC, a Delaware limited liability company, as Seller (together with its successors and assigns, the "Seller");
- (vi) the Persons from time to time party hereto as Purchasers, LC Banks, LC Participants and Group Agents;
- (vii) PNC BANK, NATIONAL ASSOCIATION ("PNC"), as Administrative Agent;
- (viii) ASHLAND INC., a Delaware corporation (successor by merger to Ashland LLC, a Kentucky limited liability company, and f/k/a Ashland Global Holdings Inc.), in its individual capacity ("Ashland") and as initial Servicer (in such capacity, together with its successors and assigns in such capacity, the "Servicer"); and
- (ix) PNC CAPITAL MARKETS LLC, a Pennsylvania limited liability company, as Structuring Agent.

AMENDMENT AND RESTATEMENT

This Agreement amends and restates in its entirety, as of the date hereof, the Transfer and Administration Agreement, dated as of March 20, 2018 (as amended, supplemented or otherwise modified prior to the date hereof, the "Prior Agreement"), among the Seller, Ashland, Ashland Specialty Ingredients G.P., various Group Agents and Investors and Fifth Third Bank, National Association, as administrative agent and letter of credit issuer ("Fifth Third"). In connection with the amendment and restatement of the Prior Agreement, Fifth Third, solely in its capacity as the "Administrative Agent" under the Prior Agreement, has assigned all of its rights and obligations as "Administrative Agent" under the Prior Agreement and each of the other Transaction Documents pursuant to that certain Assignment and Assumption Agreement, dated on or about the Closing Date (the "Assignment and Assumption Agreement"), among the parties hereto, and the parties thereto desire that PNC, and PNC by its execution and delivery of its signature to the Assignment and Assumption Agreement and this Agreement hereby agrees to, become the Administrative Agent. Notwithstanding the amendment and restatement of the Prior Agreement by this Agreement, (i) the Seller and the Servicer shall continue to be liable to each of the "Indemnified Parties" for the fees and expenses payable by the Seller and/or the Servicer, as applicable, which are accrued and unpaid under the Prior Agreement on the date hereof (collectively, the "Prior Agreement Outstanding Amounts") and all agreements to indemnify such parties in connection with events or conditions arising or existing prior to the effective date of this Agreement and (ii) the security interest in favor of the Administrative Agent created under the Prior Agreement shall remain in full force and effect as security for such Prior Agreement Outstanding Amounts and for the Seller Obligation Amounts (as defined herein). This Agreement does not constitute a novation or replacement of the Prior Agreement, but hereby ratifies and reaffirms the Prior Agreement as amended and restated by this Agreement. Upon the effectiveness of this Agreement, each reference to the Prior Agreement in any other document, instrument or agreement shall mean and be a reference to this Agreement. Nothing contained herein, unless

expressly herein stated to the contrary, is intended to amend, modify or otherwise affect any other instrument, document or agreement executed and/or delivered in connection with the Prior Agreement.

Concurrently herewith, the Seller is requesting that each Purchaser make a new non-ratable Purchase on the Closing Date such that, after giving effect to such Purchase, the related Purchaser's portion of the Aggregate Capital will be equal to its ratable share (based on Commitments) thereof.

PRELIMINARY STATEMENTS

The Seller has acquired, and will acquire from time to time, Receivables from the Originator(s) pursuant to the Purchase and Sale Agreement. The Seller desires to sell certain of the Receivables to the Purchasers and, in connection therewith, has requested that the Purchasers (a) make Investments from time to time and (b) the LC Banks issue Letters of Credit for the account of the Seller from time to time, in each case, on the terms, and subject to the conditions set forth herein.

In consideration of the mutual agreements, provisions and covenants contained herein, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“Account Control Agreement” means each agreement, in form and substance satisfactory to the Administrative Agent, among the Seller, the Servicer (if applicable), the Administrative Agent and a Collection Account Bank, governing the terms of the related Collection Accounts, that provides the Administrative Agent with control within the meaning of the UCC over the deposit accounts subject to such agreement.

“Adjusted Eligible Receivables Balance” means, at any time of determination: (a) the aggregate Outstanding Balance of all Eligible Receivables then in the Receivables Pool, minus (b) the Offset Payables Reduction Amount.

“Adjusted LC Participation Amount” means, at any time of determination, the greater of (i) the LC Participation Amount less the amount of cash collateral held in each LC Collateral Account at such time and (ii) zero (\$0).

“Adjusted LIBOR” means with respect to any Tranche Period, the interest rate per annum determined by the applicable Group Agent by dividing (the resulting quotient rounded upwards, if necessary, to the nearest 1/100th of 1% per annum) (i) the rate of interest determined by such Group Agent in accordance with its usual procedures (which determination shall be conclusive absent manifest error) to be the rate per annum for deposits in Dollars as reported by Bloomberg

Finance L.P. and shown on US0001M Screen as the composite offered rate for London interbank deposits for such Tranche Period (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by such Group Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at or about 11:00 a.m. (London time) on the Business Day which is two (2) Business Days prior to the first day of such Tranche Period for an amount comparable to the Portion of Capital to be funded at Adjusted LIBOR during such Tranche Period, by (ii) a number equal to 1.00 minus the Euro-Rate Reserve Percentage; provided, however, that with respect to the initial Tranche Period for the Capital of an Investment made on a date that is not the first Business Day of a Fiscal Month, Adjusted LIBOR shall be the interest rate per annum equal to LMIR for each day during such initial Tranche Period from the date that such Investment is made pursuant to Section 2.01 until the last day of such Fiscal Month. The calculation of Adjusted LIBOR may also be expressed by the following formula:

$$\text{Adjusted LIBOR} = \frac{\text{Composite of London interbank offered rates shown on Bloomberg Finance L.P. Screen US0001M or appropriate successor}}{1.00 - \text{Euro-Rate Reserve Percentage}}$$

Adjusted LIBOR shall be adjusted on the effective date of any change in the Euro-Rate Reserve Percentage as of such effective date. The applicable Group Agent shall give prompt notice to the Seller of Adjusted LIBOR as determined or adjusted in accordance herewith (which determination shall be conclusive absent manifest error). Notwithstanding the foregoing, if Adjusted LIBOR as determined herein would be less than zero (0.00), such rate shall be deemed to be zero percent (0.00%) for purposes of this Agreement.

“Administrative Agent” means PNC, in its capacity as contractual representative for the Purchaser Parties, and any successor thereto in such capacity appointed pursuant to Article XI or Section 15.03(g).

“Adverse Claim” means any ownership interest or claim, mortgage, deed of trust, pledge, lien, security interest, hypothecation, charge or other encumbrance or security arrangement of any nature whatsoever, whether voluntarily or involuntarily given, including, but not limited to, any conditional sale or title retention arrangement, and any assignment, deposit arrangement or lease intended as, or having the effect of, security and any filed financing statement or other notice of any of the foregoing (whether or not a lien or other encumbrance is created or exists at the time of the filing); it being understood that any thereof in favor of, or assigned to, the Administrative Agent (for the benefit of the Secured Parties) shall not constitute an Adverse Claim.

“Advisors” has the meaning set forth in Section 15.06(c).

“Affected Person” means each Purchaser Party, each Program Support Provider, each Liquidity Agent and each of their respective Affiliates.

“Affiliate” means, as to any Person: (a) any other Person that, directly or indirectly, is in control of, is controlled by or is under common control with such Person or (b) who is a director or officer: (i) of such Person or (ii) of any Person described in clause (a), except that, in the case of each Conduit Purchaser, Affiliate shall mean the holder(s) of its Capital Stock. For purposes of this definition, control of a Person shall mean the power, direct or indirect: (x) to vote 25% or more of the securities having ordinary voting power for the election of directors or managers of such Person or (y) to direct or cause the direction of the management and policies of such Person, in either case whether by ownership of securities, contract, proxy or otherwise.

“Aggregate Capital” means, at any time of determination, the aggregate outstanding Capital of all Purchasers and LC Participants at such time.

“Aggregate Yield” means, at any time of determination, the aggregate accrued and unpaid Yield on the aggregate outstanding Capital of all Purchasers at such time.

“Agreement” has the meaning set forth in the preamble to this Agreement.

“Anti-Terrorism Laws” means any Applicable Law relating to terrorism financing, trade sanctions programs and embargoes, import/export licensing, money laundering or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such Applicable Laws, all as amended, supplemented or replaced from time to time.

“Applicable Law” means, with respect to any Person, (x) all provisions of law, statute, treaty, constitution, rule, regulation, ordinance, requirement, restriction, permit, executive order, certificate, decision, directive or order of any Governmental Authority applicable to such Person or any of its property and (y) all judgments, injunctions, orders, writs, decrees and awards of all courts and arbitrators in proceedings or actions in which such Person is a party or by which any of its property is bound. For the avoidance of doubt, FATCA shall constitute an “Applicable Law” for all purposes of this Agreement.

“Ashland” is defined in the Preamble.

“Ashland Credit Agreement” means the Credit Agreement, dated as of January 10, 2020, among Ashland, as borrower, Ashland Global and Ashland Chemco Inc., a Delaware corporation, as holding companies, Ashland Services B.V., a besloten vennootschap met beperkte aansprakelijkheid organized under the laws of the Netherlands, as Dutch borrower, various financial institutions and The Bank of Nova Scotia, as lender, swing line lender, l/c issuer and as administrative agent.

~~“Ashland Global” means Ashland Global Holdings Inc., a Delaware corporation.~~

“Assignment and Acceptance Agreement” means an assignment and acceptance agreement entered into by a Committed Purchaser, an Eligible Assignee, such Committed Purchaser’s Group Agent and the Administrative Agent, and, if required, the Seller, pursuant to which such Eligible Assignee may become a party to this Agreement, in substantially the form of Exhibit C hereto.

“Assignment of Claims Acts” means the provisions of United States Code, 31 U.S.C. § 3727 and 41 U.S.C. § 15, and any similar Laws of any other jurisdiction.

“Assumption Agreement” has the meaning set forth in Section 15.03(i).

“Attorney Costs” means and includes all reasonable and documented fees, costs, expenses and disbursements of any law firm or other external counsel and all disbursements of internal counsel.

“Bankruptcy Code” means the United States Bankruptcy Reform Act of 1978 (11 U.S.C. § 101, et seq.), as amended from time to time.

“Base Rate” means, for any day and any Purchaser, a fluctuating interest rate per annum as shall be in effect from time to time, which rate shall be at all times equal to the highest of:

(a) the rate of interest in effect for such day as publicly announced from time to time by the applicable Group Agent or its Affiliate as its “reference rate” or “prime rate”, as applicable. Such “reference rate” or “prime rate” is set by the applicable Group Agent or its Affiliate based upon various factors, including such Person’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above or below such announced rate, and is not necessarily the lowest rate charged to any customer;

(a) 0.50% per annum above the latest Overnight Bank Funding Rate; and

(b) 0.50% per annum above Adjusted LIBOR applicable to the Yield Period for which the Base Rate is then being determined.

“Beneficial Owner” means, for the Seller, each of the following: (a) each individual, if any, who, directly or indirectly, owns 25% or more of the Seller’s Capital Stock; and (b) a single individual with significant responsibility to control, manage or direct the Seller.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Breakage Fee” means (i) for any Yield Period for which Yield is computed by reference to the CP Rate, LMIR, or Adjusted LIBOR and a reduction of Capital is made for any reason on any day other than the last date of the related Yield Period or (ii) to the extent that the Seller shall for any reason, fail to borrow on the date specified by the Seller in connection with any request for funding pursuant to Article II of this Agreement, the amount, if any, by which (A) the additional Yield (calculated without taking into account any Breakage Fee or any shortened duration of such Yield Period pursuant to the definition thereof) which would have accrued during such Yield Period (or, in the case of clause (i) above, until the maturity of the underlying Note) on the reductions of Capital relating to such Yield Period had such reductions not been made (or, in the case of clause (ii) above, the amounts so failed to be borrowed or accepted in connection with any such request for funding by the Seller), exceeds (B) the income, if any, received by the applicable Purchaser from the investment of the proceeds of such reductions of Capital (or such amounts failed to be borrowed by the Seller). A certificate as to the amount of any Breakage Fee (including

the computation of such amount) shall be submitted by the affected Purchaser (or applicable Group Agent on its behalf) to the Seller and shall be conclusive and binding for all purposes, absent manifest error.

“Business Day” means any day (other than a Saturday or Sunday) on which: (a) banks are not authorized or required to close in Pittsburgh, Pennsylvania, or New York City, New York and (b) if this definition of “Business Day” is utilized in connection with Adjusted LIBOR or LMIR, dealings are carried out in the London interbank market.

“Capital” means, with respect to any Purchaser, the aggregate amounts (i) paid to, or on behalf of, the Seller in connection with all Investments made by such Purchaser pursuant to Article II, (ii) paid by such Purchaser, as an LC Participant, to any LC Bank in respect of a Participation Advance made by such Purchaser to an LC Bank pursuant to Section 3.04(b) and (iii) with respect to any Purchaser that is an LC Bank, paid by such LC Bank with respect to all drawings under the Letter of Credit to the extent such drawings have not been reimbursed by the Seller or funded by Participation Advances, as reduced from time to time by Collections distributed and applied on account of reducing, returning or repaying such Capital pursuant to Section 2.02(d) or 4.01; provided, that if such Capital shall have been reduced by any distribution and thereafter all or a portion of such distribution is rescinded or must otherwise be returned for any reason, such Capital shall be increased by the amount of such rescinded or returned distribution as though it had not been made.

“Capital Coverage Amount” means, at any time of determination, the amount equal to (a) the Net Receivables Pool Balance at such time, minus (b) the Total Reserves at such time.

“Capital Coverage Deficit” means, at any time of determination, the amount, if any, by which (a) the Aggregate Capital plus the Adjusted LC Participation Amount at such time, exceeds (b) the Capital Coverage Amount at such time.

“Capital Stock” means, with respect to any Person, any and all common shares, preferred shares, interests, participations, rights in or other equivalents (however designated) of such Person’s capital stock, partnership interests, limited liability company interests, membership interests or other equivalent interests and any rights (other than debt securities convertible into or exchangeable for capital stock), warrants or options exchangeable for or convertible into such capital stock or other equity interests.

“Certificate of Beneficial Ownership” means, for the Seller, a certificate in form and substance acceptable to the Administrative Agent (as amended or modified by the Administrative Agent from time to time in its sole discretion), certifying, among other things, the Beneficial Owner of the Seller.

“Change in Control” means the occurrence of any of the following:

(b) the failure of the Originators to own, free and clear of any Adverse Claim and on a fully diluted basis, 100% of the membership interests of the Seller;

(c) any Adverse Claim should exist with respect to any Intercompany Loan Agreement or any Intercompany Loan;

(d) the failure of Ashland to own, directly or indirectly, free and clear of any Adverse Claim (other than any Adverse Claims granted to secure obligations under the Transaction Documents and obligations under the Ashland Credit Agreement) and on a fully diluted basis, at least 100% of the outstanding shares of voting stock or other equity interests of each other Originator; or

(e) an event or series of events by which:

(i) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person or group shall be deemed to have “beneficial ownership” of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an “option right”)), directly or indirectly, of 35% or more of the equity securities of Ashland ~~Global~~ entitled to vote for members of the board of directors or equivalent governing body of Ashland ~~Global~~ on a fully-diluted basis (and taking into account all such securities that such “person” or “group” has the right to acquire pursuant to any option right); or

(i) during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of Ashland ~~Global~~ cease to be composed of individuals (A) who were members of that board or equivalent governing body on the first day of such period, (B) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (A) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (A) and (B) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body; or

(ii) a “change of control” or any comparable term under, and as defined in, the Ashland Credit Agreement or other Debt exceeding \$100,000,000 shall have occurred; ~~or.~~

~~(iv) Ashland ceases to be a wholly-owned, direct or indirect Subsidiary of Ashland Global.~~

“Change in Law” means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority;

provided that notwithstanding anything herein to the contrary, (w) the final rule titled *Risk-Based Capital Guidelines; Capital Adequacy Guidelines; Capital Maintenance: Regulatory Capital; Impact of Modifications to Generally Accepted Accounting Principles; Consolidation of Asset-Backed Commercial Paper Programs; and Other Related Issues*, adopted by the United States bank regulatory agencies on December 15, 2009, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to the agreements reached by the Basel Committee on Banking Supervision in “Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems” (as amended, supplemented or otherwise modified or replaced from time to time), shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Charged-Off Ratio” means, for any Fiscal Month, the ratio (expressed as a percentage) computed as of the last day of the most recently ended Fiscal Month of (a) the aggregate initial Outstanding Balance of all Pool Receivables which became Charged-Off Receivables during such Fiscal Month divided by (b) the aggregate amount of sales by the Originators giving rise to Pool Receivables in the current Fiscal Month.

“Charged-Off Receivable” means a Pool Receivable (a) as to which an Insolvency Proceeding shall have occurred with respect to the Obligor thereof, (b) which has been identified by the Seller, any Originator or the Servicer as uncollectible, or (c) which, consistent with the Credit and Collection Policy, would be written off as uncollectible.

“Closing Date” means March 17, 2021.

“Code” means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time.

“Collection Account” means each account listed on Schedule II to this Agreement (as such schedule may be modified from time to time in connection with the closing or opening of any Collection Account in accordance with the terms hereof) (in each case, in the name of the Seller) and maintained at a bank or other financial institution acting as a Collection Account Bank pursuant to an Account Control Agreement for the purpose of receiving Collections.

“Collection Account Bank” means any of the banks or other financial institutions holding one or more Collection Accounts.

“Collections” means, with respect to any Pool Receivable: (a) all funds that are received by any Originator, the Seller, the Servicer or any other Person on their behalf in payment of any amounts owed in respect of such Pool Receivable (including purchase price, service charges, finance charges, interest, fees and all other charges), or applied to amounts owed in respect of such Pool Receivable (including insurance payments, proceeds of drawings under supporting letters of credit and net proceeds of the sale or other disposition of repossessed goods or other collateral or property of the related Obligor or any other Person directly or indirectly liable for the payment of such Pool Receivable and available to be applied thereon), (b) all Deemed Collections, (c) all

proceeds of all Related Security with respect to such Pool Receivable and (d) all other proceeds of such Pool Receivable.

“Commitment” means, with respect to any Committed Purchaser (including a Related Committed Purchaser), LC Participant or LC Bank, as applicable, the maximum aggregate amount of Capital which such Person is obligated to pay hereunder on account of all Investments and all drawings under all Letters of Credit, on a combined basis, as set forth on Schedule I or in the Assumption Agreement or other agreement pursuant to which it became a Purchaser and/or LC Participant, as such amount may be modified in connection with any subsequent assignment pursuant to Section 15.03 or in connection with a reduction in the Facility Limit pursuant to Section 2.02(e). If the context so requires, “Commitment” also refers to a Committed Purchaser’s obligation to fund Investments, make Participation Advances and/or issue Letters of Credit hereunder in accordance with this Agreement.

“Committed Purchasers” means PNC and each other Person that is or becomes a party to this Agreement in the capacity of a “Committed Purchaser”.

“Concentration Percentage” means (a) except as provided in clause (b) below, (i) for any Group A Obligor, 20.00%, (ii) for any Group B Obligor, 15.00%, (iii) for any Group C Obligor, 10.00% and (iv) for any Group D Obligor, 5.00% and (b) for each of the Obligors listed on Exhibit K (each, a “Special Obligor”), the percentage specified on Exhibit K hereto for such Special Obligor (the applicable “Special Concentration Limit”); provided, however, that the Seller may from time to time deliver written supplements to Exhibit K and, if such supplements are approved in writing by the Administrative Agent and each Group Agent (each in its sole discretion), such supplements shall supersede the then-existing Exhibit K effective as of the date agreed in writing by the Seller and each Group Agent; provided, further, that the Administrative Agent or any Purchaser may, upon not less than ten (10) Business Days’ notice to the Seller, cancel or reduce the Special Concentration Limit with respect to any or all Special Obligors, in which case the Concentration Percentage for such Special Obligor(s) shall be determined pursuant to clause (a) above. In the event that any other Obligor is or becomes an Affiliate of a Special Obligor, the Special Concentration Limit shall apply to both such Obligor and such Special Obligor and shall be calculated as if such Obligor and such Special Obligor were a single Obligor.

“Concentration Reserve Percentage” means, at any time of determination, the largest of: (a) the sum of the four (4) largest Obligor Percentages of the Group D Obligors, (b) the sum of the two (2) largest Obligor Percentages of the Group C Obligors and (c) the largest Obligor Percentage of the Group B Obligors.

“Conduit Purchaser” means each commercial paper conduit that is or becomes a party to this Agreement in the capacity of a “Conduit Purchaser”.

“Contract” means, with respect to any Receivable, any and all contracts, instruments, agreements, leases, invoices, notes or other writings pursuant to which such Receivable arises or that evidence such Receivable or under which an Obligor becomes or is obligated to make payment in respect of such Receivable.

“Controlled Group” means all members of a controlled group of corporations or other business entities and all trades or businesses (whether or not incorporated) under common control which, together with Ashland ~~Global~~ or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.

“Covered Entity” means (a) each of Seller, the Servicer, each Originator, the Parent and each of Parent’s Subsidiaries and (b) each Person that, directly or indirectly, is in control of a Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the direct or indirect (x) ownership of, or power to vote, 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for such Person, or (y) power to direct or cause the direction of the management and policies of such Person whether by ownership of equity interests, contract or otherwise.

“CP Rate” means, for any Conduit Purchaser and for any Yield Period for any Portion of Capital (a) the per annum rate equivalent to the weighted average cost (as determined by the applicable Group Agent and which shall include commissions of placement agents and dealers, incremental carrying costs incurred with respect to Notes of such Person maturing on dates other than those on which corresponding funds are received by such Conduit Purchaser, other borrowings by such Conduit Purchaser (other than under any Program Support Agreement) and any other costs associated with the issuance of Notes) of or related to the issuance of Notes that are allocated, in whole or in part, by the applicable Conduit Purchaser to fund or maintain such Portion of Capital (and which may be also allocated in part to the funding of other assets of such Conduit Purchaser); provided, however, that if any component of such rate is a discount rate, in calculating the “CP Rate” for such Portion of Capital for such Yield Period, the applicable Group Agent shall for such component use the rate resulting from converting such discount rate to an interest bearing equivalent rate per annum; provided, further, that notwithstanding anything in this Agreement or the other Transaction Documents to the contrary, the Seller agrees that any amounts payable to Conduit Purchasers in respect of Yield for any Yield Period with respect to any Portion of Capital funded by such Conduit Purchasers at the CP Rate shall include an amount equal to the portion of the face amount of the outstanding Notes issued to fund or maintain such Portion of Capital that corresponds to the portion of the proceeds of such Notes that was used to pay the interest component of maturing Notes issued to fund or maintain such Portion of Capital, to the extent that such Conduit Purchasers had not received payments of interest in respect of such interest component prior to the maturity date of such maturing Notes (for purposes of the foregoing, the “interest component” of Notes equals the excess of the face amount thereof over the net proceeds received by such Conduit Purchaser from the issuance of Notes, except that if such Notes are issued on an interest-bearing basis its “interest component” will equal the amount of interest accruing on such Notes through maturity) or (b) any other rate designated as the “CP Rate” for such Conduit Purchaser in the Assumption Agreement or other document pursuant to which such Person becomes a party as a Conduit Purchaser to this Agreement, or any other writing or agreement provided by such Conduit Purchaser to the Seller, the Servicer and the applicable Agent from time to time.

“Credit and Collection Policy” means, as the context may require, those receivables credit and collection policies and practices of the Originators in effect on the Closing Date and described in Exhibit F, as modified in compliance with this Agreement.

“Days’ Sales Outstanding” means, for any Fiscal Month, an amount computed as of the last day of such Fiscal Month equal to the product, rounded, if necessary, to the nearest whole number, obtained by multiplying (a) 121 by (b) the quotient obtained by dividing (i) the aggregate Outstanding Balance of all Pool Receivables as of the last day of the most recently ended Fiscal Month by (ii) the aggregate amount of sales giving rise to Pool Receivables originated during the consecutive four (4) month period ended as of the last day of the most recently ended Fiscal Month.

“Debt” has the meaning assigned to the term “Indebtedness” in the Ashland Credit Agreement as in effect on the Closing Date and without giving effect to any subsequent amendments thereto.

“Deemed Collections” has the meaning set forth in Section 4.01(d).

“Deemed Financial Covenants” means any one of the “financial covenants” set forth in Section 7.11 of the Ashland Credit Agreement (or any replacement or successor to such section or any similar section or sections in any replacement senior credit agreement) as in effect immediately prior to the initial occurrence of any Group Agent and each of its Affiliates, if applicable, ceasing to be a party to the Ashland Credit Agreement as a lender thereunder.

“Default Ratio” means the ratio (expressed as a percentage and rounded to the nearest 1/100 of 1%, with 5/1000th of 1% rounded upward) computed as of the last day of each Fiscal Month by dividing: (a) the aggregate Outstanding Balance of all Pool Receivables that became Defaulted Receivables during such Fiscal Month, by (b) an amount equal to the quotient of (i) the aggregate initial Outstanding Balance of all Pool Receivables generated by the Originators during the third and fourth Fiscal Months prior to such Fiscal Month of determination, divided by (ii) 2.

“Defaulted Receivable” means a Receivable (without duplication):

(c) as to which any payment, or part thereof, remains unpaid for more than 60 days from the original due date for such payment; or

(f) is a Charged-Off Receivable;

provided, however, that in each case above such amount shall be calculated without giving effect to any netting of credits that have not been matched to a particular Receivable for the purposes of aged trial balance reporting.

“Dilution” means, on any date, an amount equal to the sum, without duplication, of the aggregate reduction effected on such day in the Outstanding Balances of the Receivables attributable to any non-cash items including credits, rebates, billing errors, sales or similar taxes, cash discounts, volume discounts, allowances, disputes (it being understood that a Receivable is “subject to dispute” only if and to the extent that, in the reasonable good faith judgment of the applicable Originator (which shall be exercised in the ordinary course of business) such Obligor’s

obligation in respect of such Receivable is reduced on account of any performance failure on the part of such Originator), set-offs, counterclaims, chargebacks, returned or repossessed goods, sales and marketing discounts, warranties, any unapplied credit memos and other adjustments that are made in respect of Obligor; *provided* that writeoffs or credits related to an Obligor's bad credit shall not constitute Dilution; *provided, further*, that writeoffs or credits related to pricing adjustments shall not constitute Dilution so long as (a) such pricing adjustments are treated as sale reversals and (b) the applicable pricing adjustment is processed the same calendar month during which the related Receivable was generated.

“Dilution Horizon Ratio” means, for any Fiscal Month, the ratio (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) computed as of the last day of such Fiscal Month by dividing: (a) the sum of (i) the aggregate initial Outstanding Balance of all Pool Receivables generated by the Originators during such Fiscal Month, plus (ii) 50.00% of the aggregate initial Outstanding Balance of all Pool Receivables generated by the Originators during the preceding Fiscal Month, by (b) the Net Receivables Pool Balance as of the last day of such Fiscal Month. Within thirty (30) days of the completion and the receipt by the Administrative Agent of the results of any annual audit or field exam of the Receivables and the servicing and origination practices of the Servicer and the Originators, the numerator of the Dilution Horizon Ratio may be adjusted by the Administrative Agent upon not less than five (5) Business Days' notice to the Seller to reflect such number of Fiscal Months as the Administrative Agent reasonably believes best reflects the business practices of the Servicer and the Originators and the actual amount of dilution and Deemed Collections that occur with respect to Pool Receivables based on the weighted average dilution lag calculation completed as part of such audit or field exam.

“Dilution Ratio” means, for any Fiscal Month, the ratio (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward), computed as of the last day of each Fiscal Month by dividing: (a) the aggregate amount of Deemed Collections during such Fiscal Month, by (b) the aggregate initial Outstanding Balance of all Pool Receivables generated by the Originators during the Fiscal Month that is one month prior to such Fiscal Month.

“Dilution Reserve Percentage” means, at any time of determination, the product (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) of (a) the Dilution Horizon Ratio, multiplied by (b) the sum of (i) 2.00 times the average of the Dilution Ratios for the twelve (12) most recent Fiscal Months and (ii) the Dilution Volatility Component.

“Dilution Volatility Component” means, for any Fiscal Month, the product (expressed as a percentage) and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) of:

(d) the positive difference, if any, between: (i) the highest Dilution Ratio for any Fiscal Month during the twelve (12) most recent Fiscal Months and (ii) the arithmetic average of the Dilution Ratios for such twelve (12) Fiscal Months; multiplied by

(g) the quotient of (i) the highest Dilution Ratio during the twelve (12) most recent consecutive Fiscal Months divided by (ii) the arithmetic average of the Dilution Ratios for such twelve (12) consecutive Fiscal Months.

“Dollars” and “\$” each mean the lawful currency of the United States of America.

“Drawing Date” has the meaning set forth in Section 3.04(a).

“Eligible Assignee” means (i) any Committed Purchaser or any of its Affiliates, (ii) any Person managed by a Committed Purchaser or any of its Affiliates and (iii) any other financial or other institution.

“Eligible Foreign Obligor” means an Obligor (i) that is organized in or that has a head office (domicile), registered office, and chief executive office located in a country that is reasonably acceptable to the Majority Group Agents, and (ii) the Contract that gave rise to such Receivable is governed by the respective laws of a jurisdiction that is reasonably acceptable to the Majority Group Agents or a state, territory, district, commonwealth, or possession of the United States of America.

“Eligible Receivable” means, at any time of determination, a Pool Receivable:

(e) the Obligor of which is: (i) either a U.S. Obligor or an Eligible Foreign Obligor; (ii) not a Governmental Authority (other than a federal, state or municipal governmental entity in the United States of America); (iii) not a Sanctioned Person; (iv) not subject to any Insolvency Proceeding; (v) not an Affiliate of the Seller, the Servicer, the Parent or any Originator; (vi) not the Obligor with respect to Defaulted Receivables with an aggregate Outstanding Balance exceeding 50% of the aggregate Outstanding Balance of all such Obligor’s Pool Receivables, (vii) not a natural person and (viii) not a material supplier to any Originator or an Affiliate of a material supplier;

(h) for which an Insolvency Proceeding shall not have occurred with respect to the Obligor thereof or any other Person obligated thereon or owning any Related Security with respect thereto;

(i) that is denominated and payable only in Dollars in the United States of America, and the Obligor with respect to which has been instructed to remit Collections in respect thereof directly to a Lock-Box or Collection Account in the United States of America;

(j) that does not have a due date which is more than 180 days after such date of determination;

(k) that (i) arises under a Contract for the sale of goods or services in the ordinary course of the applicable Originator’s business and (ii) does not constitute a loan or other similar financial accommodation being provided by the applicable Originator;

(l) that arises under a duly authorized Contract that (i) is in full force and effect, (ii) is governed by the law of the United States of America or of any State thereof, (iii) is a legal, valid and binding obligation of the related Obligor, enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors’ rights generally and by

general principles of equity regardless of whether enforceability is considered in a proceeding in equity or at law and (iv) the payments thereunder are free and clear of any withholding Taxes;

(m) that has been transferred by an Originator to the Seller pursuant to the Purchase and Sale Agreement with respect to which transfer all conditions precedent under the Purchase and Sale Agreement have been met;

(n) that, together with the Contract related thereto, conforms in all material respects with all Applicable Laws (including any applicable laws relating to usury, truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy);

(o) with respect to which all consents, licenses, approvals or authorizations of, or registrations or declarations with or notices to, any Governmental Authority or other Person required to be obtained, effected or given by an Originator in connection with the creation of such Receivable, the execution, delivery and performance by such Originator of the related Contract or the assignment thereof under the Purchase and Sale Agreement have been duly obtained, effected or given and are in full force and effect; provided that the Seller and the Originators shall not be required to comply with any Assignment of Claims Acts;

(p) that is not subject to any existing dispute, right of rescission, set-off, counterclaim, any other defense against the applicable Originator (or any assignee of such Originator) or Adverse Claim, and the Obligor of which holds no right as against the applicable Originator to cause such Originator to repurchase the goods or merchandise, the sale of which shall have given rise to such Receivable;

(q) that satisfies all applicable requirements of the Credit and Collection Policy;

(r) that, together with the Contract related thereto, has not been modified, waived or restructured since its creation, except as permitted pursuant to Section 9.02 of this Agreement); provided that only such portion of such Receivable that is the subject of such modification, waiver or restructuring shall be deemed to be ineligible pursuant to the terms of this clause (l);

(s) in which the Seller owns good and marketable title, free and clear of any Adverse Claims, and that is freely assignable (including without any consent of the related Obligor or any Governmental Authority), and the payments thereon are free and clear of any, or increased to account for any applicable, withholding Taxes;

(t) for which the Administrative Agent (on behalf of the Secured Parties) shall have a valid and enforceable first priority perfected ownership or security interest therein and in the Related Security and Collections with respect thereto, in each case free and clear of any Adverse Claim;

(u) that (x) constitutes an “account” or “general intangible” (as defined in the UCC), (y) is not evidenced by instruments or chattel paper and (z) does not constitute, or arise from the sale of, as-extracted collateral (as defined in the UCC);

(v) that is not a Defaulted Receivable;

(w) for which no Originator, the Seller, the Parent, Performance Guarantor or the Servicer has established any offset or netting arrangements (including customer deposits and advance payments (including payments relating to unearned revenues)) with the related Obligor in connection with the ordinary course of payment of such Receivable; provided that, if such Receivable is subject to any offset or netting arrangements, only the portion of such Receivable that is the subject of such offset or netting arrangements shall be deemed to be ineligible pursuant to the terms of this clause (q);

(x) that represents amounts earned and payable by the Obligor that are not subject to the performance of additional services by the Originator thereof or by the Seller (other than the delivery of the related goods or merchandise with respect to In-Transit Receivables) and the related goods or merchandise shall have been shipped and/or services performed; *provided*, that if such Receivable is subject to the performance of additional services, only the portion of such Receivable attributable to such additional services shall be ineligible;

(y) which (i) does not arise from a sale of accounts made as part of a sale of a business or constitute an assignment for the purpose of collection only, (ii) is not a transfer of a single account made in whole or partial satisfaction of a preexisting indebtedness or an assignment of a right to payment under a contract to an assignee that is also obligated to perform under the contract and (iii) is not a transfer of an interest in or an assignment of a claim under a policy of insurance;

(z) which does not relate to the sale of any consigned goods or finished goods which have incorporated any consigned goods into such finished goods;

(aa) for which the related Originator has recognized the related revenue on its financial books and records in accordance with GAAP; and

(bb) for which neither the related Originator nor any Affiliate thereof is holding any deposits received by or on behalf of the related Obligor; provided that only the portion of such Pool Receivable in an amount equal to such deposits shall be ineligible.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any rule or regulation issued thereunder.

“ERISA Affiliate” means, with respect to any Person, any corporation, trade or business which together with the Person is a member of a controlled group of corporations or a controlled group of trades or businesses and would be deemed a “single employer” within the meaning of Sections 414(b), (c), (m) of the Code or Section 4001(b) of ERISA.

“Euro-Rate Reserve Percentage” means, the maximum effective percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including without limitation, supplemental, marginal, and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as “Eurocurrency Liabilities”).

“Event of Termination” has the meaning specified in Section 10.01. For the avoidance of doubt, any Event of Termination that occurs shall be deemed to be continuing at all times thereafter unless and until waived in accordance with Section 14.01.

“Excess Concentration” means the sum of the following amounts, without duplication:

(f) the sum of the amounts calculated for each of the Obligors equal to the excess (if any) of (i) the aggregate Outstanding Balance of the Eligible Receivables of such Obligor, over (ii) the product of (x) such Obligor’s Concentration Percentage, multiplied by (y) the Adjusted Eligible Receivables Balance; plus

(cc) the excess (if any) of (i) the aggregate Outstanding Balance of all Eligible Receivables, the Obligor of which is a Governmental Authority, over (ii) the product of (x) 1.50%, multiplied by (y) the Adjusted Eligible Receivables Balance; plus

(dd) the excess (if any) of (i) the aggregate Outstanding Balance of all Eligible Receivables, the Obligor of which is incorporated, organized or existing under the laws of India (or any state, province or other political subdivision thereof), over (ii) the product of (x) 10.00% (provided that, such percentage (A) may be reduced (to not less than 7.00%) by the Administrative Agent or any Purchaser (in each case, acting in its sole discretion) on five (5) Business Days’ prior written notice to the Seller and the Servicer and (B) if so reduced, may be subsequently increased (to not more than 10.00%) with the prior written consent of the Administrative Agent and the Majority Group Agents), multiplied by (y) the Adjusted Eligible Receivables Balance; plus

(ee) the excess (if any) of (i) the aggregate Outstanding Balance of all Eligible Receivables, the Obligor of which is incorporated, organized or existing under the laws of Canada (or any province or other political subdivision thereof), over (ii) the product of (x) 3.00%, multiplied by (y) the Adjusted Eligible Receivables Balance; plus

(ff) the excess (if any) of (i) the aggregate Outstanding Balance of all Eligible Receivables, the Obligor of which is incorporated, organized or existing under the laws of countries (or any states, provinces, or political subdivision therefor), other than the United States of America, Canada, or India with a long-term foreign currency rating of at least “BBB-” by S&P or “Baa3” by Moody’s, over (ii) the product of (x) 25.00% (provided that, such percentage (A) may be reduced (to not less than 17.50%) by the Administrative Agent or any Purchaser (in each case, acting in its sole discretion) on five (5) Business Days’ prior written notice to the Seller and the Servicer and (B) if so reduced, may be subsequently increased (to not more than 25.00%) with the prior written consent of the Administrative Agent and the Majority Group Agents), multiplied by (y) the Adjusted Eligible Receivables Balance; plus

(gg) the excess (if any) of (i) the aggregate Outstanding Balance of all Eligible Receivables, the Obligor of which is incorporated, organized or existing under the laws of countries (or any states, provinces, or political subdivision therefor), other than the United States of America, Canada, or India with a long-term foreign currency rating less than “BBB-” by S&P or “Baa3” by Moody’s, over (ii) the product of (x) 2.50%, multiplied by (y) the Adjusted Eligible Receivables Balance; plus

(hh) the excess (if any) of (i) the aggregate Outstanding Balance of all Eligible Receivables as to which remaining payment terms (computed in days and calculated based on the difference between the date of determination and the stated due date for payment) of invoices are for more than sixty (60) days but less than ninety-one (91) days, over (ii) the product of (x) 25.00%, multiplied by (y) the Adjusted Eligible Receivables Balance; plus

(ii) the excess (if any) of (i) the aggregate Outstanding Balance of all Eligible Receivables as to which remaining payment terms (computed in days and calculated based on the difference between the date of determination and the stated due date for payment) of invoices are for more than ninety (90) days but less than one-hundred-twenty-one (121) days, over (ii) the product of (x) 10.00%, multiplied by (y) the Adjusted Eligible Receivables Balance; plus

(jj) the excess (if any) of (i) the aggregate Outstanding Balance of all Eligible Receivables as to which remaining payment terms (computed in days and calculated based on the difference between the date of determination and the stated due date for payment) of invoices are for more than one-hundred-twenty (120) days but less than one-hundred-eighty-one (181) days, over (ii) the product of (x) 5.00%, multiplied by (y) the Adjusted Eligible Receivables Balance; plus

(kk) the excess (if any) of (i) the aggregate Outstanding Balance of all Eligible Receivables that are In-Transit Receivables, over (ii) the product of (x) 7.50%, multiplied by (y) the Adjusted Eligible Receivables Balance.

“Exchange Act” means the Securities Exchange Act of 1934, as amended or otherwise modified from time to time.

“Excluded Receivable” means any Receivable (without giving effect to the exclusion of “Excluded Receivables” from the definition of “Receivable”) that (a) meets all of the following criteria: (i) the Obligor of such Receivable is identified on Schedule V hereto and (ii) such Receivable meets the additional criteria (if any) specified on such Schedule V as being applicable to Receivables owing by such Obligor; provided that such Schedule V may be amended or supplemented from time to time only by a written agreement executed by the Originators, the SPV, the Administrative Agent and each Group Agent (each, in its sole discretion), substantially in the form of Exhibit L hereto or such other form acceptable to the Administrative Agent and the Group Agents or (b) is an Ineos TSA Receivable.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to an Affected Person or required to be withheld or deducted from a payment to an Affected Person: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case, (i) imposed as a result of such Affected Person being organized under the laws of, or having its principal office or, in the case of any Purchaser, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Purchaser, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Purchaser with respect to an applicable interest in its Capital or Commitment pursuant to a law in effect on the date on which (i) such Purchaser funds an Investment or its Commitment or (ii) such Purchaser changes its lending office, except in each case to the extent that amounts with respect to such Taxes were payable either to

such Purchaser's assignor immediately before such Purchaser became a party hereto or to such Purchaser immediately before it changed its lending office and (c) any U.S. federal withholding Taxes imposed pursuant to FATCA.

“Facility Limit” means (a) at any time during Period 1, \$125,000,000 and (b) at any time during Period 2, \$100,000,000, in each case, as reduced from time to time pursuant to Section 2.02(e). References to the unused portion of the Facility Limit shall mean, at any time of determination, an amount equal to (x) the Facility Limit at such time, minus (y) the Aggregate Capital at such time.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, any applicable intergovernmental agreement entered into between the United States and any other Governmental Authority in connection with the implementation of the foregoing and any fiscal or regulatory legislation, rules or official practices adopted pursuant to any such intergovernmental agreement.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System, or any entity succeeding to any of its principal functions.

“Fee Letter” has the meaning specified in Section 2.03(a).

“Fees” has the meaning specified in Section 2.03(a).

“Final Payout Date” means the date on or after the Termination Date when (i) the Aggregate Capital has been reduced to zero and Aggregate Yield has been paid in full, (ii) the LC Participation Amount has been reduced to zero (\$0) and no Letters of Credit issued hereunder remain outstanding and undrawn, (iii) all other Seller Obligations have been paid in full (other than contingent or unliquidated obligations for which no claim has been made and other obligations expressly stated to survive such payment and termination of this Agreement), (iv) all other amounts owing to the Purchaser Parties and any other Seller Indemnified Party or Affected Person hereunder and under the other Transaction Documents have been paid in full and (v) all accrued Servicing Fees have been paid in full.

“Financial Covenant” means any one of the “financial covenants” set forth in Section 7.11 of the Ashland Credit Agreement (or any replacement or successor to such section or any similar section or sections in any replacement senior credit agreement) at such time.

“Financial Covenant Amendment” is defined in Section 8.02(r).

“Financial Covenant Grace Period” is defined in clause (f) of the defined term “Servicer Default”.

“Financial Officer” of any Person means, the chief executive officer, the chief financial officer, the chief accounting officer, the principal accounting officer, the controller, the treasurer or the assistant treasurer of such Person.

“Fiscal Month” means each calendar month.

“Fitch” means Fitch, Inc. and any successor thereto that is a nationally recognized statistical rating organization.

“Foreign Receivable” means a Receivable, the Obligor of which is not a United States resident (or, if a corporation or other registered organization, the Obligor of which is not organized and in existence under the laws of the United States or any state or political subdivision thereof).

“GAAP” means generally accepted accounting principles in the United States of America, consistently applied.

“Governmental Acts” has the meaning set forth in Section 3.09.

“Governmental Authority” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Group” means, (i) for any Conduit Purchaser, such Conduit Purchaser, together with such Conduit Purchaser’s Related Committed Purchasers, related Group Agent, related LC Bank (if any) and related LC Participants, (ii) for PNC, PNC as a Committed Purchaser, as an LC Participant, as an LC Bank and as a Group Agent, (iii) for any other Purchaser that does not have a related Conduit Purchaser, such Purchaser, together with such Purchaser’s related LC Bank (if any), related LC Participants, related Group Agent and each other Purchaser for which such Group Agent acts as a Group Agent hereunder.

