
**RULES
FOR THE
BOARD OF DIRECTORS**

OF

LYONDELLBASELL INDUSTRIES N.V.

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**RULES FOR THE
BOARD OF DIRECTORS
OF
LYONDELLBASELL INDUSTRIES N.V.**

1. INTRODUCTION

- 1.1 Article 16 paragraph 3 of the Articles provides that the Board may adopt rules governing its internal affairs.
- 1.2 No amendment shall be made to the Rules which adversely affects the rights of Access Industries (and/or one or more of its affiliates) arising from the Nomination Agreement without the prior written approval of such party.
- 1.3 The Board and each of its Members shall observe and comply with these Rules and action shall be taken by the Board and its Members to ensure that each of the Members shall observe and comply with the principles set out in these Rules.
- 1.4 These Rules are complementary to (i) the provisions regarding the Board and its Members contained in applicable law and regulations, including, when applicable, the principles of good governance and best practice provisions as contained in the Dutch Corporate Governance Code and the NYSE listing standards and (ii) the Articles.
- 1.5 In these Rules, the following expressions shall have the following respective meanings:

Affiliate means, with respect to any person, any other person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. For purposes of this definition, the terms “control,” “controlling,” “controlled by” and “under common control with,” as used with respect to any person, means the possession, directly or indirectly, of the power to direct the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

Articles means the articles of association of the Company.

Board means the board of directors of the Company.

Chairman means the chairman of the Board, as referred to in Article 16 paragraph 1 of the Articles.

Clause means a clause of these Rules.

Committee means any committee which the Board may establish from time to time in accordance

with Clause 5.

Company means LyondellBasell Industries N.V.

Deputy Secretary means the deputy secretary of the Board, if any, as referred to in Article 16 paragraph 1 of the Articles.

Encumbrance means any encumbrance, lien, pledge, security interest, claim, charges, option, right of first refusal or offer, mortgage, deed of trust, easement, including a restriction on the right to vote on equity interests.

Executive Directors means the executive members of the Board, as referred to in Article 12 paragraph 1 of the Articles, and **Executive Director** means any one of them.

General Meeting means the Company's general meeting of shareholders.

Material Acquisition or Divestiture means any acquisition or divestiture, including any investment in or acquisition of a non-controlling interest in any entity (and any divestitures thereof) where the Company and its Subsidiaries' equity in the book value of the asset or investment, or the amounts paid or received in the acquisition or divestiture exceed 5% of the Company's consolidated total assets.

Members means the members of the Board and **Member** means anyone of them.

Meeting means a meeting of the Board.

Nomination Agreement means that Second Amended and Restated Nomination Agreement, by and between the Company and AI International Chemicals S.À R.L., a société à responsabilité limitée or limited liability company organized under the laws of Luxembourg, dated June 1, 2018, as amended from time to time.

Non-Executive Directors means the non-executive members of the Board, as referred to in Article 12 paragraph 1 of the Articles and **Non-Executive Director** means any one of them.

NYSE means the New York Stock Exchange.

Person shall be construed broadly and shall include, without limitation, an individual, a partnership, *stichting*, *commanditaire vennootschap*, *besloten vennootschap*, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

Rules means these rules governing the Board's internal affairs, including Annex A.

Secretary means the secretary of the Board, as referred to in Article 16 paragraph 1 of the Articles.

Securities means, with respect to any Person, such Person's capital stock or other equity interests or any options, warrants or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for, such Person's capital stock or other equity or equity-linked interests, including phantom stock and stock appreciation rights.

Senior Officer means any executive officer, as that term is defined under Rule 3b-7 promulgated under the Securities Exchange Act of 1934, as amended.

Significant Subsidiary means any "significant subsidiary" as that term is defined in Item 1-02(w) of Regulation S-X of the rules and regulations promulgated under the Securities Exchange Act of 1934, as amended.

Subsidiary means any entity, the majority of whose voting stock or interests are owned by the Company, one or more Subsidiaries of the Company, or the Company and a Subsidiary.

Vice Chairman means the vice chairman of the Board, if appointed in accordance with Article 16 paragraph 1 of the Articles.

2. THE BOARD

2.1 Responsibilities

- 2.1.1 The Board is responsible for the management, direction and performance of the Company, as well as for developing and setting the Company's objectives and strategy, overseeing the associated risk profile and addressing corporate social responsibility issues that are relevant to the Company.
- 2.1.2 In the performance of its duties, the Board and each of its Members shall be guided by the interests of the Company and its associated enterprise. On an annual basis, the Board shall review and adopt an annual budget and business plan.

