



TITLE: Compliance Due Diligence and other Processes Policy for Joint Ventures, International Representatives, Distributors, Resellers/Traders, and Technology Licensing Projects			
TYPE: Corporate Policy			
APPROVER: Policy Committee			
SPONSOR: Chief Legal Officer			
HISTORY	EFF. DATE 7/7/2010	REV. No. 10	REV. DATE 12/11/2020

1. Purpose

- 1.1. This policy outlines the obligations of the directors, officers and employees of LyondellBasell Industries N.V. and its subsidiaries or affiliates over which it has operational control (“LyondellBasell” or the “Company”) regarding due diligence and other processes for Joint Ventures, International Sales Representatives, International Logistics Representatives and International Non-US Governmental Representatives (collectively “Representatives”), Distributors, Resellers/Traders and Technology Licensing Projects.
- 1.2. The purpose of conducting Compliance due diligence is to ensure that certain third parties acting on behalf of the Company or doing business with the Company have conducted and will continue to conduct business ethically, and that they will not subject LyondellBasell to criminal or civil liability or cause it reputational harm. Conducting due diligence not only minimizes LyondellBasell’s risk by helping to avoid relationships that may subject LyondellBasell to liability for the misconduct of others, but it also enables LyondellBasell to demonstrate, through the preparation and maintenance of a detailed record of the due diligence that was conducted, that LyondellBasell has an effective system of internal controls. The appropriate due diligence must be conducted before binding LyondellBasell contractually or otherwise, by written or oral agreement (excluding confidentiality agreements), with a prospective third party of the type contemplated in this policy.

2. Summary

- 2.1. Certain of our undertakings may be higher risk than others given the nature of our business and applicable laws. Just as the sophistication of our business and associated laws require heightened attention to health, safety, and environmental concerns we must also be diligent when engaging with certain third parties. These relationships are also colored by the customers and others with whom these third parties and joint venturers interact, particularly when they are Non-US Government Officials. Such relationships shall be initiated and conducted consistent with applicable laws, Company policies, and our due diligence procedures and standards.

- 2.2. The Company may not use a conduit to make improper payments to Non-US Government Officials or third parties anymore than it may make improper payments to Non-US Government Officials or third parties directly. The Company can be liable for the improper payments made by a Joint Venture, Representative, Distributor or Reseller/Trader if the Company knew or had reason to know that the Joint Venture, Representative, Distributor or Reseller/Trader was making an improper payment, failed to take appropriate steps to prevent such payment, and thus implicitly authorized the improper payment. Knowledge sufficient to make the Company liable is defined as including the belief that an improper payment is “substantially certain” to occur or that there is “high probability” it will occur. Liability cannot be avoided by willfully ignoring a situation or looking the other way.
- 2.3. The due diligence and other processes set forth in this policy must be conducted by the business group seeking to retain, engage or conduct a transaction with a Joint Venture, Representative, Distributor, Reseller/Trader or for Technology Licensing Projects as defined below. Procedures published by the Compliance Department supplement this policy.

3. Applicability and Definitions

- 3.1. The policy applies to Joint Ventures, International Sales Representatives, International Logistics Representatives and International Non-US Governmental Representatives, Distributors, Resellers/Traders, and Technology Licensing Projects.
- 3.2. “Distributor” means any individuals or entities that sell LyondellBasell products in their own name and for their own account. LyondellBasell has a long-term strategic marketing relationship with distributors, which typically includes the allocation of a sales territory, the obligation not to sell competing products, and a license to use our trademarks and/or LyondellBasell marketing material.
- 3.3. “Government Official” means an officer or employee of a government or public international organization, including their departments, agencies or instrumentalities, or any person acting in an official capacity for or on their behalf. Such persons may include customs, immigration, and tax officials, police, and judges. A Government Official includes not only a person who performs traditional governmental or administrative functions, but also an employee of a company or other business entity in which a governmental body has an ownership or controlling interest (*e.g.*, an employee of Sinopec or Braskem). Such employee can qualify as a Government Official even if he or she is engaged in commercial rather than governmental activities. A Government Official can also be a political party or a candidate for political office. The definition of Government Official also includes his or her immediate family members, spouse, children, mothers, fathers, sisters, and brothers.
- 3.4. “International Logistics Representative” means any individual or entity which interacts with Non-US Government Officials on behalf of LyondellBasell while

providing certain services to LyondellBasell with respect to transportation, logistics, import/export, duties, customs clearance, or other traffic related functions.