“Group A Obligor” means any Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) with (a) a short-term rating of at least: (i) “A-1” by S&P and (ii) “P-1” by Moody’s; provided, however, if such Obligor is rated by only one of such rating agencies, then such Obligor will be a “Group A Obligor” if it satisfies either clause (i) or clause (ii) above, or (b) if such Obligor does not have a short-term rating from either S&P or Moody’s, (i) a rating of “A” or better by S&P on such Obligor’s, its parent’s, or its majority owner’s (as applicable) long-term senior unsecured and uncredit-enhanced debt securities, and (ii) “A2” or better by Moody’s on such Obligor’s, its parent’s or its majority owner’s (as applicable) long-term senior unsecured and uncredit-enhanced debt securities; provided, however, if such Obligor is rated by only one of such rating agencies, then such Obligor will be a “Group A Obligor” if it satisfies either clause (i) or clause (ii) above; provided, further that, that if an Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) receives a split rating from S&P and Moody’s, then such Obligor (or its parent or majority owner, as applicable) shall be deemed to have the lower of such ratings from each of S&P and Moody’s and such deemed rating shall be used for the purposes of

whether such rating satisfies clauses (a) and (b) above. Notwithstanding the foregoing, any Obligor that is a Subsidiary of an Obligor that satisfies the definition of “Group A Obligor” shall be deemed to be a Group A Obligor and shall be aggregated with the Obligor that satisfies such definition for the purposes of determining the “Concentration Reserve Percentage” and clause (a) of the definition of “Excess Concentration” for such Obligors, unless such deemed Obligor separately satisfies the definition of “Group A Obligor”, “Group B Obligor”, or “Group C Obligor”, in which case such Obligor shall be separately treated as a Group A Obligor, a Group B Obligor or a Group C Obligor, as the case may be, and shall be aggregated and combined for such purposes with any of its Subsidiaries that are Obligors.

“Group Agent” means each Person acting as agent on behalf of a Group and designated as the Group Agent for such Group on the signature pages to this Agreement or any other Person who becomes a party to this Agreement as a Group Agent for any Group pursuant to an Assumption Agreement, an Assignment and Acceptance Agreement or otherwise in accordance with this Agreement.

“Group Agent’s Account” means, with respect to any Group, the account(s) from time to time designated in writing by the applicable Group Agent to the Seller and the Servicer for purposes of receiving payments to or for the account of the members of such Group hereunder.

“Group B Obligor” means any Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) that is not a Group A Obligor with (a) a short-term rating of at least: (i) “A-2” by S&P and (ii) “P-2” by Moody’s; provided, however, if such Obligor is rated by only one of such rating agencies, then such Obligor will be a “Group B Obligor” if it satisfies either clause (i) or clause (ii) above, or (b) if such Obligor does not have a short-term rating from either S&P or Moody’s, (i) a rating of “BBB+” or better by S&P on such Obligor’s, its parent’s, or its majority owner’s (as applicable) long-term senior unsecured and uncredit-enhanced debt securities, and (ii) “Baa1” or better by Moody’s on such Obligor’s, its parent’s or its majority owner’s (as applicable) long-term senior unsecured and uncredit-enhanced debt securities; provided, however, if such Obligor is rated by only one of such rating agencies, then such Obligor will be a “Group B Obligor” if it satisfies either clause (i) or clause (ii) above; provided, further that, that if an Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) receives a split rating from S&P and Moody’s, then such Obligor (or its parent or majority owner, as applicable) shall be deemed to have the lower of such ratings from each of S&P and Moody’s and such deemed rating shall be used for the purposes of whether such rating satisfies clauses (a) and (b) above. Notwithstanding the foregoing, any Obligor that is a Subsidiary of an Obligor that satisfies the definition of “Group B Obligor” shall be deemed to be a Group B Obligor and shall be aggregated with the Obligor that satisfies such definition for the purposes of determining the “Concentration Reserve Percentage” and clause (a) of the definition of “Excess Concentration” for such Obligors, unless such deemed Obligor separately satisfies the definition of “Group A Obligor”, “Group B Obligor”, or “Group C Obligor”, in which case such Obligor shall be separately treated as a Group A Obligor, a Group B Obligor or a Group C Obligor, as the case may be, and shall be aggregated and combined for such purposes with any of its Subsidiaries that are Obligors.

“Group C Obligor” means any Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) that is not a Group A Obligor or Group B Obligor with (a) a short-term

rating of at least: (i) “A-3” by S&P and (ii) “P-3” by Moody’s; provided, however, if such Obligor is rated by only one of such rating agencies, then such Obligor will be a “Group B Obligor” if it satisfies either clause (i) or clause (ii) above, or (b) if such Obligor does not have a short-term rating from either S&P or Moody’s, (i) a rating of “BBB-” or better by S&P on such Obligor’s, its parent’s, or its majority owner’s (as applicable) long-term senior unsecured and uncredit-enhanced debt securities, and (ii) “Baa3” or better by Moody’s on such Obligor’s, its parent’s or its majority owner’s (as applicable) long-term senior unsecured and uncredit-enhanced debt securities; provided, however, if such Obligor is rated by only one of such rating agencies, then such Obligor will be a “Group C Obligor” if it satisfies either clause (i) or clause (ii) above; provided, further that, that if an Obligor (or its parent or majority owner, as applicable, if such Obligor is not rated) receives a split rating from S&P and Moody’s, then such Obligor (or its parent or majority owner, as applicable) shall be deemed to have the lower of such ratings from each of S&P and Moody’s and such deemed rating shall be used for the purposes of whether such rating satisfies clauses (a) and (b) above. Notwithstanding the foregoing, any Obligor that is a Subsidiary of an Obligor that satisfies the definition of “Group C Obligor” shall be deemed to be a Group C Obligor and shall be aggregated with the Obligor that satisfies such definition for the purposes of determining the “Concentration Reserve Percentage” and clause (a) of the definition of “Excess Concentration” for such Obligors, unless such deemed Obligor separately satisfies the definition of “Group A Obligor”, “Group B Obligor”, or “Group C Obligor”, in which case such Obligor shall be separately treated as a Group A Obligor, a Group B Obligor or a Group C Obligor, as the case may be, and shall be aggregated and combined for such purposes with any of its Subsidiaries that are Obligors.

“Group Commitment” means, with respect to any Group, at any time of determination, the aggregate Commitments of all Committed Purchasers within such Group.

“Group D Obligor” means any Obligor that is not a Group A Obligor, Group B Obligor or Group C Obligor; provided, that any Obligor (or its parent or majority owner, as applicable, if such Obligor is unrated) that is not rated by both Moody’s and S&P shall be a Group D Obligor.

“Guaranteed Obligations” has the meaning set forth in Section 14.01.

“Guaranty” means, with respect to any Person, any obligation of such Person guarantying or in effect guarantying any Debt, liability or obligation of any other Person in any manner, whether directly or indirectly, including any such liability arising by virtue of partnership agreements, including any agreement to indemnify or hold harmless any other Person, any performance bond or other suretyship arrangement and any other form of assurance against loss, except endorsement of negotiable or other instruments for deposit or collection in the ordinary course of business.

“Immaterial Subsidiary” means as of any date of determination, any Subsidiary that, together with its Subsidiaries on a consolidated basis, during (or, in the case of assets, as of the last day of) the twelve months preceding such date of determination accounts for (or to which may be attributed) 5.0% or less of the net income or assets (determined on a consolidated basis) of Ashland and its Subsidiaries during (or, in the case of assets, as of the last day of) such twelve month period; *provided* that, as of any date of determination, the aggregate consolidated net income or assets for all Immaterial Subsidiaries during (or, in the case of assets, as of the last day)

of the twelve months preceding such date of determination shall not exceed 10.0% of the total net income or assets of Ashland and its Subsidiaries during (or, in the case of assets, as of the last day of) such twelve month period.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Seller or any of its Affiliates under any Transaction Document and (b) to the extent not otherwise described in clause (a) above, Other Taxes.

“Independent Director” has the meaning set forth in Section 8.03(c).

“Ineos TSA Receivable” means a Receivable owing by Ineo Group Ltd. or any Subsidiary thereof arising from the provision of services by any Originator pursuant to the Transition Services Agreement, dated as of August 30, 2019, by and among Ashland-~~Global~~, as seller, and INEOS Enterprises Holdings Limited, a corporation organized under the laws of England and Wales, as recipient.

“Information Package” means a report, in substantially the form of Exhibit G.

“Initial Schedule of Sold Receivables” means the list identifying all Sold Receivables as of the Closing Date, which list is attached as Schedule IV hereto.

“Insolvency Proceeding” means (a) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors or (b) any general assignment for the benefit of creditors of a Person, composition, marshaling of assets for creditors of a Person, or other, similar arrangement in respect of its creditors generally or any substantial portion of its creditors, in each of clauses (a) and (b) undertaken under U.S. Federal, state or foreign law, including the Bankruptcy Code.

“Intended Tax Treatment” has the meaning set forth in Section 15.14.

“Intercompany Loan” has the meaning set forth in the Purchase and Sale Agreement.

“Intercompany Loan Agreement” has the meaning set forth in the Purchase and Sale Agreement.

“Investment” means any payment of Capital to the Seller by a Purchaser pursuant to Section 2.01(a) or 2.02.

“Investment Company Act” means the Investment Company Act of 1940, as amended or otherwise modified from time to time.

“Investment Request” means a letter in substantially the form of Exhibit A hereto executed and delivered by the Seller to the Administrative Agent and the Group Agents pursuant to Section 2.02(a).

“In-Transit Receivable” means, at any time of determination, any Receivable arising in connection with the sale of any goods or merchandise that as of such time, have been shipped but not delivered to the related Obligor.

“Issuance” means the issuance of any Letter of Credit or any modification, extension or renewal of any Letter of Credit.

“LC Bank” means PNC and each other Person that is or becomes a party to this Agreement in the capacity of an “LC Bank”.

“LC Collateral Account” means, with respect to each LC Bank, the account at any time designated as the LC Collateral Account for such LC Bank and established and maintained by the Administrative Agent (for the benefit of such LC Bank and the Related LC Participants), or such other account as may be so designated as such by the Administrative Agent. As of the Closing Date, no such account(s) have been opened.

“LC Fee Expectation” has the meaning set forth in Section 3.05(c).

“LC Limit” means \$75,000,000; provided, that such amount may be increased to an amount up to the Facility Limit upon the written consent of the Administrative Agent, each LC Bank and each Group Agent (each in its sole discretion) following any request therefor by the Servicer not less than five (5) Business Days prior to the proposed increase date. References to the unused portion of the LC Limit shall mean, at any time of determination, an amount equal to (x) the LC Limit at such time, minus (y) the LC Participation Amount.

“LC Participant” means each Person listed as such (and its respective Commitment) for each Group as set forth on the signature pages of this Agreement or in any Assumption Agreement.

“LC Participation Amount” means at any time of determination, the sum of the amounts then available to be drawn under all outstanding Letters of Credit.

“LC Request” means a letter in substantially the form of Exhibit A hereto executed and delivered by the Seller to the Administrative Agent, the applicable LC Bank and the Group Agents pursuant to Section 3.02(a).

“LCR Security” means any commercial paper or security (other than equity securities issued to Parent or any Originator that is a consolidated subsidiary of Parent, under GAAP) within the meaning of Paragraph __.32(e)(viii) of the final rules titled Liquidity Coverage Ratio; Liquidity Risk Measurement Standards, 79 Fed. Reg. 197, 61440 et seq. (October 10, 2014).

“Letter of Credit” means any stand-by letter of credit issued by an LC Bank at the request of the Seller pursuant to this Agreement.

“Letter of Credit Application” has the meaning set forth in Section 3.02(a).

“LIBOR Tranche” means any Capital (or portion thereof) accruing Yield at Adjusted LIBOR.

“Liquidity Agent” means any bank or other financial institution acting as agent for the various Liquidity Providers under each Liquidity Agreement.

“Liquidity Agreement” means any agreement entered into in connection with this Agreement pursuant to which a Liquidity Provider agrees to make purchases or advances to, or purchase assets from, any Conduit Purchaser in order to provide liquidity for such Conduit Purchaser’s Capital and Notes.

“Liquidity Provider” means each bank or other financial institution that provides liquidity support to any Conduit Purchaser pursuant to the terms of a Liquidity Agreement.

“LMIR” means for any day during any Yield Period, the interest rate per annum determined by the applicable Group Agent (which determination shall be conclusive absent manifest error) by dividing (i) the one-month Eurodollar rate for Dollar deposits as reported by Bloomberg Finance L.P. and shown on US0001M Screen or any other service or page that may replace such page from time to time for the purpose of displaying offered rates of leading banks for London interbank deposits in Dollars, as of 11:00 a.m. (London time) on such day, or if such day is not a Business Day, then the immediately preceding Business Day (or if not so reported, then as determined by the Administrative Agent from another recognized source for interbank quotation), in each case, changing when and as such rate changes, by (ii) a number equal to 1.00 minus the Euro-Rate Reserve Percentage on such day. The calculation of LMIR may also be expressed by the following formula:

$$\text{LMIR} = \frac{\text{One-month Eurodollar rate for Dollars shown on Bloomberg US0001M Screen or appropriate successor}}{1.00 - \text{Euro-Rate Reserve Percentage}}$$

LMIR shall be adjusted on the effective date of any change in the Euro-Rate Reserve Percentage as of such effective date. Notwithstanding the foregoing, if LMIR as determined herein would be less than zero percent (0.00%), such rate shall be deemed to be zero percent (0.00%) for purposes of this Agreement.

“Lock-Box” means each locked postal box with respect to which a Collection Account Bank has executed an Account Control Agreement pursuant to which it has been granted exclusive access for the purpose of retrieving and processing payments made on the Receivables and which is listed on Schedule II (as such schedule may be modified from time to time in connection with the addition or removal of any Lock-Box in accordance with the terms hereof).

“Loss Horizon Months” means, with respect to calculating the “Loss Horizon Ratio” (as of the last day of the applicable Fiscal Month), the sum of the sum of (a) 3.25 plus (b) an amount equal to the greater of (i) zero and (ii) the quotient of (x) the remainder of (A) an amount equal to the weighted average remaining payment terms of all Eligible Receivables minus (B) 30, divided

by (y) 30; provided that with respect to any fraction of a Fiscal Month for purposes of calculating the “Loss Horizon Ratio”, the aggregate initial Outstanding Balance of all Pool Receivables generated by the Originators during such fraction of a Fiscal Month shall be calculated as a percentage of the aggregate initial Outstanding Balance of all Pool Receivables generated by the Originators during the applicable Fiscal Month.

“Loss Horizon Ratio” means, at any time of determination, the ratio (expressed as a percentage and rounded to the nearest 1/100 of 1%, with 5/1000th of 1% rounded upward) computed by dividing:

(g) the aggregate initial Outstanding Balance of all Pool Receivables generated by the Originators during the most recent number of Loss Horizon Months (ending on the last day of the applicable Fiscal Month); by

(ll) the Net Receivables Pool Balance as of such date.

“Loss Reserve Percentage” means, at any time of determination, the product (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) of (a) 2.00, multiplied by (b) the highest average of the Default Ratios for any three (3) consecutive Fiscal Months during the twelve (12) most recent Fiscal Months, multiplied by (c) the Loss Horizon Ratio.

“Majority Group Agents” means one or more Group Agents which in its Group, or their combined Groups, as the case may be, have Committed Purchasers representing more than 66 2/3% of the aggregate Commitments of all Committed Purchasers in all Groups (or, if the Commitments have been terminated, have Purchasers representing more than 66 2/3% of the aggregate outstanding Capital held by all the Purchasers in all Groups); provided, however, that in no event shall the Majority Group Agents include fewer than two (2) Group Agents at any time when there are two (2) or more Groups.

“Material Adverse Effect” means relative to any Person (*provided* that if no particular Person is specified, “Material Adverse Effect” shall be deemed to be relative to the Seller, the Servicer and the Originators, individually and in the aggregate) with respect to any event or circumstance, a material adverse effect on any of the following:

(h) the assets, operations, business or financial condition of the Seller, the Servicer, the Performance Guarantors (taken as a whole) or any Originator;

(mm) the ability of the Seller, the Servicer, any Performance Guarantor or any Originator to perform its obligations under this Agreement or any other Transaction Document to which it is a party;

(nn) the validity or enforceability of this Agreement or any other Transaction Document, or the validity, enforceability, value or collectibility of any material portion of the Pool Receivables;

(oo) the status, perfection, enforceability or priority of the Administrative Agent's ownership or security interest in the Sold Assets or Seller Collateral; or

(pp) the rights and remedies of any Purchaser Party under the Transaction Documents or associated with its respective interest in the Sold Assets or the Seller Collateral.

“Material Subsidiary” means any Subsidiary that is not an Immaterial Subsidiary.

“Minimum Dilution Reserve Percentage” means, at any time of determination, the product (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) of (a) the average of the Dilution Ratios for the twelve (12) most recent Fiscal Months, multiplied by (b) the Dilution Horizon Ratio.

“Minimum Funding Threshold” means, on any day, an amount equal to the lesser of (a) the product of (i) 40.00% times (ii) the Facility Limit at such time and (b) the Capital Coverage Amount at such time.

“Monthly Settlement Date” means the twentieth (20th) day of each calendar month (or if such day is not a Business Day, the next occurring Business Day).

“Moody's” means Moody's Investors Service, Inc. and any successor thereto that is a nationally recognized statistical rating organization.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which the Seller, the Servicer, any Originator, the Parent or any of their respective ERISA Affiliates (other than one considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Section 414 of the Code) is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

“Net Receivables Pool Balance” means, at any time of determination: (a) the Adjusted Eligible Receivables Balance, minus (b) the Excess Concentration.

“Notes” means short-term promissory notes issued, or to be issued, by any Conduit Purchaser to fund its investments in accounts receivable or other financial assets.

“Notice Date” has the meaning set forth in Section 3.02(b).

“Obligor” means, with respect to any Receivable, the Person obligated to make payments pursuant to the Contract relating to such Receivable.

“Obligor Percentage” means, at any time of determination, for each Obligor, a fraction, expressed as a percentage, (a) the numerator of which is the aggregate Outstanding Balance of the Eligible Receivables of such Obligor and its Affiliates less the amount (if any) then included in the calculation of the Excess Concentration with respect to such Obligor and its Affiliates and (b) the denominator of which is the Adjusted Eligible Receivables Balance.

“OFAC” means the U.S. Department of Treasury's Office of Foreign Assets Control.

“Offset Payables Reduction Amount” means an amount equal to 3.0% of the Outstanding Balance of all Receivables as of such date of determination; *provided* that in connection with their receipt of each annual audit received pursuant to Section 8.01(g) or Section 8.02(e), the Group Agents in their reasonable credit judgment and after evaluation of the results of such audit may increase such percentage to an amount not to exceed 8.0% so long as (x) such increase is approved by the Majority Group Agents and (y) the Administrative Agent has provided the Seller and the Servicer with at least ten (10) Business Days’ advance notice of such increase.

“Order” has the meaning set forth in Section 3.10.

“Originator” and “Originators” have the meaning set forth in the Purchase and Sale Agreement, as the same may be modified from time to time by adding new Originators or removing Originators, in each case in accordance with the prior written consent of the Administrative Agent.

“Other Connection Taxes” means, with respect to any Affected Person, Taxes imposed as a result of a present or former connection between such Affected Person and the jurisdiction imposing such Tax (other than connections arising from such Affected Person having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Transaction Document, or sold or assigned an interest in any Capital or Transaction Document).

“Other Taxes” means any and all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes or any other excise or property Taxes, charges or similar levies or fees arising from any payment made hereunder or from the execution, delivery, filing, recording, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise in respect of, this Agreement, the other Transaction Documents and the other documents or agreements to be delivered hereunder or thereunder.

“Outstanding Balance” means, at any time of determination, with respect to any Receivable, the then outstanding principal balance thereof.

“Overnight Bank Funding Rate” means for any day, the rate comprised of both overnight federal funds and overnight eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the Federal Reserve Bank of New York (“NYFRB”), as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the NYFRB (or by such other recognized electronic source (such as Bloomberg) selected by the Administrative Agent for the purpose of displaying such rate); provided, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided, further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by the Administrative Agent at such time (which determination shall be conclusive absent manifest error). If the Overnight Bank Funding Rate determined as above would be less than zero, then such rate shall be deemed to be zero. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to the Seller.

“Parent” means Ashland ~~Global~~.

“Parent Group” has the meaning set forth in Section 8.03(c).

“Participant” has the meaning set forth in Section 15.03(e).

“Participant Register” has the meaning set forth in Section 15.03(f).

“Participation Advance” has the meaning set forth in Section 3.04(b).

“PATRIOT Act” has the meaning set forth in Section 15.15.

“PBGC” means the Pension Benefit Guaranty Corporation, or any successor thereto.

“Pension Plan” means an employee pension benefit plan as defined in Section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a Multiemployer Plan) and to which any Originator, the Seller or an ERISA Affiliate of any of them may have any liability, including any liability by reason of having been a substantial employer within the meaning of Section 4063 of ERISA or by reason of being deemed to be a contributing sponsor under Section 4069 of ERISA.

“Percentage” means, at any time of determination, with respect to any Committed Purchaser, a fraction (expressed as a percentage), (a) the numerator of which is (i) prior to the termination of all Commitments hereunder, its Commitment at such time or (ii) if all Commitments hereunder have been terminated, the aggregate outstanding Capital of all Purchasers in such Committed Purchaser’s Group at such time and (b) the denominator of which is (i) prior to the termination of all Commitments hereunder, the aggregate Commitments of all Committed Purchasers at such time or (ii) if all Commitments hereunder have been terminated, the Aggregate Capital at such time.

“Performance Guarantor” means ~~each of Ashland and Ashland Global, jointly and severally~~any other Person that becomes a party to the Performance Guaranty as a guarantor thereunder.

“Performance Guaranty” means the ~~Performance Guaranty~~Fourth Amended and Restated Parent Undertaking, dated as of ~~the Closing Date, by each Performance Guarantor~~August 1, 2022, by Ashland, as guarantor, in favor of the Administrative Agent for the benefit of the Secured Parties.

“Period 1” means the period beginning on (and including) the Settlement Date occurring in February of each calendar year to (and excluding) the Settlement Date occurring in November of each calendar year.

“Period 2” means the period beginning on (and including) the Settlement Date occurring in November of each calendar year to (and excluding) the Settlement Date occurring in February of the subsequent calendar year.

“Permitted Linked Account” means (i) with respect to Truist Bank, SPV’s account number ending in 3352 at Truist Bank, and (ii) with respect to Bank of America, N.A., none.

“Person” means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or any Governmental Authority.

“PNC” has the meaning set forth in the preamble to this Agreement.

“Pool Receivable” means a Receivable in the Receivables Pool. For the avoidance of doubt, the Pool Receivables shall include both Sold Receivables and Unsold Receivables.

“Portion of Capital” means, with respect to any Purchaser and its related Capital, the portion of such Capital being funded or maintained by such Purchaser by reference to a particular interest rate basis.

“Pro Rata Share” shall mean, as to any LC Participant, a fraction, the numerator of which equals the Commitment of such LC Participant at such time and the denominator of which equals the aggregate of the Commitments of all LC Participants at such time.

“Program Support Agreement” means and includes any Liquidity Agreement and any other agreement entered into by any Program Support Provider providing for: (a) the issuance of one or more letters of credit for the account of any Conduit Purchaser, (b) the issuance of one or more surety bonds for which any Conduit Purchaser is obligated to reimburse the applicable Program Support Provider for any drawings thereunder, (c) the sale by any Conduit Purchaser to any Program Support Provider of any Capital (or portions thereof or participation interest therein) maintained by such Conduit Purchaser and/or (d) the making of loans and/or other extensions of credit to any Conduit Purchaser in connection with such Conduit Purchaser’s receivables-securitization program contemplated in this Agreement, together with any letter of credit, surety bond or other instrument issued thereunder.

“Program Support Provider” means and includes, with respect to any Conduit Purchaser, any Liquidity Provider and any other Person (other than any customer of such Conduit Purchaser) now or hereafter extending credit or having a commitment to extend credit to or for the account of, or to make purchases from, such Conduit Purchaser pursuant to any Program Support Agreement.

“Purchase and Sale Agreement” means the Purchase and Sale Agreement, dated as of the Closing Date, among the Servicer, the Originators and the Seller.

“Purchase and Sale Termination Event” has the meaning set forth in the Purchase and Sale Agreement.

“Purchaser Party” means each Purchaser, the LC Banks, each LC Participant, the Administration Agent and each Group Agent.

“Purchasers” means the Conduit Purchasers, the LC Banks and the Committed Purchasers.

“Rating Agency” mean each of S&P, Fitch and Moody’s (and/or each other rating agency then rating the Notes of any Conduit Purchaser).

“Receivable” means any right to payment of a monetary obligation, whether or not earned by performance, owed to any Originator or the Seller (as assignee of an Originator), whether constituting an account, chattel paper, payment intangible, instrument or general intangible, in each instance arising in connection with the sale of goods that have been or are to be sold or for services rendered or to be rendered, and includes, without limitation, the obligation to pay any service charges, finance charges, interest, fees and other charges with respect thereto ; provided, however, that “Receivable” shall not include any such right to payment of a monetary obligation that is an Excluded Receivable. Any such right to payment arising from any one transaction, including, without limitation, any such right to payment represented by an individual invoice or agreement, shall constitute a Receivable separate from a Receivable consisting of any such right to payment arising from any other transaction.

“Receivables Pool” means, at any time of determination, all of the then outstanding Receivables (including both Sold Receivables and Unsold Receivables) transferred (or purported to be transferred) to the Seller pursuant to the Purchase and Sale Agreement prior to the Termination Date.

“Register” has the meaning set forth in Section 15.03(c).

“Related Committed Purchaser” means with respect to any Conduit Purchaser, each Committed Purchaser listed as such for each Conduit Purchaser as set forth on the signature pages of this Agreement or in any Assumption Agreement.

“Related Conduit Purchaser” means, with respect to any Committed Purchaser, each Conduit Purchaser which is, or pursuant to any Assignment and Acceptance Agreement or Assumption Agreement or otherwise pursuant to this Agreement becomes, included as a Conduit Purchaser in such Committed Purchaser’s Group, as designated on its signature page hereto or in such Assignment and Acceptance Agreement, Assumption Agreement or other agreement executed by such Committed Purchaser, as the case may be.

“Related Rights” has the meaning set forth in Section 1.1 of the Purchase and Sale Agreement.

“Related Security” means, with respect to any Receivable:

(i) all of the Seller’s and each Originator’s interest in any goods (including Returned Goods), and documentation of title evidencing the shipment or storage of any goods (including Returned Goods), the sale of which gave rise to such Receivable;

(qq) all instruments and chattel paper that may evidence such Receivable;

(rr) all other security interests or liens and property subject thereto from time to time purporting to secure payment of such Receivable, whether pursuant to the Contract related to such Receivable or otherwise, together with all UCC financing statements or similar filings relating thereto;

(ss) all of the Seller's and each Originator's rights, interests and claims under the related Contracts and all supporting obligations, guaranties, indemnities, letters of credit (including any letter-of-credit rights), insurance and other agreements (including the related Contract) or arrangements of whatever character from time to time supporting or securing payment of such Receivable or otherwise relating to such Receivable, whether pursuant to the Contract related to such Receivable or otherwise;

(tt) all books and records of the Seller and each Originator to the extent related to any of the foregoing, and all rights, remedies, powers, privileges, title and interest (but not obligations) in and to each Lock-Box and all Collection Accounts, into which any Collections or other proceeds with respect to such Receivables may be deposited, and any related investment property acquired with any such Collections or other proceeds (as such term is defined in the applicable UCC);

(uu) all of the Seller's rights, interests and claims under the Purchase and Sale Agreement and the other Transaction Documents; and

(vv) all Collections and other proceeds (as defined in the UCC) of any of the foregoing.

“Release” has the meaning set forth in Section 4.01(a).

“Reportable Compliance Event” means that any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint or similar charging instrument, arraigned, or custodially detained in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations is in actual or probable violation of any Anti-Terrorism Law.

“Reportable Event” means any reportable event as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Pension Plan (other than a Pension Plan maintained by an ERISA Affiliate which is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Section 414 of the Code).

“Representatives” has the meaning set forth in Section 15.06(c).

“Responsible Officer” means: (a) in the case of a corporation, its president, senior vice president, any vice president or treasurer, assistant treasurer, any manager of debt, and, in any case where two Responsible Officers are acting on behalf of such corporation, the second such Responsible Officer may be a secretary or assistant secretary; (b) in the case of a limited partnership, the Responsible Officer of the general partner, acting on behalf of such general partner in its capacity as general partner; (c) in the case of a limited liability company, the president, chief operating officer, chief financial officer, treasurer, assistant treasurer, executive vice president, senior vice president, or vice president of such limited liability company or of the manager, managing member or sole member of such limited liability company, acting on behalf of such manager, managing member or sole member in its capacity as manager, managing member or sole member, and (d) in the case of a general partnership, the chairman, chief executive officer,

president, chief operating officer, chief financial officer, treasurer, assistant treasurer, executive vice president, senior vice president, or vice president, or, if individuals, any of the partners of such general partnership.

“Reimbursement Obligation” has the meaning set forth in Section 3.04(a).

“Restricted Payments” has the meaning set forth in Section 8.01(r).

“Required Capital Amount” means \$10,500,000.

“Returned Goods” means all right, title and interest in and to returned, repossessed or foreclosed goods and/or merchandise the sale of which gave rise to a Receivable; provided that such goods shall no longer constitute Returned Goods after a Deemed Collection has been deposited in a Collection Account with respect to the full Outstanding Balance of the related Receivables.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., and any successor thereto that is a nationally recognized statistical rating organization.

“Sale Date” means each of the following: (a) the Closing Date, (b) the date of each Investment, (c) the last day of each Fiscal Month unless the Seller has (in its discretion) notified the Administrative Agent and each Purchaser in writing that such day shall not be a Sale Date, and (d) each other day (if any) designated as a “Sale Date” by the Seller in its discretion by prior written notice thereof to the Administrative Agent and each Purchaser; provided, however, that no Sale Date shall occur on or after the Termination Date.

“Sanctioned Country” means a country subject to a sanctions program maintained under any Anti-Terrorism Law, including any such country identified on the list maintained and published by OFAC from time to time.

“Sanctioned Person” means (i) A person named on the list of “Specially Designated Nationals” or “Blocked Persons” maintained and published by OFAC from time to time, (ii) (A) an agency of the government of a Sanctioned Country, (B) an organization controlled by a Sanctioned Country or (C) a person resident in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC, or (iii) any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person, group, regime, entity or thing, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any Anti-Terrorism Law.

“Scheduled Termination Date” means May 31, 2023, as such date may be extended from time to time.

“SEC” means the U.S. Securities and Exchange Commission or any governmental agencies substituted therefor.

“Secured Parties” means each Purchaser Party, each Seller Indemnified Party and each Affected Person.

“Securities Act” means the Securities Act of 1933, as amended or otherwise modified from time to time.

“Seller” has the meaning specified in the preamble to this Agreement.

“Seller Collateral” has the meaning set forth in Section 14.09.

“Seller Guaranty” has the meaning set forth in Section 14.01.

“Seller Indemnified Amounts” has the meaning set forth in Section 13.01(a).

“Seller Indemnified Party” has the meaning set forth in Section 13.01(a).

“Seller Obligation Final Due Date” means the date that (i) is one hundred eighty (180) days following the Scheduled Termination Date or (ii) such earlier date on which the Aggregate Capital becomes due and payable pursuant to Section 10.01.

“Seller Obligations” means all present and future indebtedness, reimbursement obligations, and other liabilities and obligations (howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or due or to become due) of the Seller to any Purchaser Party, Seller Indemnified Party and/or any Affected Person, arising under or in connection with this Agreement or any other Transaction Document or the transactions contemplated hereby or thereby, and shall include, without limitation, all obligations of the Seller in respect of the Seller Guaranty and the payment of all Capital, Yield, Fees, reimbursement for drawings under the Letters of Credit, and other amounts due or to become due under the Transaction Documents (whether in respect of fees, costs, expenses, indemnifications or otherwise), including, without limitation, interest, fees and other obligations that accrue after the commencement of any Insolvency Proceeding with respect to the Seller (in each case whether or not allowed as a claim in such proceeding).

“Seller’s Net Worth” means, at any time of determination, an amount equal to (i) the aggregate Outstanding Balance of all Pool Receivables at such time, minus (ii) the sum of (A) the Aggregate Capital plus the Adjusted LC Participation Amount at such time, plus (B) the Aggregate Yield at such time, plus (C) the aggregate accrued and unpaid Fees at such time, plus (D) the aggregate outstanding principal balance owing under each Intercompany Loan Agreement at such time, plus (E) the aggregate accrued and unpaid interest owing under each Intercompany Loan Agreement at such time, plus (F) without duplication, the aggregate accrued and unpaid other Seller Obligations at such time.

“Servicer” has the meaning set forth in the preamble to this Agreement.

“Servicer Default” means the occurrence of any one or more of the following events:

(j) The Servicer (i) to the extent required hereunder on behalf of the Seller, shall fail to pay when due, any accrued Yield or to make any reduction or repayment of the Capital and such failure continues for one (1) Business Day, (ii) shall fail to transfer Collections received by the Servicer to a Collection Account at such times required under the terms hereof and such failure

continues for two (2) Business Days, (iii) shall default in the performance of any payment (other than those covered by clauses (i) and (ii) above) or shall fail to observe or perform in any material respect any term, covenant or agreement under Section 8.02(b), (ii) and such failure continues for two (2) Business Days, (iv) shall fail to observe or perform in any material respect any term, covenant or agreement on the Servicer's part to be performed under Section 8.02(c) (*conduct of business*), Section 8.02(g) (*extension or amendment of pool receivables*), Section 8.02(f) (*payments on receivables, collection accounts*), Section 8.02(h) (*change in credit and collection policy*) or Section 8.02(k) (*change in payment instructions to obligors*) (any of the preceding parenthetical phrases in this clause (iv) are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof), (v) shall fail to observe or perform any other term, covenant or agreement to be observed or performed by it under Section 4.01, or (vi) shall fail to observe or perform in any material respect any other term, covenant or agreement hereunder or under any of the other Transaction Documents to which such Person is a party or by which such Person is bound, and such failure in the case of this clause (vi) shall remain unremedied for thirty (30) days after the earlier to occur of (A) receipt of notice thereof from any Group Agent, any Purchaser or the Administrative Agent or (B) knowledge thereof by a Responsible Officer; or

(ww) any representation, warranty, certification or statement made by the Servicer in this Agreement, in the Purchase and Sale Agreement or in any of the other Transaction Documents or in any certificate or report delivered by it pursuant to any of the foregoing shall prove to have been incorrect in any material respect (except any representation or warranty qualified by materiality or by reference to a material adverse effect, which shall prove to have been incorrect in any respect) when made or confirmed and such circumstance shall remain uncured for thirty (30) days after the earlier to occur of (i) receipt of notice thereof from any Group Agent, any Purchaser or the Administrative Agent or (ii) knowledge thereof by a Responsible Officer; *provided* that no such representation, warranty, or certification hereunder shall be deemed to be incorrect or violated to the extent any affected Receivable is subject to a Deemed Collection and all required amounts with respect to such Receivable have been deposited into a Collection Account; or

(xx) (i) failure of the Servicer (if the Servicer is not also an Originator) to pay when due (subject to the delivery of any required notice, the expiration of any permitted grace period or both) any amounts due under any agreement to which the Servicer is a party and under which any Debt having an aggregate outstanding principal amount (including amounts owing to all creditors under any combined or syndicated credit agreement) of greater than \$100,000,000 shall be outstanding; (ii) the default by the Servicer (if the Servicer is not also an Originator) (subject to the delivery of any required notice, the expiration of any permitted grace period or both) in the performance of any term, provision or condition contained in any agreement to which the Servicer is a party (other than breach of any Financial Covenant) and under which any Debt owing by it greater than \$100,000,000 was created or is governed, regardless of whether such event is an "event of default" or "default" under any such agreement, if the effect of such default is to cause, or to permit the holder of such Debt to cause, such Debt to become due and payable prior to its stated maturity; or (iii) any Debt owing by the Servicer (if the Servicer is not also an Originator) greater than \$100,000,000 shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled payment) prior to its stated maturity; or

(yy) there is entered against the Servicer or any Material Subsidiary thereof (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding \$100,000,000 (to the extent not covered by independent third-party insurance as to which the insurer is rated at least "A" by A.M. Best Company, has been notified of the potential claim and does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of ten (10) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(zz) any Insolvency Proceeding shall be instituted by or against the Servicer or any of its Material Subsidiaries; or

(aaa) the Servicer breaches a Financial Covenant or a Deemed Financial Covenant, as applicable; *provided* that, with respect to a breach of a Financial Covenant, (i) so long as Ashland is in good faith pursuing a waiver under the Ashland Credit Agreement, the breach of such Financial Covenant shall not constitute a Servicer Default until thirty (30) days after Ashland receives notice or otherwise obtains knowledge of such breach (the "Financial Covenant Grace Period") and (ii) to the extent any such breach of a Financial Covenant is cured by Ashland or waived by the lenders under the Ashland Credit Agreement within the Financial Covenant Grace Period, the related Servicer Default hereunder shall also be deemed waived automatically but only so long as such waiver is granted at a time when each Group Agent (or its Affiliates) is then also a party to the Ashland Credit Agreement and a majority of such Group Agents (being those Group Agents that hold Group Commitments aggregating in excess of 50% of the Facility Limit as of such date) have consented to such waiver under the Ashland Credit Agreement (it being understood that the vote of Affiliates of a Group Agent party to the Ashland Credit Agreement shall be considered for purposes of determining consent).

"Servicer Indemnified Amounts" has the meaning set forth in Section 13.02(a).

"Servicer Indemnified Party." has the meaning set forth in Section 13.02(a).

"Servicing Fee" means the fee referred to in Section 9.06(a) of this Agreement.

"Servicing Fee Rate" means the rate referred to in Section 9.06(a) of this Agreement.

"Settlement Date" means with respect to any Portion of Capital for any Yield Period or any Yield or Fees, (i) so long as no Event of Termination has occurred and is continuing and the Termination Date has not occurred, the following Monthly Settlement Date and (ii) on and after the Termination Date or if an Event of Termination has occurred and is continuing, each day selected from time to time by the Administrative Agent (with the consent or at the direction of the Majority Group Agents) (it being understood that the Administrative Agent (with the consent or at the direction of the Majority Group Agents) may select such Settlement Date to occur as frequently as daily), or, in the absence of such selection, the Monthly Settlement Date.

"Sold Assets" has the meaning set forth in Section 2.01(b).

“Sold Receivables” means, collectively, (i) the Pool Receivables specified as “Sold Receivables” on the Initial Schedule of Sold Receivables, (ii) all additional Pool Receivables specified as “Sold Receivables” on the Investment Requests delivered with respect to all subsequent Investments made hereunder and (iii) all additional Pool Receivables designated as “Sold Receivables” and transferred by the Seller pursuant to Section 2.01(b) in connection with a Release as contemplated by the first paragraph in Section 4.01(a).

“Solvent” means, with respect to any Person and as of any particular date, (i) the present fair market value (or present fair saleable value) of the assets of such Person is not less than the total amount required to pay the probable liabilities of such Person on its total existing debts and liabilities (including contingent liabilities) as they become absolute and matured, (ii) such Person is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and commitments as they mature and become due in the normal course of business, (iii) such Person is not incurring debts or liabilities beyond its ability to pay such debts and liabilities as they mature and (iv) such Person is not engaged in any business or transaction, and is not about to engage in any business or transaction, for which its property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged.

“Special Concentration Limit” has the meaning set forth in the definition of Concentration Percentage.

“Special Obligor” has the meaning set forth in the definition of Concentration Percentage.

“Structuring Agent” means PNC Capital Markets LLC, a Pennsylvania limited liability company.

“Sub-Servicer” has the meaning set forth in Section 9.01(d).

“Subsidiary” means, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock of each class or other interests having ordinary voting power (other than stock or other interests having such power only by reason of the happening of a contingency) to elect a majority of the Board of Directors or other managers of such entity are at the time owned, or management of which is otherwise controlled: (a) by such Person, (b) by one or more Subsidiaries of such Person or (c) by such Person and one or more Subsidiaries of such Person.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority and all interest, penalties, additions to tax and any similar liabilities with respect thereto.

“Termination Date” means the earliest to occur of (a) the Scheduled Termination Date, (b) the date on which the “Termination Date” is declared or deemed to have occurred under Section 10.01 and (c) the date selected by the Seller on which all Commitments have been reduced to zero pursuant to Section 2.02(e).

“Total Reserves” means, at any time of determination, an amount equal to the sum of (i) an amount equal to the product of (a) the sum of: (x) the Yield Reserve Percentage, plus (y) the greater of (I) the sum of the Concentration Reserve Percentage plus the Minimum Dilution Reserve Percentage and (II) the sum of the Loss Reserve Percentage plus the Dilution Reserve Percentage, times (b) the Net Receivables Pool Balance at such time, plus (ii) at any time (a) prior to 90th day preceding the then-current Facility Termination Date, \$0, and (ii) thereafter, the LC Fee Expectation.

“Tranche Period” means, with respect to any LIBOR Tranche, a period of one, three or six months selected by the Seller pursuant to Section 2.05. Each Tranche Period shall commence on the first day of a Fiscal Month and end on (but not including) the last day of the Fiscal Month occurring one, two, three or six calendar months thereafter, as selected by the Seller pursuant to Section 2.05; provided, however, that if the date any Capital (or portion thereof) is funded pursuant to an Investment made on a date that is not a Monthly Settlement Date pursuant to Section 2.01, the initial Tranche Period for such Capital (or such portion thereof) shall commence on the date such Investment is made pursuant to Section 2.01 and end on the next Monthly Settlement Date occurring after the day in the applicable succeeding calendar month which corresponds numerically to the beginning day of such initial Tranche Period; provided, further, that if any Tranche Period would end after the Termination Date, such Tranche Period (including a period of one day) shall end on the Termination Date.

“Transaction Documents” means this Agreement, the Purchase and Sale Agreement, the Account Control Agreements, the Fee Letter, each Intercompany Loan Agreement, the Performance Guaranty and all other certificates, instruments, UCC financing statements, reports, notices, agreements and documents executed or delivered under or in connection with this Agreement.

“Transaction Information” means any information provided to any Rating Agency, in each case, to the extent related to such Rating Agency providing or proposing to provide a rating of any Notes or monitoring such rating including, without limitation, information in connection with the Seller, the Originator, the Servicer or the Receivables.

“UCC” means the Uniform Commercial Code as from time to time in effect in the applicable jurisdiction.

“Unmatured Event of Termination” means an event that but for notice or lapse of time or both would constitute an Event of Termination.

“Unsold Receivables” means, at any time, all Pool Receivables that are not then Sold Receivables.

“U.S. Obligor” means an Obligor that is a corporation or other business organization and is organized under the laws of the United States of America (or of a United States of America territory, district, state, commonwealth, or possession, including, without limitation, Puerto Rico and the U.S. Virgin Islands) or any political subdivision thereof.

“U.S. Tax Compliance Certificate” has the meaning set forth in Section 5.03(f)(ii)(B)(3).

“Volcker Rule” means Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations thereunder.

“Weekly Report” means a report, in substantially the form of Exhibit J.

“Yield” means an amount payable to each Purchaser in respect of its Capital accruing on each day when such Purchaser has Capital outstanding, which amount for any Purchaser’s Capital (or portion thereof) for any day during any Yield Period (or portion thereof) is the amount accrued on such Capital (or portion thereof) during such Yield Period (or portion thereof) in accordance with Section 2.03(b).

“Yield Period” means with respect to any Portion of Capital, (i) initially the period commencing on (and including) the date of the initial Investment with respect to such Portion of Capital and ending on (and including) the last day of the current Fiscal Month, and (ii) thereafter, each period commencing on (and including) the first day of each Fiscal Month and ending on (and including) the last day of each Fiscal Month; provided that

(A) in the case of any Yield Period with respect to any Portion of Capital that commences before the Termination Date and would otherwise end on a date occurring after the Termination Date, such Yield Period shall end on such Termination Date and the duration of each Yield Period which commences on or after the Termination Date shall be of such duration as shall be selected by such Group Agent; and

(B) any Yield Period in respect of which Yield is computed by reference to the CP Rate may be terminated at the election of, and upon notice thereof to the Seller by, the applicable Group Agent any time, in which case the Portion of Capital allocated to such terminated Yield Period shall be allocated to a new Yield Period commencing on (and including) the date of such termination and ending on (but excluding) the next following Settlement Date, and shall accrue Yield by reference to LMIR.