2.2 Composition and term

- 2.2.1 The Board shall, in its sole discretion, determine the size of the Board in accordance with and in order to comply with (i) the Articles, (ii) the terms of the Nomination Agreement and (iii) applicable law or regulation, including the NYSE listing standards, provided that the Board shall have no fewer than nine (9) and no more than twelve (12) Members, of which there shall be one (1) Executive Director who shall be the Chief Executive Officer of the Company, unless required to effectuate one of the items set forth in (i)-(iii) hereof.
- 2.2.2 The Members shall be nominated for election to one-year terms.

- 2.2.3 The Members shall be natural persons.
- 2.2.4 The Non-Executive Directors shall appoint a Chairman and, if necessary, a Vice Chairman from among their number.
- 2.2.5 The Board shall appoint a Secretary and, if necessary, a Deputy Secretary, in each case whether or not from its number.
- 2.2.6 The Board shall adopt a profile of its size and composition, taking account of the nature of the business, its activities and the desired expertise and background of the Members; provided that the composition of the Board shall comply with applicable listing standards and at least one member of the Board who is deemed to be independent under NYSE Rule 303A.02 shall also be a "financial expert" pursuant to Section 407 of the Sarbanes-Oxley Act of 2002.

2.3 Appointment and dismissal of Members

- 2.3.1 Except as provided in Clause 2.3.6 and article 15 of the Articles, the Members are appointed by the General Meeting. The appointment of a Member nominated pursuant to the Nomination Agreement shall take place by way of a binding nomination and shall be prepared by the Board within three (3) months after the vacancy has arisen or as soon as practicable, in which event the Board shall submit to the General Meeting the nomination received by it in accordance with the terms of the Nomination Agreement. To the extent the nomination for any vacancy is not submitted to the Board pursuant to the Nomination Agreement, the Board shall provide notice to the party having such nomination rights, and, no earlier than twenty (20) days after providing such notice and the continued failure by such party to identify the nominee, shall select an appropriate nominee based on candidates' qualifications and profile, taking into due consideration the desired profile laid out in advance by the Board in accordance with Clause 2.2.6, in which event the Board shall submit a non-binding nomination to the General Meeting.

A resolution by the General Meeting on the proposal shall result in such person being appointed, unless the General Meeting renders the nomination non-binding by means of a resolution adopted by at least two-thirds of the valid votes cast and the valid votes cast represent more than half of the Company's issued capital.

Notwithstanding anything in this Clause 2.3.1 to the contrary, the provisions relating to the appointment of Members contained in the Nomination Agreement shall supplement the provisions of the Articles relating to the appointment of Members.

- 2.3.2 The binding nominations referred to in Clause 2.3.1 shall be made in accordance with article 2:142(3) of the Netherlands Civil Code and with due observance of Clause 2.5 and the terms and conditions agreed upon in the Nomination Agreement.

- 2.3.3 A Member will be appointed for a term beginning on the date of his appointment and lapsing at the end of the next annual General Meeting. A Member may be re-appointed with due observance of the preceding sentence. There is no limit to the number of times a Member can be reappointed; provided, however, a Member shall not be renominated following his 75th birthday.
- 2.3.4 The Board may draw up a retirement schedule for the Members. Periodical resignation will take place per the date of the annual General Meeting.
- 2.3.5 The Members are suspended and dismissed by the General Meeting in the manner as described in the Articles. The Board may at any time suspend the Executive Director. If a Member is suspended and the General Meeting does not resolve to dismiss him or to terminate or continue the suspension within three (3) months from the date of suspension, the suspension shall lapse. A suspended Member shall be given an opportunity to account for his actions at the General Meeting and to be assisted by an adviser in doing so.

A resolution to continue the suspension as referred to above may be adopted only once. In such event the suspension may be continued for a maximum period of three (3) months commencing on the day the General Meeting has adopted the resolution to continue the suspension. If within the period of continued suspension the General Meeting has not resolved either to dismiss such Member or to terminate the suspension, the suspension shall lapse.