- 3.5. “International Non-US Governmental Representative” means any individual or entity which interacts with Non-US Government Officials on behalf of LyondellBasell while providing certain services to LyondellBasell that are not “International Logistics Representatives” or “International Sales Representatives”.
- 3.6. “International Sales Representative” means any individual or entity that (i) markets or sells LyondellBasell’s products for or on behalf of LyondellBasell or (ii) assists LyondellBasell in obtaining or retaining business or identifying or generating new business opportunities, including sales of goods and products or licenses or (iii) otherwise represents LyondellBasell in a country where it does not have a presence.
- 3.7. “Joint Ventures” are those entities or individuals that enter into a joint venture undertaking with LyondellBasell in a particular transaction for mutual benefit or profit.
- 3.8. “Red Flags” are warning signs that raise concerns about the transaction or the parties involved.
- 3.9. “Resellers/Traders” means any individuals or entities that sell LyondellBasell products in their own name and for their own account. LyondellBasell does not have a strategic marketing relationship with resellers/traders and transactions are usually discrete sales.
- 3.10. “Technology Licensing Projects” means all licensing projects marketed and licensed by the LyondellBasell Technology business segment.

4. Due Diligence Requirements

- 4.1. **Joint Ventures:** No Joint Venture may be formed prior to the completion of the [Joint Venture Procedure](#) and any requirements under section 13.1 of the Delegation of Authorities.
- 4.2. **International Sales Representatives:** No International Sales Representative may be used prior to the completion of the [International Sales Representative Procedure](#) and final approval by the Compliance Department.
- 4.3. **International Logistics Representatives:** No International Logistic Representative may be used prior to the completion of the [International Logistic Representative Procedure](#) and final approval by the Compliance Department.

- 4.4. **International Non-US Governmental Representative:** No International Non-US Governmental Representative may be used prior to the completion of the [International Non-US Governmental Representative Procedure](#) and final approval by the Compliance Department.
- 4.5. **Distributor:** All Distributor agreements must comply with the [Distributor Agreement Standards](#) published by the Compliance Department.
- 4.6. **Resellers/Traders:** All Resellers/Traders must periodically receive, execute, and return to LyondellBasell the [Reseller Model Letter of Understanding](#). All fully executed letters must be returned to the Compliance Department.
- 4.7. **Technology Licensing Projects:** All Technology Licensing Projects must follow the [Compliance Stage Gate Procedure for Technology Licensing Projects](#).

5. Due Diligence Files

- 5.1. A due diligence file containing all evidence of the due diligence conducted and approvals obtained, including that of the Chief Compliance Officer shall be maintained by the Compliance Department.

6. Due Diligence Questions and Updating Due Diligence

- 6.1. Effective due diligence requires a preliminary determination of the risks presented, gathering the due diligence data, carefully examining and analyzing that data, and exercising good judgment and common sense throughout. If you have any questions on the appropriate level of due diligence to be conducted, how to conduct due diligence, or due diligence relating to entities or individuals not addressed in this policy, you should contact the Compliance Department at EandC@lyondellbasell.com.
- 6.2. If you become aware of any Red Flags during the applicable due diligence process for Representatives, Distributors, Resellers, Traders, and Technology Licensing Projects or at any time during the life of the contract you should consult with the Compliance Department. A list of [Red Flags](#) can be found on the Compliance Department website.
- 6.3. The business group shall update the due diligence documentation as required by the Compliance Department.

7. Disciplinary Action

- 7.1. Violations of this Policy may result in disciplinary action up to and including termination from employment.