“Yield Rate” means, for any day in any Yield Period for any Purchaser’s Capital (or any portion thereof):

(k) if such Capital (or such portion thereof) is being funded by a Conduit Purchaser on such day through the issuance of Notes, the applicable CP Rate; or

(bbb) if such Capital (or such portion thereof) is being funded by any Purchaser on such day other than through the issuance of Notes (including, without limitation, if a Conduit Purchaser is then funding such Capital (or such portion thereof) under a Program Support Agreement, or if a Committed Purchaser is then funding such Capital (or such portion thereof)), then LMIR or Adjusted LIBOR, as determined pursuant to Section 2.05, provided, however, that the Yield Rate applicable to any LIBOR Tranche funded pursuant to an Investment that occurs other than on the first Business Day of a Fiscal Month shall be LMIR for each day during the initial Yield Period applicable to such LIBOR Tranche from the date such Investment is made pursuant to Section 2.01 until the last day of such Fiscal Month;

provided, however, that the “Yield Rate” for any Purchaser’s Capital (or any portion thereof) on any day while an Event of Termination has occurred and is continuing shall be an interest rate per annum equal the sum of 2.00% per annum plus the Base Rate in effect on such day; provided, further, that no provision of this Agreement shall require the payment or permit the collection of Yield in excess of the maximum permitted by Applicable Law; and provided, further, that Yield for any Capital (or such portion thereof) shall not be considered paid by any distribution to the extent that at any time all or a portion of such distribution is rescinded or must otherwise be returned for any reason.

“Yield Reserve Percentage” means at any time of determination:

$$\frac{1.50 \times \text{DSO} \times (\text{BR} + \text{SFR})}{360}$$

where:

BR = the Base Rate at such time;

DSO = the Days’ Sales Outstanding for the most recently ended Fiscal Month; and

SFR = the Servicing Fee Rate.

SECTION 1.02. Other Interpretative Matters. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York and not specifically defined herein, are used herein as defined in such Article 9. Unless otherwise expressly indicated, all references herein to “Article,” “Section,” “Schedule,” “Exhibit” or “Annex” shall mean articles and sections of, and schedules, exhibits and annexes to, this Agreement. For purposes of this Agreement, the other Transaction Documents and all such certificates and other documents, unless the context otherwise requires: (a) references to any amount as on deposit or outstanding on any particular date means such amount at the close of business on such day; (b) the words “hereof,” “herein” and “hereunder” and words of similar import refer to such agreement (or the certificate or other document in which they are used) as a whole and not to any particular provision of such agreement (or such certificate or document); (c) references to any Article, Section, Schedule, Exhibit or Annex are references to Articles, Sections, Schedules, Exhibits and Annexes in or to such agreement (or the certificate or other document in which the reference is made), and references to any paragraph, subsection, clause or other subdivision within any Section or definition refer to such paragraph, subsection, clause or other subdivision of such Section or definition; (d) the term “including” means “including without limitation”; (e) references to any Applicable Law refer to that Applicable Law as amended from time to time and include any successor Applicable Law; (f) references to any agreement refer to that agreement as from time to time amended, restated or supplemented or as the terms of such agreement are waived or modified in accordance with its terms; (g) references to any Person include that Person’s permitted successors and assigns; (h) headings are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof; (i) unless otherwise provided, in the calculation of time from a specified date to a later specified date, the term “from” means “from and including”, and the terms “to” and “until” each means “to but

excluding”; (j) terms in one gender include the parallel terms in the neuter and opposite gender; (k) references to any amount as on deposit or outstanding on any particular date means such amount at the close of business on such day and (l) the term “or” is not exclusive.

ARTICLE II

TERMS OF THE PURCHASES AND INVESTMENTS

SECTION 2.01. Purchase Facility.

(a) *Investments.* Upon a request by the Seller pursuant to Section 2.02, and on the terms and subject to the conditions hereinafter set forth, the Conduit Purchasers, ratably, in accordance with the aggregate of the Commitments of the Related Committed Purchasers with respect to each such Conduit Purchaser, severally and not jointly, may, in their sole discretion, make payments of Capital to the Seller on a revolving basis, and if and to the extent any Conduit Purchaser does not make any such payment of Capital or if any Group does not include a Conduit Purchaser, the Related Committed Purchaser(s) for such Conduit Purchaser or the Committed Purchaser for such Group, as the case may be, shall, ratably in accordance with their respective Commitments, severally and not jointly, make such payment of Capital to the Seller, in either case, from time to time during the period from the Closing Date to the Termination Date. Each such payment of Capital by a Purchaser to the Seller shall constitute an Investment hereunder for all purposes. Under no circumstances shall any Purchaser be obligated to make any Investment if, after giving effect thereto:

(i) the Aggregate Capital plus the LC Participation Amount would exceed the Facility Limit at such time;

(i) the sum of (A) the Capital of such Purchaser, plus (B) the aggregate outstanding Capital of each other Purchaser in its Group, plus (C) the related LC Participant’s Pro Rata Share of the LC Participation Amount, would exceed the Group Commitment of such Purchaser’s Group;

(ii) if such Purchaser is a Committed Purchaser, the aggregate outstanding Capital of such Committed Purchaser would exceed its Commitment; or

(iii) the Aggregate Capital plus the Adjusted LC Participation Amount would exceed the Capital Coverage Amount at such time.

(b) *Sale of Receivables and Other Sold Assets.* In consideration of the Purchasers’ respective agreements to make Investments in accordance with the terms hereof, the Seller, on the Closing Date, on the date of each Investment and on each other date occurring on or prior to the Termination Date, hereby sells, assigns and transfers to the Administrative Agent (for the ratable benefit of the Purchasers according to their Capital as increased or reduced from time to time hereunder), all of the Seller’s right, title and interest in, to and under all of the following, whether now or hereafter owned, existing or arising (collectively, the “Sold Assets”): (i) all Sold Receivables, (ii) all Related Security with respect to such Sold Receivables, (iii) all Collections with respect to such Sold Receivables and (iv) all proceeds of the foregoing. Such sales,

assignments and transfers by the Seller shall, in each case, occur and be deemed to occur for all purposes in accordance with the terms hereof automatically without further action, notice or consent of any party.

(c) *Intended Characterization as a Purchase and Sale.* It is the intention of the parties to this Agreement that the transfer and conveyance of the Seller's right, title and interest in, to and under the Sold Assets to the Administrative Agent (for the ratable benefit of the Purchasers according to their Capital as increased or reduced from time to time hereunder) on each Sale Date pursuant to this Agreement shall constitute a purchase and sale and not a pledge for security, and such purchase and sale of the Sold Assets hereunder shall be treated as a sale for all purposes (except as provided in Sections 2.01(d) and 15.14). For the avoidance of doubt, this clause (c) shall not be construed to limit or otherwise modify Section 5.05 or any rights, interests, liabilities or obligations of any party thereunder.

(d) *Obligations Not Assumed.* Notwithstanding any provision contained in this Agreement or any other Transaction Document to the contrary, the foregoing sale, assignment, transfer and conveyance set forth in Section 2.01(b) does not constitute, and is not intended to result in, the creation or an assumption by the Administrative Agent, any Group Agent or any Purchaser of any obligation or liability of the Seller, any Originator, the Servicer, or any other Person under or in connection with all, or any portion of, any Sold Assets, all of which shall remain the obligations and liabilities of the Seller, the Originators, the Servicer and such other Persons, as applicable.

(e) *Selection, Designation and Reporting of Sold Receivables.* The Seller (or the Servicer on its behalf) shall select and identify from the Pool Receivables all Sold Receivables to be sold pursuant to Section 2.01(b) in its sole discretion; provided, however, that (i) the Seller shall select Sold Receivables from the Pool Receivables on an invoice-by-invoice basis, and the Seller shall transfer pursuant to Section 2.01(b) 100% of its interest in any invoice that reflects Sold Receivables, such that all Receivables reflected or evidenced by such an invoice shall be included as Sold Receivables, and (ii) the Seller shall not permit the aggregate Outstanding Balance of Sold Receivables to exceed the Aggregate Capital at any time. The Seller shall maintain (or cause the Servicer to maintain) books and records sufficient to readily identify the Sold Receivables. The Seller and Servicer shall cause all Sold Receivables to be identified on each Investment Request in accordance with Section 2.02(a) and on each Information Package and Weekly Report delivered hereunder.

SECTION 2.02. Making Investments; Return of Capital.

(a) Each Investment hereunder shall be made on the prior written request from the Seller to the Administrative Agent and each Group Agent in the form of an Investment Request attached hereto as Exhibit A. Each such request for an Investment shall be made no later than 12:00 p.m. (New York City time) on the date of the proposed Investment, which date shall be a Business Day (it being understood that any such request made after such time shall be deemed to have been made on the following Business Day) and shall specify (i) the amount of Capital requested (which amount shall (x) not be less than \$100,000 and shall be an integral multiple of \$100,000) and (y) not cause the aggregate Outstanding Balance of all Sold Receivables (after giving effect to the addition of Pool Receivables to the Sold Receivables in connection with such

Investment) to (A) exceed the Aggregate Capital or (B) be less than the Aggregate Capital by \$100,000 or more, (ii) the allocation of such amount among the Groups (which shall be ratable based on the Group Commitments), (iii) the account to which the Capital of such Investment shall be distributed, (iv) the date such requested Investment is to be made (which shall be a Business Day) and (v) all Pool Receivables that are or, effective upon the making of such Investment, will be, Sold Receivables.

(b) On the date of each Investment specified in the applicable Investment Request, the Purchasers shall, upon satisfaction of the applicable conditions set forth in Article VI and pursuant to the other conditions set forth in this Article II, make available to the Seller in same day funds an aggregate amount equal to the amount of Capital requested, at the account set forth in the related Investment Request.

(c) Each Committed Purchaser's obligation shall be several, such that the failure of any Committed Purchaser to make available to the Seller any funds in connection with any Investment shall not relieve any other Committed Purchaser of its obligation, if any, hereunder to make funds available on the date such Investments are requested (it being understood, that no Committed Purchaser shall be responsible for the failure of any other Committed Purchaser to make funds available to the Seller in connection with any Investment hereunder).

(d) The Seller shall return in full the outstanding Capital of each Purchaser on the Seller Obligation Final Due Date. Prior thereto, the Seller shall, on each Settlement Date, reduce the outstanding Capital of the Purchasers to the extent required under Section 4.01 and otherwise in accordance with such Section 4.01 (subject to the priorities for payment set forth therein) by paying the amount of such reduction to the Purchasers in accordance with Section 4.02. Notwithstanding the foregoing, the Seller, in its discretion, shall have the right to reduce, in whole or in part by payment in accordance with Section 4.02, of the outstanding Capital of the Purchasers on any Business Day upon written notice thereof no later than 12:00 p.m. (New York City time) on the date of the proposed reduction to the Administrative Agent and each Group Agent in the form of a Reduction Notice attached hereto as Exhibit E; provided, however, that (i) each such reduction shall be in a minimum aggregate amount of \$100,000 and shall be an integral multiple thereof, (ii) no such reduction shall reduce the Aggregate Capital to an amount less than the Minimum Funding Threshold (other than in connection with the Seller's designation of a holiday contemplated by Section 8.01(dd)); provided, however that notwithstanding the foregoing, a reduction may be in an amount necessary to reduce any Capital Coverage Deficit existing at such time to zero, and (ii) any accrued Yield and Fees in respect of the portion(s) of Capital so reduced shall be paid in full on the immediately following Settlement Date.

(e) The Seller may, at any time upon at least ten (10) Business Days' prior written notice to the Administrative Agent and each Group Agent, terminate the Facility Limit in whole or ratably reduce the Facility Limit in part. Each partial reduction in the Facility Limit shall be in a minimum aggregate amount of \$5,000,000 or integral multiples of \$1,000,000 in excess thereof, and no such partial reduction shall reduce the Facility Limit to an amount less than \$85,000,000. In connection with any partial reduction in the Facility Limit, the Commitment of each Committed Purchaser and LC Participant, as well as the LC Limit, shall be ratably reduced.

(f) In connection with any reduction of the Commitments, the Seller shall remit to the Administrative Agent (i) instructions regarding such reduction and (ii) for payment to the Purchasers, cash in an amount sufficient to pay (A) Capital of Purchasers in each Group in excess of the Group Commitment of such Group and (B) all other outstanding Seller Obligations with respect to such reduction (determined based on the ratio of the reduction of the Commitments being effected to the amount of the Commitments prior to such reduction or, if the Administrative Agent reasonably determines that any portion of the outstanding Seller Obligations is allocable solely to that portion of the Commitments being reduced or has arisen solely as a result of such reduction, all of such portion) including, without duplication, any associated Breakage Fees. Upon receipt of any such amounts, the Administrative Agent shall apply such amounts first to the reduction of the outstanding Capital, and second to the payment of the remaining outstanding Seller Obligations with respect to such reduction, including any Breakage Fees, by paying such amounts to the Purchasers.

SECTION 2.03. Yield and Fees.

(a) On each Settlement Date, the Seller shall, in accordance with the terms and priorities for payment set forth in Section 4.01, pay to each Group Agent, each Purchaser, the Administrative Agent and the Structuring Agent certain fees (collectively, the “Fees”) in the amounts set forth in the fee letter agreements from time to time entered into, among the Seller, the members of the applicable Group (or their Group Agent on their behalf) and/or the Administrative Agent (each such fee letter agreement, as amended, restated, supplemented or otherwise modified from time to time, collectively being referred to herein as the “Fee Letter”). At any time that the Minimum Funding Threshold is not satisfied and no compliance holiday is in then effect in accordance with Section 8.01(dd), Yield and Fees shall accrue on an amount equal to the Minimum Funding Threshold.

(b) Each Purchaser’s Capital shall accrue Yield on each day when such Capital remains outstanding at the then applicable Yield Rate for such Capital (or each applicable portion thereof). The Seller shall pay all Yield (including, for the avoidance of doubt, all Yield accrued on LIBOR Tranches during a Yield Period regardless of whether the applicable Tranche Period has ended), Fees and Breakage Fees accrued during each Yield Period on each Settlement Date in arrears in accordance with the terms and priorities for payment set forth in Section 4.01.

(c) For the avoidance of doubt, the Seller’s obligation to pay all Fees and Yield hereunder when due shall not be contingent up the receipt or availability of Collections.

SECTION 2.04. Records of Investments and Capital. Each Group Agent shall record in its records, the date and amount of each Investment and Participation Advance made by the Purchasers in its Group hereunder, the Yield Rate with respect to the related Capital (and each portion thereof), the Yield accrued on such Purchasers’ Capital and each repayment and payment thereof. Subject to Section 15.03(c), such records shall be conclusive and binding absent manifest error. The failure to so record any such information or any error in so recording any such information shall not, however, limit or otherwise affect the obligations of the Seller hereunder or under the other Transaction Documents to repay the Capital of each Purchaser, together with all Yield accruing thereon and all other Seller Obligations.

SECTION 2.05. Selection of Yield Rates and Tranche Periods.

(a) Subject to the following sentence, each Purchaser's Capital (including all portions thereof) shall accrue Yield initially at LMIR. Thereafter, so long as no Event of Termination has occurred and is continuing, the Seller may from time to time elect to change or continue the type of Yield Rate and/or Tranche Period borne by the Purchasers' Capital or, subject to the minimum amount requirement set forth in Section 2.02, a portion thereof by notice to the Administrative Agent not later than 11:00 a.m. (New York City time), one (1) Business Day prior to the expiration of any Tranche Period or Yield Period, as applicable; provided, that there shall not be more than three (3) LIBOR Tranches outstanding hereunder at any one time; provided, further that for the avoidance of doubt, any change from LMIR to Adjusted LIBOR and/or any change to a Tranche Period applicable to any Capital (or portion thereof) shall not be effective until the first day of the Fiscal Month occurring after the date of such request. Any such notices requesting the continuation or conversion of any Capital (or any portion thereof) to the Administrative Agent may be given by telephone, telecopy, or other telecommunication device acceptable to the Administrative Agent (which notice shall be irrevocable once given and, if by telephone, shall be promptly confirmed in writing in a manner acceptable to the Administrative Agent).

(b) If, by the time required in Section 2.05(a), the Seller fails to select an Tranche Period or Yield Rate for any Capital (or portion thereof), such Capital (or portion thereof) shall automatically accrue Yield at LMIR for the next occurring Yield Period.

SECTION 2.06. Non-Renewing Purchasers. If at any time the Seller requests that the Committed Purchasers renew their Commitments hereunder and some but less than all the Committed Purchasers consent to such renewal within thirty (30) days of the Seller's request, the Seller may arrange for an assignment, and such non-consenting Committed Purchasers shall agree to assign, to one or more financial institutions acceptable to the related Group Agent and the Seller of all the rights and obligations hereunder of each such non-consenting Committed Purchaser in accordance with Section 15.03. Any such assignment shall become effective on the then-current Scheduled Termination Date. Each Committed Purchaser which does not so consent to any renewal shall cooperate fully with the Seller in effectuating any such assignment. If none or less than all the Commitments of the non-renewing Committed Purchasers are so assigned as provided above, then the Scheduled Termination Date shall not be renewed.

SECTION 2.07. Replacement of Purchaser Group. Notwithstanding any other provision of the Transaction Documents and so long as no Event of Termination exists and is continuing, if (x) the Financial Covenants are amended or are otherwise varied from the Ashland Credit Agreement in effect on the Closing Date and (y) any Committed Purchaser that ceases to be a party to the Ashland Credit Agreement as a lender thereunder (along with all of its Affiliates) fails to consent to such amended or otherwise varied Financial Covenants, the Seller may, at its sole expense, upon written notice to the Group Agent for such Committed Purchaser and the Administrative Agent, (i) remove such Committed Purchaser and its Group as a party hereto or (ii) require such Committed Purchaser and its Group to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 15.03), all of its interests, rights and obligations under this Agreement and the related Transaction

Documents to a new or existing Committed Purchaser who agrees to assume such obligations; *provided* that:

(a) the Group Agent for such Committed Purchaser shall, on behalf of its Group, have received payment of an amount equal to the Seller Obligations due and payable to its Group hereunder and under the other Transaction Documents from the Seller in the case of a removal pursuant to clause (i) above or from the assignee and the Seller, as applicable, in the case of an assignment pursuant to clause (ii) above;

(b) in the case of an assignment pursuant to clause (ii) above, such assignment does not conflict with Applicable Law;

(c) a Committed Purchaser and its Group shall not be required to be removed from this Agreement or make any such assignment or delegation if, prior thereto, as a result of a waiver or consent by such Committed Purchaser or otherwise, the circumstances entitling the Seller to require such removal or such assignment and delegation cease to apply;

(d) in the case of a removal pursuant to clause (i) above, the Facility Limit shall (x) be reduced by the corresponding amount of such Committed Purchaser's Commitment and (y) if applicable, concurrently increased up to the amount of the removed Committed Purchaser's Commitment by the Commitment of any existing Committed Purchaser that has, in its sole discretion, consented to increase its Commitment or new Committed Purchaser that has joined this Agreement by execution of a separate joinder agreement hereto, subject to the consent of the Group Agents (in their sole discretion); *provided* that, such consent shall not be required if the Seller (with funds other than Collections) has fully cash collateralized the LC Participation Amount (and any LC Fee Expectation) with respect to such new Committed Purchaser and agrees that it will continue to do so in connection with each future Letter of Credit issuance hereunder; *provided, further*, that in no event shall the Facility Limit be reduced such that the Aggregate Capital will exceed the Facility Limit;

(e) the Seller shall be permitted to replace any Purchaser which is the Administrative Agent or an Affiliate thereof only, if, in either case, the Administrative Agent is also replaced contemporaneously, pursuant to documents reasonably satisfactory to the Administrative Agent and the Administrative Agent has received payment of an amount equal to all amounts then due and payable to the Administrative Agent hereunder and under each of the other Transaction Document;

(f) the Seller shall be permitted to replace any Purchaser which is an LC Bank or an Affiliate thereof only, if, in either case, such LC Bank is also replaced contemporaneously, pursuant to documents reasonably satisfactory to such LC Bank and both (x) such LC Bank has received payment of an amount equal to all amounts then due and payable to such LC Bank hereunder and under each of the other Transaction Document and (y) no Letters of Credit issued hereunder by such LC Bank remain outstanding and undrawn; and

(g) such removal or assignment shall be made upon not less than ten (10) Business Days' notice delivered by the Seller to the Group Agent for such Committed Purchaser and the

Administrative Agent. Any Purchaser required to assign pursuant to this Section 2.07 shall have no duty to procure an assignee.

The foregoing removal or assignment will be effective on the date specified in the notice delivered by the Seller to the applicable Group Agent and the Administrative Agent, subject to the satisfaction of the conditions thereto set forth in this Section 2.07.

SECTION 2.08. Status of Conduit Purchasers. So long as any Conduit Purchaser holds any Capital, such Conduit Purchaser shall be a multi-seller asset-backed commercial paper conduit and shall ensure that its interests hereunder (including its Capital and its interests in the Sold Assets) will constitute less than 50% of such Conduit Purchaser's total assets.

ARTICLE III

LETTER OF CREDIT FACILITY

SECTION 3.01. Letters of Credit.

(a) Subject to the terms and conditions hereof and the satisfaction of the applicable conditions set forth in Article VI, each LC Bank shall issue or cause the issuance of Letters of Credit on behalf of the Seller (and, if applicable, on behalf of, or for the account of, an Originator or an Affiliate of such Originator in favor of such beneficiaries as such Originator or an Affiliate of such Originator may elect with the consent of the Seller); provided, however, that no LC Bank will be required to issue or cause to be issued any Letters of Credit to the extent that after giving effect thereto:

(ii) the Aggregate Capital plus the LC Participation Amount would exceed the Facility Limit at such time;

(i) the Aggregate Capital plus the LC Participation Amount would exceed the Capital Coverage Amount at such time;

(ii) the LC Participation Amount would exceed the LC Limit at such time; or

(iii) the LC Participation Amount would exceed the aggregate of the Commitments of the LC Participants at such time.

(b) Yield shall accrue on all amounts drawn under Letters of Credit for each day on and after the applicable Drawing Date so long as such drawn amounts shall have not been reimbursed to the applicable LC Bank pursuant to the terms hereof.

SECTION 3.02. Issuance of Letters of Credit; Participations.

(a) The Seller may request an LC Bank, upon two (2) Business Days' prior written notice submitted on or before 1:00 p.m. (New York City time), to issue a Letter of Credit by delivering to the Administrative Agent, each Group Agent and such LC Bank, such LC Bank's

form of Letter of Credit Application (the “Letter of Credit Application”), substantially in the applicable form set out on Exhibit D attached hereto and an LC Request, in each case completed to the satisfaction of the Administrative Agent and such LC Bank; and such other certificates, documents and other papers and information as the Administrative Agent or such LC Bank may reasonably request.

(b) Each Letter of Credit shall, among other things, (i) provide for the payment of sight drafts or other written demands for payment when presented for honor thereunder in accordance with the terms thereof and when accompanied by the documents described therein and (ii) have an expiry date not later than twelve (12) months after such Letter of Credit’s date of issuance, extension or renewal, as the case may be, and in no event later than twelve (12) months after the Scheduled Termination Date. The terms of each Letter of Credit may include customary “evergreen” provisions providing that such Letter of Credit’s expiry date shall automatically be extended for additional periods not to exceed twelve (12) months unless, not less than thirty (30) days (or such longer period as may be specified in such Letter of Credit) (the “Notice Date”) prior to the applicable expiry date, the applicable LC Bank delivers written notice to the beneficiary thereof declining such extension; provided, however, that if (x) any such extension would cause the expiry date of such Letter of Credit to occur after the date that is twelve (12) months after the Scheduled Termination Date or (y) the applicable LC Bank determines that any condition precedent (including, without limitation, those set forth in Sections 3.01 and Article VI) to issuing such Letter of Credit hereunder are not satisfied (other than any such condition requiring the Seller to submit an LC Request or Letter of Credit Application in respect thereof), then the applicable LC Bank, in the case of clause (x) above, may (or, at the written direction of any LC Participant, shall) or, in the case of clause (y) above, shall, use reasonable efforts in accordance with (and to the extent permitted by) the terms of such Letter of Credit to prevent the extension of such expiry date (including notifying the Seller and the beneficiary of such Letter of Credit in writing prior to the Notice Date that such expiry date will not be so extended). Each Letter of Credit shall be subject either to the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600, and any amendments or revisions thereof adhered to by the applicable LC Bank or the International Standby Practices (ISP98-International Chamber of Commerce Publication Number 590), and any amendments or revisions thereof adhered to by the applicable LC Bank, as determined by the applicable LC Bank.

(c) Immediately upon the issuance by such LC Bank of any Letter of Credit (or any amendment to a Letter of Credit increasing the amount thereof), such LC Bank shall be deemed to have sold and transferred to each LC Participant, and each LC Participant shall be deemed irrevocably and unconditionally to have purchased and received from such LC Bank, without recourse or warranty, an undivided interest and participation, to the extent of such LC Participant’s Pro Rata Share, in such Letter of Credit, each drawing made thereunder and the obligations of the Seller hereunder with respect thereto, and any security therefor or guaranty pertaining thereto. Upon any change in the Commitments or Pro Rata Shares of the LC Participants pursuant to this Agreement, it is hereby agreed that, with respect to all outstanding Letters of Credit and unreimbursed drawings thereunder, there shall be an automatic adjustment to the participations pursuant to this clause (c) to reflect the new Pro Rata Shares of the assignor and assignee LC Participant or of all LC Participants with Commitments, as the case may be. In the event that any LC Bank makes any payment under any Letter of Credit and the Seller shall not have reimbursed

such amount in full to such LC Bank pursuant to Section 3.04(a), each LC Participant shall be obligated to make Participation Advances with respect to such Letter of Credit in accordance with Section 3.04(b).

SECTION 3.03. Requirements For Issuance of Letters of Credit. The Seller shall authorize and direct the applicable LC Bank to name the Seller, an Originator or an Affiliate of an Originator as the “Applicant” or “Account Party” of each Letter of Credit.

SECTION 3.04. Disbursements, Reimbursement.

(a) In the event of any request for a drawing under a Letter of Credit by the beneficiary or transferee thereof, the applicable LC Bank will promptly notify the Administrative Agent and the Seller of such request. The Seller shall reimburse (such obligation to reimburse the applicable LC Bank shall sometimes be referred to as a “Reimbursement Obligation”) the applicable LC Bank prior to 1:00 p.m. (New York City time), on each date that an amount is paid by such LC Bank under any Letter of Credit (each such date, a “Drawing Date”) in an amount equal to the amount so paid by such LC Bank. In the event the Seller fails to reimburse the applicable LC Bank for the full amount of any drawing under any Letter of Credit by 1:00 p.m. (New York City time) on the Drawing Date (including because the conditions precedent to a Loan requested by the Seller pursuant to Section 2.01 shall not have been satisfied), such LC Bank will promptly notify each LC Participant thereof. Any notice given by an LC Bank pursuant to this Section may be oral if promptly confirmed in writing; provided that the lack of such a prompt written confirmation shall not affect the conclusiveness or binding effect of such oral notice.

(b) Each LC Participant shall upon any notice pursuant to clause (a) above make available to the applicable LC Bank an amount in immediately available funds equal to its Pro Rata Share of the amount of the drawing (a “Participation Advance”), whereupon the LC Participants shall each be deemed to have made a Loan to the Seller in that amount. If any LC Participant so notified fails to make available to the applicable LC Bank the amount of such LC Participant’s Pro Rata Share of such amount by 2:00 p.m. (New York City time) on the Drawing Date, then interest shall accrue on such LC Participant’s obligation to make such payment, from the Drawing Date to the date on which such LC Participant makes such payment (i) at a rate per annum equal to the Overnight Bank Funding Rate during the first three days following the Drawing Date and (ii) at a rate per annum equal to the Base Rate on and after the fourth day following the Drawing Date. The applicable LC Bank will promptly give notice to each LC Participant of the occurrence of the Drawing Date, but failure of the applicable LC Bank to give any such notice on the Drawing Date or in sufficient time to enable any LC Participant to effect such payment on such date shall not relieve such LC Participant from its obligation under this clause (b). Each LC Participant’s Commitment shall continue until the last to occur of any of the following events: (A) each LC Bank ceases to be obligated to issue or cause to be issued Letters of Credit hereunder, (B) no Letter of Credit issued hereunder remains outstanding and uncanceled or (C) all Purchaser Parties have been fully reimbursed for all payments made under or relating to Letters of Credit.

SECTION 3.05. Repayment of Participation Advances.

(a) Upon (and only upon) receipt by an LC Bank for its account of immediately available funds from or for the account of the Seller (i) in reimbursement of any payment made by

such LC Bank under a Letter of Credit with respect to which any LC Participant has made a Participation Advance to such LC Bank or (ii) in payment of Yield on the Investment made or deemed to have been made in connection with any such draw, such LC Bank will pay to each LC Participant, ratably (based on the outstanding drawn amounts funded by each such LC Participant in respect of such Letter of Credit), in the same funds as those received by such LC Bank; it being understood, that such LC Bank shall retain a ratable amount of such funds that were not the subject of any payment in respect of such Letter of Credit by any LC Participant.

(b) If an LC Bank is required at any time to return to the Seller, or to a trustee, receiver, liquidator, custodian, or any official in any Insolvency Proceeding, any portion of the payments made by the Seller to such LC Bank pursuant to this Agreement in reimbursement of a payment made under a Letter of Credit or interest or fee thereon, each LC Participant shall, on demand of such LC Bank, forthwith return to such LC Bank the amount of its Pro Rata Share of any amounts so returned by such LC Bank plus interest at the Overnight Bank Funding Rate, from the date the payment was first made to such LC Participant through, but not including, the date the payment is returned by such LC Participant.

(c) If any Letters of Credit are outstanding and undrawn on the Termination Date, the applicable LC Collateral Account shall be funded from Collections (or, in the Seller's sole discretion, by other funds available to the Seller) in an amount equal to the aggregate undrawn face amount of such Letters of Credit plus all related fees to accrue through the stated expiration dates thereof (such fees to accrue, as reasonably estimated by the LC Banks, the "LC Fee Expectation").

SECTION 3.06. Documentation; Documentary and Processing Charges. The Seller agrees to be bound by the terms of the Letter of Credit Application and by the applicable LC Bank's interpretations of any Letter of Credit issued for the Seller and by the applicable LC Bank's written regulations and customary practices relating to letters of credit, though the applicable LC Bank's interpretation of such regulations and practices may be different from the Seller's own. In the event of a conflict between the Letter of Credit Application and this Agreement, this Agreement shall govern. The applicable LC Bank shall not be liable for any error, negligence and/or mistakes, whether of omission or commission, in following the Seller's instructions or those contained in the Letters of Credit or any modifications, amendments or supplements thereto. In addition to any other fees or expenses owing under the Fee Letter or any other Transaction Document or otherwise pursuant to any Letter of Credit Application, the Seller shall pay to the applicable LC Bank for its own account any customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the applicable LC Bank relating to letters of credit as from time to time in effect. Such customary fees shall be due and payable upon demand and shall be nonrefundable.

SECTION 3.07. Determination to Honor Drawing Request. In determining whether to honor any request for drawing under any Letter of Credit by the beneficiary thereof, the applicable LC Bank shall be responsible only to determine that the documents and certificates required to be delivered under such Letter of Credit have been delivered and that they comply on their face with the requirements of such Letter of Credit and that any other drawing condition appearing on the face of such Letter of Credit has been satisfied in the manner so set forth.

SECTION 3.08. Nature of Participation and Reimbursement Obligations. Each LC Participant's obligation in accordance with this Agreement to make Participation Advances as a result of a drawing under a Letter of Credit, and the obligations of the Seller to reimburse the applicable LC Bank upon a draw under a Letter of Credit, shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement and under all circumstances, including the following circumstances:

(i) any set-off, counterclaim, recoupment, defense or other right which such LC Participant may have against such LC Bank, the other Purchaser Parties, the Seller, the Servicer, an Originator, a Performance Guarantor or any other Person for any reason whatsoever;

(ii) the failure of the Seller or any other Person to comply with the conditions set forth in this Agreement for the making of a purchase, reinvestments, requests for Letters of Credit or otherwise, it being acknowledged that such conditions are not required for the making of Participation Advances hereunder;

(iii) any lack of validity or enforceability of any Letter of Credit or any set-off, counterclaim, recoupment, defense or other right which the Seller, a Performance Guarantor, the Servicer, an Originator or any Affiliate thereof on behalf of which a Letter of Credit has been issued may have against such LC Bank, or any other Purchaser Party or any other Person for any reason whatsoever;

(iv) any claim of breach of warranty that might be made by the Seller, an Originator or any Affiliate thereof, such LC Bank, or any LC Participant against the beneficiary of a Letter of Credit, or the existence of any claim, set-off, defense or other right which the Seller, the Servicer, such LC Bank or any LC Participant may have at any time against a beneficiary, any successor beneficiary or any transferee of any Letter of Credit or the proceeds thereof (or any Persons for whom any such transferee may be acting), such LC Bank, any other Purchaser Party or any other Person, whether in connection with this Agreement, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between the Seller or any Affiliates of the Seller and the beneficiary for which any Letter of Credit was procured);

(v) the lack of power or authority of any signer of, or lack of validity, sufficiency, accuracy, enforceability or genuineness of, any draft, demand, instrument, certificate or other document presented under any Letter of Credit, or any such draft, demand, instrument, certificate or other document proving to be forged, fraudulent, invalid, defective or insufficient in any respect or any statement therein being untrue or inaccurate in any respect, even if the Administrative Agent or such LC Bank has been notified thereof;

(vi) payment by such LC Bank under any Letter of Credit against presentation of a demand, draft or certificate or other document which does not comply with the terms of such Letter of Credit;

(vii) the solvency of, or any acts or omissions by, any beneficiary of any Letter of Credit, or any other Person having a role in any transaction or obligation relating

to a Letter of Credit, or the existence, nature, quality, quantity, condition, value or other characteristic of any property or services relating to a Letter of Credit;

- (viii) any failure by such LC Bank or any of such LC Bank's Affiliates to issue any Letter of Credit in the form requested by the Seller;
- (ix) any Material Adverse Effect;
- (x) any breach of this Agreement or any other Transaction Document by any party thereto;
- (xi) the occurrence or continuance of an Insolvency Proceeding with respect to the Seller, any Performance Guarantor, any Originator or any Affiliate thereof;
- (xii) the fact that an Event of Default or an Unmatured Event of Default shall have occurred and be continuing;
- (xiii) the fact that this Agreement or the obligations of the Seller or the Servicer hereunder shall have been terminated; and
- (xiv) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

SECTION 3.09. Indemnity. In addition to other amounts payable hereunder, the Seller hereby agrees to protect, indemnify, pay and save harmless the Administrative Agent, each LC Bank, each LC Participant, each other Purchaser Party and each of the LC Banks' Affiliates that have issued a Letter of Credit from and against any and all claims, demands, liabilities, damages, taxes, penalties, interest, judgments, losses, costs, charges and expenses (including Attorney Costs) which the Administrative Agent, any LC Bank, any LC Participant, any other Purchaser Party or any of their respective Affiliates may incur or be subject to as a consequence, direct or indirect, of the issuance of any Letter of Credit, except to the extent resulting from (a) the gross negligence or willful misconduct of the party to be indemnified as determined by a final non-appealable judgment of a court of competent jurisdiction or (b) the wrongful dishonor by any LC Bank of a proper demand for payment made under any Letter of Credit, except if such dishonor resulted from any act or omission, whether rightful or wrongful, of any present or future de jure or de facto Governmental Authority (all such acts or omissions herein called "Governmental Acts").

SECTION 3.10. Liability for Acts and Omissions. As between the Seller, on the one hand, and the Administrative Agent, the LC Banks, the LC Participants, and the other Purchaser Parties, on the other, the Seller assumes all risks of the acts and omissions of, or misuse of any Letter of Credit by, the respective beneficiaries of such Letter of Credit. In furtherance and not in limitation of the foregoing, none of the Administrative Agent, the LC Banks, the LC Participants, or any other Purchaser Party shall be responsible for: (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for an issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged (even if any LC Bank, any LC Participant or any other Purchaser Party shall have been notified thereof); (ii) the validity or

sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) the failure of the beneficiary of any such Letter of Credit, or any other party to which such Letter of Credit may be transferred, to comply fully with any conditions required in order to draw upon such Letter of Credit or any other claim of the Seller against any beneficiary of such Letter of Credit, or any such transferee, or any dispute between or among the Seller and any beneficiary of any Letter of Credit or any such transferee; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, electronic mail, cable, telegraph, telex, facsimile or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (vii) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; or (viii) any consequences arising from causes beyond the control of the Administrative Agent, the LC Banks, the LC Participants, and the other Purchaser Parties, including any Governmental Acts, and none of the above shall affect or impair, or prevent the vesting of, any of the LC Banks' rights or powers hereunder. In no event shall the Administrative Agent, the LC Banks, the LC Participants, or the other Purchaser Parties or their respective Affiliates, be liable to the Seller or any other Person for any indirect, consequential, incidental, punitive, exemplary or special damages or expenses (including without limitation Attorney Costs), or for any damages resulting from any change in the value of any property relating to a Letter of Credit.

Without limiting the generality of the foregoing, the Administrative Agent, the LC Banks, the LC Participants, and the other Purchaser Parties and each of their respective Affiliates (i) may rely on any written communication believed in good faith by such Person to have been authorized or given by or on behalf of the applicant for a Letter of Credit; (ii) may honor any presentation if the documents presented appear on their face to comply with the terms and conditions of the relevant Letter of Credit; (iii) may honor a previously dishonored presentation under a Letter of Credit, whether such dishonor was pursuant to a court order, to settle or compromise any claim of wrongful dishonor, or otherwise, and shall be entitled to reimbursement to the same extent as if such presentation had initially been honored, together with any interest paid by any LC Bank or its Affiliates; (iv) may honor any drawing that is payable upon presentation of a statement advising negotiation or payment, upon receipt of such statement (even if such statement indicates that a draft or other document is being delivered separately), and shall not be liable for any failure of any such draft or other document to arrive, or to conform in any way with the relevant Letter of Credit; (v) may pay any paying or negotiating bank claiming that it rightfully honored under the laws or practices of the place where such bank is located; and (vi) may settle or adjust any claim or demand made on the Administrative Agent, the LC Banks, the LC Participants, or the other Purchaser Parties or their respective Affiliates, in any way related to any order issued at the applicant's request to an air carrier, a letter of guarantee or of indemnity issued to a carrier or any similar document (each an "Order") and may honor any drawing in connection with any Letter of Credit that is the subject of such Order, notwithstanding that any drafts or other documents presented in connection with such Letter of Credit fail to conform in any way with such Letter of Credit.

In furtherance and extension and not in limitation of the specific provisions set forth above, any action taken or omitted by an LC Bank under or in connection with any Letter of Credit issued

by it or any documents and certificates delivered thereunder, if taken or omitted in good faith and without gross negligence or willful misconduct, as determined by a final non-appealable judgment of a court of competent jurisdiction, shall not put such LC Bank under any resulting liability to the Seller, any Purchaser Party or any other Person.

ARTICLE IV

SETTLEMENT PROCEDURES AND PAYMENT PROVISIONS

SECTION 4.01. Settlement Procedures.

(a) The Servicer shall set aside and hold in trust for the benefit of the Secured Parties (or, if so requested by the Administrative Agent, segregate in a separate account designated by the Administrative Agent, which shall be an account maintained and controlled by the Administrative Agent unless the Administrative Agent otherwise instructs in its sole discretion), for application in accordance with the priority of payments set forth below, all Collections on Pool Receivables that are received by the Servicer or the Seller or received in any Lock-Box or Collection Account; provided, however, that so long as each of the conditions precedent set forth in Section 6.03 are satisfied on such date, (A) the Servicer may release to the Seller from such Collections received on Unsold Receivables the amount (if any) necessary to pay (x) the purchase price for Receivables purchased by the Seller on such date in accordance with the terms of the Purchase and Sale Agreement or (y) amounts owing by the Seller to any Originator under any Intercompany Loan Agreement and (B) the Servicer may release to the Seller all or a portion of such Collections received on Sold Receivables in exchange for the Seller designating an equivalent amount (based on aggregate Outstanding Balances) of Unsold Receivables as new Sold Receivables on Seller's books and records pursuant to Section 2.01(e), which new Sold Receivables will be automatically and immediately sold by the Seller to the Administrative Agent (for the ratable benefit of the Purchasers) pursuant to Section 2.01(b) upon such release (each such release of Collections described in clauses (A) and (B) above, a "Release"). On each Settlement Date, the Servicer (or, following its assumption of control of the Collection Accounts, the Administrative Agent) shall, distribute such Collections in the following order of priority:

(iii) first, to the Servicer for the payment of the accrued Servicing Fees payable for the immediately preceding Yield Period (plus, if applicable, the amount of Servicing Fees payable for any prior Yield Period to the extent such amount has not been distributed to the Servicer);

(i) second, to each Purchaser and other Purchaser Party (ratably, based on the amount then due and owing), all accrued and unpaid Yield, Fees and Breakage Fees due to such Purchaser and other Purchaser Party for the immediately preceding Yield Period (including any additional amounts or indemnified amounts payable under Sections 5.03 and 13.01 in respect of such payments), plus, if applicable, the amount of any such Yield, Fees and Breakage Fees (including any additional amounts or indemnified amounts payable under Sections 5.03 and 13.01 in respect of such payments) payable for any prior Yield Period to the extent such amount has not been distributed to such Purchaser or Purchaser Party;

(ii) third, as set forth in clause (a), (b) or (c) below, as applicable:

(b) prior to the occurrence of the Termination Date : (I) first, to the extent that a Capital Coverage Deficit exists on such date, to the Purchasers (ratably, based on the aggregate outstanding Capital of each Purchaser at such time) for the return of a portion of the outstanding Aggregate Capital at such time, in an aggregate amount equal to the amount necessary to reduce the Capital Coverage Deficit to zero (\$0) and (II) second, to each LC Collateral Account (ratably based on the face amount of LCs issued by the applicable LC Bank), in reduction of the Adjusted LC Participation Amount, in an amount equal to the amount necessary (after giving effect to clause (I) above) to reduce the Capital Coverage Deficit to zero (\$0);

(c) on and after the occurrence of the Termination Date : (I) first, to each Purchaser (ratably, based on the aggregate outstanding Capital of each Purchaser at such time) for the return in full of the aggregate outstanding Capital of such Purchaser at such time and (II) second, to the applicable LC Collateral Account (ratably based on the face amount of LCs issued by the applicable LC Bank) (A) the amount necessary to reduce the Adjusted LC Participation Amount to zero (\$0) and (B) an amount equal to the LC Fee Expectation at such time; or

(d) prior to the occurrence of the Termination Date, at the election of the Seller and in accordance with Section 2.02(d), to the return of all or any portion of the outstanding Capital of the Purchasers at such time (ratably, based on the aggregate outstanding Capital of each Purchaser at such time);

(i) fourth, to the Purchaser Parties, the Affected Persons and the Seller Indemnified Parties (ratably, based on the amount due and owing at such time), for the payment of all other Seller Obligations then due and owing by the Seller to the Purchaser Parties, the Affected Persons and the Seller Indemnified Parties; and

(ii) fifth, the balance, if any, to be paid to the Seller for its own account.

Amounts payable pursuant to clauses first through fourth above shall be paid first from available Collections on Sold Receivables and other Sold Assets, and second, to the extent necessary in order to make all such payments in full, from Collections on Unsold Receivables and other Seller Collateral. The Seller's right to receive payments (if any) from time to time pursuant to clause fifth above shall, to the extent arising from Collections on Sold Receivables, constitute compensation to the Seller for the Seller's provision of the Seller Guaranty and the Purchaser Parties' interests in the Seller Collateral.

(e) All payments or distributions to be made by the Servicer, the Seller and any other Person to the Purchasers (or their respective related Affected Persons and the Seller Indemnified Parties), the LC Banks and the LC Participants hereunder shall be paid or distributed to the related Group Agent at its Group Agent's Account. Each Group Agent, upon its receipt in the applicable Group Agent's Account of any such payments or distributions, shall distribute such amounts to the applicable Purchasers, the LC Banks, the LC Participants, Affected Persons and the Seller Indemnified Parties within its Group ratably; provided that if such Group Agent shall have received insufficient funds to pay all of the above amounts in full on any such date, such Group Agent shall pay such amounts to the applicable Purchasers, the LC Banks, LC Participants,

Affected Persons and the Seller Indemnified Parties within its Group in accordance with the priority of payments forth above, and with respect to any such category above for which there are insufficient funds to pay all amounts owing on such date, ratably (based on the amounts in such categories owing to each such Person in such Group) among all such Persons in such Group entitled to payment thereof.

(f) If and to the extent the Administrative Agent, any Purchaser Party, any Affected Person or any Seller Indemnified Party shall be required for any reason to pay over to any Person (including any Obligor or any trustee, receiver, custodian or similar official in any Insolvency Proceeding) any amount received on its behalf hereunder, such amount shall be deemed not to have been so received but rather to have been retained by the Seller and, accordingly, the Administrative Agent, such Purchaser Party, such Affected Person or such Seller Indemnified Party, as the case may be, shall have a claim against the Seller for such amount.