- 2.3.6 In case the number of Members will be less than nine (9), the Board will remain competent.
- 2.3.7 In the event a party is entitled to submit the nomination of a Member pursuant to the terms of the Nomination Agreement, the Board shall, subject to applicable law and regulation, as soon as practicable effect the appointment of such nominee in accordance with Article 15 of the Articles, which appointment shall terminate on the date of the next annual General Meeting or, if earlier, an extraordinary General Meeting at which the appointment of such nominee is voted on by shareholders. A person appointed in accordance with this clause 2.3.6 and Article 15 of the Articles shall be considered a Member for the purpose of these Rules.

2.4 Remuneration

The remuneration of the Executive Director and Non-Executive Directors shall be determined by the Board in accordance with Articles 12.8 and 12.9 of the Articles.

2.5 Majority and quorum

- 2.5.1 Each Member shall have the right to cast one vote in a Meeting.
- 2.5.2 The Board shall pass resolutions by an absolute majority of the votes cast. Abstentions will be regarded as votes not cast. In the event of a tie vote, the proposal will have been rejected.

In the event of a tie vote on persons, the resolution will be postponed until the next following Meeting provided that if there is a tie vote again, no resolution will be passed.

- 2.5.3 The determination of the Chairman with regard to the results of a vote, and, where there has been a vote about a proposal which has not been put in writing, his determination as to the contents of the resolution passed, shall be decisive. However, where the accuracy of the determination referred to in the previous sentence is contested promptly after it has been made, a new vote shall take place if so required by a majority of the votes or, where the first vote did not take place by response to a roll call or in writing, if one person present with the right to vote so requires. The legal consequences of the original vote shall become void as a result of the new vote. The Chairman does not hold a casting vote.
- 2.5.4 In order to hold a valid Meeting a quorum constituting a majority of the number of Members holding office is required.

2.6 Meetings

- 2.6.1 The Board will hold a Meeting whenever deemed desirable by the Chairman or a majority of the Members. The Board shall conduct at least four (4) regularly scheduled Meetings per year.
- 2.6.2 The Chairman shall chair the Meetings. If the Chairman is absent, the Vice Chairman, if appointed, shall chair the Meeting. If no Vice Chairman has been appointed, the Member present at the Meeting who has held that office longest shall chair the Meeting. If two or more Members have equal seniority, the eldest of them shall chair the Meeting.
- 2.6.3 A Member may be represented at a Meeting by a fellow Member, authorized in writing, only.
- 2.6.4 The notice of the Meeting shall be given by the Chairman, or in his absence the Vice Chairman, or in the event no Vice Chairman has been appointed, the Member referred to in 2.6.2, and shall set out an agenda identifying in reasonable detail the matters to be discussed at the meeting and shall be accompanied by copies of any relevant papers to be discussed at the meeting. Any matter which is to be submitted to the Board for a decision which is not identified in reasonable detail as aforesaid may, notwithstanding the foregoing, be decided upon at the applicable Meeting, unless any Member, acting reasonably, requests reasonable detail in which case the meeting shall be adjourned, for fourteen (14) days maximum in which time the Member or Members having submitted the matter to the Board shall supply reasonable detail to the others.
- 2.6.5 Meetings generally shall be held in the United Kingdom. There shall be at least seven (7) days between the date on which notice is given to each of the Members and the date on which such Meeting is held, unless the person giving notice of the Meeting determines a shorter notice period is necessary.
- 2.6.6 Minutes of the proceedings at the meetings will be kept by the Secretary. The minutes will be

confirmed and signed by the Chairman and Secretary, or in their absence, by the persons who will have acted as chairman and secretary, respectively, at the meeting.

3. CONFLICTS OF INTEREST

- 3.1 A Member shall not participate in the decision-making process on a subject or transaction in relation to which he has a direct or indirect personal interest (including through his relationship with the entity that is proposed to be a party to the transaction) which is in conflict with the interests of the Company and its associated enterprise. In the event that - as a result of such conflict of interest - no resolution of the Board can be adopted in respect of a certain subject or transaction, the General Meeting shall decide on the matter concerned.
- 3.2 Without prejudice to Clause 3.1, and subject to the Director Confidentiality Policy, Non-Executive Directors shall not have any duty to refrain, directly or indirectly, from (a) pursuing a corporate opportunity in the same or similar business activities or lines of business in which the Company or any of its Affiliates now engages or proposes to engage or (b) otherwise competing with the Company or any of its Affiliates. The Non-Executive Directors do not have any duty to offer to the Company an opportunity to participate in, any business opportunity which may be a corporate opportunity for the Company or any of its Affiliates.
- 3.3 In the event that a Non-Executive Director acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for the Company or any of its Affiliates, such Non-Executive Director shall have no duty to communicate or offer such transaction or other business opportunity to the Company or any of its Affiliates.

