

Huntsman CORP
Form DEFM14A
September 12, 2007

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

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

Huntsman Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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

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

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

SPECIAL MEETING OF STOCKHOLDERS

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Common Stockholder of Huntsman Corporation:

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

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

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

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

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

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

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

Jon M. Huntsman
Chairman of the Board

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

HUNTSMAN CORPORATION
500 Huntsman Way
Salt Lake City, UT 84108

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

To the Common Stockholders of Huntsman Corporation:

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

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

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

YOUR VOTE IS IMPORTANT

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

By order of the Board of Directors,

Samuel D. Scruggs
Secretary
Huntsman Corporation

September 12, 2007

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

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

Q: What is the proposed transaction?

A:

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

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

A:

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

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

A:

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

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

A:

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

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

A:

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

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

A:

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

Q: What if the proposed merger is not completed?

A:

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

Q: Where and when is the special meeting?

A:

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

Q: Who is eligible to vote?

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

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

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

Q: What do I need to do now?

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

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

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

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

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

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

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

Q: May I vote in person?

A:

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

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

A:

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

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

A:

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

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

A:

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

Q: What is a quorum?

A:

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

Q: How are votes counted?

A:

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

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Q: Who will bear the cost of this solicitation?

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

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

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

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

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

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

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

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

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

Q: Who can help answer my questions?

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

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

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SUMMARY

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

The Parties (see page 14)

Huntsman Corporation

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

Hexion Specialty Chemicals, Inc.

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

Nimbus Merger Sub Inc.

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

The Merger (see page 19)

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

Merger Consideration (see page 65)

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

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

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

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

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

Market Price and Dividend Data (see page 88)

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

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

Our board of directors has unanimously:

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

declared the merger agreement and the merger advisable;

approved the merger agreement and merger; and

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

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

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

Opinions of Financial Advisors (see pages 38 and 47)

Opinion of Merrill Lynch, Pierce, Fenner and Smith Incorporated

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

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

Opinion of Cowen and Company, LLC

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

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

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

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

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

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

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

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

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

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

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

Share Ownership of Directors and Officers (see page 89)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Regulatory Approvals (see page 63)

United States

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

European Commission

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

Other Jurisdictions

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

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

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

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

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

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

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

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

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

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

terminating any venture or other arrangement;

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

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

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

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

Procedure for Receiving Merger Consideration (see page 67)

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

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

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

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

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

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

Conditions to Completion of the Merger (see page 81)

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

adoption of the merger agreement by our common stockholders;

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

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

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

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

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

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

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

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

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

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

Termination of the Merger Agreement (see page 82)

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

by either Hexion or us if:

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

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

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

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

by Hexion, within 15 business days, if:

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

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

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

by Huntsman if:

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

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

Fees and Expenses; Remedies (see page 84)

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

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

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

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

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

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

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

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

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

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

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

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

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

Voting Agreements (see page 86)

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

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

Appraisal Rights (see page 57)

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

FORWARD-LOOKING INFORMATION

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

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

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

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

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

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

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

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

THE PARTIES TO THE MERGER

Huntsman Corporation

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

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

Hexion Specialty Chemicals, Inc.

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

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

Nimbus Merger Sub Inc.

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

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

THE SPECIAL MEETING

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