(g) For the purposes of this Section 4.01:

(iv) if on any day the Outstanding Balance of any Pool Receivable is reduced or adjusted as a result of any Dilution, the Seller shall be deemed to have received on such day a Collection of such Pool Receivable in the amount of such reduction or adjustment and shall on the second Business Day following knowledge of such Dilution pay any and all such amounts in respect thereof to a Collection Account (or as otherwise directed by the Administrative Agent at such time) for the benefit of the Purchaser Parties for application pursuant to Section 4.01(a);

(i) if on any day any of the representations or warranties in Sections 7.01(p), (u), or (r) is not true with respect to any Pool Receivable, the Seller shall be deemed to have received on such day a Collection of such Pool Receivable in full and shall on the second Business Day following knowledge thereof pay the amount of such deemed Collection to a Collection Account (or as otherwise directed by the Administrative Agent at such time) for the benefit of the Purchaser Parties for application pursuant to Section 4.01(a) (Collections deemed to have been received pursuant to Section 4.01(d) are hereinafter sometimes referred to as “Deemed Collections”);

(ii) except as provided in clauses (i) or (ii) above or otherwise required by Applicable Law or the relevant Contract, all Collections received from an Obligor of any Receivable shall be applied to the Receivables of such Obligor in the order of the age of such Receivables, starting with the oldest such Receivable, unless such Obligor designates in writing its payment for application to specific Receivables; and

(iii) if and to the extent the Administrative Agent, any Purchaser Party, any Affected Person or any Seller Indemnified Party shall be required for any reason to pay over to an Obligor (or any trustee, receiver, custodian or similar official in any Insolvency Proceeding) any amount received by it hereunder, such amount shall be deemed not to have been so received by such Person but rather to have been retained by the Seller and, accordingly, such Person shall have a claim against the Seller for such amount, payable when and to the extent that any distribution from or on behalf of such Obligor is made in respect thereof.

SECTION 4.02. Payments and Computations, Etc. (a) All amounts to be paid by the Seller or the Servicer to the Administrative Agent, any Purchaser Party, any Affected Person or any Seller Indemnified Party hereunder shall be paid no later than noon (New York City time) on the day when due in same day funds to the applicable Group Agent's Account.

(b) Each of the Seller and the Servicer shall, to the extent permitted by Applicable Law, pay interest on any amount not paid or deposited by it when due hereunder, at an interest rate per annum equal to 2.00% per annum above the Base Rate, payable on demand.

(c) All computations of interest under subsection (b) above and all computations of Yield, Fees and other amounts hereunder shall be made on the basis of a year of 360 days (or, in the case of amounts determined by reference to the Base Rate, 365 or 366 days, as applicable) for the actual number of days (including the first but excluding the last day) elapsed. Whenever any payment or deposit to be made hereunder shall be due on a day other than a Business Day, such payment or deposit shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of such payment or deposit.

ARTICLE V

INCREASED COSTS; FUNDING LOSSES; TAXES; ILLEGALITY AND BACK-UP SECURITY INTEREST

SECTION 5.01. Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(v) impose, modify or deem applicable any reserve, special deposit, liquidity, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Affected Person;

(i) subject any Affected Person to any Taxes (except to the extent such Taxes are Indemnified Taxes or Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or value of Receivables or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(ii) impose on any Affected Person any other condition, cost or expense (other than Taxes) (A) affecting the Sold Assets, the Seller Collateral, this Agreement, any other Transaction Document, any Program Support Agreement, any Capital or any participation therein or (B) affecting its obligations or rights to make Investments or fund or maintain Capital or participate in Letters of Credit;

and the result of any of the foregoing shall be to increase the cost to such Affected Person of (A) acting as the Administrative Agent, a Group Agent or a Purchaser hereunder or as a Program Support Provider with respect to the transactions contemplated hereby, (B) making any Investment or funding or maintaining any Capital (or any portion thereof) or issuing or

participating in, any Letter of Credit (or interests therein) or (C) maintaining its obligation to make any Investment or to fund or maintain any Capital (or any portion thereof) or issuing or participating in, any Letter of Credit (or interests therein), or to reduce the amount of any sum received or receivable by such Affected Person hereunder, then, upon request of such Affected Person (or its Group Agent), the Seller shall pay to such Affected Person such additional amount or amounts as will compensate such Affected Person for such additional costs incurred or reduction suffered.

(b) Capital and Liquidity Requirements. If any Affected Person determines that any Change in Law affecting such Affected Person or any lending office of such Affected Person or such Affected Person's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of (x) increasing the amount of capital required to be maintained by such Affected Person or Affected Person's holding company, if any, (y) reducing the rate of return on such Affected Person's capital or on the capital of such Affected Person's holding company, if any, or (z) causing an internal capital or liquidity charge or other imputed cost to be assessed upon such Affected Person or Affected Person's holding company, if any, in each case, as a consequence of (A) this Agreement or any other Transaction Document, (B) the commitments of such Affected Person hereunder or under any other Transaction Document or any related Program Support Agreement, (C) the Investments, Letters of Credit or participations in Letters of Credit, made or issued by such Affected Person, or (D) any Capital (or portion thereof), to a level below that which such Affected Person or such Affected Person's holding company could have achieved but for such Change in Law (taking into consideration such Affected Person's policies and the policies of such Affected Person's holding company with respect to capital adequacy and liquidity), then from time to time, upon request of such Affected Person (or its Group Agent), the Seller will pay to such Affected Person such additional amount or amounts as will compensate such Affected Person or such Affected Person's holding company for any such increase, reduction or charge.

(c) Adoption of Changes in Law. The Seller acknowledges that any Affected Person may institute measures in anticipation of a Change in Law (including, without limitation, the imposition of internal charges on such Affected Person's interests or obligations under any Transaction Document or Program Support Agreement), and may commence allocating charges to or seeking compensation from the Seller under this Section 5.01 in connection with such measures, in advance of the effective date of such Change in Law, and the Seller agrees to pay such charges or compensation to such Affected Person, following demand therefor in accordance with the terms of this Section 5.01, without regard to whether such effective date has occurred.

(d) Certificates for Reimbursement. A certificate of an Affected Person (or its Group Agent on its behalf) setting forth the amount or amounts necessary to compensate such Affected Person or its holding company, as the case may be, as specified in clause (a), (b) or (c) of this Section and delivered to the Seller, shall be conclusive absent manifest error. The Seller shall, subject to the priorities of payment set forth in Section 4.01, pay such Affected Person the amount shown as due on any such certificate on the first Settlement Date occurring at least ten (10) days after the Seller's receipt of such certificate.

(e) Delay in Requests. Failure or delay on the part of any Affected Person to demand compensation pursuant to this Section shall not constitute a waiver of such Affected Person's right to demand such compensation; provided that the Seller shall not be required to compensate an Affected Person pursuant to this Section for any increased costs incurred or reductions suffered more than one hundred eighty (180) days prior to the date that such Affected Person notifies the Seller of the Change in Law giving rise to such increased costs or reductions and of such Affected Person's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the one hundred eighty (180) days period referred to above shall be extended to include the period of retroactive effect thereof).

SECTION 5.02. Funding Losses.

(a) The Seller will pay each Purchaser all Breakage Fees.

(b) A certificate of a Purchaser (or its Group Agent on its behalf) setting forth the amount or amounts necessary to compensate such Purchaser, as specified in clause (a) above and delivered to the Seller, shall be conclusive absent manifest error. The Seller shall, subject to the priorities of payment set forth in Section 4.01, pay such Purchaser the amount shown as due on any such certificate on the first Settlement Date occurring after the Seller's receipt of such certificate.

SECTION 5.03. Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Seller under any Transaction Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of the applicable Purchaser Party, Affected Person or Seller Indemnified Party) requires the deduction or withholding of any Tax from any such payment to a Purchaser Party, Affected Person or Seller Indemnified Party, then the applicable Purchaser Party, Affected Person or Seller Indemnified Party shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law, and, if such Tax is an Indemnified Tax, then the sum payable by the Seller shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section), the applicable Purchaser Party, Affected Person or Seller Indemnified Party receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Seller. The Seller shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or, at the option of the Administrative Agent, timely reimburse it for the payment of, any Other Taxes.

(c) Indemnification by the Seller. The Seller shall indemnify each Affected Person, within ten days after demand therefor, for the full amount of any (I) Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Affected Person or required to be withheld or deducted from a

payment to such Affected Person and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority and (II) Taxes that arise because an Investment or any Capital is not treated for U.S. federal, state, local or franchise tax purposes consistently with the Intended Tax Treatment (such indemnification will include any U.S. federal, state or local income and franchise taxes necessary to make such Affected Person whole on an after-tax basis taking into account the taxability of receipt of payments under this clause (II) and any reasonable expenses (other than Taxes) arising out of, relating to, or resulting from the foregoing). Promptly upon having knowledge that any such Indemnified Taxes have been levied, imposed or assessed, and promptly upon notice by the Administrative Agent or any Affected Person (or its related Group Agent), the Seller shall pay such Indemnified Taxes directly to the relevant taxing authority or Governmental Authority (or to the Administrative Agent or such Affected Person if such Taxes have already been paid to the relevant taxing authority or Governmental Authority); provided that neither the Administrative Agent nor any Affected Person shall be under any obligation to provide any such notice to the Seller. A certificate as to the amount of such payment or liability delivered to the Seller by an Affected Person (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of an Affected Person, shall be conclusive absent manifest error.

(d) Indemnification by the Purchasers. Each Purchaser (other than the Conduit Purchasers) shall severally indemnify the Administrative Agent, within ten days after demand therefor, for (i) any Indemnified Taxes attributable to such Purchaser, its Related Conduit Purchaser or any of their respective Affiliates that are Affected Persons (but only to the extent that the Seller and its Affiliates have not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting any obligation of the Seller, the Servicer or their Affiliates to do so), (ii) any Taxes attributable to the failure of such Purchaser, its Related Conduit Purchaser or any of their respective Affiliates that are Affected Persons to comply with Section 15.03(f) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Purchaser, its Related Conduit Purchaser or any of their respective Affiliates that are Affected Persons, in each case, that are payable or paid by the Administrative Agent in connection with any Transaction Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Purchaser (or its Group Agent) by the Administrative Agent shall be conclusive absent manifest error. Each Purchaser (other than the Conduit Purchasers) hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Purchaser, its Related Conduit Purchaser or any of their respective Affiliates that are Affected Persons under any Transaction Document or otherwise payable by the Administrative Agent to such Purchaser, its Related Conduit Purchaser or any of their respective Affiliates that are Affected Persons from any other source against any amount due to the Administrative Agent under this clause (d).

(e) Evidence of Payments. As soon as practicable after any payment of Taxes by the Seller to a Governmental Authority pursuant to this Section 5.03, the Seller shall deliver to the Administrative Agent evidence of such payment reasonably satisfactory to the Administrative Agent.

(f) Status of Affected Persons. (i) Any Affected Person that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Transaction Document shall deliver to the Seller and the Administrative Agent, at the time or times reasonably requested by the Seller or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Seller or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Affected Person, if reasonably requested by the Seller or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Seller or the Administrative Agent as will enable the Seller or the Administrative Agent to determine whether or not such Affected Person is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 5.03(f)(ii)(A), 5.03(f)(ii)(B), and 5.03(g)) shall not be required if, in the Affected Person's reasonable judgment, such completion, execution or submission would subject such Affected Person to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Affected Person.

(ii) Without limiting the generality of the foregoing:

(A) an Affected Person that is a U.S. Person shall deliver to the Seller and the Administrative Agent from time to time upon the reasonable request of the Seller or the Administrative Agent, executed originals of Internal Revenue Service Form W-9 certifying that such Affected Person is exempt from U.S. federal backup withholding tax;

(B) any Affected Person that is not a U.S. Person shall, to the extent it is legally entitled to do so, deliver to the Seller and the Administrative Agent (in such number of copies as shall be requested by the Affected Person) from time to time upon the reasonable request of the Seller or the Administrative Agent, whichever of the following is applicable:

(1) in the case of such an Affected Person claiming the benefits of an income tax treaty to which the United States is a party, (x) with respect to payments of interest under any Transaction Document, executed originals of Internal Revenue Service Form W-8BEN or Internal Revenue Service Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Transaction Document, Internal Revenue Service Form W-8BEN or Internal Revenue Service Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of Internal Revenue Service Form W-8ECI;

(3) in the case of such an Affected Person claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that such Affected Person is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Seller within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed originals of Internal Revenue Service Form W-8BEN or Internal Revenue Service Form W-8BEN-E, as applicable; or

(4) to the extent such Affected Person is not the beneficial owner, executed originals of Internal Revenue Service Form W-8IMY, accompanied by Internal Revenue Service Form W-8ECI, Internal Revenue Service Form W-8BEN or Internal Revenue Service Form W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate, Internal Revenue Service Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that, if such Affected Person is a partnership and one or more direct or indirect partners of such Affected Person are claiming the portfolio interest exemption, such Affected Person may provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect partner; and

(C) any Affected Person that is not a U.S. Person shall, to the extent it is legally entitled to do so, deliver to the Seller and the Administrative Agent (in such number of copies as shall be requested by the recipient), from time to time upon the reasonable request of the Seller or the Administrative Agent, executed originals of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Seller or the Administrative Agent to determine the withholding or deduction required to be made.

(g) Documentation Required by FATCA. If a payment made to an Affected Person under any Transaction Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Affected Person were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Affected Person shall deliver to the Seller and the Administrative Agent at the time or times prescribed by Applicable Law and at such time or times reasonably requested by the Seller or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation

reasonably requested by the Seller or the Administrative Agent as may be necessary for the Seller and the Administrative Agent to comply with their obligations under FATCA and to determine that such Affected Person has complied with such Affected Person's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (g), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(h) Survival. Each party's obligations under this Section 5.03 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Purchaser Party or any other Affected person, the termination of the Commitments and the repayment, satisfaction or discharge of all the Seller Obligations and the Servicer's obligations hereunder.

(i) Updates. Each Affected Person agrees that if any form or certification it previously delivered pursuant to this Section 5.03(f) or (g) expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Seller and the Administrative Agent in writing of its legal inability to do so.

(j) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes (including any tax credit in lieu of a refund) as to which it has been indemnified pursuant to this Section 5.03 (including by the payment of additional amounts pursuant to this Section 5.03), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 5.03 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (j) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (j), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (j) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld, or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

SECTION 5.04. Inability to Determine Adjusted LIBOR or LMIR; Change in Legality.

(a) If any Group Agent shall have determined (which determination shall be conclusive and binding upon the parties hereto absent manifest error) on any day, by reason of circumstances affecting the interbank Eurodollar market, either that: (i) dollar deposits in the relevant amounts and for the relevant Yield Period or day, as applicable, are not available, (ii) adequate and reasonable means do not exist for ascertaining Adjusted LIBOR or LMIR for such Yield Period or day, as applicable, or (iii) Adjusted LIBOR or LMIR determined pursuant hereto

does not accurately reflect the cost to the applicable Affected Person (as conclusively determined by such Group Agent) of maintaining any Portion of Capital during such Yield Period or day, as applicable, such Group Agent shall promptly give telephonic notice of such determination, confirmed in writing, to the Seller on such day. Upon delivery of such notice: (i) no Portion of Capital shall be funded thereafter at Adjusted LIBOR or LMIR unless and until such Group Agent shall have given notice to the Administrative Agent and the Seller that the circumstances giving rise to such determination no longer exist and (ii) with respect to any outstanding Portion of Capital then funded at Adjusted LIBOR or LMIR, such Yield Rate shall automatically and immediately be converted to the Base Rate.

(b) If on any day any Group Agent shall have been notified by any Affected Person that such Affected Person has determined (which determination shall be final and conclusive absent manifest error) that any Change in Law, or compliance by such Affected Person with any Change in Law, shall make it unlawful or impossible for such Affected Person to fund or maintain any Portion of Capital at or by reference to Adjusted LIBOR or LMIR, such Group Agent shall notify the Seller and the Administrative Agent thereof. Upon receipt of such notice, until the applicable Group Agent notifies the Seller and the Administrative Agent that the circumstances giving rise to such determination no longer apply, (i) no Portion of Capital shall be funded at or by reference to Adjusted LIBOR or LMIR and (ii) the Yield for any outstanding portions of Capital then funded at Adjusted LIBOR or LMIR shall automatically and immediately be converted to the Base Rate.

SECTION 5.05. Back-Up Security Interest.

(a) If, notwithstanding the intent of the parties stated in Section 2.01(c), the sale, assignment and transfer of any Sold Assets to the Administrative Agent (for the ratable benefit of the Purchasers) hereunder (including pursuant to Section 2.01(b)) is not treated as a sale for all purposes (except as provided in Sections 2.01(d) and 14.14), then such sale, assignment and transfer of such Sold Assets shall be treated as the grant of a security interest by the Seller to the Administrative Agent (for the ratable benefit of the Purchasers) to secure the payment and performance of all the Seller's obligations to the Administrative Agent, the Purchasers and the other Secured Parties hereunder and under the other Transaction Documents (including all Seller Obligations). Therefore, as security for the performance by the Seller of all the terms, covenants and agreements on the part of the Seller to be performed under this Agreement or any other Transaction Document, including the punctual payment when due of the Aggregate Capital and all Yield and all other Seller Obligations, the Seller hereby grants to the Administrative Agent for its benefit and the ratable benefit of the Secured Parties, a continuing security interest in, all of the Seller's right, title and interest in, to and under all of the Sold Assets, whether now or hereafter owned, existing or arising.

(b) The Administrative Agent (for the benefit of the Secured Parties) shall have, with respect to all the Sold Assets, and in addition to all the other rights and remedies available to the Administrative Agent (for the benefit of the Secured Parties), all the rights and remedies of a secured party under any applicable UCC. The Seller hereby authorizes the Administrative Agent to file financing statements describing the collateral covered thereby as "all of the debtor's personal

property or assets” or words to that effect, notwithstanding that such wording may be broader in scope than the collateral described in this Agreement.

(c) For the avoidance of doubt, (i) the grant of security interest pursuant to this Section 5.05 shall be in addition to, and shall not be construed to limit or modify, the sale of Sold Assets pursuant to Section 2.01(b) or the Seller’s grant of security interest pursuant to Section 14.09, (ii) nothing in Section 2.01 shall be construed as limiting the rights, interests (including any security interest), obligations or liabilities of any party under this Section 5.05, and (iii) subject to the foregoing clauses (i) and (ii), this Section 5.05 shall not be construed to contradict the intentions of the parties set forth in Section 2.01(c).

SECTION 5.06. Benchmark Replacement Setting

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Transaction Document, if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Transaction Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Transaction Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Transaction Document in respect of any Benchmark setting at or after 5:00 p.m. New York City time on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Purchasers without any amendment to, or further action or consent of any other party to, this Agreement or any other Transaction Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Group Agents comprising the Majority Group Agents.

(b) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Transaction Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Transaction Document.

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Seller and the Purchasers of (i) any occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to paragraph (d) and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election

that may be made by the Administrative Agent or, if applicable, any Purchasers (or group of Purchasers) pursuant to this Section 5.06, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Transaction Document, except, in each case, as expressly required pursuant to this Section 5.06.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Transaction Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or USD LIBOR) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of “Yield Period” for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of “Yield Period” for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon the Seller’s receipt of notice of the commencement of a Benchmark Unavailability Period, the Seller may revoke any request for an Investment accruing Yield based on USD LIBOR, conversion to or continuation of Investments accruing Yield based on USD LIBOR to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Seller will be deemed to have converted any such request into a request for an Investment of or conversion to Investments bearing accruing Yield by reference to the Base Rate. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

(f) Secondary Term SOFR Conversion. Notwithstanding anything to the contrary herein or in any other Transaction Document and subject to the proviso below in this paragraph, if a Term SOFR Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (i) the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Transaction Document in respect of such Benchmark setting (the “Secondary Term SOFR Conversion Date”) and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Transaction Document; and (ii) Capital outstanding on the Secondary Term SOFR Conversion Date accruing Yield based on the then-current Benchmark shall be deemed to have been converted

to Capital accruing Yield at the Benchmark Replacement with a tenor approximately the same length as the interest payment period of the then-current Benchmark; provided that, this paragraph (f), shall not be effective unless the Administrative Agent has delivered to the Purchasers and the Seller a Term SOFR Notice.

(g) Certain Defined Terms. As used in this Section titled “Benchmark Replacement Setting”:

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then current Benchmark is a term rate or is based on a term rate, any tenor for such Benchmark that is or may be used for determining the length of a Yield Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Yield Period” pursuant to paragraph (d) of this Section 5.06, or (y) if the then current Benchmark is not a term rate nor based on a term rate, any payment period for interest calculated with reference to such Benchmark pursuant to this Agreement as of such date. For the avoidance of doubt, the Available Tenor for LMIR is one month.

“Benchmark” means, initially, USD LIBOR; provided that if a Benchmark Transition Event a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to USD LIBOR or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to paragraph (a) of this Section 5.06.

“Benchmark Replacement” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(1) the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;

(2) the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;

(3) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Seller as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to

time as selected by the Administrative Agent in its reasonable discretion; provided, further, that, with respect to a Term SOFR Transition Event, on the applicable Benchmark Replacement Date, the “Benchmark Replacement” shall revert to and shall be determined as set forth in clause (1) of this definition. If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Transaction Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of “Benchmark Replacement,” the first alternative set forth in the order below that can be determined by the Administrative Agent:

i. the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Available Tenor that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;

i. the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Available Tenor that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(4) for purposes of clause (3) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Seller for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities;

provided that, (x) in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from

time to time as selected by the Administrative Agent in its reasonable discretion and (y) if the then-current Benchmark is a term rate, more than one tenor of such Benchmark is available as of the applicable Benchmark Replacement Date and the applicable Unadjusted Benchmark Replacement will not be a term rate, the Available Tenor of such Benchmark for purposes of this definition of “Benchmark Replacement Adjustment” shall be deemed to be the Available Tenor that has approximately the same length (disregarding business day adjustments) as the payment period for interest calculated with reference to such Unadjusted Benchmark Replacement.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “Yield Period,” timing and frequency of determining rates and making payments of interest, timing of investment requests or reductions, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Transaction Documents).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

(5) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(6) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date determined by the Administrative Agent, which date shall promptly follow the date of the public statement or publication of information referenced therein;

(7) in the case of a Term SOFR Transition Event, the date that is set forth in the Term SOFR Notice provided to the Purchasers and the Seller pursuant to this Section 5.06, which date shall be at least 30 days from the date of the Term SOFR Notice; or

(8) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Purchasers, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on

the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Purchasers, written notice of objection to such Early Opt-in Election from Purchasers comprising the Majority Group Agents.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(2)a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(9)a public statement or publication of information by a Governmental Authority having jurisdiction over the Administrative Agent, the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(10)a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) or a Governmental Authority having jurisdiction over the Administrative Agent announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information

set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with this Section 5.06 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Transaction Document in accordance with this Section 5.06.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Daily Simple SOFR” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

“Early Opt-in Election” means, if the then-current Benchmark is USD LIBOR, the occurrence of:

(3) a notification by the Administrative Agent to (or the request by the Seller to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding U.S. dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(11) the joint election by the Administrative Agent and the Seller to trigger a fallback from USD LIBOR and the provision by the Administrative Agent of written notice of such election to the Purchasers.

“Floor” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to USD LIBOR or, if no floor is specified, zero.

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate

derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is USD LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not USD LIBOR, the time determined by the Administrative Agent in its reasonable discretion.

“Relevant Governmental Body” means the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

“SOFR” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website on the immediately succeeding Business Day.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“Term SOFR” means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“Term SOFR Notice” means a notification by the Administrative Agent to the Purchasers and the Seller of the occurrence of a Term SOFR Transition Event.

“Term SOFR Transition Event” means the determination by the Administrative Agent that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, and is determinable for each Available Tenor, (b) the administration of Term SOFR is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event has previously occurred resulting in a Benchmark Replacement in accordance with Section 5.06 that is not Term SOFR.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“USD LIBOR” means the London interbank offered rate for U.S. dollars.

ARTICLE VI

CONDITIONS to Effectiveness, Investments and issuances

SECTION 6.01. Conditions Precedent to Effectiveness and the Initial Investment or Issuance. This Agreement shall become effective as of the Closing Date when (a) the Administrative Agent shall have received each of the documents, agreements (in fully executed form), opinions of counsel, lien search results, UCC filings, certificates and other deliverables listed on the closing memorandum attached as Exhibit I hereto, in each case, in form and substance acceptable to the Administrative Agent and (b) all fees and expenses payable by the Seller on the Closing Date to the Purchaser Parties have been paid in full in accordance with the terms of the Transaction Documents.

SECTION 6.02. Conditions Precedent to All Investments and Issuances. Each Investment and Issuance hereunder on or after the Closing Date shall be subject to the conditions precedent that:

(a) in the case of:

(vi) an Investment, the Seller shall have delivered to the Administrative Agent and each Group Agent an Investment Request for such Investment, and

(i) a Letter of Credit, (A) the Seller shall have delivered to the Administrative Agent, each Group Agent and the applicable LC Bank, a Letter of Credit Application and an LC Request, in each case, in accordance with Section 2.02(a) or Section 3.02(a), as applicable and (B) in the case of the initial issuance of a Letter of Credit by an LC Bank, the applicable LC Collateral Account shall have been established at PNC;

(b) the Servicer shall have delivered to the Administrative Agent and each Group Agent all Information Packages and Weekly Reports required to be delivered hereunder;

(c) the conditions precedent to such Investment or Issuance specified in Section 2.01(i) through (iv) and Section 3.01(a), as applicable, shall be satisfied;

(d) on the date of such Investment or Issuance the following statements shall be true and correct (and upon the occurrence of such Investment or Issuance, the Seller and the Servicer shall be deemed to have represented and warranted that such statements are then true and correct):

(i) the representations and warranties of the Seller and the Servicer contained in Sections 7.01 and 7.02 are true and correct in all material respects on and as of the date of such Investment or Issuance as though made on and as of such date unless such representations and warranties by their terms refer to an earlier date, in which case they shall be true and correct in all material respects on and as of such earlier date;

(ii) no Event of Termination or Unmatured Event of Termination has occurred and is continuing, and no Event of Termination or Unmatured Event of Termination would result from such Investment or Issuance;

(iii) no Capital Coverage Deficit exists or would exist after giving effect to such Investment or Issuance; and

(iv) the Termination Date has not occurred.

SECTION 6.03. Conditions Precedent to All Releases. Each Release hereunder on or after the Closing Date shall be subject to the conditions precedent that:

(a) after giving effect to such Release, the Servicer shall be holding in trust for the benefit of the Secured Parties an amount of Collections sufficient to pay the sum of (x) all accrued and unpaid Servicing Fees, Yield, Fees and Breakage Fees, in each case, through the date of such Release, (y) the amount of any Capital Coverage Deficit and (z) the amount of all other accrued and unpaid Seller Obligations through the date of such Release;

(b) the Seller shall use the proceeds of such Release solely to pay the purchase price for Receivables purchased by the Seller in accordance with the terms of the Purchase and Sale Agreement and amounts owing by the Seller to the Originators under the Intercompany Loan Agreements; and

(c) on the date of such Release the following statements shall be true and correct (and upon the occurrence of such Release, the Seller and the Servicer shall be deemed to have represented and warranted that such statements are then true and correct):

(vii) the representations and warranties of the Seller and the Servicer contained in Sections 7.01 and 7.02 are true and correct in all material respects on and as of the date of such Release as though made on and as of such date unless such representations and warranties by their terms refer to an earlier date, in which case they shall be true and correct in all material respects on and as of such earlier date;

(i) no Event of Termination or Unmatured Event of Termination has occurred and is continuing, and no Event of Termination or Unmatured Event of Termination would result from such Release;

and (ii) no Capital Coverage Deficit exists or would exist after giving effect to such Release;

(iii) the Termination Date has not occurred.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

SECTION 7.01. Representations and Warranties of the Seller. The Seller represents and warrants to each Purchaser Party as of the Closing Date, on each Settlement Date and on each day on which an Investment, Issuance or Release shall have occurred:

(a) Organization and Good Standing. The Seller is a limited liability company duly organized and validly existing in good standing under the laws of the State of Delaware and has full power and authority under its constitutional documents and under the laws of its jurisdiction to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted.

(b) Due Qualification. The Seller is duly qualified to do business as a limited liability company, is in good standing as a foreign limited liability company, and has obtained all necessary licenses and approvals in all jurisdictions in which the conduct of its business requires such qualification, licenses or approvals, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) Power and Authority; Due Authorization. The Seller (i) has all necessary limited liability company power and authority to (A) execute and deliver this Agreement and the other Transaction Documents to which it is a party, (B) perform its obligations under this Agreement and the other Transaction Documents to which it is a party and (C) grant a security interest in the Sold Assets and Seller Collateral to the Administrative Agent on the terms and subject to the conditions herein provided and (ii) has duly authorized by all necessary limited liability company action such grant and the execution, delivery and performance of, and the consummation of the transactions provided for in, this Agreement and the other Transaction Documents to which it is a party.

(d) Binding Obligations. This Agreement and each of the other Transaction Documents to which the Seller is a party constitutes the legal, valid and binding obligations of the Seller, enforceable against the Seller in accordance with their respective terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) No Conflict or Violation. The execution, delivery and performance of, and the consummation of the transactions contemplated by, this Agreement and the other Transaction Documents to which the Seller is a party, and the fulfillment of the terms hereof and thereof, will not (i) conflict with, result in any breach of any of the terms or provisions of, or constitute (with or without notice or lapse of time or both) a default under its organizational documents or any indenture, sale agreement, credit agreement, loan agreement, security agreement, mortgage, deed of trust, or other agreement or instrument to which the Seller is a party or by which it or any of its properties is bound, (ii) result in the creation or imposition of any Adverse Claim upon any of the Sold Assets or Seller Collateral pursuant to the terms of any such indenture, credit agreement, loan

agreement, security agreement, mortgage, deed of trust, or other agreement or instrument other than this Agreement and the other Transaction Documents or (iii) conflict with or violate any Applicable Law, except to the extent that any such conflict, breach, default, Adverse Claim or violation could not reasonably be expected to have a Material Adverse Effect.

(f) Action, Suit. The Seller is not in violation of any order of any Governmental Authority that would, individually or in the aggregate with all such other violations, reasonably be expected to have a Material Adverse Effect. There are no actions, suits, litigation or proceedings pending or, to its knowledge, threatened in writing against or affecting it or any of its Affiliates or their respective properties, in or before any Governmental Authority, as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(g) Governmental Approvals. Except where the failure to obtain or make such authorization, consent, order, approval or action could not reasonably be expected to have a Material Adverse Effect, all authorizations, consents, orders and approvals of, or other actions by, any Governmental Authority that are required to be obtained by the Seller in connection with the grant of a security interest in the Sold Assets or Seller Collateral to the Administrative Agent hereunder or the due execution, delivery and performance by the Seller of this Agreement or any other Transaction Document to which it is a party and the consummation by the Seller of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party have been obtained or made and are in full force and effect.

(h) Margin Regulations. The Seller is not engaged, principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meanings of Regulations T, U and X of the Board of Governors of the Federal Reserve System).

(i) Solvency. After giving effect to the transactions contemplated by this Agreement and the other Transaction Documents, the Seller is Solvent.

(j) Offices; Legal Name. The Seller's sole jurisdiction of organization is the State of Delaware and such jurisdiction has not changed within four months prior to the date of this Agreement. The office of the Seller is located at *Suite 450, 5475 Rings Road, Dublin, OH 43017*. The legal name of the Seller is CVG Capital III LLC.

(k) Investment Company Act; Volcker Rule. The Seller (i) is not, and is not controlled by, an "investment company" registered or required to be registered under the Investment Company Act and (ii) is not a "covered fund" under the Volcker Rule. In determining that the Seller is not a "covered fund" under the Volcker Rule, the Seller relies on, and is entitled to rely on, the exemption from the definition of "investment company" set forth in Section 3(c)(5) of the Investment Company Act.

(l) No Material Adverse Effect. Since the date of formation of the Seller there has been no Material Adverse Effect with respect to the Seller.

(m) Accuracy of Information. None of the written information (including e-mail) heretofore, contemporaneously or hereafter furnished by the Seller, the Servicer, any Originator or any of their respective agents or advisors to any Purchaser, any Group Agent, any LC Bank, any LC Participant or the Administrative Agent for purposes of or in connection with any Transaction Document or any transaction contemplated hereby or thereby contains or will contain any statement which is untrue or misleading in any material respect on the date as of which such information is provided, dated or certified, and no such item of information contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, as the case may be; provided that any such information delivered subsequent to any other written information and on the same subject matter shall, solely to the extent each such item of information is delivered to the same addressee, supersede such earlier delivered information unless the Seller, the applicable Originator or the Servicer shall expressly state otherwise in writing. No written information (including e-mail) (subject to the proviso of the preceding sentence) contained in any report or certificate delivered pursuant to this Agreement or any other Transaction Document shall omit to state any material fact necessary to make the statements contained therein not misleading on the date as of which such information is dated or certified. With respect to any projections, budgets and other forward looking financial information, it is understood and agreed that (i) any forward-looking information furnished by the Seller, any Originator or the Servicer is subject to inherent uncertainties and contingencies, which may be beyond the control of such Person, (ii) no assurance is given by the Seller, any Originator or the Servicer that the results or forecast in any such forward-looking information will be realized and (iii) the actual results may differ from the forecast results set forth in such forward-looking information and such differences may be material. Furthermore, no representation or warranty is made with respect to information of a general economic or general industry nature. Notwithstanding anything in the forgoing paragraph, it is understood and agreed that this Section 7.01(m) shall not apply to any matters addressed by Section 7.01(u).

(n) Anti-Money Laundering/International Trade Law Compliance. No Covered Entity is a Sanctioned Person. No Covered Entity, either in its own right or through any third party, (i) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (ii) does business in or with, or derives any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; or (iii) engages in any dealings or transactions prohibited by any Anti-Terrorism Law.

(o) Transaction Information. None of the Seller, any Affiliate of the Seller or any third party with which the Seller or any Affiliate thereof has contracted, has delivered, in writing or orally, to any Rating Agency, any Transaction Information without providing such Transaction Information to the applicable Group Agent prior to delivery to such Rating Agency and has not participated in any oral communications with respect to Transaction Information with any Rating Agency without inviting such Group Agent to participate in such oral communications.

(p) Perfection Representations.

(viii) This Agreement creates a valid and continuing ownership or security interest (as defined in the applicable UCC) in the Seller's right, title and interest in, to and under the Sold Assets and Seller Collateral which (A) ownership or security interest has been perfected and is enforceable against creditors of and purchasers from the Seller and (B) will be free of all Adverse Claims in such Sold Assets and Seller Collateral;

(i) The Receivables constitute "accounts" or "general intangibles" within the meaning of Section 9-102 of the UCC;

(ii) Prior to the sale of, or grant of security interest in, the Sold Assets and Seller Collateral hereunder, the Seller owns and has good and marketable title to such Sold Assets and Seller Collateral free and clear of any Adverse Claim of any Person. After giving effect to the sale of, or grant of security interest in, the Sold Assets and Seller Collateral hereunder, the Administrative Agent owns or has a first priority perfected security interest in the Sold Assets and Seller Collateral free and clear of any Adverse Claim of any Person;

(iii) All appropriate financing statements, financing statement amendments and continuation statements have been filed in the proper filing office in the appropriate jurisdictions under Applicable Law in order to perfect (and continue the perfection of) the sale and contribution of the Receivables and (solely to the extent perfection may be achieved by filing a financing statement under the UCC) Related Security from each Originator to the Seller pursuant to the Purchase and Sale Agreement and the Seller's sale of, and grant of a security interest in, the Sold Assets and Seller Collateral (solely to the extent perfection may be achieved by filing a financing statement under the UCC) to the Administrative Agent pursuant to this Agreement;

(iv) Other than the security interest granted to the Administrative Agent pursuant to this Agreement, the Seller has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Sold Assets or Seller Collateral except as permitted by this Agreement and the other Transaction Documents. The Seller has not authorized the filing of and is not aware of any financing statements filed against the Seller that include a description of collateral covering the Sold Assets or Seller Collateral other than any financing statement (i) in favor of the Administrative Agent or (ii) that has been terminated. The Seller is not aware of any judgment lien, ERISA lien or tax lien filings against the Seller; and

(v) Notwithstanding any other provision of this Agreement or any other Transaction Document, the representations contained in this Section 7.01(p) shall be continuing and remain in full force and effect until the Final Payout Date;

provided, however, that Seller does not make any representation as to whether any sale, pledge or other assignment of any Foreign Receivable has been perfected solely as against the related Obligor solely pursuant to the laws of jurisdictions other than the United States of America (or any State or municipality in the United States of America).

(q) The Lock-Boxes and Collection Accounts.

(ix) Nature of Collection Accounts. Each Collection Account constitutes a “deposit account” within the meaning of the applicable UCC.

(i) Ownership. Each Lock-Box and Collection Account is in the name of the Seller, and the Seller owns and has good and marketable title to the Collection Accounts free and clear of any Adverse Claim.

(ii) Perfection. The Seller has delivered to the Administrative Agent a fully executed Account Control Agreement relating to each Lock-Box and Collection Account, pursuant to which each applicable Collection Account Bank has agreed to comply with the instructions originated by the Administrative Agent directing the disposition of funds in such Lock-Box and Collection Account without further consent by the Seller, the Servicer or any other Person. The Administrative Agent has “control” (as defined in Section 9-104 of the UCC) over each Collection Account.

(iii) Instructions. Neither the Lock-Boxes nor the Collection Accounts are in the name of any Person other than the Seller. Neither the Seller nor the Servicer has consented to the applicable Collection Account Bank complying with instructions of any Person other than the Administrative Agent.

(r) Ordinary Course of Business. Each remittance of Collections by or on behalf of the Seller to the Purchaser Parties under this Agreement will have been (i) in payment of an obligation incurred by the Seller in the ordinary course of business or financial affairs of the Seller and (ii) made in the ordinary course of business or financial affairs of the Seller.

(s) Compliance with Law. The Seller has complied with all Applicable Laws to which it may be subject except to the extent any noncompliance, individually or in the aggregate, would not be reasonably likely to have a Material Adverse Effect.

(t) Bulk Sales Act. No transaction contemplated by this Agreement requires compliance by it with any bulk sales act or similar law.

(u) Eligible Receivables. Each Receivable included as an Eligible Receivable in the calculation of the Net Receivables Pool Balance as of any date is an Eligible Receivable as of such date.

(v) Taxes. The Seller has (i) timely filed all Tax returns (federal, state and local) required to be filed by it and (ii) paid, or caused to be paid, all Taxes, assessments and other governmental charges, if any, other than Taxes, assessments and other governmental charges being contested in good faith by appropriate proceedings and as to which adequate reserves have been provided in accordance with GAAP.

(w) Tax Status. The Seller (i) either is, and shall at all relevant times continue to be, (A) a “disregarded entity” within the meaning of U.S. Treasury Regulation § 301.7701-3 for U.S. federal income tax purposes that is wholly owned by a “United States person” (within the meaning of Section 7701(a)(30) of the Code) or (B) a partnership for U.S. federal income tax purposes all of the beneficial owners of which are “United States persons” (within the meaning of

Section 7701(a)(30) of the Code) and (ii) is not and will not at any relevant time become an association (or publicly traded partnership) taxable a corporation for U.S. federal income tax purposes. The Seller is not subject to any Tax in any jurisdiction outside the United States or any material state or local tax.

(x) Opinions. The facts regarding the Seller, the Servicer, each Originator, each Performance Guarantor, the Receivables, the Related Security and the related matters set forth or assumed in each of the opinions of counsel delivered in connection with this Agreement and the Transaction Documents are true and correct in all material respects.

(y) Other Transaction Documents. Each representation and warranty made by the Seller under each other Transaction Document to which it is a party is true and correct in all material respects as of the date when made.

(z) Liquidity Coverage Ratio. The Seller does not, does not and will not during this Agreement issue any LCR Security. The Seller further represents and warrants that its assets and liabilities are consolidated with the assets and liabilities of Ashland ~~Global~~ for purposes of GAAP.

(aa) Beneficial Ownership Regulation. As of the Closing Date, the Seller is an entity that is organized under the laws of the United States or of any state and at least 51% of whose common stock or analogous equity interest is owned directly or indirectly by a company listed on the New York Stock Exchange or the American Stock Exchange or designated as a NASDAQ National Market Security listed on the NASDAQ stock exchange and is excluded on that basis from the definition of "Legal Entity Customer" as defined in the Beneficial Ownership Regulation.

(bb) Linked Accounts. Except for the Permitted Linked Account, there are no (i) "Linked Accounts" (as defined in the Account Control Agreement with Bank of America, N.A.) with respect to any Collection Account maintained at Bank of America, N.A, or (ii) any controlled disbursement account or other deposit account at any time linked to any of the Accounts (as defined in the Account Control Agreement with Truist Bank) by a zero balance account connection or other automated funding mechanism with respect to any Collection Account maintained at Truist Bank.

(cc) ERISA. No steps have been taken by any Person to terminate any Pension Plan the assets of which are not sufficient to satisfy all of its benefit liabilities (as determined under Title IV of ERISA), no contribution failure has occurred or is expected to occur with respect to any Pension Plan sufficient to give rise to a lien under Section 302(f) of ERISA, and each Pension Plan has been administered in all material respects in compliance with its terms and applicable provision of ERISA and the Code.

(dd) Reaffirmation of Representations and Warranties. On the date of each Investment or Issuance, on the date of each Release, on each Settlement Date and on the date each Information Package, Weekly Report or other report is delivered to the Administrative Agent or any Group Agent hereunder, the Seller shall be deemed to have certified that (i) all representations and warranties of the Seller hereunder are true and correct in all material respects on and as of such

day as though made on and as of such day, except for representations and warranties which apply as to an earlier date (in which case such representations and warranties shall be true and correct in all material respects as of such date) and (ii) no Event of Termination or an Unmatured Event of Termination has occurred and is continuing or will result from such Investment, Issuance or Release.

Notwithstanding any other provision of this Agreement or any other Transaction Document, the representations and warranties contained in this Section shall be continuing, and remain in full force and effect until the Final Payout Date.

SECTION 7.02. Representations and Warranties of the Servicer. The Servicer represents and warrants to each Purchaser Party as of the Closing Date, on each Settlement Date and on each day on which an Investment, Issuance or Release shall have occurred:

(a) Organization and Good Standing. The Servicer is a duly organized and validly existing limited liability company in good standing under the laws of the jurisdiction of its formation, with the power and authority under its organizational documents and under the laws of its jurisdiction of formation to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted.

(b) Due Qualification. The Servicer is duly qualified to do business, is in good standing as a foreign entity and has obtained all necessary licenses and approvals in all jurisdictions in which the conduct of its business or the servicing of the Pool Receivables as required by this Agreement requires such qualification, licenses or approvals, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) Power and Authority; Due Authorization. The Servicer has all necessary power and authority to (i) execute and deliver this Agreement and the other Transaction Documents to which it is a party and (ii) perform its obligations under this Agreement and the other Transaction Documents to which it is a party and the execution, delivery and performance of, and the consummation of the transactions provided for in, this Agreement and the other Transaction Documents to which it is a party have been duly authorized by the Servicer by all necessary action.

(d) Binding Obligations. This Agreement and each of the other Transaction Documents to which it is a party constitutes legal, valid and binding obligations of the Servicer, enforceable against the Servicer in accordance with their respective terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) No Conflict or Violation. The execution and delivery of this Agreement and each other Transaction Document to which the Servicer is a party, the performance of the transactions contemplated by this Agreement and the other Transaction Documents and the fulfillment of the terms of this Agreement and the other Transaction Documents by the Servicer

will not (i) conflict with, result in any breach of any of the terms or provisions of, or constitute (with or without notice or lapse of time or both) a default under, the organizational documents of the Servicer or any indenture, sale agreement, credit agreement, loan agreement, security agreement, mortgage, deed of trust or other agreement or instrument to which the Servicer is a party or by which it or any of its property is bound, (ii) result in the creation or imposition of any Adverse Claim upon any of the Sold Assets or Seller Collateral pursuant to the terms of any such indenture, credit agreement, loan agreement, security agreement, mortgage, deed of trust or other agreement or instrument, other than this Agreement and the other Transaction Documents or (iii) conflict with or violate any Applicable Law, except to the extent that any such conflict, breach, default, Adverse Claim or violation could not reasonably be expected to have a Material Adverse Effect.

(f) Action, Suit. The Servicer is not in violation of any order of any Governmental Authority that would, individually or in the aggregate with all such other violations, reasonably be expected to have a Material Adverse Effect. There are no actions, suits, litigation or proceedings pending or, to its knowledge, threatened in writing against or affecting it or any of its Affiliates or their respective properties, in or before any Governmental Authority, as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(g) No Consents. The Servicer is not required to obtain the consent of any other party or any consent, license, approval, registration, authorization or declaration of or with any Governmental Authority in connection with the execution, delivery, or performance of this Agreement or any other Transaction Document to which it is a party that has not already been obtained, except where the failure to obtain such consent, license, approval, registration, authorization or declaration could not reasonably be expected to have a Material Adverse Effect.

(h) Compliance with Applicable Law. The Servicer (i) shall duly satisfy all obligations on its part to be fulfilled under or in connection with the Pool Receivables and the related Contracts, (ii) has maintained in effect all qualifications required under Applicable Law in order to properly service the Pool Receivables and (iii) has complied in all material respects with all Applicable Laws in connection with servicing the Pool Receivables, except to the extent any noncompliance, individually or in the aggregate, would not be reasonably likely to have a Material Adverse Effect.

(i) Accuracy of Information. None of the written information (including e-mail) heretofore, contemporaneously or hereafter furnished by the Seller, the Servicer, any Originator or any of their respective agents or advisors to any Purchaser, any Group Agent, any LC Bank, any LC Participant or the Administrative Agent for purposes of or in connection with any Transaction Document or any transaction contemplated hereby or thereby contains or will contain any statement which is untrue or misleading in any material respect on the date as of which such information is provided, dated or certified, and no such item of information contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, as the case may be; provided that any such information delivered subsequent to any other written information and on the same subject matter shall, solely to the

extent each such item of information is delivered to the same addressee, supersede such earlier delivered information unless the Seller, the applicable Originator or the Servicer shall expressly state otherwise in writing. No written information (including e-mail) (subject to the proviso of the preceding sentence) contained in any report or certificate delivered pursuant to this Agreement or any other Transaction Document shall omit to state any material fact necessary to make the statements contained therein not misleading on the date as of which such information is dated or certified. With respect to any projections, budgets and other forward looking financial information, it is understood and agreed that (i) any forward-looking information furnished by the Seller, any Originator or the Servicer is subject to inherent uncertainties and contingencies, which may be beyond the control of such Person, (ii) no assurance is given by the Seller, any Originator or the Servicer that the results or forecast in any such forward-looking information will be realized and (iii) the actual results may differ from the forecast results set forth in such forward-looking information and such differences may be material. Furthermore, no representation or warranty is made with respect to information of a general economic or general industry nature. Notwithstanding anything in the foregoing paragraph, it is understood and agreed that this Section 7.02(i) shall not apply to any matters addressed by Section 7.02(l).

(j) Location of Records. The offices where the initial Servicer keeps all of its records relating to the servicing of the Pool Receivables are located at 5475 Rings Road, Dublin, OH 43017.

(k) Credit and Collection Policy. The Servicer has complied in all material respects with the Credit and Collection Policy with regard to each Pool Receivable and the related Contracts.

(l) Eligible Receivables. Each Receivable included as an Eligible Receivable in the calculation of the Net Receivables Pool Balance as of any date is an Eligible Receivable as of such date.

(m) Servicing Programs. No license or approval is required for the Administrative Agent's use of any software or other computer program used by the Servicer, any Originator or any Sub-Servicer in the servicing of the Pool Receivables, other than those which have been obtained and are in full force and effect.

(n) Servicing of Pool Receivables. Since the Closing Date there has been no material adverse change in the ability of the Servicer or any Sub-Servicer to service and collect the Pool Receivables and the Related Security.

(o) Other Transaction Documents. Each representation and warranty made by the Servicer under each other Transaction Document to which it is a party (including, without limitation, the Purchase and Sale Agreement) is true and correct in all material respects as of the date when made.

(p) Investment Company Act. The Servicer is not an "investment company," or a company "controlled" by an "investment company," within the meaning of the Investment Company Act.

(q) Anti-Money Laundering/International Trade Law Compliance. No Covered Entity is a Sanctioned Person. No Covered Entity, either in its own right or through any third party, (i) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (ii) does business in or with, or derives any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; or (iii) engages in any dealings or transactions prohibited by any Anti-Terrorism Law.

(r) Transaction Information. Except as may be required by Applicable Law, none of the Servicer, any Affiliate of the Servicer or any third party with which the Servicer or any Affiliate thereof has contracted, has delivered, in writing or orally, to any Rating Agency, or monitoring a rating of, any Notes, any Transaction Information without providing such Transaction Information to the applicable Group Agent prior to delivery to such Rating Agency and has not participated in any oral communications with respect to Transaction Information with any Rating Agency without inviting such Group Agent to participate in such oral communications.

(s) Financial Condition. The consolidated balance sheets of the Servicer and its consolidated Subsidiaries as of December 31, 2020 and the related statements of income and shareholders' equity of the Servicer and its consolidated Subsidiaries for the fiscal quarter then ended, copies of which have been furnished to the Administrative Agent and the Group Agents, present fairly in all material respects the consolidated financial position of the Servicer and its consolidated Subsidiaries for the period ended on such date, all in accordance with GAAP.

(t) Bulk Sales Act. No transaction contemplated by this Agreement requires compliance by it with any bulk sales act or similar law.

(u) Taxes. The Servicer has (i) timely filed all Tax returns (federal, state and local) required to be filed by it and (ii) paid, or caused to be paid, all Taxes, assessments and other governmental charges, if any, other than Taxes, assessments and other governmental charges being contested in good faith by appropriate proceedings and as to which adequate reserves have been provided in accordance with GAAP.

(v) Opinions. The facts regarding the Seller, the Servicer, each Originator, each Performance Guarantor, the Receivables, the Related Security and the related matters set forth or assumed in each of the opinions of counsel delivered in connection with this Agreement and the Transaction Documents are true and correct in all material respects.

(w) Other Transaction Documents. Each representation and warranty made by the Servicer under each other Transaction Document to which it is a party is true and correct in all material respects as of the date when made.

(x) Linked Accounts. Except for the Permitted Linked Account, there are no (i) "Linked Accounts" (as defined in the Account Control Agreement with Bank of America, N.A.) with respect to any Collection Account maintained at Bank of America, N.A. or (ii) any controlled disbursement account or other deposit account at any time linked to any of the Accounts (as defined in the Account Control Agreement with Truist Bank) by a zero balance account connection or

other automated funding mechanism with respect to any Collection Account maintained at Truist Bank.

(y) No Servicer Default. No event has occurred and is continuing and no condition exists which constitutes or may reasonably be expected to constitute a Servicer Default.

(z) ERISA. No steps have been taken by any Person to terminate any Pension Plan the assets of which are not sufficient to satisfy all of its benefit liabilities (as determined under Title IV of ERISA), no contribution failure has occurred or is expected to occur with respect to any Pension Plan sufficient to give rise to a lien under Section 302(f) of ERISA, and each Pension Plan has been administered in all material respects in compliance with its terms and applicable provision of ERISA and the Code.

(aa) Reaffirmation of Representations and Warranties. On the date of each Investment or Issuance, on the date of each Release, on each Settlement Date and on the date each Information Package, Weekly Report or other report is delivered to the Administrative Agent or any Group Agent hereunder, the Servicer shall be deemed to have certified that (i) all representations and warranties of the Servicer hereunder are true and correct in all material respects on and as of such day as though made on and as of such day, except for representations and warranties which apply as to an earlier date (in which case such representations and warranties shall be true and correct in all material respects as of such date) and (ii) no Event of Termination or an Unmatured Event of Termination has occurred and is continuing or will result from such Investment, Issuance or Release.

Notwithstanding any other provision of this Agreement or any other Transaction Document, the representations and warranties contained in this Section shall be continuing, and remain in full force and effect until the Final Payout Date.

ARTICLE VIII

COVENANTS

SECTION 8.01. Covenants of the Seller. At all times from the Closing Date until the Final Payout Date:

(a) Payment of Principal and Yield. The Seller shall duly and punctually pay Capital, Yield, Fees and all other amounts payable by the Seller hereunder in accordance with the terms of this Agreement.

(b) Existence. The Seller shall keep in full force and effect its existence and rights as a limited liability company under the laws of the State of Delaware, and shall obtain and preserve its qualification to do business in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Agreement, the other Transaction Documents, the Sold Assets and the Seller Collateral, except to the extent the failure to be so duly organized, in good standing or to maintain authority would not reasonably be expected to have a Material Adverse Effect.

(c) Financial Reporting. The Seller will maintain a system of accounting established and administered in accordance with GAAP, and the Seller (or the Servicer on its behalf) shall furnish to the Administrative Agent and each Group Agent:

(x) Annual Financial Statements of the Seller. Promptly upon completion and in no event later than 90 days after the close of each fiscal year of the Seller, annual unaudited financial statements of the Seller certified by a Financial Officer of the Seller that they fairly present in all material respects, in accordance with GAAP, the financial condition of the Seller as of the date indicated and the results of its operations for the periods indicated.

(i) Quarterly Financial Statements of the Seller. Promptly upon completion and in no event later than 45 days following the end of each of the first three fiscal quarters in each of the Seller's fiscal years, quarterly unaudited financial statements of the Seller certified by a Financial Officer of the Seller that they fairly present in all material respects, in accordance with GAAP, the financial condition of the Seller as of the date indicated and the results of its operations for the periods indicated.

(ii) Information Packages and Weekly Reports. By no later than 4:00 p.m. on the second Business Day prior to each Settlement Date, or if such day is not a Business Day then on the next succeeding Business Day (and, during the continuation of an Event of Termination or an Unmatured Event of Termination, within three (3) Business Days after a request from the Administrative Agent or any Group Agent), the Servicer (or the Seller on its behalf) shall prepare and forward to the Administrative Agent and each Group Agent an Information Package, certified by the Servicer. In addition to the foregoing, at such times as (a) ~~Ashland-Global's~~ Ashland's unsecured debt has a public rating from S&P below "BB-", or (b) Ashland's unsecured debt has a public rating from Moody's below "Ba3", the Servicer shall be obligated to prepare and forward to the Administrative Agent and each Group Agent a Weekly Report on every Thursday of each calendar week (or the next Business Day if such day is not a Business Day), certified by the Servicer (or the Seller on its behalf). The reporting period covered by a Weekly Report shall be the period ending on (and including) the Friday preceding the applicable reporting date and beginning on (and including) the Saturday preceding such Friday.

(iii) Other Information. Such other information (including non-financial information) as the Administrative Agent or any Group Agent may from time to time reasonably request.

(iv) Quarterly Financial Statements of Parent. As soon as available and in no event later than 45 days following the end of each of the first three fiscal quarters in each of Parent's fiscal years, (i) the unaudited consolidated balance sheet and statements of income of Parent and its consolidated Subsidiaries as at the end of such fiscal quarter and the related unaudited consolidated statements of earnings and cash flows for such fiscal quarter and for the elapsed portion of the fiscal year ended with the last day of such fiscal quarter, in each case setting forth comparative figures for the corresponding fiscal quarter in the prior fiscal year, all of which shall be certified by a Financial Officer of Parent that they fairly present in all material respects, in accordance with GAAP, the financial

condition of Parent and its consolidated Subsidiaries as of the dates indicated and the results of their operations for the periods indicated, subject to normal year-end audit adjustments and the absence of footnotes and (ii) management's discussion and analysis of the important operational and financial developments during such fiscal quarter.

(v) Annual Financial Statements of Parent. Within 90 days after the close of each of Parent's fiscal years, the consolidated balance sheet of Parent and its consolidated Subsidiaries as at the end of such fiscal year and the related consolidated statements of earnings and cash flows for such fiscal year setting forth comparative figures for the preceding fiscal year, all reported on by independent certified public accountants of recognized national standing (without (x) a "going concern" or like qualification or exception or (y) a qualification as to the scope of the audit) to the effect that such consolidated financial statements present fairly in all material respects, in accordance with GAAP, the financial condition of Parent and its consolidated Subsidiaries as of the dates indicated and the results of their operations for the periods indicated.

(vi) Other Reports and Filings. Promptly (but in any event within ten days) after the filing or delivery thereof, copies of all financial information, proxy materials and reports, if any, which Parent or any of its consolidated Subsidiaries shall publicly file with the SEC or deliver to holders (or any trustee, agent or other representative therefor) of any of its material Debt pursuant to the terms of the documentation governing the same.

(vii) Notwithstanding anything herein to the contrary, any financial information, proxy statements or other material required to be delivered pursuant to this paragraph (c) shall be deemed to have been furnished to each of the Administrative Agent and each Group Agent on the date that such report, proxy statement or other material is posted on the SEC's website at www.sec.gov.

(d) Notices. The Seller (or the Servicer on its behalf) will notify the Administrative Agent and each Group Agent in writing of any of the following events promptly upon (but in no event later than five (5) Business Days after) a Financial Officer or other officer learning of the occurrence thereof, with such notice describing the same, and if applicable, the steps being taken by the Person(s) affected with respect thereto:

(xi) Notice of Events of Termination or Unmatured Events of Termination. A statement of a Financial Officer of the Seller setting forth details of any Event of Termination or Unmatured Event of Termination that has occurred and is continuing and the action which the Seller proposes to take with respect thereto.

(i) [Reserved].

(ii) Litigation. The institution of any litigation, arbitration proceeding or governmental proceeding with respect to the Seller, the Servicer, any Performance Guarantor or any Originator, which with respect to any Person other than the Seller, could reasonably be expected to have a Material Adverse Effect.

(iii) Adverse Claim. (A) Any Person shall obtain an Adverse Claim upon the Sold Assets or Seller Collateral or any portion thereof, (B) any Person other than the Seller, the Servicer or the Administrative Agent shall obtain any rights or direct any action with respect to any Collection Account (or related Lock-Box) or (C) any Obligor shall receive any change in payment instructions with respect to Pool Receivable(s) from a Person other than the Servicer or the Administrative Agent.

(iv) Change in Name or Jurisdiction of Organization, etc. At least thirty (30) days before any change in any Originator's or the Seller's name, jurisdiction of organization or any other change requiring the amendment of UCC financing statements.

(v) Change in Accountants or Accounting Policy. Any change in (i) the external accountants of the Seller, the Servicer, any Originator or the Parent, (ii) any accounting policy of the Seller or (iii) any material accounting policy of any Originator that is relevant to the transactions contemplated by this Agreement or any other Transaction Document (it being understood that any change to the manner in which any Originator accounts for the Pool Receivables shall be deemed "material" for such purpose).

(vi) Termination Event. The occurrence of a Purchase and Sale Termination Event under the Purchase and Sale Agreement.

(vii) Material Adverse Change. Promptly after the occurrence thereof, notice of any Material Adverse Effect.

(e) Conduct of Business. The Seller will carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and will do all things necessary to remain duly organized, validly existing and in good standing as a domestic organization in its jurisdiction of organization and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except to the extent the failure to be so duly organized, in good standing or to maintain authority would not reasonably be expected to have a Material Adverse Effect.

(f) Compliance with Laws. The Seller will comply with all Applicable Laws to which it may be subject if the failure to comply could reasonably be expected to have a Material Adverse Effect.

(g) Payments on Receivables, Collection Accounts. The Servicer will at all times, instruct all Obligors to deliver payments on the Pool Receivables to a Collection Account or a Lock-Box. The Servicer will, at all times, maintain such books and records necessary to identify Collections received from time to time on Pool Receivables and to segregate such Collections from other property of the Servicer and the Originators. If any payments on the Pool Receivables or other Collections are received by the Seller, the Servicer or an Originator, it shall hold such payments in trust for the benefit of the Administrative Agent, the Group Agents and the other Secured Parties and promptly (but in any event within two (2) Business Day after receipt) remit such funds into a Collection Account. The Servicer shall not permit funds other than Collections on Pool Receivables and other Sold Assets and Seller Collateral to be deposited into any Collection Account. If such funds are nevertheless deposited into any Collection Account, the Servicer will

(x) if such funds relate to misdirected payments made to a Collection Account with respect to accounts owing to Arkema S.A. or any Subsidiary thereof relating to performance adhesives during the twelve (12) months following the effectiveness of the transaction described in the Parent's 8-K filed on August 31, 2021, within five (5) Business Days identify and transfer such funds to the appropriate Person entitled to such funds and (y) otherwise, within two (2) Business Days identify and transfer such funds to the appropriate Person entitled to such funds. The Servicer will not, and will not permit the Seller, any Originator or any other Person to commingle Collections or other funds to which the Administrative Agent, any Group Agent or any other Secured Party is entitled, with any other funds. The Servicer shall only add a Collection Account (or a related Lock-Box), or a Collection Account Bank to those listed on Schedule II to this Agreement, if the Administrative Agent has received notice of such addition and an executed and acknowledged copy of an Account Control Agreement (or an amendment thereto) in form and substance acceptable to the Administrative Agent from the applicable Collection Account Bank. The Servicer shall only terminate a Collection Account Bank or close a Collection Account (or a related Lock-Box) with the prior written consent of the Administrative Agent.

(h) Payments on Receivables, Collection Accounts. The Seller (or the Servicer on its behalf) will, and will cause each Originator to, at all times, instruct all Obligor to deliver payments on the Pool Receivables to a Collection Account or a Lock-Box. The Seller (or the Servicer on its behalf) will, and will cause each Originator to, at all times, maintain such books and records necessary to identify Collections received from time to time on Pool Receivables and to segregate such Collections from other property of the Servicer and the Originators. If any payments on the Pool Receivables or other Collections are received by the Seller, the Servicer or an Originator, it shall hold such payments in trust for the benefit of the Administrative Agent, the Group Agents and the other Secured Parties and promptly (but in any event within two (2) Business Days after receipt) remit such funds into a Collection Account. The Seller (or the Servicer on its behalf) will cause each Collection Account Bank to comply with the terms of each applicable Account Control Agreement. The Seller shall not permit funds other than Collections on Pool Receivables and other Sold Assets and Seller Collateral to be deposited into any Collection Account. If such funds are nevertheless deposited into any Collection Account, the Seller (or the Servicer on its behalf) will (x) if such funds relate to misdirected payments made to a Collection Account with respect to accounts owing to Arkema S.A. or any Subsidiary thereof relating to performance adhesives during the twelve (12) months following the effectiveness of the transaction described in the Parent's 8-K filed on August 31, 2021, within five (5) Business Days identify and transfer such funds to the appropriate Person entitled to such funds and (y) otherwise, within two (2) Business Days identify and transfer such funds to the appropriate Person entitled to such funds. The Seller will not, and will not permit the Servicer, any Originator or any other Person to commingle Collections or other funds to which the Administrative Agent, any Group Agent or any other Secured Party is entitled, with any other funds. The Seller shall only add a Collection Account (or a related Lock-Box) or a Collection Account Bank to those listed on Schedule II to this Agreement, if the Administrative Agent has received notice of such addition and an executed and acknowledged copy of an Account Control Agreement (or an amendment thereto) in form and substance acceptable to the Administrative Agent from the applicable Collection Account Bank. The Seller shall only terminate a Collection Account Bank or close a Collection Account (or a related Lock-Box) with the prior written consent of the Administrative

Agent. The Servicer shall ensure that no disbursements are made from any Collection Account, other than such disbursements that are made at the direction and for the account of the Seller.

(i) Sales, Liens, etc. Except as otherwise provided herein, the Seller will not sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim upon (including, without limitation, the filing of any financing statement) or with respect to, any Pool Receivable, Sold Assets or any Seller Collateral, or assign any right to receive income in respect thereof.

(j) Extension or Amendment of Pool Receivables. Except as otherwise permitted in Section 9.02, the Seller will not, and will not permit the Servicer to, alter the delinquency status or adjust the Outstanding Balance or otherwise modify the terms of any Pool Receivable in any material respect, or amend, modify or waive, in any material respect, any term or condition of any related Contract. The Seller shall at its expense, timely and fully perform and comply in all material respects with all provisions, covenants and other promises required to be observed by it under the Contracts related to the Pool Receivables, and timely and fully comply with the Credit and Collection Policy with regard to each Pool Receivable and the related Contract.

(k) Change in Credit and Collection Policy. The Seller will not make any change in the Credit and Collection Policy that could impair the collectability of any Eligible Receivable in any material respect or reasonably be expected to have a Material Adverse Effect without the prior written consent of the Administrative Agent and the Majority Group Agents. At least ten (10) Business Days prior to the date any material change in or amendment to the Credit and Collection Policy is made, the Seller will deliver a copy of the updated Credit and Collection Policy to the Administrative Agent and each Purchaser.

(l) Fundamental Changes. The Seller shall not, without the prior written consent of the Administrative Agent and the Majority Group Agents, permit itself (i) to merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to, any Person or (ii) undertake any division of its rights, assets, obligations, or liabilities pursuant to a plan of division or otherwise pursuant to Applicable Law or (iii) to be directly owned by any Person other than an Originator. The Seller shall not, without the prior written consent of the Administrative Agent and the Majority Group Agents, make any change in the Seller's name, identity, corporate structure or location or make any other change in the Seller's identity or corporate structure that could impair or otherwise render any UCC financing statement filed in connection with this Agreement or any other Transaction Document "seriously misleading" as such term (or similar term) is used in the applicable UCC.

(m) Books and Records. The Seller shall maintain and implement (or cause the Servicer to maintain and implement) administrative and operating procedures (including an ability to recreate records evidencing Pool Receivables and related Contracts in the event of the destruction of the originals thereof), and keep and maintain (or cause the Servicer to keep and maintain) all documents, books, records, computer tapes and disks and other information reasonably necessary or advisable for the collection of all Pool Receivables (including records adequate to permit the daily identification of each Pool Receivable and all Collections of and adjustments to each existing Pool Receivable).

(n) Identifying of Records. The Seller shall: (i) identify (or cause the Servicer to identify) its master data processing records relating to Pool Receivables and related Contracts with a legend that indicates that the Pool Receivables have been pledged in accordance with this Agreement and (ii) cause each Originator so to identify its master data processing records with such a legend.

(o) Change in Payment Instructions to Obligors. The Seller shall not (and shall not permit the Servicer or any Sub-Servicer to) add, replace or terminate any Collection Account (or any related Lock-Box) or make any change in its (or their) instructions to the Obligors regarding payments to be made to the Collection Accounts (or any related Lock-Box), other than any instruction to remit payments to a different Collection Account (or any related Lock-Box), unless the Administrative Agent shall have received (i) prior written notice of such addition, termination or change and (ii) a signed and acknowledged Account Control Agreement (or amendment thereto) with respect to such new Collection Accounts (or any related Lock-Box), and the Administrative Agent shall have consented to such change in writing.

(p) Security Interest, Etc. The Seller shall (and shall cause the Servicer to), at its expense, take all action necessary or reasonably desirable to establish and maintain a valid and enforceable ownership or security interest in the Sold Assets and Seller Collateral, and a first priority perfected security interest in the Sold Assets and Seller Collateral, in each case free and clear of any Adverse Claim, in favor of the Administrative Agent (on behalf of the Secured Parties), including taking such action to perfect, protect or more fully evidence the security interest of the Administrative Agent (on behalf of the Secured Parties) as the Administrative Agent or any Secured Party may reasonably request; provided, however, that Seller shall not be required to perfect any sale, pledge or other assignment of any Foreign Receivable solely as against the related Obligor solely pursuant to the laws of jurisdictions other than the United States of America (or any State or municipality in the United States of America). In order to evidence the security interests of the Administrative Agent under this Agreement, the Seller shall, from time to time take such action, or execute and deliver such instruments as may be necessary (including, without limitation, such actions as are reasonably requested by the Administrative Agent) to maintain and perfect, as a first-priority interest, the Administrative Agent's security interest in the Receivables, Related Security and Collections; provided, however, that Seller shall not be required to perfect any sale, pledge or other assignment of any Foreign Receivable solely as against the related Obligor solely pursuant to the laws of jurisdictions other than the United States of America (or any State or municipality in the United States of America). The Seller shall, from time to time and within the time limits established by law, prepare and present to the Administrative Agent for the Administrative Agent's authorization and approval, all financing statements, amendments, continuations or initial financing statements in lieu of a continuation statement, or other filings necessary to continue, maintain and perfect the Administrative Agent's security interest as a first-priority interest. The Administrative Agent's approval of such filings shall authorize the Seller to file such financing statements under the UCC without the signature of the Seller, any Originator or the Administrative Agent where allowed by Applicable Law. Notwithstanding anything else in the Transaction Documents to the contrary, the Seller shall not have any authority to file a termination, partial termination, release, partial release, or any amendment that deletes the name of a debtor or excludes any Sold Assets or Seller Collateral of any such financing statements filed

in connection with the Transaction Documents, without the prior written consent of the Administrative Agent.

(q) Certain Agreements. Without the prior written consent of the Administrative Agent and the Majority Group Agents, the Seller will not (and will not permit any Originator or the Servicer to) amend, modify, waive, revoke or terminate any Transaction Document to which it is a party or any provision of the Seller's organizational documents which requires the consent of the "Independent Director" (as such term is used in the Seller's Certificate of Formation and Limited Liability Company Agreement).

(r) Restricted Payments. (i) Except pursuant to clause (ii) below, the Seller will not: (A) purchase or redeem any of its membership interests, (B) declare or pay any dividend or set aside any funds for any such purpose, (C) prepay, purchase or redeem any Debt, (D) lend or advance any funds or (E) repay any loans or advances to, for or from any of its Affiliates (the amounts described in clauses (A) through (E) being referred to as "Restricted Payments").

(ii) Subject to the limitations set forth in clause (iii) below, the Seller may make Restricted Payments so long as such Restricted Payments are made only in one or more of the following ways: (A) the Seller may make cash payments (including prepayments) on the Intercompany Loans in accordance with their respective terms and (B) the Seller may declare and pay dividends if, both immediately before and immediately after giving effect thereto, the Seller's Net Worth is not less than the Required Capital Amount.

(iii) The Seller may make Restricted Payments only out of the funds, if any, it receives pursuant to Sections 4.01 of this Agreement; provided that the Seller shall not pay, make or declare any Restricted Payment (including any dividend) if, after giving effect thereto, any Event of Termination or Unmatured Event of Termination shall have occurred and be continuing.

(s) Other Business. The Seller will not: (i) engage in any business other than the transactions contemplated by the Transaction Documents, (ii) create, incur or permit to exist any Debt of any kind (or cause or permit to be issued for its account any letters of credit (excluding, for the avoidance of doubt, Letters of Credit issued hereunder) or bankers' acceptances other than pursuant to this Agreement or the Intercompany Loan Agreements or (iii) form any Subsidiary or make any investments in any other Person.

(t) Use of Collections Available to the Seller. The Seller shall apply the Collections available to the Seller to make payments in the following order of priority: (i) the payment of its obligations under this Agreement and each of the other Transaction Documents (other than the Intercompany Loan Agreements), (ii) the payment of accrued and unpaid interest on the Intercompany Loans and (iii) other legal and valid purposes.

(u) Further Assurances. (i) The Seller hereby authorizes and hereby agrees from time to time, at its own expense, promptly to execute (if necessary) and deliver all further instruments and documents, and to take all further actions, that may be necessary or desirable, or that the Administrative Agent may reasonably request, to perfect, protect or more fully evidence

the security interest granted pursuant to this Agreement or any other Transaction Document, or to enable the Administrative Agent (on behalf of the Secured Parties) to exercise and enforce the Secured Parties' rights and remedies under this Agreement and the other Transaction Document. Without limiting the foregoing, the Seller hereby authorizes, and will, upon the request of the Administrative Agent, at the Seller's own expense, execute (if necessary) and file such financing statements or continuation statements, or amendments thereto, and such other instruments and documents, that may be necessary or desirable, or that the Administrative Agent may reasonably request, to perfect, protect or evidence any of the foregoing.

(ii) The Seller authorizes the Administrative Agent to file financing statements, continuation statements and amendments thereto and assignments thereof, relating to the Receivables, the Related Security, the related Contracts, Collections with respect thereto and the other Sold Assets and Seller Collateral without the signature of the Seller. A photocopy or other reproduction of this Agreement shall be sufficient as a financing statement where permitted by law.

(iii) The Seller shall at all times be organized under the laws of the State of Delaware and shall not take any action to change its jurisdiction of organization.

(iv) The Seller will not change its name, location, identity or corporate structure unless (x) the Seller, at its own expense, shall have taken all action necessary or appropriate to perfect or maintain the perfection of the security interest under this Agreement (including, without limitation, the filing of all financing statements and the taking of such other action as the Administrative Agent may request in connection with such change or relocation) and (y) if requested by the Administrative Agent, the Seller shall cause to be delivered to the Administrative Agent, an opinion, in form and substance satisfactory to the Administrative Agent as to such UCC perfection and priority matters as the Administrative Agent may request at such time.

(v) Anti-Money Laundering/International Trade Law Compliance. The Seller will not become a Sanctioned Person. No Covered Entity, either in its own right or through any third party, will (a) have any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (b) do business in or with, or derive any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; (c) engage in any dealings or transactions prohibited by any Anti-Terrorism Law or (d) use the proceeds of any Investment or Issuance to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law. The funds used to repay each Investment or Issuance will not be derived from any unlawful activity. The Seller shall comply with all Anti-Terrorism Laws. The Seller shall promptly notify the Administrative Agent and each Purchaser in writing upon the occurrence of a Reportable Compliance Event. The Seller has not used and will not use the proceeds of any Investment or Issuance to fund any operations in, finance any investments or activities in or make any payments to, a Sanctioned Person or a Sanctioned Country.

(w) Transaction Information. Except as may be required by Applicable Law, none of the Seller, any Affiliate of the Seller or any third party with which the Seller or any Affiliate

thereof has contracted, shall deliver, in writing or orally, to any Rating Agency, any Transaction Information without providing such Transaction Information to the applicable Group Agent prior to delivery to such Rating Agency and will not participate in any oral communications with respect to Transaction Information with any Rating Agency without the participation of such Group Agent.

(x) Taxes. The Seller will (i) timely file all Tax returns (federal, state and local) required to be filed by it and (ii) pay, or cause to be paid, all Taxes, assessments and other governmental charges, if any, other than Taxes, assessments and other governmental charges being contested in good faith by appropriate proceedings and as to which adequate reserves have been provided in accordance with GAAP.

(y) Seller's Tax Status. The Seller will remain (i) either (A) a wholly-owned subsidiary of a United States person (within the meaning of Section 7701(a)(30) of the Code) or (B) a partnership for U.S. federal income tax purposes all of the beneficial owners of which are "United States persons" (within the meaning of Section 7701(a)(30) of the Code) and (ii) not be subject to withholding under Section 1446 of the Code. No action will be taken that would cause the Seller to (i) be treated other than as (A) a "disregarded entity" within the meaning of U.S. Treasury Regulation § 301.7701-3 for U.S. federal income tax purposes or (B) a partnership for U.S. federal income tax purposes all of the beneficial owners of which are "United States persons" within the meaning of Section 7701(a)(30) of the Code or (ii) become an association taxable as a corporation or a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. The Seller shall not become subject to any Tax in any jurisdiction outside the United States or any material state or local tax. If Seller is classified as a partnership for U.S. federal income tax purposes, then it will, to the extent eligible, make an election under Section 6221(b) or Section 6226(a) of the Code (or any similar election available pursuant to the U.S. Treasury Regulations under Sections 6221 through 6241 of the Code at such time) for the applicable taxable year or with respect to an applicable determination of partnership adjustment.

(z) Liquidity Coverage Ratio. The Seller shall not issue any LCR Security.

(aa) Beneficial Ownership Regulation. Promptly following any change that would result in a change to the status as an excluded "Legal Entity Customer" under (and as defined in) the Beneficial Ownership Regulation, the Seller shall execute and deliver to the Administrative Agent a Certification of Beneficial Owner(s) complying with the Beneficial Ownership Regulation, in form and substance reasonably acceptable to the Administrative Agent.

(bb) Linked Accounts. Except for the Permitted Linked Account, Seller shall not permit any (i) "Linked Account" (as defined in the Account Control Agreement with Bank of America, N.A.) to exist with respect to any Collection Account maintained at Bank of America, N.A., or (ii) controlled disbursement account or other deposit account at any time linked to any of the Accounts (as defined in the Account Control Agreement with Truist Bank) by a zero balance account connection or other automated funding mechanism with respect to any Blocked Account maintained at Truist Bank; *provided, however*, that at any time (w) during the continuance of an Event of Termination, (x) during the continuance of an Unmatured Event of Termination, (y) that ~~Ashland Global's~~ Ashland's unsecured debt has a public rating from S&P below "BB-", or (z) that Ashland's unsecured debt has a public rating from Moody's below "Ba3", the Seller shall, if so instructed by the Administrative Agent (in its sole discretion), cause the Permitted Linked

Account, promptly, but not later than five (5) Business Days following the Seller's or the Servicer's receipt of such instruction, to cease being a (i) "Linked Account" (as defined in the Account Control Agreement with Bank of America, N.A.) or (ii) controlled disbursement account or other deposit account linked to any of the Accounts (as defined in the Account Control Agreement with Truist Bank) by a zero balance account connection or other automated funding mechanism with respect to any Collection Account maintained at Truist Bank.

(cc) Seller's Net Worth. The Seller shall not permit the Seller's Net Worth to be less than the Required Capital Amount.

(dd) Minimum Funding Threshold. At all times after the 60th day following the Closing Date, the Seller shall cause the Aggregate Capital to exceed the Minimum Funding Threshold at all times; provided, that, upon written notice from the Seller to the Administrative Agent, the Seller shall be entitled to designate by written notice to the Administrative Agent a holiday from compliance with the Minimum Funding Threshold for a period of sixty consecutive calendar days not more than once per calendar year.

SECTION 8.02. Covenants of the Servicer. At all times from the Closing Date until the Final Payout Date:

(a) Existence. The Servicer shall keep in full force and effect its existence and rights as a corporation or other entity under the laws of its jurisdiction of formation. The Servicer shall obtain and preserve its qualification to do business in each jurisdiction in which the conduct of its business or the servicing of the Pool Receivables as required by this Agreement requires such qualification, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(b) Financial Reporting. The Servicer will maintain a system of accounting established and administered in accordance with GAAP, and the Servicer shall furnish to the Administrative Agent and each Group Agent:

(xii) Compliance Certificates. *No later than five (5) Business Days* after the delivery of the financial statements referred to in Sections 8.01(c)(v) and (vi), a compliance certificate in form and substance substantially similar to Exhibit H signed by a Financial Officer of the Servicer stating that no Event of Termination or Unmatured Event of Termination has occurred and is continuing, or if any Event of Termination or Unmatured Event of Termination has occurred and is continuing, stating the nature and status thereof.

(i) Information Packages and Weekly Reports. By no later than 4:00 p.m. on the second Business Day prior to each Settlement Date, or if such day is not a Business Day then on the next succeeding Business Day (and, during the continuation of an Event of Termination or an Unmatured Event of Termination, within three (3) Business Days after a request from the Administrative Agent or any Group Agent), the Servicer (or the Seller on its behalf) shall prepare and forward to the Administrative Agent and each Group Agent an Information Package, certified by the Servicer. In addition to the foregoing, at such times as (a) ~~Ashland Global's~~ Ashland's unsecured debt has a public rating from S&P below "BB-", or (b) Ashland's unsecured debt has a public rating from Moody's below

“Ba3”, the Servicer shall be obligated to prepare and forward to the Administrative Agent and each Group Agent a Weekly Report on every Thursday of each calendar week (or the next Business Day if such day is not a Business Day), certified by the Servicer (or the Seller on its behalf). The reporting period covered by a Weekly Report shall be the period ending on (and including) the Friday preceding the applicable reporting date and beginning on (and including) the Saturday preceding such Friday.

(ii) Other Information. Such other information (including non-financial information) as the Administrative Agent or any Group Agent may from time to time reasonably request.

(c) Notices. The Servicer will notify the Administrative Agent and each Group Agent in writing of any of the following events promptly upon (but in no event later than five (5) Business Days after) a Financial Officer or other officer learning of the occurrence thereof, with such notice describing the same, and if applicable, the steps being taken by the Person(s) affected with respect thereto:

(xiii) Notice of Events of Termination or Unmatured Events of Termination. A statement of a Financial Officer of the Servicer setting forth details of any Event of Termination or Unmatured Event of Termination that has occurred and is continuing and the action which the Servicer proposes to take with respect thereto.

(i) [Reserved].

(ii) Litigation. The institution of any litigation, arbitration proceeding or governmental proceeding which could reasonably be expected to have a Material Adverse Effect.

(iii) Adverse Claim. (A) Any Person shall obtain an Adverse Claim upon the Sold Assets or the Seller Collateral or any portion thereof, (B) any Person other than the Seller, the Servicer or the Administrative Agent shall obtain any rights or direct any action with respect to any Collection Account (or related Lock-Box) or (C) any Obligor shall receive any change in payment instructions with respect to Pool Receivable(s) from a Person other than the Servicer or the Administrative Agent.

(iv) Change in Name or Jurisdiction of Organization, etc. At least thirty (30) days before any change in any Originator’s or the Seller’s name, jurisdiction of organization or any other change requiring the amendment of UCC financing statements.

(v) Change in Accountants or Accounting Policy. Any change in (i) the external accountants of the Seller, the Servicer, any Originator or the Parent, (ii) any accounting policy of the Seller or (iii) any material accounting policy of any Originator that is relevant to the transactions contemplated by this Agreement or any other Transaction Document (it being understood that any change to the manner in which any Originator accounts for the Pool Receivables shall be deemed “material” for such purpose).

(vi) Termination Event. The occurrence of a Purchase and Sale Termination Event under the Purchase and Sale Agreement.

(vii) ERISA. Promptly after the filing, giving or receiving thereof, copies of all reports and notices with respect to any Reportable Event pertaining to any Pension Plan and copies of any notice by any Person of its intent to terminate any Pension Plan, and promptly upon the occurrence thereof, written notice of any contribution failure with respect to any Pension Plan sufficient to give rise to a lien under Section 302(f) of ERISA.

(viii) Material Adverse Change. Promptly after the occurrence thereof, notice of any Material Adverse Effect.

(d) Conduct of Business. The Servicer will carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted, and will do all things necessary to remain duly organized, validly existing and in good standing as a domestic limited liability company in its jurisdiction of organization and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted if the failure to have such authority could reasonably be expected to have a Material Adverse Effect.

(e) Compliance with Laws. The Servicer will comply with all Applicable Laws to which it may be subject if the failure to comply could reasonably be expected to have a Material Adverse Effect.

(f) Furnishing of Information and Inspection of Receivables. The Servicer will furnish or cause to be furnished to the Administrative Agent and each Group Agent from time to time such information with respect to the Pool Receivables and the other Sold Assets and Seller Collateral as the Administrative Agent or any Group Agent may reasonably request. The Servicer will, at the Servicer's expense, during regular business hours with prior written notice, (i) permit the Administrative Agent and each Group Agent or their respective agents or representatives to (A) examine and make copies of and abstracts from all books and records relating to the Pool Receivables or other Sold Assets and the Seller Collateral, (B) visit the offices and properties of the Servicer for the purpose of examining such books and records and (C) discuss matters relating to the Pool Receivables, the other Sold Assets, the Seller Collateral or the Servicer's performance hereunder or under the other Transaction Documents to which it is a party with any of the officers, directors, employees or independent public accountants of the Servicer (provided that representatives of the Servicer are present during such discussions) having knowledge of such matters and (ii) without limiting the provisions of clause (i) above, during regular business hours, at the Servicer's expense, upon prior written notice from the Administrative Agent, permit certified public accountants or other auditors acceptable to the Administrative Agent to conduct a review of its books and records with respect to the Pool Receivables, the other Sold Assets and the Seller Collateral; provided, that the Servicer shall be required to reimburse the Administrative Agent for only one (1) such review pursuant to clause (ii) above in any twelve-month period unless an Event of Termination has occurred and is continuing.

(g) Payments on Receivables, Collection Accounts. The Servicer will at all times, instruct all Obligor to deliver payments on the Pool Receivables to a Collection Account or a Lock-Box. The Servicer will, at all times, maintain such books and records necessary to identify

Collections received from time to time on Pool Receivables and to segregate such Collections from other property of the Servicer and the Originators. If any payments on the Pool Receivables or other Collections are received by the Seller, the Servicer or an Originator, it shall hold such payments in trust for the benefit of the Administrative Agent, the Group Agents and the other Secured Parties and promptly (but in any event within two (2) Business Day after receipt) remit such funds into a Collection Account. The Servicer shall not permit funds other than Collections on Pool Receivables and other Sold Assets and Seller Collateral to be deposited into any Collection Account. If such funds are nevertheless deposited into any Collection Account, the Servicer will within two (2) Business Days identify and transfer such funds to the appropriate Person entitled to such funds. The Servicer will not, and will not permit the Seller, any Originator or any other Person to commingle Collections or other funds to which the Administrative Agent, any Group Agent or any other Secured Party is entitled, with any other funds. The Servicer shall only add a Collection Account (or a related Lock-Box), or a Collection Account Bank to those listed on Schedule II to this Agreement, if the Administrative Agent has received notice of such addition and an executed and acknowledged copy of an Account Control Agreement (or an amendment thereto) in form and substance acceptable to the Administrative Agent from the applicable Collection Account Bank. The Servicer shall only terminate a Collection Account Bank or close a Collection Account (or a related Lock-Box) with the prior written consent of the Administrative Agent.

(h) Extension or Amendment of Pool Receivables. Except as otherwise permitted in Section 9.02, the Servicer will not alter the delinquency status or adjust the Outstanding Balance or otherwise modify the terms of any Pool Receivable in any material respect, or amend, modify or waive, in any material respect, any term or condition of any related Contract. The Servicer shall at its expense, timely and fully perform and comply in all material respects with all provisions, covenants and other promises required to be observed by it under the Contracts related to the Pool Receivables, and timely and fully comply in all material respects with the Credit and Collection Policy with regard to each Pool Receivable and the related Contract.

(i) Change in Credit and Collection Policy. The Servicer will not make any change in the Credit and Collection Policy that could impair the collectability of any Eligible Receivable in any material respect or reasonably be expected to have a Material Adverse Effect without the prior written consent of the Administrative Agent and the Majority Group Agents. At least ten (10) Business Days prior to the date any material change in or amendment to the Credit and Collection Policy is made, the Servicer will deliver a copy of the updated Credit and Collection Policy to the Administrative Agent and each Purchaser.

(j) Records. The Servicer will maintain and implement administrative and operating procedures (including an ability to recreate records evidencing Pool Receivables and related Contracts in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records, computer tapes and disks and other information reasonably necessary or advisable for the collection of all Pool Receivables (including records adequate to permit the daily identification of each Pool Receivable and all Collections of and adjustments to each existing Pool Receivable).

(k) Identifying of Records. The Servicer shall identify its master data processing records relating to Pool Receivables and related Contracts with a legend that indicates that the Pool Receivables have been pledged in accordance with this Agreement.

(l) Change in Payment Instructions to Obligors. The Servicer shall not (and shall not permit any Sub-Servicer to) add, replace or terminate any Collection Account (or any related Lock-Box) or make any change in its instructions to the Obligors regarding payments to be made to the Collection Accounts (or any related Lock-Box), other than any instruction to remit payments to a different Collection Account (or any related Lock-Box), unless the Administrative Agent shall have received (i) prior written notice of such addition, termination or change and (ii) a signed and acknowledged Account Control Agreement (or an amendment thereto) with respect to such new Collection Accounts (or any related Lock-Box) and the Administrative Agent shall have consented to such change in writing.

(m) Security Interest, Etc. The Servicer shall, at its expense, take all action necessary or reasonably desirable to establish and maintain a valid and enforceable first priority perfected security interest in the Sold Assets and Seller Collateral, in each case free and clear of any Adverse Claim in favor of the Administrative Agent (on behalf of the Secured Parties), including taking such action to perfect, protect or more fully evidence the security interest of the Administrative Agent (on behalf of the Secured Parties) as the Administrative Agent or any Secured Party may reasonably request; provided, however, that Servicer shall not be required to perfect any sale, pledge or other assignment of any Foreign Receivable solely as against the related Obligor solely pursuant to the laws of jurisdictions other than the United States of America (or any State or municipality in the United States of America). In order to evidence the security interests of the Administrative Agent under this Agreement, the Servicer shall, from time to time take such action, or execute and deliver such instruments as may be necessary (including, without limitation, such actions as are reasonably requested by the Administrative Agent) to maintain and perfect, as a first-priority interest, the Administrative Agent's security interest in the Receivables, Related Security and Collections; provided, however, that Servicer shall not be required to perfect any sale, pledge or other assignment of any Foreign Receivable solely as against the related Obligor solely pursuant to the laws of jurisdictions other than the United States of America (or any State or municipality in the United States of America). The Servicer shall, from time to time and within the time limits established by law, prepare and present to the Administrative Agent for the Administrative Agent's authorization and approval, all financing statements, amendments, continuations or initial financing statements in lieu of a continuation statement, or other filings necessary to continue, maintain and perfect the Administrative Agent's security interest as a first-priority interest. The Administrative Agent's approval of such filings shall authorize the Servicer to file such financing statements under the UCC without the signature of the Seller, any Originator or the Administrative Agent where allowed by Applicable Law. Notwithstanding anything else in the Transaction Documents to the contrary, the Servicer shall not have any authority to file a termination, partial termination, release, partial release, or any amendment that deletes the name of a debtor or excludes collateral of any such financing statements filed in connection with the Transaction Documents, without the prior written consent of the Administrative Agent.

(n) Further Assurances. The Servicer hereby authorizes and hereby agrees from time to time, at its own expense, promptly to execute (if necessary) and deliver all further

instruments and documents, and to take all further actions, that may be necessary or desirable, or that the Administrative Agent may reasonably request, to perfect, protect or more fully evidence the security interest granted pursuant to this Agreement or any other Transaction Document, or to enable the Administrative Agent (on behalf of the Secured Parties) to exercise and enforce their respective rights and remedies under this Agreement or any other Transaction Document. Without limiting the foregoing, the Servicer hereby authorizes, and will, upon the request of the Administrative Agent, at the Servicer's own expense, execute (if necessary) and file such financing statements or continuation statements, or amendments thereto, and such other instruments and documents, that may be necessary or desirable, or that the Administrative Agent may reasonably request, to perfect, protect or evidence any of the foregoing.

(o) Transaction Information. None of the Servicer, any Affiliate of the Servicer or any third party contracted by the Servicer or any Affiliate thereof, shall deliver, in writing or orally, to any Rating Agency, any Transaction Information without providing such Transaction Information to the applicable Group Agent prior to delivery to such Rating Agency, and will not participate in any oral communications with respect to Transaction Information with any Rating Agency without the participation of such Group Agent.

(p) Anti-Money Laundering/International Trade Law Compliance. The Servicer will not become a Sanctioned Person. No Covered Entity, either in its own right or through any third party, will (a) have any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (b) do business in or with, or derive any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; (c) engage in any dealings or transactions prohibited by any Anti-Terrorism Law or (d) use the proceeds of any Investment or Issuance to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law. The funds used to repay each Investment or Issuance will not be derived from any unlawful activity. The Servicer shall comply with all Anti-Terrorism Laws. The Servicer shall promptly notify the Administrative Agent and each Purchaser in writing upon the occurrence of a Reportable Compliance Event.

(q) Taxes. The Servicer will (i) timely file all Tax returns (federal, state and local) required to be filed by it and (ii) pay, or cause to be paid, all Taxes, assessments and other governmental charges, if any, other than Taxes, assessments and other governmental charges being contested in good faith by appropriate proceedings and as to which adequate reserves have been provided in accordance with GAAP.

(r) Seller's Tax Status. The Servicer shall not take or cause any action to be taken that could result in the Seller (i) being treated other than as (A) a "disregarded entity" within the meaning of U.S. Treasury Regulation § 301.7701-3 for U.S. federal income tax purposes or (B) a partnership for U.S. federal income tax purposes all of the beneficial owners of which are "United States persons" within the meaning of Section 7701(a)(30) of the Code or (ii) becoming an association taxable as a corporation or a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes or (iii) becoming subject to any Tax in any jurisdiction outside the United States or any material state or local tax.

(s) Deemed Financial Covenants. If, at any time after the Closing Date and until the Final Payout Date, the Financial Covenants are amended or are otherwise varied from the Ashland Credit Agreement in effect on the Closing Date, Ashland shall provide copies of such changes or amendments to the Administrative Agent and each Group Agent within three (3) Business Days following the effective date of any such changes or amendments to the Ashland Credit Agreement. So long as each Committed Purchaser (or its Affiliates) is a party to the Ashland Credit Agreement as a lender thereunder, this Agreement shall not contain independent financial covenants (whether identical to those in the Ashland Credit Agreement or otherwise). If any Committed Purchaser (and its Affiliates) ceases to be a party to the Ashland Credit Agreement as a lender thereunder (including due to termination or expiration of the Ashland Credit Agreement without being replaced by a successor credit agreement) and such Committed Purchaser does not otherwise consent to the Financial Covenants, Deemed Financial Covenants shall become effective. If requested by any Purchaser or the Administrative Agent, the Servicer and the Seller shall cooperate with the Purchasers to amend the provisions of this Agreement to evidence the Deemed Financial Covenants (a “Financial Covenant Amendment”); *provided* that in lieu of Deemed Financial Covenants becoming effective, the Seller may instead exercise its rights to remove or replace the applicable Committed Purchaser and its Group under Section 2.07. Neither the Administrative Agent nor any Purchaser shall require any fee to provide a waiver of any breach of a Financial Covenant or to document a Financial Covenant Amendment if such fee is in addition to the fees otherwise payable to such party as a lender under the Ashland Credit Agreement (it being understood that the foregoing shall not apply to the reimbursement of the Administrative Agent for reasonable legal expenses to the extent otherwise payable under Section 15.04 hereof).

(t) Linked Accounts. Except for the Permitted Linked Account, Servicer shall not permit any (i) “Linked Account” (as defined in the Account Control Agreement with Bank of America, N.A.) to exist with respect to any Collection Account maintained at Bank of America, N.A., or (ii) controlled disbursement account or other deposit account at any time linked to any of the Accounts (as defined in the Account Control Agreement with Truist Bank) by a zero balance account connection or other automated funding mechanism with respect to any Blocked Account maintained at Truist Bank; *provided, however,* that at any time (w) during the continuance of an Event of Termination, (x) during the continuance of an Unmatured Event of Termination, (y) that ~~Ashland Global’s~~ Ashland’s unsecured debt has a public rating from S&P below “BB-”, or (z) that Ashland’s unsecured debt has a public rating from Moody’s below “Ba3”, the Seller shall, if so instructed by the Administrative Agent (in its sole discretion), cause the Permitted Linked Account, promptly, but not later than five (5) Business Days following the Seller’s or the Servicer’s receipt of such instruction, to cease being a (i) “Linked Account” (as defined in the Account Control Agreement with Bank of America, N.A.) or (ii) controlled disbursement account or other deposit account linked to any of the Accounts (as defined in the Account Control Agreement with Truist Bank) by a zero balance account connection or other automated funding mechanism with respect to any Collection Account maintained at Truist Bank.

SECTION 8.03. Separate Existence of the Seller. Each of the Seller and the Servicer hereby acknowledges that the Secured Parties, the Group Agents and the Administrative Agent are entering into the transactions contemplated by this Agreement and the other Transaction Documents in reliance upon the Seller’s identity as a legal entity separate from any Originator, the Servicer, any Performance Guarantor and their Affiliates. Therefore, each of the Seller and

Servicer shall take all steps specifically required by this Agreement or reasonably required by the Administrative Agent or any Group Agent to continue the Seller's identity as a separate legal entity and to make it apparent to third Persons that the Seller is an entity with assets and liabilities distinct from those of the Performance Guarantors, the Originators, the Servicer and any other Person, and is not a division of the Performance Guarantors, the Originators, the Servicer, its Affiliates or any other Person. Without limiting the generality of the foregoing and in addition to and consistent with the other covenants set forth herein, each of the Seller and the Servicer shall take such actions as shall be required in order that:

(a) Special Purpose Entity. The Seller will be a special purpose company whose primary activities are restricted in its Limited Liability Company Agreement to: (i) purchasing or otherwise acquiring from the Originators, owning, holding, collecting, granting security interests or selling interests in the Sold Assets and Seller Collateral, (ii) entering into agreements for the selling, servicing and financing of the Receivables Pool (including the Transaction Documents) and (iii) conducting such other activities as it deems necessary or appropriate to carry out its primary activities.

(b) No Other Business or Debt. The Seller shall not engage in any business or activity except as set forth in this Agreement nor, incur any indebtedness or liability other than as expressly permitted by the Transaction Documents.

(c) Independent Director. Not fewer than one member of the Seller's board of directors (the "Independent Director") shall be a natural person who (i) has never been, and shall at no time be, an equityholder, director, officer, manager, member, partner, officer, employee or associate, or any relative of the foregoing, of any member of the Parent Group (as hereinafter defined) (other than his or her service as an Independent Director of the Seller or an independent director of any other bankruptcy-remote special purpose entity formed for the sole purpose of securitizing, or facilitating the securitization of, financial assets of any member or members of the Parent Group), (ii) is not a customer or supplier of any member of the Parent Group (other than his or her service as an Independent Director of the Seller or an independent director of any other bankruptcy-remote special purpose entity formed for the sole purpose of securitizing, or facilitating the securitization of, financial assets of any member or members of the Parent Group), (iii) is not any member of the immediate family of a person described in (i) or (ii) above, and (iv) has (x) prior experience as an independent director for a corporation or limited liability company whose organizational or charter documents required the unanimous consent of all independent directors thereof before such corporation or limited liability company could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy and (y) at least three years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services to issuers of securitization or structured finance instruments, agreements or securities. For purposes of this clause (c), "Parent Group" shall mean (i) the Parent, the Servicer, each Performance Guarantor and each Originator, (ii) each person that directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, five percent (5%) or more of the membership interests in the Parent, (iii) each person that controls, is controlled by or is under common control with the Parent and (iv) each of such person's officers, directors, managers, joint venturers and partners. For the purposes

of this definition, “control” of a person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise. A person shall be deemed to be an “associate” of (A) a corporation or organization of which such person is an officer, director, partner or manager or is, directly or indirectly, the beneficial owner of ten percent (10%) or more of any class of equity securities, (B) any trust or other estate in which such person serves as trustee or in a similar capacity and (C) any relative or spouse of a person described in clause (A) or (B) of this sentence, or any relative of such spouse.

The Seller shall (A) give written notice to the Administrative Agent of the election or appointment, or proposed election or appointment, of a new Independent Director of the Seller, which notice shall be given not later than ten (10) Business Days prior to the date such appointment or election would be effective (except when such election or appointment is necessary to fill a vacancy caused by the death, disability, or incapacity of the existing Independent Director, or the failure of such Independent Director to satisfy the criteria for an Independent Director set forth in this clause (c), in which case the Seller shall provide written notice of such election or appointment within one (1) Business Day) and (B) with any such written notice, certify to the Administrative Agent that the Independent Director satisfies the criteria for an Independent Director set forth in this clause (c).

The Seller’s Limited Liability Company Agreement shall provide that: (A) the Seller’s board of directors shall not approve, or take any other action to cause the filing of, a voluntary bankruptcy petition with respect to the Seller unless the Independent Director shall approve the taking of such action in writing before the taking of such action and (B) such provision and each other provision requiring an Independent Director cannot be amended without the prior written consent of the Independent Director.

The Independent Director shall not at any time serve as a trustee in bankruptcy for the Seller, the Parent, any Performance Guarantor, any Originator, the Servicer or any of their respective Affiliates.

(d) Organizational Documents. The Seller shall maintain its organizational documents in conformity with this Agreement, such that it does not amend, restate, supplement or otherwise modify its ability to comply with the terms and provisions of any of the Transaction Documents, including, without limitation, Section 8.01(p).

(e) Conduct of Business. The Seller shall conduct its affairs strictly in accordance with its organizational documents and observe all necessary, appropriate and customary company formalities, including, but not limited to, holding all regular and special members’ and board of directors’ meetings appropriate to authorize all company action, keeping separate and accurate minutes of its meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, payroll and intercompany transaction accounts.

(f) Compensation. Any employee, consultant or agent of the Seller will be compensated from the Seller’s funds for services provided to the Seller, and to the extent that Seller shares the same officers or other employees as the Servicer (or any other Affiliate thereof),

the salaries and expenses relating to providing benefits to such officers and other employees shall be fairly allocated among such entities, and each such entity shall bear its fair share of the salary and benefit costs associated with such common officers and employees. The Seller will not engage any agents other than its attorneys, auditors and other professionals, and a servicer and any other agent contemplated by the Transaction Documents for the Receivables Pool, which servicer will be fully compensated for its services by payment of the Servicing Fee.

(g) Servicing and Costs. The Seller will contract with the Servicer to perform for the Seller all operations required on a daily basis to service the Receivables Pool. The Seller will not incur any indirect or overhead expenses for items shared with the Servicer (or any other Affiliate thereof) that are not reflected in the Servicing Fee. To the extent, if any, that the Seller (or any Affiliate thereof) shares items of expenses not reflected in the Servicing Fee, such as legal, auditing and other professional services, such expenses will be allocated to the extent practical on the basis of actual use or the value of services rendered, and otherwise on a basis reasonably related to the actual use or the value of services rendered.

(h) Operating Expenses. The Seller's operating expenses will not be paid by the Servicer, the Parent, any Performance Guarantor, any Originator or any Affiliate thereof.

(i) Stationary. The Seller will have its own separate stationary.

(j) Books and Records. The Seller's books and records will be maintained separately from those of the Servicer, the Parent, the Performance Guarantors, the Originators and any of their Affiliates and in a manner such that it will not be difficult or costly to segregate, ascertain or otherwise identify the assets and liabilities of the Seller.

(k) Disclosure of Transactions. All financial statements of the Servicer, the Parent, the Performance Guarantors, the Originators or any Affiliate thereof that are consolidated to include the Seller will disclose that (i) the Seller's sole business consists of the purchase or acceptance through capital contributions of the Receivables and Related Rights from the Originators and the subsequent retransfer of or granting of a security interest in such Receivables and Related Rights to the Administrative Agent pursuant to this Agreement, (ii) the Seller is a separate legal entity with its own separate creditors who will be entitled, upon its liquidation, to be satisfied out of the Seller's assets prior to any assets or value in the Seller becoming available to the Seller's equity holders and (iii) the assets of the Seller are not available to pay creditors of the Servicer, the Parent, the Performance Guarantors, the Originators or any Affiliate thereof.

(l) Segregation of Assets. The Seller's assets will be maintained in a manner that facilitates their identification and segregation from those of the Servicer, the Parent, the Performance Guarantors, the Originators or any Affiliates thereof.

(m) Corporate Formalities. The Seller will strictly observe limited liability company formalities in its dealings with the Servicer, the Parent, the Performance Guarantors, the Originators or any Affiliates thereof, and funds or other assets of the Seller will not be commingled with those of the Servicer, the Parent, the Performance Guarantors, the Originators or any Affiliates thereof except as permitted by this Agreement in connection with servicing the Pool Receivables. The Seller shall not maintain joint bank accounts or other depository accounts to

which the Servicer, the Parent, the Performance Guarantors, the Originators or any Affiliate thereof (other than the Servicer solely in its capacity as such) has independent access. The Seller is not named, and has not entered into any agreement to be named, directly or indirectly, as a direct or contingent beneficiary or loss payee on any insurance policy with respect to any loss relating to the property of the Servicer, the Parent, the Performance Guarantors, the Originators or any Subsidiaries or other Affiliates thereof. The Seller will pay to the appropriate Affiliate the marginal increase or, in the absence of such increase, the market amount of its portion of the premium payable with respect to any insurance policy that covers the Seller and such Affiliate.

(n) Arm's-Length Relationships. The Seller will maintain arm's-length relationships with the Servicer, the Parent, the Performance Guarantors, the Originators and any Affiliates thereof. Any Person that renders or otherwise furnishes services to the Seller will be compensated by the Seller at market rates for such services it renders or otherwise furnishes to the Seller. Neither the Seller on the one hand, nor the Servicer, the Parent, the Performance Guarantors, any Originator or any Affiliate thereof, on the other hand, will be or will hold itself out to be responsible for the debts of the other or the decisions or actions respecting the daily business and affairs of the other. The Seller, the Servicer, the Parent, the Performance Guarantors, the Originators and their respective Affiliates will immediately correct any known misrepresentation with respect to the foregoing, and they will not operate or purport to operate as an integrated single economic unit with respect to each other or in their dealing with any other entity.

ARTICLE IX

ADMINISTRATION AND COLLECTION OF RECEIVABLES

SECTION 9.01. Appointment of the Servicer.

(a) The servicing, administering and collection of the Pool Receivables shall be conducted by the Person so designated from time to time as the Servicer in accordance with this Section 9.01. Until the Administrative Agent gives notice to Ashland (in accordance with this Section 9.01) of the designation of a new Servicer, Ashland is hereby designated as, and hereby agrees to perform the duties and obligations of, the Servicer pursuant to the terms hereof. Upon the occurrence of a Servicer Default, the Administrative Agent may (with the consent of the Majority Group Agents) and shall (at the direction of the Majority Group Agents) designate as Servicer any Person (including itself) to succeed Ashland or any successor Servicer, on the condition in each case that any such Person so designated shall agree to perform the duties and obligations of the Servicer pursuant to the terms hereof.

(b) Upon the designation of a successor Servicer as set forth in clause (a) above, Ashland agrees that it will terminate its activities as Servicer hereunder in a manner that the Administrative Agent reasonably determines will facilitate the transition of the performance of such activities to the new Servicer, and Ashland shall cooperate with and assist such new Servicer. Such cooperation shall include access to and transfer of records (including all Contracts) related to Pool Receivables and use by the new Servicer of all licenses (or the obtaining of new licenses),

hardware or software necessary or reasonably desirable to collect the Pool Receivables and the Related Security.

(c) Ashland acknowledges that, in making its decision to execute and deliver this Agreement, the Administrative Agent and each member in each Group have relied on Ashland's agreement to act as Servicer hereunder. Accordingly, Ashland agrees that it will not voluntarily resign as Servicer without the prior written consent of the Administrative Agent and the Majority Group Agents.

(d) The Servicer may delegate its duties and obligations hereunder to any subservicer (each a "Sub-Servicer"); provided, that, in each such delegation: (i) such Sub-Servicer shall agree in writing to perform the delegated duties and obligations of the Servicer pursuant to the terms hereof, (ii) the Servicer shall remain liable for the performance of the duties and obligations so delegated, (iii) the Seller, the Administrative Agent, each Purchaser and each Group Agent shall have the right to look solely to the Servicer for performance, (iv) the terms of any agreement with any Sub-Servicer shall provide that the Administrative Agent may terminate such agreement upon the termination of the Servicer hereunder by giving notice of its desire to terminate such agreement to the Servicer (and the Servicer shall provide appropriate notice to each such Sub-Servicer) and (v) if such Sub-Servicer is not an Affiliate of the Parent, the Administrative Agent and the Majority Group Agents shall have consented in writing in advance to such delegation.

SECTION 9.02. Duties of the Servicer.

(a) The Servicer shall take or cause to be taken all such action as may be necessary or reasonably advisable to service, administer and collect each Pool Receivable from time to time, all in accordance with this Agreement and all Applicable Laws, with reasonable care and diligence, and in accordance with the Credit and Collection Policy and consistent with the past practices of the Originators. The Servicer shall set aside, for the accounts of each Group, the amount of Collections to which each such Group is entitled in accordance with Article IV hereof. The Servicer may, in accordance with the Credit and Collection Policy and consistent with past practices of the Originators, take such action, including modifications, waivers or restructurings of Pool Receivables and related Contracts, as the Servicer may reasonably determine to be appropriate to maximize Collections thereof or reflect adjustments expressly permitted under the Credit and Collection Policy or as expressly required under Applicable Laws or the applicable Contract; provided, that for purposes of this Agreement: (i) such action shall not, and shall not be deemed to, change the number of days such Pool Receivable has remained unpaid from the date of the original due date related to such Pool Receivable, (ii) such action shall not alter the status of such Pool Receivable as a Defaulted Receivable or limit the rights of any Secured Party under this Agreement or any other Transaction Document and (iii) if an Event of Termination has occurred and is continuing, the Servicer may take such action only upon the prior written consent of the Administrative Agent. The Seller shall deliver to the Servicer and the Servicer shall hold for the benefit of the Administrative Agent (individually and for the benefit of each Group), in accordance with their respective interests, all records and documents (including computer tapes or disks) with respect to each Pool Receivable. Notwithstanding anything to the contrary contained herein, if an Event of Termination has occurred and is continuing, the Administrative Agent may direct the Servicer to commence or settle any legal action to enforce collection of any Pool

Receivable that is a Defaulted Receivable or to foreclose upon or repossess any Related Security with respect to any such Defaulted Receivable.

(b) The Servicer's obligations hereunder shall terminate on the Final Payout Date. Promptly following the Final Payout Date, the Servicer shall deliver to the Seller all books, records and related materials that the Seller previously provided to the Servicer, or that have been obtained by the Servicer, in connection with this Agreement.

SECTION 9.03. Collection Account Arrangements. Prior to the Closing Date, the Seller shall have entered into Account Control Agreements with all of the Collection Account Banks and delivered executed counterparts of each to the Administrative Agent. Upon the occurrence and during the continuance of an Unmatured Event of Termination or Event of Termination, the Administrative Agent may (with the consent of the Majority Group Agents) and shall (upon the direction of the Majority Group Agents) at any time thereafter give notice to each Collection Account Bank that the Administrative Agent is exercising its rights under the Account Control Agreements to do any or all of the following: (a) to have the exclusive ownership and control of the Collection Accounts transferred to the Administrative Agent (for the benefit of the Secured Parties) and to exercise exclusive dominion and control over the funds deposited therein (for the benefit of the Secured Parties), (b) to have the proceeds that are sent to the respective Collection Accounts redirected pursuant to the Administrative Agent's instructions rather than deposited in the applicable Collection Account and (c) to take any or all other actions permitted under the applicable Account Control Agreement. The Seller hereby agrees that if the Administrative Agent at any time takes any action set forth in the preceding sentence, the Administrative Agent shall have exclusive control (for the benefit of the Secured Parties) of the proceeds (including Collections) of all Pool Receivables and the Seller hereby further agrees to take any other action that the Administrative Agent may reasonably request to transfer such control. Any proceeds of Pool Receivables received by the Seller or the Servicer thereafter shall be sent immediately to, or as otherwise instructed by, the Administrative Agent.

SECTION 9.04. Enforcement Rights.

(a) At any time following the occurrence and during the continuation of an Event of Termination:

(xiv) the Administrative Agent (at the Seller's expense) may direct the Obligor that payment of all amounts payable under any Pool Receivable is to be made directly to the Administrative Agent or its designee;

(i) the Administrative Agent may instruct the Seller or the Servicer to give notice of the Secured Parties' interest in Pool Receivables to each Obligor, which notice shall direct that payments be made directly to the Administrative Agent or its designee (on behalf of the Secured Parties), and the Seller or the Servicer, as the case may be, shall give such notice at the expense of the Seller or the Servicer, as the case may be; provided, that if the Seller or the Servicer, as the case may be, fails to so notify each Obligor within two (2) Business Days following instruction by the Administrative Agent, the Administrative Agent (at the Seller's or the Servicer's, as the case may be, expense) may so notify the Obligor;

(ii) the Administrative Agent may request the Servicer to, and upon such request the Servicer shall: (A) assemble all of the records necessary or desirable to collect the Pool Receivables and the Related Security, and transfer or license to a successor Servicer the use of all software necessary or desirable to collect the Pool Receivables and the Related Security, and make the same available to the Administrative Agent or its designee (for the benefit of the Secured Parties) at a place selected by the Administrative Agent and (B) segregate all cash, checks and other instruments received by it from time to time constituting Collections in a manner reasonably acceptable to the Administrative Agent and, promptly upon receipt, remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to the Administrative Agent or its designee;

(iii) notify the Collection Account Banks that the Seller and the Servicer will no longer have any access to the Collection Accounts;

(iv) the Administrative Agent may (or, at the direction of the Majority Group Agents shall) replace the Person then acting as Servicer; and

(v) the Administrative Agent may collect any amounts due from an Originator under the Purchase and Sale Agreement or the Performance Guarantors under the Performance Guaranty.

For the avoidance of doubt, the foregoing rights and remedies of the Administrative Agent upon an Event of Termination are in addition to and not exclusive of the rights and remedies contained herein and under the other Transaction Documents.

(b) The Seller hereby authorizes the Administrative Agent (on behalf of the Secured Parties), and irrevocably appoints the Administrative Agent as its attorney-in-fact with full power of substitution and with full authority in the place and stead of the Seller, which appointment is coupled with an interest, to take any and all steps in the name of the Seller and on behalf of the Seller necessary or desirable, in the reasonable determination of the Administrative Agent, after the occurrence and during the continuation of an Event of Termination, to collect any and all amounts or portions thereof due under any and all Sold Assets and Seller Collateral, including endorsing the name of the Seller on checks and other instruments representing Collections and enforcing such Sold Assets and Seller Collateral. Notwithstanding anything to the contrary contained in this subsection, none of the powers conferred upon such attorney-in-fact pursuant to the preceding sentence shall subject such attorney-in-fact to any liability if any action taken by it shall prove to be inadequate or invalid, nor shall they confer any obligations upon such attorney-in-fact in any manner whatsoever.

(c) The Servicer hereby authorizes the Administrative Agent (on behalf of the Secured Parties), and irrevocably appoints the Administrative Agent as its attorney-in-fact with full power of substitution and with full authority in the place and stead of the Servicer, which appointment is coupled with an interest, to take any and all steps in the name of the Servicer and on behalf of the Servicer necessary or desirable, in the reasonable determination of the Administrative Agent, after the occurrence and during the continuation of an Event of Termination, to collect any and all amounts or portions thereof due under any and all Sold Assets and Seller

Collateral, including endorsing the name of the Servicer on checks and other instruments representing Collections and enforcing such Sold Assets and Seller Collateral. Notwithstanding anything to the contrary contained in this subsection, none of the powers conferred upon such attorney-in-fact pursuant to the preceding sentence shall subject such attorney-in-fact to any liability if any action taken by it shall prove to be inadequate or invalid, nor shall they confer any obligations upon such attorney-in-fact in any manner whatsoever.

SECTION 9.05. Responsibilities of the Seller.

(a) Anything herein to the contrary notwithstanding, the Seller shall: (i) perform all of its obligations, if any, in all material respects under the Contracts related to the Pool Receivables to the same extent as if interests in such Pool Receivables had not been transferred hereunder, and the exercise by the Administrative Agent, or any other Purchaser Party of their respective rights hereunder shall not relieve the Seller from such obligations and (ii) pay when due any taxes, including any sales taxes payable in connection with the Pool Receivables and their creation and satisfaction, except as otherwise permitted herein. None of the Purchaser Parties shall have any obligation or liability with respect to any Sold Assets or Seller Collateral, nor shall any of them be obligated to perform any of the obligations of the Seller, the Servicer or any Originator thereunder.

(b) Ashland hereby irrevocably agrees that if at any time it shall cease to be the Servicer hereunder, it shall act (if the then-current Servicer so requests) as the data-processing agent of the Servicer and, in such capacity, Ashland shall conduct the data-processing functions of the administration of the Receivables and the Collections thereon in substantially the same way that Ashland conducted such data-processing functions while it acted as the Servicer. In connection with any such processing functions, the Seller shall pay to Ashland its reasonable out-of-pocket costs and expenses from the Seller's own funds (subject to the priority of payments set forth in Section 4.01).

SECTION 9.06. Servicing Fee.

(a) Subject to clause (b) below, the Seller shall pay the Servicer a fee (the "Servicing Fee") equal to 1.00% per annum (the "Servicing Fee Rate") of the daily average aggregate Outstanding Balance of the Pool Receivables. Accrued Servicing Fees shall be payable from Collections to the extent of available funds in accordance with Section 4.01.

(b) If the Servicer ceases to be Ashland or an Affiliate thereof, the Servicing Fee shall be the greater of: (i) the amount calculated pursuant to clause (a) above and (ii) an alternative amount specified by the successor Servicer not to exceed 110% of the aggregate reasonable costs and expenses incurred by such successor Servicer in connection with the performance of its obligations as Servicer hereunder.

ARTICLE X

EVENTS OF TERMINATION

SECTION 10.01. Events of Termination. If any of the following events (each an “Event of Termination”) shall occur:

(a) the Seller or any Originator shall (i) fail to pay when due, any accrued Yield or to make any reduction or repayment of the Aggregate Capital and such failure continues for one (1) Business Day, (ii) fail to transfer Collections received by Seller or such Originator to a Collection Account at such times required under the terms hereof and such failure continues for two (2) Business Days, or (iii) default in the performance of any payment (other than those covered by clauses (i) and (ii) above) and such failure continues for ten (10) days; or

(b) any representation, warranty, certification or statement made or deemed confirmed by the Seller or any Originator in this Agreement, any other Transaction Document to which it is a party or in any other information, report or document delivered pursuant hereto or thereto shall prove to have been incorrect in any material respect (except any representation or warranty qualified by materiality or by reference to a material adverse effect, which shall prove to have been incorrect in any respect) when made or confirmed and such circumstance shall remain uncured for thirty (30) days after the earlier to occur of (i) receipt of notice thereof from any Group Agent, any Purchaser or the Administrative Agent or (ii) knowledge thereof by a Responsible Officer; *provided* that no such representation, warranty, or certification hereunder shall be deemed to be incorrect or violated to the extent any affected Receivable is subject to a Deemed Collection and all required amounts with respect to such Receivable have been deposited into a Collection Account; or

(c) the Seller shall default in any material respect in the performance of any undertaking (i) to be performed or observed under Section 8.01(d)(i) (*notice of events of termination or unmatured events of termination*), Section 8.01(e) (*conduct of business*), Section 8.01(h) (*payments on receivables, collection accounts*), Section 8.01(i) (*sales, liens, etc.*), Section 8.01(j) (*extension or amendment of pool receivables*), Section 8.01(k) (*change in credit and collection policy*), Section 8.01(l) (*fundamental changes*), Section 8.01(o) (*change in payment instructions to obligors*), Section 8.01(q) (*certain agreements*), Section 8.01(s) (*other business*) or Section 8.03 (*separate existence of seller*), (any of the preceding parenthetical phrases in this clause (i) are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof) or (ii) to be performed or observed under any other provision of this Agreement or any provision of any other Transaction Document to which it is a party and such default in the case of this clause (ii) shall continue for thirty (30) days after the earlier to occur of (A) receipt of notice thereof from any Group Agent, any Purchaser or the Administrative Agent or (B) knowledge thereof by a Responsible Officer; or

(d) any Insolvency Proceeding shall be instituted by or against the Seller, any Originator, or any Material Subsidiary of any Originator; or

(e) the Administrative Agent, on behalf of the Secured Parties, shall for any reason fail or cease to have a valid and enforceable perfected first priority ownership or security

interest in the Affected Assets, free and clear of any Adverse Claim; *provided* (x) that the Seller and the Originators shall not be required to comply with any Assignment of Claims Acts, (y) that the forgoing clause (e) shall not apply to any Receivable subject to a Deemed Collection and all required amounts with respect to which have been deposited into a Collection Account and (z) that none of Seller, Servicer or any Originator shall be required to perfect any sale, pledge or other assignment of any Foreign Receivable solely as against the related Obligor solely pursuant to the laws of jurisdictions other than the United States of America (or any State or municipality in the United States of America); or

(f) a Servicer Default shall have occurred (it being understood that if such Servicer Default is cured or waived, the related Event of Termination shall also be deemed cured or waived automatically); or

(g) a Capital Coverage Deficit shall occur, and shall not have been cured for one (1) Business Day; or

(h) the average for three consecutive Fiscal Months of the Default Ratio is greater than 2.50%; or

(i) the average for three consecutive Fiscal Months of the Charged-Off Ratio is greater than 1.00%; or

(j) the average for three consecutive Fiscal Months of the Dilution Ratio is greater than 7.50%; or

(k) (i) failure of the Seller or any Originator to pay when due (subject to the delivery of any required notice, the expiration of any permitted grace period or both) any amounts due under any agreement to which any such Person is a party and under which any Debt having an aggregate outstanding principal amount (including amounts owing to all creditors under any combined or syndicated credit agreement) of greater than \$10,000 in the case of the Seller, or \$100,000,000, in the case of any Originator, shall be outstanding; (ii) the default by the Seller or any Originator (subject to the delivery of any required notice, the expiration of any permitted grace period or both) in the performance of any term, provision or condition contained in any agreement to which any such Person is a party (other than breach of any Financial Covenant) and under which any Debt owing by the Seller or any Originator greater than such respective amounts was created or is governed, regardless of whether such event is an "event of default" or "default" under any such agreement, if the effect of such default is to cause, or to permit the holder of such Debt to cause, such Debt to become due and payable prior to its stated maturity; or (iii) any Debt owing by the Seller or any Originator greater than such respective amounts shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled payment) prior to its stated maturity; or;

(l) a Material Adverse Effect shall have occurred with respect to the Seller; or

(m) there shall be a Change in Control; or

(n) any Person shall institute steps to terminate any Pension Plan if the assets of such Pension Plan are insufficient to satisfy all of its benefit liabilities (as determined under Title IV of ERISA), or a contribution failure occurs with respect to any Pension Plan which is sufficient to give rise to a lien under Section 302(f) of ERISA; or

(o) any material provision of this Agreement, the Performance Guaranty or any other Transaction Document to which an Originator, the Servicer or the Seller is a party shall cease to be in full force and effect or such Originator, the Servicer or the Seller shall so state in writing; or

(p) there is entered against any Originator or any Material Subsidiary thereof (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding \$100,000,000 (to the extent not covered by independent third-party insurance as to which the insurer is rated at least "A" by A.M. Best Company, has been notified of the potential claim and does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of ten (10) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect;

then, and in any such event, the Administrative Agent may (or, at the direction of the Majority Group Agents shall) by notice to the Seller (x) declare the Termination Date to have occurred (in which case the Termination Date shall be deemed to have occurred), (y) declare the Seller Obligation Final Due Date to have occurred (in which case the Seller Obligation Final Due Date shall be deemed to have occurred) and (z) declare the Aggregate Capital and all other Seller Obligations to be immediately due and payable (in which case the Aggregate Capital and all other Seller Obligations shall be immediately due and payable); provided that, automatically upon the occurrence of any event (without any requirement for the giving of notice) described in subsection (d) of this Section 10.01 with respect to the Seller, the Termination Date shall occur and the Aggregate Capital and all other Seller Obligations shall be immediately due and payable. Upon any such declaration or designation or upon such automatic termination, the Administrative Agent and the other Secured Parties shall have, in addition to the rights and remedies which they may have under this Agreement and the other Transaction Documents, all other rights and remedies provided after default under the UCC and under other Applicable Law, which rights and remedies shall be cumulative. Any proceeds from liquidation of the Sold Assets and Seller Collateral shall be applied in the order of priority set forth in Section 4.01.

ARTICLE XI

THE ADMINISTRATIVE AGENT

SECTION 11.01. Authorization and Action. Each Purchaser Party hereby appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto. The Administrative Agent shall not have any duties other than those expressly set forth in the Transaction Documents, and no

implied obligations or liabilities shall be read into any Transaction Document, or otherwise exist, against the Administrative Agent. The Administrative Agent does not assume, nor shall it be deemed to have assumed, any obligation to, or relationship of trust or agency with, the Seller or any Affiliate thereof or any Purchaser Party except for any obligations expressly set forth herein. Notwithstanding any provision of this Agreement or any other Transaction Document, in no event shall the Administrative Agent ever be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to any provision of any Transaction Document or Applicable Law.

SECTION 11.02. Administrative Agent's Reliance, Etc. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them as Administrative Agent under or in connection with this Agreement (including, without limitation, the Administrative Agent's servicing, administering or collecting Pool Receivables in the event it replaces the Servicer in such capacity pursuant to Section 9.01), in the absence of its or their own gross negligence or willful misconduct. Without limiting the generality of the foregoing, the Administrative Agent: (a) may consult with legal counsel (including counsel for any Purchaser Party or the Servicer), independent certified public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (b) makes no warranty or representation to any Purchaser Party (whether written or oral) and shall not be responsible to any Purchaser Party for any statements, warranties or representations (whether written or oral) made by any other party in or in connection with this Agreement; (c) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of any Purchaser Party or to inspect the property (including the books and records) of any Purchaser Party; (d) shall not be responsible to any Purchaser Party for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; and (e) shall be entitled to rely, and shall be fully protected in so relying, upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be by facsimile) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 11.03. Administrative Agent and Affiliates. With respect to any Investment or Issuance or interests therein owned by any Purchaser Party that is also the Administrative Agent, such Purchaser Party shall have the same rights and powers under this Agreement as any other Purchaser Party and may exercise the same as though it were not the Administrative Agent. The Administrative Agent and any of its Affiliates may generally engage in any kind of business with the Seller or any Affiliate thereof and any Person who may do business with or own securities of the Seller or any Affiliate thereof, all as if the Administrative Agent were not the Administrative Agent hereunder and without any duty to account therefor to any other Secured Party.

SECTION 11.04. Indemnification of Administrative Agent. Each Committed Purchaser agrees to indemnify the Administrative Agent (to the extent not reimbursed by the Seller or any Affiliate thereof), ratably according to the respective Percentage of such Committed Purchaser, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed

on, incurred by, or asserted against the Administrative Agent in any way relating to or arising out of this Agreement or any other Transaction Document or any action taken or omitted by the Administrative Agent under this Agreement or any other Transaction Document; provided that no Committed Purchaser shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's gross negligence or willful misconduct.

SECTION 11.05. Delegation of Duties. The Administrative Agent may execute any of its duties through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

SECTION 11.06. Action or Inaction by Administrative Agent. The Administrative Agent shall in all cases be fully justified in failing or refusing to take action under any Transaction Document unless it shall first receive such advice or concurrence of the Group Agents or the Majority Group Agents, as the case may be, and assurance of its indemnification by the Committed Purchasers, as it deems appropriate. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Transaction Document in accordance with a request or at the direction of the Group Agents or the Majority Group Agents, as the case may be, and such request or direction and any action taken or failure to act pursuant thereto shall be binding upon all Purchaser Parties. The Purchaser Parties and the Administrative Agent agree that unless any action to be taken by the Administrative Agent under a Transaction Document (i) specifically requires the advice or concurrence of all Group Agents or (ii) may be taken by the Administrative Agent alone or without any advice or concurrence of any Group Agent, then the Administrative Agent may take action based upon the advice or concurrence of the Majority Group Agents.

SECTION 11.07. Notice of Events of Termination; Action by Administrative Agent. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Unmatured Event of Termination or Event of Termination unless the Administrative Agent has received notice from any Purchaser Party or the Seller stating that an Unmatured Event of Termination or Event of Termination has occurred hereunder and describing such Unmatured Event of Termination or Event of Termination. If the Administrative Agent receives such a notice, it shall promptly give notice thereof to each Group Agent, whereupon each Group Agent shall promptly give notice thereof to its respective Conduit Purchaser(s) and Related Committed Purchaser(s). The Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, concerning an Unmatured Event of Termination or Event of Termination or any other matter hereunder as the Administrative Agent deems advisable and in the best interests of the Secured Parties.

SECTION 11.08. Non-Reliance on Administrative Agent and Other Parties. Each Purchaser Party expressly acknowledges that neither the Administrative Agent nor any of its directors, officers, agents or employees has made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of the Seller or any Affiliate thereof, shall be deemed to constitute any representation or warranty by the Administrative Agent. Each Purchaser Party represents and warrants to the Administrative Agent

that, independently and without reliance upon the Administrative Agent or any other Purchaser Party and based on such documents and information as it has deemed appropriate, it has made and will continue to make its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of the Seller, each Originator, each Performance Guarantor or the Servicer and the Pool Receivables and its own decision to enter into this Agreement and to take, or omit, action under any Transaction Document. Except for items expressly required to be delivered under any Transaction Document by the Administrative Agent to any Purchaser Party, the Administrative Agent shall not have any duty or responsibility to provide any Purchaser Party with any information concerning the Seller, any Originator, any Performance Guarantor or the Servicer that comes into the possession of the Administrative Agent or any of its directors, officers, agents, employees, attorneys-in-fact or Affiliates.

SECTION 11.09. Successor Administrative Agent.

(a) The Administrative Agent may, upon at least thirty (30) days' notice to the Seller, the Servicer and each Group Agent, resign as Administrative Agent. Except as provided below, such resignation shall not become effective until a successor Administrative Agent is appointed by the Majority Group Agents as a successor Administrative Agent and has accepted such appointment. If no successor Administrative Agent shall have been so appointed by the Majority Group Agents, within thirty (30) days after the departing Administrative Agent's giving of notice of resignation, the departing Administrative Agent may, on behalf of the Secured Parties, appoint a successor Administrative Agent as successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Majority Group Agents within sixty (60) days after the departing Administrative Agent's giving of notice of resignation, the departing Administrative Agent may, on behalf of the Secured Parties, petition a court of competent jurisdiction to appoint a successor Administrative Agent.

(b) Upon such acceptance of its appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall succeed to and become vested with all the rights and duties of the resigning Administrative Agent, and the resigning Administrative Agent shall be discharged from its duties and obligations under the Transaction Documents. After any resigning Administrative Agent's resignation hereunder, the provisions of this Article XI and Article XIII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent.

SECTION 11.10. Structuring Agent. Each of the parties hereto hereby acknowledges and agrees that the Structuring Agent shall not have any right, power, obligation, liability, responsibility or duty under this Agreement, other than the Structuring Agent's right to receive fees pursuant to Section 2.03. Each Purchaser Party acknowledges that it has not relied, and will not rely, on the Structuring Agent in deciding to enter into this Agreement and to take, or omit to take, any action under any Transaction Document.

SECTION 11.11. LIBOR Notification. Section 5.06 of this Agreement provides a mechanism for determining an alternative rate of interest in the event that the London interbank offered rate is no longer available or in certain other circumstances. The Administrative Agent does not warrant or accept any responsibility for and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or

other rates in the definition of “Adjusted LIBOR” or “LMIR” or with respect to any alternative or successor rate thereto, or replacement rate therefor.

ARTICLE XII

THE GROUP AGENTS

SECTION 12.01. Authorization and Action. Each Purchaser Party that belongs to a Group hereby appoints and authorizes the Group Agent for such Group to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to such Group Agent by the terms hereof, together with such powers as are reasonably incidental thereto. No Group Agent shall have any duties other than those expressly set forth in the Transaction Documents, and no implied obligations or liabilities shall be read into any Transaction Document, or otherwise exist, against any Group Agent. No Group Agent assumes, nor shall it be deemed to have assumed, any obligation to, or relationship of trust or agency with the Seller or any Affiliate thereof, any Purchaser except for any obligations expressly set forth herein. Notwithstanding any provision of this Agreement or any other Transaction Document, in no event shall any Group Agent ever be required to take any action which exposes such Group Agent to personal liability or which is contrary to any provision of any Transaction Document or Applicable Law.

SECTION 12.02. Group Agent’s Reliance, Etc. No Group Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them as a Group Agent under or in connection with this Agreement or any other Transaction Documents in the absence of its or their own gross negligence or willful misconduct. Without limiting the generality of the foregoing, a Group Agent: (a) may consult with legal counsel (including counsel for the Administrative Agent, the Seller or the Servicer), independent certified public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (b) makes no warranty or representation to any Purchaser Party (whether written or oral) and shall not be responsible to any Purchaser Party for any statements, warranties or representations (whether written or oral) made by any other party in or in connection with this Agreement or any other Transaction Document; (c) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any other Transaction Document on the part of the Seller or any Affiliate thereof or any other Person or to inspect the property (including the books and records) of the Seller or any Affiliate thereof; (d) shall not be responsible to any Purchaser Party for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Transaction Documents or any other instrument or document furnished pursuant hereto; and (e) shall be entitled to rely, and shall be fully protected in so relying, upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be by facsimile) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 12.03. Group Agent and Affiliates. With respect to any Investment or Issuance or interests therein owned by any Purchaser Party that is also a Group Agent, such Purchaser Party shall have the same rights and powers under this Agreement as any other Purchaser and may exercise the same as though it were not a Group Agent. A Group Agent and any of its

Affiliates may generally engage in any kind of business with the Seller or any Affiliate thereof and any Person who may do business with or own securities of the Seller or any Affiliate thereof or any of their respective Affiliates, all as if such Group Agent were not a Group Agent hereunder and without any duty to account therefor to any other Secured Party.

SECTION 12.04. Indemnification of Group Agents. Each Committed Purchaser in any Group agrees to indemnify the Group Agent for such Group (to the extent not reimbursed by the Seller or any Affiliate thereof), ratably according to the proportion of the Percentage of such Committed Purchaser to the aggregate Percentages of all Committed Purchasers in such Group, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against such Group Agent in any way relating to or arising out of this Agreement or any other Transaction Document or any action taken or omitted by such Group Agent under this Agreement or any other Transaction Document; provided that no Committed Purchaser shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Group Agent's gross negligence or willful misconduct.

SECTION 12.05. Delegation of Duties. Each Group Agent may execute any of its duties through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. No Group Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

SECTION 12.06. Notice of Events of Termination. No Group Agent shall be deemed to have knowledge or notice of the occurrence of any Unmatured Event of Termination or Event of Termination unless such Group Agent has received notice from the Administrative Agent, any other Group Agent, any other Purchaser Party, the Servicer or the Seller stating that an Unmatured Event of Termination or Event of Termination has occurred hereunder and describing such Unmatured Event of Termination or Event of Termination. If a Group Agent receives such a notice, it shall promptly give notice thereof to the Purchaser Parties in its Group and to the Administrative Agent (but only if such notice received by such Group Agent was not sent by the Administrative Agent). A Group Agent may take such action concerning an Unmatured Event of Termination or Event of Termination as may be directed by Committed Purchasers in its Group representing a majority of the Commitments in such Group (subject to the other provisions of this Article XII), but until such Group Agent receives such directions, such Group Agent may (but shall not be obligated to) take such action, or refrain from taking such action, as such Group Agent deems advisable and in the best interests of the Conduit Purchasers and Committed Purchasers in its Group.

SECTION 12.07. Non-Reliance on Group Agent and Other Parties. Each Purchaser Party expressly acknowledges that neither the Group Agent for its Group nor any of such Group Agent's directors, officers, agents or employees has made any representations or warranties to it and that no act by such Group Agent hereafter taken, including any review of the affairs of the Seller or any Affiliate thereof, shall be deemed to constitute any representation or warranty by such Group Agent. Each Purchaser Party represents and warrants to the Group Agent for its Group that, independently and without reliance upon such Group Agent, any other Group Agent, the

Administrative Agent or any other Purchaser Party and based on such documents and information as it has deemed appropriate, it has made and will continue to make its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of the Seller or any Affiliate thereof and the Receivables and its own decision to enter into this Agreement and to take, or omit, action under any Transaction Document. Except for items expressly required to be delivered under any Transaction Document by a Group Agent to any Purchaser Party in its Group, no Group Agent shall have any duty or responsibility to provide any Purchaser Party in its Group with any information concerning the Seller or any Affiliate thereof that comes into the possession of such Group Agent or any of its directors, officers, agents, employees, attorneys-in-fact or Affiliates.

SECTION 12.08. Successor Group Agent. Any Group Agent may, upon at least thirty (30) days' notice to the Administrative Agent, the Seller, the Servicer and the Purchaser Parties in its Group, resign as Group Agent for its Group. Such resignation shall not become effective until a successor Group Agent is appointed by the Purchaser(s) in such Group. Upon such acceptance of its appointment as Group Agent for such Group hereunder by a successor Group Agent, such successor Group Agent shall succeed to and become vested with all the rights and duties of the resigning Group Agent, and the resigning Group Agent shall be discharged from its duties and obligations under the Transaction Documents. After any resigning Group Agent's resignation hereunder, the provisions of this Article XII and Article XIII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was a Group Agent.

SECTION 12.09. Reliance on Group Agent. Unless otherwise advised in writing by a Group Agent or by any Purchaser Party in such Group Agent's Group, each party to this Agreement may assume that (i) such Group Agent is acting for the benefit and on behalf of each of the Purchaser Parties in its Group, as well as for the benefit of each assignee or other transferee from any such Person and (ii) each action taken by such Group Agent has been duly authorized and approved by all necessary action on the part of the Purchaser Parties in its Group.

ARTICLE XIII

INDEMNIFICATION

SECTION 13.01. Indemnities by the Seller.

(a) Without limiting any other rights that the Administrative Agent, the Purchaser Parties, the Affected Persons and their respective assigns, officers, directors, agents and employees (each, a "Seller Indemnified Party") may have hereunder or under Applicable Law, the Seller hereby agrees to indemnify each Seller Indemnified Party from and against any and all claims, losses and liabilities (including Attorney Costs) (all of the foregoing being collectively referred to as "Seller Indemnified Amounts") arising out of or resulting from this Agreement or any other Transaction Document or the use of proceeds of the Investment or Issuance or the security interest in respect of any Pool Receivable or any other Sold Assets or Seller Collateral; excluding, however, (a) Seller Indemnified Amounts to the extent a final non-appealable judgment of a court of competent jurisdiction holds that such Seller Indemnified Amounts resulted solely from the gross negligence or willful misconduct by the Seller Indemnified Party seeking indemnification and (b) Taxes that are covered by Section 5.03 (other than any Taxes that represent losses, claims,

damages, etc. arising from any non-Tax claim). Without limiting or being limited by the foregoing, the Seller shall pay on demand (it being understood that if any portion of such payment obligation is made from Collections, such payment will be made at the time and in the order of priority set forth in Section 4.01), to each Seller Indemnified Party any and all amounts necessary to indemnify such Seller Indemnified Party from and against any and all Seller Indemnified Amounts relating to or resulting from any of the following (but excluding Seller Indemnified Amounts and Taxes described in clauses (a) and (b) above):

(xv) any Pool Receivable which the Seller or the Servicer includes as an Eligible Receivable as part of the Net Receivables Pool Balance but which is not an Eligible Receivable at such time;

(i) any representation, warranty or statement made or deemed made by the Seller (or any of its respective officers) under or in connection with this Agreement, any of the other Transaction Documents, any Information Package, any Weekly Report or any other information or report delivered by or on behalf of the Seller pursuant hereto which shall have been untrue or incorrect when made or deemed made;

(ii) the failure by the Seller to comply with any Applicable Law with respect to any Pool Receivable or the related Contract; or the failure of any Pool Receivable or the related Contract to conform to any such Applicable Law;

(iii) the failure to vest in the Administrative Agent a first priority perfected ownership or security interest in all or any portion of the Sold Assets or Seller Collateral, in each case free and clear of any Adverse Claim;

(iv) the failure to have filed, or any delay in filing, financing statements, financing statement amendments, continuation statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other Applicable Laws with respect to any Pool Receivable, any other Sold Assets or any Seller Collateral, whether at the time of any Investment or Issuance or at any subsequent time;

(v) any dispute, claim or defense (other than discharge in bankruptcy) of an Obligor to the payment of any Pool Receivable (including, without limitation, a defense based on such Pool Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from or relating to collection activities with respect to such Pool Receivable;

(vi) any failure of the Seller to perform any of its duties or obligations in accordance with the provisions hereof and of each other Transaction Document related to Pool Receivables or to timely and fully comply with the Credit and Collection Policy in regard to each Pool Receivable;

(vii) any products liability, environmental or other claim arising out of or in connection with any Pool Receivable or other merchandise, goods or services which are the subject of or related to any Pool Receivable;

- (viii) the commingling of Collections of Pool Receivables at any time with other funds;
- (ix) any investigation, litigation or proceeding (actual or threatened) related to this Agreement or any other Transaction Document or the use of proceeds of any Investment or Issuance or in respect of any Pool Receivable, any other Sold Assets or any Seller Collateral or any related Contract;
- (x) any failure of the Seller to comply with its covenants, obligations and agreements contained in this Agreement or any other Transaction Document;
- (xi) any setoff with respect to any Pool Receivable;
- (xii) any claim brought by any Person other than a Seller Indemnified Party arising from any activity by the Seller or any Affiliate of the Seller in servicing, administering or collecting any Pool Receivable;
- (xiii) the failure by the Seller to pay when due any Taxes, including, without limitation, sales, excise or personal property taxes;
- (xiv) any failure of a Collection Account Bank to comply with the terms of the applicable Account Control Agreement, the termination by a Collection Account Bank of any Account Control Agreement or any amounts (including in respect of any indemnity) payable by the Administrative Agent to a Collection Account Bank under any Account Control Agreement;
- (xv) any dispute, claim, offset or defense (other than discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Pool Receivable (including, without limitation, a defense based on such Pool Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale of goods or the rendering of services related to such Pool Receivable or the furnishing or failure to furnish any such goods or services or other similar claim or defense not arising from the financial inability of any Obligor to pay undisputed indebtedness;
- (xvi) any action taken by the Administrative Agent as attorney-in-fact for the Seller, any Originator or the Servicer pursuant to this Agreement or any other Transaction Document;
- (xvii) the failure of delay to provide any Obligor with an invoice or other evidence of indebtedness;
- (xviii) the use of proceeds of any Investment or Issuance; or
- (xix) any reduction in Capital as a result of the distribution of Collections if all or a portion of such distributions shall thereafter be rescinded or otherwise must be returned for any reason.

(b) Notwithstanding anything to the contrary in this Agreement, solely for purposes of the Seller's indemnification obligations in clauses (ii), (iii), (vii) and (xi) of this Article XIII, any representation, warranty or covenant qualified by the occurrence or non-occurrence of a material adverse effect or similar concepts of materiality shall be deemed to be not so qualified.

(c) If for any reason the foregoing indemnification is unavailable to any Seller Indemnified Party or insufficient to hold it harmless, then the Seller shall contribute to such Seller Indemnified Party the amount paid or payable by such Seller Indemnified Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative economic interests of the Seller and its Affiliates on the one hand and such Seller Indemnified Party on the other hand in the matters contemplated by this Agreement as well as the relative fault of the Seller and its Affiliates and such Seller Indemnified Party with respect to such loss, claim, damage or liability and any other relevant equitable considerations. The reimbursement, indemnity and contribution obligations of the Seller under this Section shall be in addition to any liability which the Seller may otherwise have, shall extend upon the same terms and conditions to each Seller Indemnified Party, and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Seller and the Seller Indemnified Parties.

(d) Any indemnification or contribution under this Section shall survive the termination of this Agreement.

SECTION 13.02. Indemnification by the Servicer.

(a) The Servicer hereby agrees to indemnify and hold harmless the Seller, the Administrative Agent, the Purchaser Parties, the Affected Persons and their respective assigns, officers, directors, agents and employees (each, a "Servicer Indemnified Party"), from and against any loss, liability, expense, damage or injury suffered or sustained by reason of any acts, omissions or alleged acts or omissions arising out of activities of the Servicer pursuant to this Agreement or any other Transaction Document, including any judgment, award, settlement, Attorney Costs and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim (all of the foregoing being collectively referred to as, "Servicer Indemnified Amounts"); excluding (i) Servicer Indemnified Amounts to the extent a final non-appealable judgment of a court of competent jurisdiction holds that such Servicer Indemnified Amounts resulted solely from the gross negligence or willful misconduct by the Servicer Indemnified Party seeking indemnification, (ii) Taxes that are covered by Section 5.03 (other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim) and (iii) Servicer Indemnified Amounts to the extent the same includes losses in respect of Pool Receivables that are uncollectible solely on account of the insolvency, bankruptcy, lack of creditworthiness or other financial inability to pay of the related Obligor. Without limiting or being limited by the foregoing, the Servicer shall pay on demand, to each Servicer Indemnified Party any and all amounts necessary to indemnify such Servicer Indemnified Party from and against any and all Servicer Indemnified Amounts relating to or resulting from any of the following (but excluding Servicer Indemnified Amounts described in clauses (i), (ii) and (iii) above):

(xvi) any representation, warranty or statement made or deemed made by the Servicer (or any of its respective officers) under or in connection with this Agreement, any of the other Transaction Documents, any Information Package, any Weekly Report or any

other information or report delivered by or on behalf of the Servicer pursuant hereto which shall have been untrue or incorrect when made or deemed made;

(i) the failure by the Servicer to comply with any Applicable Law with respect to any Pool Receivable or the related Contract; or the failure of any Pool Receivable or the related Contract to conform to any such Applicable Law;

(ii) the commingling of Collections of Pool Receivables at any time with other funds;

(iii) any failure of a Collection Account Bank to comply with the terms of the applicable Account Control Agreement, the termination by a Collection Account Bank of any Account Control Agreement or any amounts (including in respect of any indemnity) payable by the Administrative Agent to a Collection Account Bank under any Account Control Agreement; or

(iv) any failure of the Servicer to comply with its covenants, obligations and agreements contained in this Agreement or any other Transaction Document.

(b) If for any reason the foregoing indemnification is unavailable to any Servicer Indemnified Party or insufficient to hold it harmless, then the Servicer shall contribute to the amount paid or payable by such Servicer Indemnified Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative economic interests of the Servicer and its Affiliates on the one hand and such Servicer Indemnified Party on the other hand in the matters contemplated by this Agreement as well as the relative fault of the Servicer and its Affiliates and such Servicer Indemnified Party with respect to such loss, claim, damage or liability and any other relevant equitable considerations. The reimbursement, indemnity and contribution obligations of the Servicer under this Section shall be in addition to any liability which the Servicer may otherwise have, shall extend upon the same terms and conditions to Servicer Indemnified Party, and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Servicer and the Servicer Indemnified Parties.

(c) Any indemnification or contribution under this Section shall survive the termination of this Agreement.

ARTICLE XIV

seller guaranty

SECTION 1.01. Guaranty of Payment. The Seller hereby absolutely, irrevocably and unconditionally guarantees to each Purchaser, the Administrative Agent and the other Secured Parties the prompt payment of the Sold Receivables by the related Obligor and all other payment obligations included in the Sold Assets (collectively, the "Guaranteed Obligations"), in each case, in full when due, whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise (such guaranty, the "Seller Guaranty"). The Seller Guaranty is a guaranty of payment and not of collection and is a continuing irrevocable guaranty and shall apply to all Guaranteed Obligations whenever arising. To the extent the obligations of the Seller hereunder in respect to

the Seller Guaranty shall be adjudicated to be invalid or unenforceable for any reason (including because of any applicable state or federal Law relating to fraudulent conveyances or transfers) then such obligations of the Seller shall be limited to the maximum amount that is permissible under Applicable Law (whether federal or state or otherwise and including the Bankruptcy Code and any other applicable bankruptcy, insolvency, reorganization or other similar laws).

SECTION 14.01. Unconditional Guaranty. The obligations of the Seller under the Seller Guaranty are absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any Guaranteed Obligations, any Contract, any Transaction Document or any other agreement or instrument referred to therein, to the fullest extent permitted by Applicable Law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor. The Seller agrees that the Seller Guaranty may be enforced by the Administrative Agent or the Purchasers without the necessity at any time of resorting to or exhausting any other security or collateral and without the necessity at any time of having recourse to any of the other Transaction Documents or any collateral, including the Sold Assets, hereafter securing the Guaranteed Obligations, the Seller Obligations or otherwise, and the Seller hereby waives the right to require the Administrative Agent or the Purchasers to make demand on or proceed against any Obligor, any Originator, the Servicer or any Performance Guarantor or any other Person or to require the Administrative Agent or the Purchasers to pursue any other remedy or enforce any other right. The Seller further agrees that no Person or Governmental Authority shall have any right to request any return or reimbursement of funds from the Administrative Agent or the Purchasers in connection with monies received under or in respect of the Seller Guaranty. The Seller further agrees that nothing contained herein shall prevent the Administrative Agent or the Purchasers from suing on any of the other Transaction Documents or foreclosing its or their, as applicable, security interest in or lien on the Sold Assets or any other collateral securing the Guaranteed Obligations or the Seller Obligations or from exercising any other rights available to it or them, as applicable, under any Transaction Document, or any other instrument of security and the exercise of any of the aforesaid rights and the completion of any foreclosure proceedings shall not constitute a discharge of the Seller's obligations under the Seller Guaranty; it being the purpose and intent of the Seller that its obligations under the Seller Guaranty shall be absolute, independent and unconditional under any and all circumstances. Neither the Seller Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by an impairment, modification, change, release, increase or limitation of the liability of any Obligor, any Originator, the Servicer or any Performance Guarantor or by reason of the bankruptcy or insolvency of any Obligor, any Originator, the Servicer or any Performance Guarantor. The Seller hereby waives any and all notice of the creation, renewal, extension, accrual, or increase of any of the Guaranteed Obligations and notice of or proof of reliance by the Administrative Agent or any Purchaser on the Seller Guaranty or acceptance of the Seller Guaranty. All dealings between any Obligor, any Originator, the Servicer, any Performance Guarantor or the Seller, on the one hand, and the Administrative Agent and the Purchasers, on the other hand, shall be conclusively presumed to have been had or consummated in reliance upon the Seller Guaranty. The Seller hereby represents and warrants that it is, and immediately after giving effect to the Seller Guaranty and the obligation evidenced hereby, will be, solvent. The Seller Guaranty and the obligations of the Seller under the Seller Guaranty shall be valid and enforceable and shall not be subject to any limitation, impairment or discharge for any reason (other than payment in full of all Guaranteed Obligations),

including the occurrence of any of the following, whether or not the Administrative Agent or any Purchaser shall have had notice or knowledge of any of them: (A) any failure to assert or enforce or agreement not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Sold Assets or the Guaranteed Obligations or any agreement relating thereto, or with respect to any guaranty of or other security for the payment of the Sold Assets or the Guaranteed Obligations, (B) any waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to any Event of Termination) of any Transaction Document or any agreement or instrument executed pursuant thereto, or of any guaranty or other security for the Sold Assets or the Guaranteed Obligations, (C) to the fullest extent permitted by Applicable Law, any of the Guaranteed Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect, (D) the application of payments received from any source to the payment of Debt other than the Guaranteed Obligations, even though the Administrative Agent might have elected to apply such payment to any part or all of the Guaranteed Obligations, (E) any failure to perfect or continue perfection of a security interest in any of the Sold Assets or other Seller Collateral, (F) any defenses, set-offs or counterclaims which the Seller, any Originator, the Servicer, any Performance Guarantor or any Obligor may allege or assert against the Administrative Agent or any Purchaser in respect of the Sold Assets or the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury, and (G) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of the Seller as an obligor in respect of the Sold Assets or the Guaranteed Obligations.

SECTION 14.02. Modifications. The Seller agrees that: (a) all or any part of any security interest, lien, collateral security or supporting obligation now or hereafter held for any Guaranteed Obligation may be exchanged, compromised or surrendered from time to time; (b) none of the Purchasers or the Administrative Agent shall have any obligation to protect, perfect, secure or insure any security interest or lien now or hereafter held, if any, for the Guaranteed Obligations; (c) the time or place of payment of any Guaranteed Obligation may be changed or extended, in whole or in part, to a time certain or otherwise, and may be renewed or accelerated, in whole or in part; (d) any Obligor, any Originator, the Seller, the Servicer or any Performance Guarantor and any other party (including any co-guarantor) liable for payment of any Guaranteed Obligation may be granted indulgences generally; (e) any of the provisions of Contracts or any other agreements or documents governing or giving rise to any Guaranteed Obligation may be modified, amended or waived; and (f) any deposit balance for the credit of any Obligor, any Originator, the Servicer, any Performance Guarantor or the Seller or any other party (including any co-guarantor) liable for the payment of any Guaranteed Obligation or liable upon any security therefor may be released, in whole or in part, at, before or after the stated, extended or accelerated maturity of the Guaranteed Obligations, all without notice to or further assent by the Seller, which shall remain bound thereon, notwithstanding any such exchange, compromise, surrender, extension, renewal, acceleration, modification, indulgence or release.

SECTION 14.03. Waiver of Rights. The Seller expressly waives to the fullest extent permitted by Applicable Law: (a) notice of acceptance of the Seller Guaranty by the Purchasers and the Administrative Agent; (b) presentment and demand for payment or performance of any of

the Guaranteed Obligations; (c) protest and notice of dishonor or of default (except as specifically required in this Agreement) with respect to the Guaranteed Obligations or with respect to any security therefor; (d) notice of the Purchasers or the Administrative Agent obtaining, amending, substituting for, releasing, waiving or modifying any security interest or lien, if any, hereafter securing the Guaranteed Obligations, or the Purchasers or the Administrative Agent subordinating, compromising, discharging or releasing such security interests or liens, if any; (e) all other notices, demands, presentments, protests or any agreement or instrument related to the Sold Assets or the Guaranteed Obligations to which the Seller might otherwise be entitled; (f) any right to require the Administrative Agent or any Purchaser as a condition of payment or performance by the Seller, to (A) proceed against any Obligor, any Originator, the Servicer, any Performance Guarantor or any other Person, (B) proceed against or exhaust any other security held from any Obligor, any Originator, the Servicer, any Performance Guarantor or any other Person, (C) proceed against or have resort to any balance of any deposit account, securities account or credit on the books of the Administrative Agent, the Purchasers or any other Person, or (D) pursue any other remedy in the power of the Administrative Agent or the Purchasers whatsoever; (g) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of any Obligor, any Originator, the Servicer, any Performance Guarantor or any other Person including any defense based on or arising out of the lack of validity or the unenforceability of the Sold Assets or the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of any Obligor, any Originator, the Servicer, any Performance Guarantor or any other Person from any cause other than payment in full of the Sold Assets and the Guaranteed Obligations; (h) any defense based upon any Applicable Law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (i) any defense based upon the Administrative Agent's or any Purchaser's errors or omissions in the administration of the Sold Assets or the Guaranteed Obligations; (j) (A) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms of this Agreement and any legal or equitable discharge of the Sold Assets or the Guaranteed Obligations, (B) the benefit of any statute of limitations affecting the Seller's liability under the Seller Guaranty or the enforcement of the Seller Guaranty, (C) any rights to set-offs, recoupments and counterclaims, and (D) promptness, diligence and any requirement that the Administrative Agent and the Purchasers protect, secure, perfect or insure any other security interest or lien or any property subject thereto; and (k) to the fullest extent permitted by Applicable Law, any defenses or benefits that may be derived from or afforded by Applicable Law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms of this Agreement and the Seller Guaranty.

SECTION 14.04. Reinstatement. Notwithstanding anything contained in this Agreement or the other Transaction Documents, the obligations of the Seller under this Article XIV shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and the Seller agrees that it will indemnify Administrative Agent and each Purchaser on demand for all reasonable costs and expenses (including reasonable fees of counsel) incurred by such Person in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment

constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

SECTION 14.05. Remedies. The Seller agrees that, as between the Seller, on the one hand, and Administrative Agent and the Purchasers, on the other hand, the Guaranteed Obligations may be declared to be forthwith due and payable as provided in Article X (and shall be deemed to have become automatically due and payable in the circumstances provided in Article X) notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing such Guaranteed Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or such Guaranteed Obligations being deemed to have become automatically due and payable), such Guaranteed Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by the Seller.

SECTION 14.06. Subrogation. The Seller hereby waives all rights of subrogation (whether contractual or otherwise) to the claims of the Administrative Agent, the Purchasers and the other Secured Parties against any Obligor, any Originator, the Servicer, any Performance Guarantor or any other Person in respect of the Guaranteed Obligations until such time as all Guaranteed Obligations have been indefeasibly paid in full in cash and the Final Payout Date has occurred. The Seller further agrees that, to the extent such waiver of its rights of subrogation is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation shall be junior and subordinate to any rights the Administrative Agent or any Purchaser may have against any Obligor, any Originator, the Servicer, any Performance Guarantor or any other Person in respect of the Guaranteed Obligations.

SECTION 14.07. Inducement. The Purchasers have been induced to make the Investments and Issuances under this Agreement in part based upon the Seller Guaranty that the Seller desires that the Seller Guaranty be honored and enforced as separate obligations of the Seller, should Administrative Agent and the Purchasers desire to do so.

SECTION 14.08. Security Interest.

(a) To secure the prompt payment and performance of the Guaranteed Obligations, the Seller Guaranty and all other Seller Obligations, the Seller hereby grants to the Administrative Agent, for the benefit of the Purchasers and the other Secured Parties, a continuing security interest in and lien upon all property and assets of the Seller, whether now or hereafter owned, existing or arising and wherever located, including the following (collectively, the "Seller Collateral"): (i) all Unsold Receivables, (ii) all Related Security with respect to such Unsold Receivables, (iii) all Collections with respect to such Unsold Receivables, (iv) the Lock-Boxes and Collection Accounts and all amounts on deposit therein, and all certificates and instruments, if any, from time to time evidencing such Lock-Boxes and Collection Accounts and amounts on deposit therein, (v) all rights (but none of the obligations) of the Seller under the Purchase and Sale Agreement; (vi) all other personal and fixture property or assets of the Seller of every kind and nature including, without limitation, all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts, chattel paper (whether tangible or electronic), deposit accounts, securities accounts, securities entitlements, letter-of-credit rights, commercial tort claims, securities and all other investment property, supporting obligations, money, any other contract rights or rights to the payment of money, insurance claims

and proceeds, and all general intangibles (including all payment intangibles) (each as defined in the UCC) and (vii) all proceeds of, and all amounts received or receivable under any or all of, the foregoing.

(b) The Administrative Agent (for the benefit of the Secured Parties) shall have, with respect to all the Seller Collateral, and in addition to all the other rights and remedies available to the Administrative Agent (for the benefit of the Secured Parties), all the rights and remedies of a secured party under any applicable UCC. The Seller hereby authorizes the Administrative Agent to file financing statements describing the collateral covered thereby as “all of the debtor’s personal property or assets” or words to that effect, notwithstanding that such wording may be broader in scope than the collateral described in this Agreement.

(c) Immediately upon the occurrence of the Final Payout Date, the Seller Collateral shall be automatically released from the lien created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent, the Purchasers and the other Purchaser Parties hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Seller Collateral shall revert to the Seller; provided, however, that promptly following written request therefor by the Seller delivered to the Administrative Agent following any such termination, and at the expense of the Seller, the Administrative Agent shall execute and deliver to the Seller UCC-3 termination statements and such other documents as the Seller shall reasonably request to evidence such termination.

(d) For the avoidance of doubt, the grant of security interest pursuant to this Section 14.09 shall be in addition to, and shall not be construed to limit or modify, the sale of Sold Assets pursuant to Section 2.01(b), or the Seller’s grant of security interest pursuant to Section 5.05.

SECTION 14.09. Further Assurances. Promptly upon request, the Seller shall deliver such instruments, assignments or other documents or agreements, and shall take such actions, as the Administrative Agent or any Purchaser deems appropriate to evidence or perfect its security interest and lien on any of the Seller Collateral, or otherwise to give effect to the intent of this Article XIV.

ARTICLE XV

MISCELLANEOUS

SECTION 15.01. Amendments, Etc.

(a) No failure on the part of any Purchaser Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. No amendment or waiver of any provision of this Agreement or consent to any departure by any of the Seller or any Affiliate thereof shall be effective unless in a writing signed by the Administrative Agent and the Majority Group Agents (and, in the case of any amendment, also signed by the Seller), and then such amendment, waiver or consent shall be effective only in

the specific instance and for the specific purpose for which given; provided, however, that (A) no amendment, waiver or consent shall, unless in writing and signed by the Servicer, affect the rights or duties of the Servicer under this Agreement; (B) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent and each Group Agent:

(xvii) change (directly or indirectly) the definitions of, Capital Coverage Deficit, Defaulted Receivable, Eligible Receivable, Facility Limit, Seller Obligation Final Due Date, Net Receivables Pool Balance or Total Reserves contained in this Agreement, or increase the then existing Concentration Percentage or Special Concentration Limit for any Obligor or change the calculation of the Capital Coverage Amount;

(i) reduce the amount of Capital or Yield that is payable hereunder or delay any scheduled date for payment thereof;

(ii) change any Event of Termination or Servicer Default;

(iii) release all or a material portion of the Sold Assets or Seller Collateral from the Administrative Agent's security interest created hereunder;

(iv) release any Performance Guarantor from any of its obligations under the Performance Guaranty or terminate the Performance Guaranty;

(v) change any of the provisions of this Section 15.01 or the definition of "Majority Group Agents"; or

(vi) change the order of priority in which Collections are applied pursuant to Section 4.01.

Notwithstanding the foregoing, (A) no amendment, waiver or consent shall increase any Committed Purchaser's or LC Participant's Commitment hereunder without the consent of such Committed Purchaser or LC Participant, as applicable, and (B) no amendment, waiver or consent shall reduce any Fees payable by the Seller to any member of any Group or delay the dates on which any such Fees are payable, in either case, without the consent of the Group Agent for such Group.

SECTION 15.02. Notices, Etc. All notices and other communications hereunder shall, unless otherwise stated herein, be in writing (which shall include facsimile communication) and faxed or delivered, to each party hereto, at its address set forth under its name on Schedule III hereto or at such other address as shall be designated by such party in a written notice to the other parties hereto. Notices and communications by facsimile shall be effective when sent (and shall be followed by hard copy sent by regular mail), and notices and communications sent by other means shall be effective when received.

SECTION 15.03. Assignability; Addition of Purchasers.

(a) Assignment by Conduit Purchasers. This Agreement and the rights of each Conduit Purchaser hereunder (including its right to receive payments of Capital and Yield) shall be assignable by such Conduit Purchaser and its successors and permitted assigns (i) to any Program Support Provider of such Conduit Purchaser without prior notice to or consent from the Seller or any other party, or any other condition or restriction of any kind, (ii) to any other Purchaser with prior notice to the Seller but without consent from the Seller or (iii) with the prior written consent of the Seller (such consent not to be unreasonably withheld, conditioned or delayed; provided, however, that such consent shall not be required if an Event of Termination or Unmatured Event of Termination has occurred and is continuing), to any other Eligible Assignee. Each assignor of Capital (or any portion thereof) or any interest therein may, in connection with the assignment or participation, disclose to the assignee or Participant any information relating to the Seller and its Affiliates, including the Receivables, furnished to such assignor by or on behalf of the Seller and its Affiliates or by the Administrative Agent; provided that, prior to any such disclosure, the assignee or Participant agrees to preserve the confidentiality of any confidential information relating to the Seller and its Affiliates received by it from any of the foregoing entities in a manner consistent with Section 15.06(b).

(b) Assignment by Committed Purchasers. Each Committed Purchaser may assign to any Eligible Assignee or to any other Committed Purchaser all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and any Capital or interests therein owned by it); provided, however that

(xviii) except for an assignment by a Committed Purchaser to either an Affiliate of such Committed Purchaser or any other Committed Purchaser, each such assignment shall require the prior written consent of the Seller (such consent not to be unreasonably withheld, conditioned or delayed; provided, however, that such consent shall not be required if an Event of Termination or an Unmatured Event of Termination has occurred and is continuing);

(i) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations under this Agreement;

(ii) the amount being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance Agreement with respect to such assignment) shall in no event be less than the lesser of (x) \$5,000,000 and (y) all of the assigning Committed Purchaser's Commitment; and

(iii) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance Agreement.

Upon such execution, delivery, acceptance and recording from and after the effective date specified in such Assignment and Acceptance Agreement, (x) the assignee thereunder shall be a party to this Agreement, and to the extent that rights and obligations under this Agreement have been assigned to it pursuant to such Assignment and Acceptance Agreement, have the rights and

obligations of a Committed Purchaser hereunder and (y) the assigning Committed Purchaser shall, to the extent that rights and obligations have been assigned by it pursuant to such Assignment and Acceptance Agreement, relinquish such rights and be released from such obligations under this Agreement (and, in the case of an Assignment and Acceptance Agreement covering all or the remaining portion of an assigning Committed Purchaser's rights and obligations under this Agreement, such Committed Purchaser shall cease to be a party hereto).

(c) Register. The Administrative Agent shall, acting solely for this purpose as an agent of the Seller, maintain at its address referred to on Schedule III of this Agreement (or such other address of the Administrative Agent notified by the Administrative Agent to the other parties hereto) a copy of each Assignment and Acceptance Agreement delivered to and accepted by it and a register for the recordation of the names and addresses of the Committed Purchasers and the Conduit Purchasers, the Commitment of each Committed Purchaser and the aggregate outstanding Capital (and stated Yield) of each Conduit Purchaser and Committed Purchaser from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Seller, the Servicer, the Administrative Agent, the Group Agents, and the other Purchaser Parties may treat each Person whose name is recorded in the Register as a Committed Purchaser or Conduit Purchaser, as the case may be, under this Agreement for all purposes of this Agreement. The Register shall be available for inspection by the Seller, the Servicer, any Group Agent, any Conduit Purchaser or any Committed Purchaser at any reasonable time and from time to time upon reasonable prior notice.

(d) Procedure. Upon its receipt of an Assignment and Acceptance Agreement executed and delivered by an assigning Committed Purchaser and an Eligible Assignee or assignee Committed Purchaser, the Administrative Agent shall, if such Assignment and Acceptance Agreement has been duly completed, (i) accept such Assignment and Acceptance Agreement, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Seller and the Servicer.

(e) Participations. Each Committed Purchaser may sell participations to one or more Eligible Assignees (each, a "Participant") in or to all or a portion of its rights and/or obligations under this Agreement (including, without limitation, all or a portion of its Commitment and its Capital and Yield thereon); provided, however, that

(xix) such Committed Purchaser's obligations under this Agreement (including, without limitation, its Commitment to the Seller hereunder) shall remain unchanged, and

(i) such Committed Purchaser shall remain solely responsible to the other parties to this Agreement for the performance of such obligations.

The Administrative Agent, the Group Agents, the LC Banks, the LC Participants, the Conduit Purchasers, the other Committed Purchasers, the Seller and the Servicer shall have the right to continue to deal solely and directly with such Committed Purchaser in connection with such Committed Purchaser's rights and obligations under this Agreement. The Seller agrees that each Participant shall be entitled to the benefits of Sections 5.01 and 5.03 (subject to the requirements and limitations therein, including the requirements under Section 5.03(f) (it being

understood that the documentation required under Section 5.03(f), shall be delivered to the participating Purchaser)) to the same extent as if it were a Purchaser and had acquired its interest by assignment pursuant to clause (b) of this Section; provided that such Participant shall not be entitled to receive any greater payment under Section 5.01 or 5.03, with respect to any participation, than its participating Purchaser would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation.

(f) Participant Register. Each Committed Purchaser that sells a participation shall, acting solely for this purpose as an agent of the Seller, maintain a register on which it enters the name and address of each Participant and the Capital (and stated Yield) participated to each Participant, together with each Participant's interest in the other obligations under this Agreement (the "Participant Register"); provided that no Committed Purchaser shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Capital, Yield, Letters of Credit or its other obligations under any this Agreement) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Capital, Yield, Letters of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Committed Purchaser shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(g) Assignments by Agents. This Agreement and the rights and obligations of the Administrative Agent and each Group Agent herein shall be assignable by the Administrative Agent or such Group Agent, as the case may be, and its successors and assigns; provided that in the case of an assignment to a Person that is not an Affiliate of the Administrative Agent or such Group Agent, so long as no Event of Termination or Unmatured Event of Termination has occurred and is continuing, such assignment shall require the Seller's consent (not to be unreasonably withheld, conditioned or delayed).

(h) Assignments by the Seller or the Servicer. Neither the Seller nor, except as provided in Section 9.01, the Servicer may assign any of its respective rights or obligations hereunder or any interest herein without the prior written consent of the Administrative Agent, each LC Bank and each Group Agent (such consent to be provided or withheld in the sole discretion of such Person).

(i) Addition of Purchasers or Groups. The Seller may, with written notice to the Administrative Agent and each Group Agent, add additional Persons as Purchasers (by creating a new Group) or cause an existing Purchaser or LC Participant to increase its Commitment; provided, however, that the Commitment of any existing Purchaser or LC Participant may only be increased with the prior written consent of such Purchaser or LC Participant. Each new Purchaser or LC Participant (or Group) shall become a party hereto, by executing and delivering to the Administrative Agent and the Seller, an assumption agreement (each, an "Assumption).

Agreement”) in the form of Exhibit D hereto (which Assumption Agreement shall, in the case of any new Purchaser or LC Participant, be executed by each Person in such new Purchaser’s Group).

(j) Pledge to a Federal Reserve Bank TC . Notwithstanding anything to the contrary set forth herein, any Purchaser, Program Support Provider or any of their respective Affiliates may at any time pledge or grant a security interest in all or any portion of its interest in, to and under this Agreement (including, without limitation, rights to payment of Capital and Yield) and any other Transaction Document to secure its obligations to a Federal Reserve Bank, without notice to or the consent of the Seller, the Servicer, any Affiliate thereof or any Purchaser Party; provided, however, that that no such pledge shall relieve such assignor of its obligations under this Agreement.

(k) Pledge to a Security Trustee TC . Notwithstanding anything to the contrary set forth herein, any Conduit Purchaser may at any time pledge or grant a security interest in all or any portion of its interest in, to and under this Agreement (including, without limitation, rights to payment of Capital and Yield) and any other Transaction Document to a collateral trustee (or Person acting in a similar capacity) as collateral security in connection with such Conduit Purchaser’s asset-backed commercial paper note program, without notice to or the consent of the Seller, the Servicer, any Affiliate thereof or any Purchaser Party; provided, however, that that no such pledge shall relieve such assignor of its obligations under this Agreement.

SECTION 15.04. Costs and Expenses. In addition to the rights of indemnification granted under Section 13.01 hereof, the Seller agrees to pay on demand all reasonable out-of-pocket costs and expenses in connection with the preparation, negotiation, execution, delivery and administration of this Agreement, any Program Support Agreement (or any supplement or amendment thereof) related to this Agreement and the other Transaction Documents (together with all amendments, restatements, supplements, consents and waivers, if any, from time to time hereto and thereto), including, without limitation, (i) the Attorney Costs for the Administrative Agent and the other Purchaser Parties and any of their respective Affiliates with respect thereto and with respect to advising the Administrative Agent and the other Purchaser Parties and their respective Affiliates as to their rights and remedies under this Agreement and the other Transaction Documents and (ii) reasonable accountants’, auditors’ and consultants’ fees and expenses for the Administrative Agent and the other Purchaser Parties and any of their respective Affiliates and the fees and charges of any nationally recognized statistical rating agency incurred in connection with the administration and maintenance of this Agreement or advising the Administrative Agent or any other Purchaser Party as to their rights and remedies under this Agreement or as to any actual or reasonably claimed breach of this Agreement or any other Transaction Document. In addition, the Seller agrees to pay on demand all reasonable out-of-pocket costs and expenses (including Attorney Costs), of the Administrative Agent and the other Purchaser Parties and their respective Affiliates, incurred in connection with the enforcement of any of their respective rights or remedies under the provisions of this Agreement and the other Transaction Documents.

SECTION 15.05. No Proceedings; Limitation on Payments.

(a) Each of the Seller, the Administrative Agent, the Servicer, each Group Agent, each Purchaser, each LC Participant and each assignee of Capital or any Yield thereof or of any other Seller Obligations agrees that it will not institute against, or join any other Person in

instituting against, any Conduit Purchaser any Insolvency Proceeding so long as any Notes or other senior indebtedness issued by such Conduit Purchaser shall be outstanding or there shall not have elapsed one year plus one day since the last day on which any such Notes or other senior indebtedness shall have been outstanding.

(b) Each of the Servicer, each Group Agent, each Purchaser and each assignee of Capital or any Yield thereof or of any other Seller Obligations, hereby covenants and agrees that it will not institute against, or join any other Person in instituting against, the Seller any Insolvency Proceeding until one year and one day after the Final Payout Date; provided, that the Administrative Agent may take any such action in its sole discretion following the occurrence of an Event of Termination.

(c) Notwithstanding any provisions contained in this Agreement to the contrary, a Conduit Purchaser shall not, and shall be under no obligation to, pay any amount, if any, payable by it pursuant to this Agreement or any other Transaction Document unless (i) such Conduit Purchaser has received funds which may be used to make such payment and which funds are not required to repay such Conduit Purchaser's Notes when due and (ii) after giving effect to such payment, either (x) such Conduit Purchaser could issue Notes to refinance all of its outstanding Notes (assuming such outstanding Notes matured at such time) in accordance with the program documents governing such Conduit Purchaser's securitization program or (y) all of such Conduit Purchaser's Notes are paid in full. Any amount which any Conduit Purchaser does not pay pursuant to the operation of the preceding sentence shall not constitute a claim (as defined in Section 101 of the Bankruptcy Code) against or company obligation of such Conduit Purchaser for any such insufficiency unless and until such Conduit Purchaser satisfies the provisions of clauses (i) and (ii) above. The provisions of this Section 15.05 shall survive any termination of this Agreement.

SECTION 15.06. Confidentiality.

(a) Each of the Seller and the Servicer covenants and agrees to hold in confidence, and not disclose to any Person, the terms of this Agreement or the Fee Letter (including any fees payable in connection with this Agreement, the Fee Letter or any other Transaction Document or the identity of the Administrative Agent or any other Purchaser Party), except as the Administrative Agent and each Group Agent may have consented to in writing prior to any proposed disclosure; provided, however, that it may disclose such information (i) to its Advisors and Representatives, (ii) to the extent such information has become available to the public other than as a result of a disclosure by or through the Seller, the Servicer or their Advisors and Representatives or (iii) to the extent it should be (A) required by Applicable Law, or in connection with any legal or regulatory proceeding or (B) requested by any Governmental Authority to disclose such information; provided, that, in the case of clause (iii) above, the Seller and the Servicer will use reasonable efforts to maintain confidentiality and will (unless otherwise prohibited by Applicable Law) notify the Administrative Agent and the affected Purchaser Party of its intention to make any such disclosure prior to making such disclosure. Each of the Seller and the Servicer agrees to be responsible for any breach of this Section by its Representatives and Advisors and agrees that its Representatives and Advisors will be advised by it of the confidential nature of such information and shall agree to comply with this Section. Notwithstanding the

foregoing, it is expressly agreed that each of the Seller, the Servicer and their respective Affiliates may publish a press release or otherwise publicly announce the existence and principal amount of the Commitments under this Agreement and the transactions contemplated hereby; provided that the Administrative Agent shall be provided a reasonable opportunity to review such press release or other public announcement prior to its release and provide comment thereon; and provided, further, that no such press release shall name or otherwise identify the Administrative Agent, any other Purchaser Party or any of their respective Affiliates without such Person's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed). Notwithstanding the foregoing, the Seller consents to the publication by the Administrative Agent or any other Purchaser Party of a tombstone or similar advertising material relating to the financing transactions contemplated by this Agreement.

(b) Each of the Administrative Agent and each other Purchaser Party, severally and with respect to itself only, agrees to hold in confidence, and not disclose to any Person, any confidential and proprietary information concerning the Seller, the Servicer and their respective Affiliates and their businesses or the terms of this Agreement (including any fees payable in connection with this Agreement or the other Transaction Documents), except as the Seller or the Servicer may have consented to in writing prior to any proposed disclosure; provided, however, that it may disclose such information (i) to its Advisors and Representatives and to any related Program Support Provider, (ii) to its assignees and Participants and potential assignees and Participants and their respective counsel if they agree in writing to hold it confidential, (iii) to the extent such information has become available to the public other than as a result of a disclosure by or through it or its Representatives or Advisors or any related Program Support Provider, (iv) to any nationally recognized statistical rating organization in connection with obtaining or maintaining the rating of any Conduit Purchaser's Notes or as contemplated by 17 CFR 240.17g-5(a)(3), (v) at the request of a bank examiner or other regulatory authority or in connection with an examination of any of the Administrative Agent, any Group Agent or any Purchaser or their respective Affiliates or Program Support Providers or (vi) to the extent it should be (A) required by Applicable Law, or in connection with any legal or regulatory proceeding or (B) requested by any Governmental Authority to disclose such information; provided, that, in the case of clause (vi) above, the Administrative Agent, each Group Agent and each Purchaser will use reasonable efforts to maintain confidentiality and will (unless otherwise prohibited by Applicable Law) notify the Seller and the Servicer of its making any such disclosure as promptly as reasonably practicable thereafter. Each of the Administrative Agent, each Group Agent and each Purchaser, severally and with respect to itself only, agrees to be responsible for any breach of this Section by its Representatives, Advisors and Program Support Providers and agrees that its Representatives, Advisors and Program Support Providers will be advised by it of the confidential nature of such information and shall agree to comply with this Section.

(c) As used in this Section, (i) "Advisors" means, with respect to any Person, such Person's accountants, attorneys and other confidential advisors and (ii) "Representatives" means, with respect to any Person, such Person's Affiliates, Subsidiaries, directors, managers, officers, employees, members, investors, financing sources, insurers, professional advisors, representatives and agents; *provided* that such Persons shall not be deemed to Representatives of a Person unless (and solely to the extent that) confidential information is furnished to such Person.]

(d) Notwithstanding the foregoing, to the extent not inconsistent with applicable securities laws, each party hereto (and each of its employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure (as defined in Section 1.6011-4 of the Treasury Regulations) of the transactions contemplated by the Transaction Documents and all materials of any kind (including opinions or other tax analyses) that are provided to such Person relating to such tax treatment and tax structure.

SECTION 15.07. GOVERNING LAW. THIS AGREEMENT, INCLUDING THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT WITHOUT REGARD TO ANY OTHER CONFLICTS OF LAW PROVISIONS THEREOF, EXCEPT TO THE EXTENT THAT THE PERFECTION, THE EFFECT OF PERFECTION OR PRIORITY OF THE INTERESTS OF ADMINISTRATIVE AGENT OR ANY PURCHASER IN THE sold ASSETS OR SELLER COLLATERAL IS GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK).

SECTION 15.08. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart hereof by facsimile or other electronic means shall be equally effective as delivery of an originally executed counterpart.

SECTION 15.09. Integration; Binding Effect; Survival of Termination. This Agreement and the other Transaction Documents contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof superseding all prior oral or written understandings. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms and shall remain in full force and effect until the Final Payout Date; provided, however, that the provisions of Sections 3.08, 3.09, 3.10, 5.01, 5.02, 5.03, 11.04, 11.06, 12.04, 13.01, 13.02, 14.08, 14.09, 14.10, 15.04, 15.05, 15.06, 15.09, 15.11 and 15.13 shall survive any termination of this Agreement.

SECTION 15.10. CONSENT TO JURISDICTION. (a) EACH PARTY HERETO HEREBY IRREVOCABLY SUBMITS TO (I) WITH RESPECT TO THE SELLER AND THE SERVICER, THE EXCLUSIVE JURISDICTION, AND (II) WITH RESPECT TO EACH OF THE OTHER PARTIES HERETO, THE NON-EXCLUSIVE JURISDICTION, IN EACH CASE, OF ANY NEW YORK STATE OR FEDERAL COURT SITTING IN NEW YORK CITY, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, AND EACH PARTY HERETO HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING (I) IF BROUGHT BY THE SELLER, THE SERVICER OR ANY AFFILIATE THEREOF, SHALL BE HEARD AND DETERMINED, AND (II) IF BROUGHT

BY ANY OTHER PARTY TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, MAY BE HEARD AND DETERMINED, IN EACH CASE, IN SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. NOTHING IN THIS SECTION 15.10 SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT OR ANY OTHER PURCHASER PARTY TO BRING ANY ACTION OR PROCEEDING AGAINST THE SELLER OR THE SERVICER OR ANY OF THEIR RESPECTIVE PROPERTY IN THE COURTS OF OTHER JURISDICTIONS. EACH OF THE SELLER AND THE SERVICER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING. THE PARTIES HERETO AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

(b) **EACH OF THE SELLER AND THE SERVICER CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES OF SUCH PROCESS TO IT AT ITS ADDRESS SPECIFIED IN SECTION 15.02. NOTHING IN THIS SECTION 15.10 SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT OR ANY OTHER PURCHASER PARTY TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.**

SECTION 15.11. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT.

SECTION 15.12. Ratable Payments. If any Purchaser Party, whether by setoff or otherwise, has payment made to it with respect to any Seller Obligations in a greater proportion than that received by any other Purchaser Party entitled to receive a ratable share of such Seller Obligations, such Purchaser Party agrees, promptly upon demand, to purchase for cash without recourse or warranty a portion of such Seller Obligations held by the other Purchaser Parties so that after such purchase each Purchaser Party will hold its ratable proportion of such Seller Obligations; provided that if all or any portion of such excess amount is thereafter recovered from such Purchaser Party, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

SECTION 15.13. Limitation of Liability.

(a) No claim may be made by the Seller or any Affiliate thereof or any other Person against any Purchaser Party or their respective Affiliates, members, directors, officers, employees, incorporators, attorneys or agents for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement or any other Transaction Document, or any act, omission or event occurring in connection herewith or therewith; and each

of the Seller and the Servicer hereby waives, releases, and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor. None of the Purchaser Parties and their respective Affiliates shall have any liability to the Seller or any Affiliate thereof or any other Person asserting claims on behalf of or in right of the Seller or any Affiliate thereof in connection with or as a result of this Agreement or any other Transaction Document or the transactions contemplated hereby or thereby, except to the extent that any losses, claims, damages, liabilities or expenses incurred by the Seller or any Affiliate thereof result from the breach of contract, gross negligence or willful misconduct of such Purchaser Party in performing its duties and obligations hereunder and under the other Transaction Documents to which it is a party.

(b) The obligations of the Administrative Agent and each of the other Purchaser Parties under this Agreement and each of the Transaction Documents are solely the corporate obligations of such Person. No recourse shall be had for any obligation or claim arising out of or based upon this Agreement or any other Transaction Document against any member, director, officer, employee or incorporator of any such Person.

SECTION 15.14. Intent of the Parties. The Seller has structured this Agreement with the intention that the obligations of the Seller hereunder (including the obligation to return Capital to the Purchasers and make payments of Yield thereon) will be treated under United States federal, and applicable state, local and foreign tax law as debt (the "Intended Tax Treatment"). The Seller, the Servicer, the Administrative Agent and the other Purchaser Parties agree to file no tax return, or take any action, inconsistent with the Intended Tax Treatment unless required by law. Each assignee and each Participant acquiring an interest in an Investment or Issuance, by its acceptance of such assignment or participation, agrees to comply with the immediately preceding sentence.

SECTION 15.15. USA Patriot Act. Each of the Administrative Agent and each of the other Purchaser Parties hereby notifies the Seller and the Servicer that pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "PATRIOT Act"), the Administrative Agent and the other Purchaser Parties may be required to obtain, verify and record information that identifies the Seller, the Originators, the Servicer and the Performance Guarantors, which information includes the name, address, tax identification number and other information regarding the Seller, the Originators, the Servicer and the Performance Guarantors that will allow the Administrative Agent and the other Purchaser Parties to identify the Seller, the Originators, the Servicer and the Performance Guarantors in accordance with the PATRIOT Act. This notice is given in accordance with the requirements of the PATRIOT Act. Each of the Seller and the Servicer agrees to provide the Administrative Agent and each other Purchaser Parties, from time to time, with all documentation and other information required by bank regulatory authorities under "know your customer" and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act.

SECTION 15.16. Right of Setoff. Each of the Administrative Agent, each Group Agent and each Purchaser is hereby authorized (in addition to any other rights it may have) at any time after the occurrence of the Termination Date due to the occurrence and continuation of an Event of Termination, upon prior written notice to the Seller, to set-off, appropriate and apply (without presentment, demand, protest or other notice which are hereby expressly waived) any deposits and

any other indebtedness held or owing by the Administrative Agent, such Group Agent or such Purchaser to, or for the account of, the Seller against the amount of the Seller Obligations owing by the Seller to such Person or to the Administrative Agent or such Group Agent on behalf of such Person (even if contingent or unmatured).

SECTION 15.17. Severability. Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 15.18. Mutual Negotiations. This Agreement and the other Transaction Documents are the product of mutual negotiations by the parties thereto and their counsel, and no party shall be deemed the draftsman of this Agreement or any other Transaction Document or any provision hereof or thereof or to have provided the same. Accordingly, in the event of any inconsistency or ambiguity of any provision of this Agreement or any other Transaction Document, such inconsistency or ambiguity shall not be interpreted against any party because of such party's involvement in the drafting thereof.

SECTION 15.19. Captions and Cross References. The various captions (including the table of contents) in this Agreement are provided solely for convenience of reference and shall not affect the meaning or interpretation of any provision of this Agreement. Unless otherwise indicated, references in this Agreement to any Section, Schedule or Exhibit are to such Section Schedule or Exhibit to this Agreement, as the case may be, and references in any Section, subsection, or clause to any subsection, clause or subclause are to such subsection, clause or subclause of such Section, subsection or clause.

SECTION 15.20. Post-Closing Covenant. Each of the Seller and Servicer shall undertake to cause the satisfaction and discharge of the lien against Ashland ~~LLC~~[Inc.](#) in favor of the Ohio Department of Job and Family Services described in the state tax lien file number 201107130086592 filed in Franklin County, Ohio, prior to June 17, 2021 (or such later date as may be agreed to by the Administrative Agent and the Majority Purchaser Agents). Until such date, the existence of such lien shall not constitute a violation of the provisions of this Agreement or the other Transaction Documents.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

CVG CAPITAL III LLC

By:
Name:
Title:

ASHLAND ~~LLC~~INC.,
as the Servicer

By:
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By:
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION,
as Group Agent for the PNC Group

By:
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION,
as an LC Bank, Committed Purchaser and LC Participant

By:
Name:
Title:

PNC CAPITAL MARKETS LLC,
as Structuring Agent

By:
Name:
Title:

FIFTH THIRD BANK, NATIONAL ASSOCIATION,
as Group Agent for the Fifth Third Group

By:
Name:
Title:

FIFTH THIRD BANK, NATIONAL ASSOCIATION,
as a Committed Purchaser and LC Participant

By:
Name:
Title:

EXHIBIT A
Form of [Investment Request] [LC Request]

[Letterhead of Seller]

[Date]

[Administrative Agent]

[Group Agents]

Re: [Investment Request][LC Request]

Ladies and Gentlemen:

Reference is hereby made to that certain Receivables Purchase Agreement, dated as of March [●], 2021 among CVG Capital III LLC (the “Seller”), Ashland ~~LLC~~Inc., as Servicer (the “Servicer”), the Purchasers party thereto, the Group Agents party thereto, the LC Banks party thereto, the LC Participants party thereto, PNC Bank, National Association, as Administrative Agent (in such capacity, the “Administrative Agent”) and PNC Capital Markets LLC, as Structuring Agent (as amended, supplemented or otherwise modified from time to time, the “Agreement”). Capitalized terms used in this [Investment Request] [LC Request] and not otherwise defined herein shall have the meanings assigned thereto in the Agreement.

[This letter constitutes an Investment Request pursuant to Section 2.02(a) of the Agreement. The Seller hereby request an Investment of Capital in the aggregate amount of [\$_____] to be made on [_____, 20__] (of which \$[_____] of Capital will be funded by the PNC Group and \$[_____] of Capital will be funded by the [_____] Group. Such Capital should be deposited to [Account number], at [Name, Address and ABA Number of Bank]. After giving effect to such Investment, the Aggregate Capital will be [\$_____].]

[This letter constitutes an LC Request pursuant to Section 3.02(a) of the Agreement. The Seller hereby request that [_____] as the applicable LC Bank issue a Letter of Credit with a face amount of [\$_____] on [_____, 20__]. After giving effect to such issuance, the LC Participation Amount will be [\$_____].]

The Seller hereby represents and warrants as of the date hereof, and after giving effect to such Investment or Issuance, as follows:

(i) the representations and warranties of the Seller and the Servicer contained in Sections 7.01 and 7.02 of the Agreement are true and correct in all material respects on and as of the date of such Investment or Issuance as though made on and as of such date unless such representations and warranties by their terms refer to an earlier date, in which case they shall be true and correct in all material respects on and as of such earlier date;

Exhibit A-1

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(ii) no Event of Termination or Unmatured Event of Termination has occurred and is continuing, and no Event of Termination or Unmatured Event of Termination would result from such Investment or Issuance;

(iii) no Capital Coverage Deficit exists or would exist after giving effect to such Investment or Issuance;

(iv) the Aggregate Capital will not exceed the Facility Limit;

(v) the Termination Date has not occurred;

(vi) the Minimum Funding Threshold is satisfied; and

(vii) the Sold Receivables are identified on the Schedule of Sold Receivables attached hereto.

Exhibit A-2

~~748740795-18564151~~

IN WITNESS WHEREOF, the undersigned has executed this letter by its duly authorized officer as of the date first above written.

Very truly yours,

By:
Name:
Title:

Exhibit A-3

~~748740795-18564151~~

EXHIBIT B
Form of Reduction Notice
[LETTERHEAD OF SELLER]

[Date]

[Administrative Agent]

[Group Agents]

Re: Reduction Notice

Ladies and Gentlemen:

Reference is hereby made to that certain Receivables Purchase Agreement, dated as of March [●], 2021 among CVG Capital III LLC (the “Seller”), Ashland ~~LLC~~ Inc., as Servicer (the “Servicer”), the Purchasers party thereto, the Group Agents party thereto, the LC Banks party thereto, the LC Participants party thereto, PNC Bank, National Association, as Administrative Agent (in such capacity, the “Administrative Agent”) and PNC Capital Markets LLC, as Structuring Agent (as amended, supplemented or otherwise modified from time to time, the “Agreement”). Capitalized terms used in this Reduction Notice and not otherwise defined herein shall have the meanings assigned thereto in the Agreement.

This letter constitutes a Reduction Notice pursuant to Section 2.02(d) of the Agreement. The Seller hereby notifies the Administrative Agent and the Purchasers that it shall reduce the outstanding Capital of the Purchasers in the amount of [\\$_____] to be made on [_____, 20__]. After giving effect to such reduction, the Aggregate Capital will be [\\$_____].

The Seller hereby represents and warrants as of the date hereof, and after giving effect to such reduction, as follows:

- (i) the representations and warranties of the Seller and the Servicer contained in Sections 7.01 and 7.02 of the Agreement are true and correct in all material respects on and as of the date of such reduction as though made on and as of such date unless such representations and warranties by their terms refer to an earlier date, in which case they shall be true and correct in all material respects on and as of such earlier date;
- (ii) no Event of Termination or Unmatured Event of Termination has occurred and is continuing, and no Event of Termination or Unmatured Event of Termination would result from such reduction;
- (iii) no Capital Coverage Deficit exists or would exist after giving effect to such reduction;
- (iv) the Minimum Funding Threshold is satisfied; and

(v)

the Termination Date has not occurred.

Exhibit B-2

~~748740795-1856415+~~

IN WITNESS WHEREOF, the undersigned has executed this letter by its duly authorized officer as of the date first above written.

Very truly yours,

[SELLER SPV]

By: _____
Name:
Title:

Exhibit B-3

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EXHIBIT C
[Form of Assignment and Acceptance Agreement]
Dated as of _____, 20__

SECTION 1.

Commitment assigned:	\$[_____]
Assignor's remaining Commitment:	\$[_____]
Capital allocable to Commitment assigned:	\$[_____]
Assignor's remaining Capital:	\$[_____]
Yield (if any) allocable to Capital assigned:	\$[_____]
Yield (if any) allocable to Assignor's remaining Capital:	\$[_____]

SECTION 2.

Effective Date of this Assignment and Acceptance Agreement: [_____]

Upon execution and delivery of this Assignment and Acceptance Agreement by the assignee and the assignor and the satisfaction of the other conditions to assignment specified in Section 15.03(b) of the Agreement (as defined below), from and after the effective date specified above, the assignee shall become a party to, and, to the extent of the rights and obligations thereunder being assigned to it pursuant to this Assignment and Acceptance Agreement, shall have the rights and obligations of a Committed Purchaser under that certain Receivables Purchase Agreement, dated as of March [●], 2021 among CVG Capital III LLC (the "Seller"), Ashland ~~LLC~~Inc., as Servicer (the "Servicer"), the Purchasers party thereto, the Group Agents party thereto, the LC Banks party thereto, the LC Participants party thereto, PNC Bank, National Association, as Administrative Agent (in such capacity, the "Administrative Agent") and PNC Capital Markets LLC, as Structuring Agent (as amended, supplemented or otherwise modified from time to time, the "Agreement").

(Signature Pages Follow)

Exhibit B-1

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ASSIGNOR: [_____]

By: _____
Name:
Title

ASSIGNEE: [_____]

By: _____
Name:
Title:

[Address]

Accepted as of date first above
written:

PNC BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By: _
Name:
Title:

_____,
as Seller

By: _
Name:
Title:]

Exhibit B-2

748740795-1856415+

EXHIBIT D
[Form of Assumption Agreement]

THIS ASSUMPTION AGREEMENT (this “Agreement”), dated as of [_____, ____], is among _____ (the “Seller”), [_____] , as conduit purchaser (the “[_____] Conduit Purchaser”), [_____] , as the Related Committed Purchaser (the “[_____] Committed Purchaser” and together with the Conduit Purchaser, the “[_____] Purchasers”), and [_____] , as group agent for the [_____] Purchasers (the “[_____] Group Agent” and together with the [_____] Purchasers, the “[_____] Group”).

BACKGROUND

The Seller and various others are parties to a certain Receivables Purchase Agreement, dated as of March [●], 2021 among CVG Capital III LLC (the “Seller”), Ashland ~~LLC~~ Inc., as Servicer (the “Servicer”), the Purchasers party thereto, the Group Agents party thereto, the LC Banks party thereto, the LC Participants party thereto, PNC Bank, National Association, as Administrative Agent (in such capacity, the “Administrative Agent”) and PNC Capital Markets LLC, as Structuring Agent (as amended through the date hereof and as the same may be amended, amended and restated, supplemented or otherwise modified from time to time, the “Receivables Purchase Agreement”). Capitalized terms used and not otherwise defined herein have the respective meaning assigned to such terms in the Receivables Purchase Agreement.

NOW, THEREFORE, the parties hereto hereby agree as follows:

SECTION 1. This letter constitutes an Assumption Agreement pursuant to Section 15.03(i) of the Receivables Purchase Agreement. The Seller desires [the [_____] Purchasers] [the [_____] Committed Purchaser] to [become a Group] [increase its existing Commitment] under the Receivables Purchase Agreement, and upon the terms and subject to the conditions set forth in the Receivables Purchase Agreement, the [[_____] Purchasers] [[_____] Committed Purchaser] agree[s] to [become Purchasers within a Group thereunder] [increase its Commitment to the amount set forth as its “Commitment” under the signature of such [_____] Committed Purchaser hereto].

The Seller hereby represents and warrants to the [_____] Purchasers and the [_____] Group Agent as of the date hereof, as follows:

- (i) the representations and warranties of the Seller contained in Section 7.01 of the Receivables Purchase Agreement are true and correct on and as of such date as though made on and as of such date;
- (ii) no Event of Termination or Unmatured Event of Termination has occurred and is continuing, or would result from the assumption contemplated hereby; and
- (iii) the Termination Date shall not have occurred.

SECTION 2. Upon execution and delivery of this Agreement by the Seller and each member of the [_____] Group, satisfaction of the other conditions with respect to the addition of

a Group specified in Section 15.03(i) of the Receivables Purchase Agreement (including the written consent of the Administrative Agent and the Majority Group Agents) and receipt by the Administrative Agent of counterparts of this Agreement (whether by facsimile or otherwise) executed by each of the parties hereto, [the [_____] Purchasers shall become a party to, and have the rights and obligations of Purchasers under, the Receivables Purchase Agreement and the “Commitment” with respect to the Committed Purchasers in such Group as shall be as set forth under the signature of each such Committed Purchaser hereto] [the [_____] Committed Purchaser shall increase its Commitment to the amount set forth as the “Commitment” under the signature of the [_____] Committed Purchaser hereto].

SECTION 3. Each party hereto hereby covenants and agrees that it will not institute against, or join any other Person in instituting against, any Conduit Purchaser, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or other proceeding under any federal or state bankruptcy or similar law, for one year and one day after the latest maturing commercial paper notes or other senior indebtedness issued by such Conduit Purchaser is paid in full. The covenant contained in this paragraph shall survive any termination of the Receivables Purchase Agreement.

SECTION 4. THIS AGREEMENT, INCLUDING THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT WITHOUT REGARD TO ANY OTHER CONFLICTS OF LAW PROVISIONS THEREOF). This Agreement may not be amended or supplemented except pursuant to a writing signed by each of the parties hereto and may not be waived except pursuant to a writing signed by the party to be charged. This Agreement may be executed in counterparts, and by the different parties on different counterparts, each of which shall constitute an original, but all together shall constitute one and the same agreement.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the date first above written.

[_____], as a Conduit Purchaser

By:
Name Printed:
Title:
[Address]

[_____], as a Committed Purchaser

By:
Name Printed:
Title:
[Address]
[Commitment]

[_____], as Group Agent for [_____]

By:
Name Printed:
Title:
[Address]

Exhibit D-3

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as Seller

By:

Name Printed:

Title:

Exhibit D-4

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EXHIBIT E
Forms of Letter of Credit Applications

Exhibit D

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Exhibit D

748740795-1856415+

EXHIBIT F
Credit and Collection Policy

(Attached)

Exhibit E

~~748740795-1856415+~~

EXHIBIT G
Form of Information Package

(Attached)

Exhibit G

~~748740795-1856415+~~

EXHIBIT H
Form of Compliance Certificate

To: PNC Bank, National Association, as Administrative Agent

This Compliance Certificate is furnished pursuant to that certain Receivables Purchase Agreement, dated as of March [●], 2021 among CVG Capital III LLC (the “Seller”), Ashland ~~LLC~~Inc., as Servicer (the “Servicer”), the Purchasers party thereto, the Group Agents party thereto, the LC Banks party thereto, the LC Participants party thereto, PNC Bank, National Association, as Administrative Agent (in such capacity, the “Administrative Agent”) and PNC Capital Markets LLC, as Structuring Agent (as amended, supplemented or otherwise modified from time to time, the “Agreement”). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected _____ of the Servicer.

2. I have reviewed the terms of the Agreement and each of the other Transaction Documents and I have made, or have caused to be made under my supervision, a detailed review of the transactions and condition of the Seller during the accounting period covered by the attached financial statements.

3. The examinations described in paragraph 2 above did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes an Event of Termination or an Unmatured Event of Termination, as each such term is defined under the Agreement, during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate[, except as set forth in paragraph 5 below].

4. Schedule I attached hereto sets forth financial statements of the Parent and its Subsidiaries for the period referenced on such Schedule I.

[5. Described below are the exceptions, if any, to paragraph 3 above by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which Seller has taken, is taking, or proposes to take with respect to each such condition or event:]

The foregoing certifications are made and delivered this _____ day of _____,
20____.

[_____]

By: _
Name: __
Title: ____

SCHEDULE I TO COMPLIANCE CERTIFICATE

A. Schedule of Compliance as of _____, 20__ with Section 8.02([t]) of the Agreement. Unless otherwise defined herein, the terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

This schedule relates to the month ended: _____.

B. The following financial statements of the Parent and its Subsidiaries for the period ending on _____, 20__, are attached hereto:

Exhibit G-3

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EXHIBIT I
Closing Memorandum

(Attached)

Exhibit I

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EXHIBIT J
Form of Weekly Report

Exhibit J

748740795-1856415+

EXHIBIT K
Special Obligors

As of the Closing Date: None

Exhibit K

~~748740795-1856415+~~

EXHIBIT L
Form of Supplement to Schedule IV of the Sale Agreement

[_____] [__], 20[___]

Reference is hereby made to that certain Receivables Purchase Agreement, dated as of March [●], 2021 among CVG Capital III LLC (the “Seller”), Ashland ~~LLC~~ Inc., as Servicer (the “Servicer”), the Purchasers party thereto, the Group Agents party thereto, the LC Banks party thereto, the LC Participants party thereto, PNC Bank, National Association, as Administrative Agent (in such capacity, the “Administrative Agent”) and PNC Capital Markets LLC, as Structuring Agent (as further amended, supplemented or otherwise modified from time to time, the “Receivables Purchase Agreement”). Capitalized terms used but not otherwise defined herein have the respective meaning assigned thereto in the Receivables Purchase Agreement.

1. Requested Supplement to Schedule IV. The Originators hereby request that the Seller, the Administrative Agent and the Group Agents agree to supplement Schedule V of the Receivables Purchase Agreement effective as of [_____] [__], 20[___] (the “Effective Date”) by adding the following thereto for purposes of the Receivables Purchase Agreement’s definition of “Excluded Receivable”:

OBLIGOR	ADDITIONAL CRITERIA
[Name of Obligor]	Each Excluded Receivable owing by this Obligor shall meet all the following criteria: (i) [_____] , (ii) [_____] and (iii) such Receivable comes into existence on or after [_____] .[]

Effective on the Effective Date upon (and only upon) the execution and delivery of this letter agreement (this “Supplement”) by the Seller, the Administrative Agent and each Group Agent (each, in its sole discretion), Schedule V to the Receivables Purchase Agreement shall be amended to include the foregoing Obligor and additional criteria with respect to its Receivables. In the event that this Supplement is not executed by the Seller, the Administrative Agent and each Group Agent by the date that is five (5) Business Days following the date first written above, the request set forth herein shall terminate and Schedule V to the Sale Agreement shall not be amended or supplemented hereby.

For the avoidance of doubt, the parties hereto acknowledge and agree that no Excluded Receivable described herein shall be sold, contributed or otherwise transferred to the Seller under the Purchase and Sale Agreement on or after the Effective Date, but the sale, contribution and any other transfer to the Seller under the Purchase and Sale Agreement of any such Receivable prior to the Effective Date is hereby ratified and confirmed.

5. Representations and Warranties. Each Originator and, by executing a counterpart hereto, the Seller, hereby represents and warrants, as to itself, that this Supplement constitutes a legal, valid and binding obligation of such Person, enforceable against it in accordance with its terms.

6. References to Receivables Purchase Agreement. Upon the effectiveness of this Supplement, each reference in the Receivables Purchase Agreement to “this Agreement”, “hereunder”, “hereof”, “herein”, or words of like import shall mean and be a reference to the Receivables Purchase Agreement as amended hereby, and each reference to the Receivables Purchase Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Sale Agreement shall mean and be a reference to the Receivables Purchase Agreement as amended hereby.

7. Effect on Sale Agreement. Except as specifically amended above, the Receivables Purchase Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

8. Severability. Each provision of this Supplement shall be severable from every other provision of this Supplement for the purpose of determining the legal enforceability of any provision hereof, and the unenforceability of any provision hereof, and the unenforceability of one or more provisions of this Supplement in one jurisdiction shall not have the effect of rendering such provision or provisions unenforceable in any other jurisdiction.

9. No Waiver. The execution, delivery and effectiveness of this Supplement shall not operate as a waiver of any right, power or remedy of the Seller, the Administrative Agent, any Group Agent or any Purchaser under the Receivables Purchase Agreement or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.

10. Governing Law. This Supplement, including the rights and duties of the parties hereto, shall be governed by, and construed in accordance with, the internal laws of the State of New York (without reference to the conflicts of law principles thereof other than Section 5-1401 of the New York General Obligations Law).

11. Successors and Assigns. This Supplement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

12. Headings. The Section headings in this Supplement are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Supplement or any provision hereof.

13. Counterparts. This Supplement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery of an executed counterpart of a signature page to this Supplement by facsimile or e-mail transmission shall be effective as delivery of a manually executed counterpart hereof.

[Signature pages follow]

Very Truly Yours,

ASHLAND LLC INC.,
individually and as Originator

By: _____
Name:
Title:

ASHLAND SPECIALTY INGREDIENTS G.P.,
as Originator

By: _____
Name:
Title:

Exhibit L

~~748740795-18564151~~

Accepted and Agreed to by:

CVG CAPITAL III LLC,
as Seller

By: _____
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION,
as a Group Agent

By: _____
Name:
Title:

FIFTH THIRD BANK, NATIONAL ASSOCIATION,
as a Group Agent

By: _____
Name:
Title:

**SCHEDULE I
Commitments**

PNC Bank, National Association		
Party	Capacity	Commitment
PNC Bank, National Association	Committed Purchaser, LC Participant and LC Bank	During Period 1: \$75,000,000 During Period 2: \$60,000,000
Fifth Third Bank, National Association	Committed Purchaser and LC Participant	During Period 1: \$50,000,000 During Period 2: \$40,000,000

Schedule I-1

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SCHEDULE II
Lock-Boxes, Collection Accounts and Collection Account Banks

Bank Name & Address	Type of Account	Account/ABA Nos.	Lockbox Address (PO Box and Street)	Account Owner
Bank of America, N.A. – 101 N. Tryon Street, NC1-002-28-14, Charlotte, NC 28255	Checks	1235701385 / 026009593	Lockbox # 16397 Mailing - 16397 Collection Center Drive, Chicago, IL 60693-6397	CVG Capital III, LLC
Bank of New York Mellon – 500 Ross Street Room 154- 1360 Pittsburgh, PA 15262-0001	ACH Credits	0795190 / 043000261	N/A	CVG Capital III, LLC
Bank of New York Mellon – 500 Ross Street Room 154- 1360 Pittsburgh, PA 15262-0001	ACH Credits	0968468 / 043000261	N/A	CVG Capital III, LLC
Bank of New York Mellon – 500 Ross Street Room 154- 1360 Pittsburgh, PA 15262-0001	ACH Credits	1081703 / 043000261	N/A	CVG Capital III, LLC
Bank of New York Mellon – 500 Ross Street Room 154- 1360 Pittsburgh, PA 15262-0001	Checks/Lockbox	1569426 / 043000261	Lockbox # 371002 Mailing - PO Box 371002, Pittsburgh, PA 15250-7002 Street - Bank of NY Mellon Lockbox, 500 Ross Street Rooms 154-0455, Pittsburgh, PA 15262- 0001 Attn: CVG Capital III LLC+D12 Lockbox 371002	CVG Capital III, LLC
Citibank N.A. – One Penn’s Way, New Castle, DE 19720	Wire Transfers / ACH Debits	30813918 / 021000089	N/A	CVG Capital III, LLC
Citibank N.A. – One Penn’s Way, New Castle, DE 19720	Wire Transfers / ACH Debits	40502427 / 021000089		CVG Capital III, LLC
Truist Bank – 303 Peachtree Center Ave. Mail Code GA-ATL-1963 Suite 240 Atlanta, GA 30303	Check/Lockbox	1000097970031 / 061000104	PO Box 116022, Atlanta, GA 30368-6022 CVG Capital III LLC, PO Box 116022 100 South Crest Drive, Stockbridge, GA 30281	CVG Capital III, LLC
Truist Bank – 303 Peachtree Center	Check/Lockbox	1000032707027 / 061000104	Lockbox # 116735 P.O. Box 116735, Atlanta, GA 30368- 6735	CVG Capital III, LLC

Schedule II-1

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Bank Name & Address	Type of Account	Account/ABA Nos.	Lockbox Address (PO Box and Street)	Account Owner
Ave. Mail Code GA-ATL-1963 Suite 240 Atlanta, GA 30303			CVG Capital III LLC PO Box 116735 100 South Crest Drive, Stockbridge, GA 30281	

Exhibit L

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**SCHEDULE III
Notice Addresses**

(A) in the case of the Seller, at the following address:

CVG Capital III LLC
Suite 450, 5475 Rings Road
Dublin, OH 43017
Attention: William Whitaker
Telephone: (614) 790-2095
Facsimile: (614) 790-5299
Email: w whitaker@ashland.com

(B) in the case of the Servicer, at the following address:

CVG Capital III LLC
Suite 450, 5475 Rings Road
Dublin, OH 43017
Attention: William Whitaker
Telephone: (614) 790-2095
Facsimile: (614) 790-5299
Email: w whitaker@ashland.com

(C) in the case of PNC, at the following address:

PNC Bank, National Association
300 Fifth Avenue
Pittsburgh, PA 15222
Telephone: 412.768.2001
Email: brian.stanley@pnc.com
Attention: Brian Stanley

(D) in the case of Fifth Third, at the following address:

Fifth Third Bank
38 Fountain Square Plaza
MD 109046
Cincinnati, Ohio 45263
Attention: Andrew Jones w/ copy to Patrick Berning
Email: Andrew.Jones@53.com; Patrick.Berning@53.com

(E)in the case of any other Person, at the address for such Person specified in the other Transaction Documents; in each case, or at such other address as shall be designated by such Person in a written notice to the other parties to this Agreement.

Schedule III-2

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SCHEDULE IV
Initial Schedule of Sold Receivables

On File with the Administrative Agent and Servicer.

Schedule IV-1

~~748740795 18564151~~

SCHEDULE V

Excluded Receivables

As of the Closing Date: None.

Schedule V-1

~~748740795-18564151~~

Summary report:	
Litera Compare for Word 11.2.0.54 Document comparison done on 8/4/2022 2:42:01 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://AMEDMS/AMECURRENT/748740795/1	
Modified filename: PNC-Ashland -- Receivables Purchase Agreement (Conformed Copy as Amended).docx	
Changes:	
Add	22
Delete	74
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	96

LIST OF SUBSIDIARIES

Subsidiaries of Ashland Inc. (“Ashland”) at September 30, 2022, included the companies listed below.

Company	Jurisdiction of Incorporation
565 Corporation	Delaware
Alera Technologies, Inc.	Delaware
Alix Technologies LLC	Delaware
Aloe Vemera, S.P.R de R.L. de C.V.	Mexico
Ash B5 Limited	Bermuda
Ash GH One Inc.	Delaware
Ash GH Switzerland GmbH	Switzerland
Ash Global Holdings Two B.V.	Netherlands
ASH GP INC.	Delaware
Ash Junior Global Holding One LLC	Delaware
Ash Junior Global Holding Two LLC	Delaware
Ash Swiss Holding Two GmbH	Switzerland
Ashland (Australasia) Pty. Limited	Australia
Ashland (China) Holdings Co., Ltd.	CHINA, PEOPLES REPUBLIC OF
Ashland (Gibraltar) One Holding, Inc.	Delaware
Ashland (Thailand) Co., Ltd	Thailand
Ashland Argentina S.R.L.	Argentina
Ashland Canada Corp./Corporation Ashland Canada	Province of Nova Scotia
Ashland Canada Holdings B. V.	Netherlands
Ashland Chemical De Mexico S.A. De C.V.	Mexico
Ashland Chemical Trading (Shanghai) Company Limited	CHINA, PEOPLES REPUBLIC OF
Ashland Chemicals (Nanjing) Company Limited	CHINA, PEOPLES REPUBLIC OF
Ashland Colombia S.A.S.	Colombia
Ashland Comercio de Especialidades Quimicas do Brasil Ltda.	Brazil
Ashland CZ s.r.o.	Czech Republic
Ashland Eastern Markets LLC	Russian Federation
Ashland Ethanol, Inc.	Delaware
Ashland Finance Limited	Bermuda
Ashland Inc.	Delaware
Ashland India Private Limited	India
Ashland Industria de Ingredientes do Brasil Ltda.	Brazil
Ashland Industries Deutschland GmbH	Germany
Ashland Industries Europe GmbH	Switzerland
Ashland Industries France SAS	France
Ashland Industries Italia S.r.l.	Italy
Ashland Industries Nederland B.V.	Netherlands
Ashland Ingredients Poland Sp. z o.o.	Poland

Company

Jurisdiction of Incorporation

Ashland Italia S.r.l.	Italy
Ashland Japan Ltd.	Japan
Ashland Licensing and Intellectual Property LLC	Delaware
Ashland Mexico Holdings One S. de R.L. de C.V.	Mexico
Ashland Mexico Holdings Two S. de R.L. de C.V.	Mexico
Ashland Nigeria Exploration Unlimited	Nigeria
Ashland Oil (Nigeria) Company Unlimited	Nigeria
Ashland Oil, Inc.	Kentucky
Ashland Pharmachem International Holdings LLC	Delaware
Ashland Services B. V.	Netherlands
Ashland Services Mexico, S.A. de C.V.	Mexico
Ashland Singapore Pte. Ltd.	Singapore
Ashland Spain Real Estate Holdings, S.L.	Spain
Ashland Specialties Austria GmbH	Austria
Ashland Specialties Belgium BVBA	Belgium
Ashland Specialties Chemicals Commerce Limited	Turkey
Ashland Specialties Deutschland GmbH	Germany
Ashland Specialties France S.a.r.l.	France
Ashland Specialties Hispania S.L.	Spain
Ashland Specialties Ireland Limited	Ireland
Ashland Specialties (Shanghai) Co. Ltd	CHINA, PEOPLES REPUBLIC OF
Ashland Specialties Sverige AB	Sweden
Ashland Specialties UK Limited	United Kingdom
Ashland Specialties Chemical (Singapore) PTE LTD	Singapore
Ashland Specialty Chemical Korea Co., Ltd.	Korea, Republic of
Ashland Specialty Chemicals (Malaysia) SDN BHD	Malaysia
Ashland Specialty Ingredients G.P.	Delaware
Ashland-Alaskan, Limited	Alaska
Ashland-Plasticos De Portugal, Lda.	Portugal
Ashmont Insurance Company, Inc.	Vermont
Ashprop Two LLC	Delaware
Avoca LLC	North Carolina
Belleville Realty Corp.	Delaware
Blazer Properties LLC	Delaware
Bluegrass Insurance Company Limited	Bermuda
CLTA LLC	Delaware
Curtis Bay Insurance Co. Ltd	Bermuda
CVG Capital III LLC	Delaware
East Bay Realty Services, Inc.	Delaware
FJR, Inc.	Georgia
Hercofina	Delaware
Hercules Holding BV BVBA	Belgium
Hercules Hydrocarbon Holdings, Inc.	Delaware

Company

Jurisdiction of Incorporation

Hercules International Limited, LLC	Delaware
Hercules Investment ApS	Denmark
Hercules Investments Netherlands B.V.	Netherlands
Hercules Islands Corporation	VIRGIN ISLANDS (US)
Hercules LLC	Delaware
Hercules Paper Holdings, Inc.	Delaware
Hercules Trading (Shanghai) Company Limited	CHINA, PEOPLES REPUBLIC OF
International Specialty Holdings LLC	Delaware
International Specialty Products (India) Private Limited	India
International Specialty Products Funding Corporation	Delaware
International Specialty Products Inc.	Delaware
ISP (Belgium) International N. V.	Belgium
ISP Alginates Inc.	Delaware
ISP Canada Corp.	Province of Nova Scotia
ISP Capital LLC	Delaware
ISP Chemco LLC	Delaware
ISP Chemical Products LLC	Delaware
ISP Chemicals LLC	Delaware
ISP Environmental Services Inc.	Delaware
ISP France Holding SARL	France
ISP France Marketing SARL	France
ISP Freetown Fine Chemicals Inc.	Delaware
ISP Freight Services N. V.	Belgium
ISP Global Technologies Deutschland Unterstutzungskasse GmbH	Germany
ISP Global Technologies Inc.	Delaware
ISP Global Technologies LLC	Delaware
ISP HC Limited	Cyprus
ISP Holdings (U.K.) Ltd.	United Kingdom
ISP International Corp.	Delaware
ISP Investments LLC	Delaware
ISP Lima LLC	Delaware
ISP Luxembourg Canada S.a.r.l.	Luxembourg
ISP Management Company, Inc.	Delaware
ISP Microcaps (U.K.) Limited	United Kingdom
ISP Pharma Systems LLC	Delaware
ISP Real Estate Company, Inc.	Delaware
ISP Singapore Holding LLC	Delaware
ISP Technologies Inc.	Delaware
ISP Technologies LLC	Delaware
Pakistan Gum Industries (Private) Limited	Pakistan
Pharmachem Laboratories LLC	Delaware
Pharmachem Laboratories Utah, LLC	Utah
Progiven S.A.S.	France

Company

Jurisdiction of Incorporation

Proprietary Nutritionals LLC

Delaware

PT Ashland Asia

Indonesia

PT. Ashland Specialty Chemicals Indonesia

Indonesia

Ralop, S. de R.L. de C.V.

Mexico

Shanghai Ashland Chemical Technology Development Co., Ltd.

CHINA, PEOPLES REPUBLIC OF

St Croix Petrochemical Corp

VIRGIN ISLANDS (US)

Taiwan Ashland Co., Ltd.

TAIWAN

Techwax Limited

United Kingdom

Tri-State Growth Capital Fund I, L.P.

Delaware

Vemera, S. de R.L. de C.V.

Mexico

WSP LLC

Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement on Form S-8 (No. 333-131792-01) pertaining to the 2006 Ashland Inc. Incentive Plan,
2. Registration Statements on Form S-8 (Nos. 333-172019-01 and 333-186408-01) pertaining to the Amended and Restated 2011 Ashland Inc. Incentive Plan,
3. Registration Statement on Form S-8 (No. 333-201895-01) pertaining to the Amended and Restated 2015 Ashland Global Holdings Inc. Incentive Plan,
4. Registration Statement on Form S-8 (No. 333-222841) pertaining to the Ashland Global Holdings Inc. 2021 Omnibus Incentive Compensation Plan and the Ashland Global Holdings Inc. 2018 Omnibus Incentive Compensation Plan,
5. Registration Statement on Form S-8 (No. 33-62091-01) pertaining to the Ashland Inc. Deferred Compensation Plan,
6. Registration Statement on Form S-8 (No. 33-52125-01) pertaining to the Ashland Inc. Deferred Compensation Plan for Non-Employee Directors (Formerly known as Ashland Oil, Inc. Deferred Compensation and Stock Incentive Plan for Non-Employee Directors),
7. Registration Statement on Form S-8 (No. 333-122269-01) pertaining to the Ashland Global Holdings Inc. Deferred Compensation Plan for Employees (2005),
8. Registration Statement on Form S-8 (No. 333-122270-01) pertaining to the Ashland Global Holdings Inc. Deferred Compensation Plan for Non-Employee Directors (2005),
9. Registration Statements on Form S-8 (Nos. 33-32612-100, 333-157040-01 and 333-203840-01) pertaining to the Ashland Employee Savings Plan,
10. Registration Statements on Form S-8 (Nos. 333-155396-01 and 333-203840-01) pertaining to the Ashland Union Employee Savings Plan (Formerly known as the Hercules Incorporated Savings and Investment Plan),
11. Registration Statements on Form S-8 (Nos. 333-184109-01 and 333-203840-01) pertaining to the International Specialty Products Inc. 401(k) Plan,
12. Registration Statement on Form S-3ASR (No. 333-214069) of Ashland Global Holdings Inc.,
13. Registration Statement on Form S-8 (No. 333-215077) pertaining to the Amended and Restated Ashland Inc. Deferred Compensation Plan for Employees (2005) and the Amended and Restated Ashland Inc. Deferred Compensation Plan for Non-Employee Directors (2005);

of our reports dated November 21, 2022, with respect to the consolidated financial statements of Ashland Inc. and Consolidated Subsidiaries and the effectiveness of internal control over financial reporting of Ashland Inc. and Consolidated Subsidiaries included in this Annual Report (Form 10-K) of Ashland Inc. for the year ended September 30, 2022.

/s/ Ernst & Young LLP

Grandview Heights, Ohio
November 21, 2022

CONSENT OF GNARUS ADVISORS LLC

We hereby consent to being named in Ashland Inc.'s Annual Report on Form 10-K for the year ended September 30, 2022 in the form and context in which we are named. We do not authorize or cause the filing of such Annual Report and do not make or purport to make any statement other than as reflected in the Annual Report.

/s/ Jessica B. Horewitz
Gnarus Advisors LLC
November 21, 2022

POWER OF ATTORNEY

Each of the undersigned Directors and Officers of ASHLAND INC., a Delaware corporation (the "Corporation"), which anticipates filing an Annual Report on Form 10-K with the Securities and Exchange Commission, under the provisions of the Securities Act of 1933, as amended, hereby constitute and appoint GUILLERMO NOVO and YVONNE WINKLER VON MOHRENFELS, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power to act without the others to sign and file such Annual Report and the exhibits thereto and any and all other documents in connection therewith, and any such amendments thereto, with the Securities and Exchange Commission, and to do and perform any and all acts and things requisite and necessary to be done in connection with the foregoing as fully as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

Dated: November 21, 2022

/s/ Guillermo Novo

Guillermo Novo, Chair of the Board
and Chief Executive Officer
(Principal Executive Officer)

/s/ Jay V. Ihlenfeld

Jay V. Ihlenfeld, Director

/s/ J. Kevin Willis

J. Kevin Willis, Senior Vice President and Chief
Financial Officer
(Principal Financial Officer)

/s/ Wetteny Joseph

Wetteny Joseph, Director

/s/ Eric N. Boni

Eric N. Boni, Vice President and Controller
(Principal Accounting Officer)

s/ Susan L. Main

Susan L. Main, Director

/s/ Steven D. Bishop

Steven D. Bishop, Director

/s/ Jerome A. Peribere

Jerome A. Peribere, Director

/s/ Brendan M. Cummins

Brendan M. Cummins, Director

/s/ Ricky C. Sandler

Ricky C. Sandler, Director

/s/ William G. Dempsey

William G. Dempsey, Director

/s/ Janice J. Teal

Janice J. Teal, Director

/s/ Suzan F. Harrison

Suzan F. Harrison, Director

CERTIFICATIONS

I, Guillermo Novo, certify that:

1. I have reviewed this annual report on Form 10-K of Ashland Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
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5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):
- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 21, 2022

/s/ Guillermo Novo

Guillermo Novo
Chair and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, J. Kevin Willis, certify that:

1. I have reviewed this annual report on Form 10-K of Ashland Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
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5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):
- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 21, 2022

/s/ J. Kevin Willis

J. Kevin Willis
Chief Financial Officer
(Principal Financial Officer)

ASHLAND INC.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Ashland Inc. (the “Company”) on Form 10-K for the period ended September 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned, Guillermo Novo, Chief Executive Officer of the Company, and J. Kevin Willis, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Guillermo Novo

Guillermo Novo
Chief Executive Officer
November 21, 2022

/s/ J. Kevin Willis

J. Kevin Willis
Chief Financial Officer
November 21, 2022