4. DIVISION OF DUTIES, CHAIRMAN, NON-EXECUTIVE DIRECTORS AND EXECUTIVE DIRECTOR/CEO

4.1 General

- 4.1.1 The Members are equally responsible for the management of the Company in accordance with clause 2.1.

4.2 The Chairman

- 4.2.1 The Chairman shall act as chairman of the General Meeting.
- 4.2.2 If the Chairman is permanently incapacitated or prevented from acting, the Vice Chairman, or in the event no Vice Chairman has been appointed, the Member referred to in Clause 2.6.2, shall be temporarily charged with his tasks.

4.3 Non-Executive Directors

4.3.1 The Non-Executive Directors shall be responsible for the supervision of the performance of the Executive Director and the general course of affairs of the Company and its associated enterprise.

4.4 Executive Director/CEO

4.4.1 The Executive Director shall be the Chief Executive Officer of the Company. The Executive Director shall represent the Company and shall be responsible for managing the day to day affairs of the Company.

4.4.2 The responsibilities of the Executive Director shall include:

- a. monitoring compliance with all relevant laws and regulations, the Articles and good corporate governance practice;
- b. achieving the operational and financial objectives and executing the strategy of the Company;
- c. reviewing the general state of affairs and results of the Company and overseeing investor relations;
- d. on an annual basis, recommending an annual budget and business plan for the Company;
- e. reviewing and managing the financial affairs of the Company;
- f. approving contracts and commitments as required under the Articles and the Company's policy on delegation of authorities;
- g. consulting with the Board and/or the Finance Committee regarding the submission of any indication of interest or letter of intent with respect to a Material Acquisition or Divestiture of any business or assets;
- h. assessing and managing the risks associated with the Company's activities through appropriate risk management control systems and policies and reporting to the Non-Executive Directors thereon;
- i. managing the quality and completeness of publicly disclosed financial reports through establishment and maintenance of the Company's financial reporting process;
- j. consulting with the external auditor of the Company and the Audit Committee of the Board to prepare an internal audit schedule;

- k. maintaining key relationships with the Board, internal auditor of the Company, external auditor of the Company and other stakeholders;
 - l. monitoring businesses and corporate functions of the Company;
 - m. addressing corporate social responsibility issues relevant to the Company;
 - n. ensuring maintenance of insurance coverage for the Company, including a directors' and officers' liability insurance policy; and
 - o. making recommendations to the Board in relation to the matters set out in Annex A to these Rules and where required pursuant to Dutch law, the rules of the NYSE, any other applicable regulations or the Articles.
- 4.4.3 Notwithstanding the foregoing, the approval of the Board or (one or more) Non-Executive Directors, as applicable, will be required for those matters that are vested in the Board or such Non-Executive Director(s) by Dutch law, the Articles, NYSE listing standards or any other applicable law or regulations, and any matter vested in a Committee pursuant to its charter will require the approval of such Committee. In addition, a resolution of the Board will be required for those matters listed in Annex A.
- 4.4.4 The Executive Director shall timely provide the Board with all information required for the exercise of the Members' duties.
- 4.4.5 The Board shall decide on all matters that are not delegated to the Executive Director in the Articles, these Rules or otherwise pursuant to a resolution of the Board.

5. COMMITTEES

- 5.1 The Board shall have the following standing committees: an Audit Committee, a Nominating and Governance Committee, a Compensation Committee, a Health, Safety, Environmental and Operations Committee, a Finance Committee and an Executive Committee. The responsibilities for these Committees are set forth in written charters.

The Board appoints the members of each committee, provided that the Executive Director shall not be a member of the Audit Committee, the Nominating and Governance Committee, or the Compensation Committee.

- 5.2 The Board may establish one or more other additional committees from among its Members as it deems fit, subject to Clause 5.3 and provided that the composition and responsibilities for any such committee shall comply with applicable listing standards including the NYSE listing standards. The Board may also delegate certain of its tasks to a Committee, provided that such delegation complies with applicable law and regulations, including the NYSE listing standards. The del-

egation of certain tasks to a Committee does not negate the joint responsibility of all Members. The Board may reverse a delegation at any time.

- 5.3 Each Committee may adopt internal rules as it deems fit provided that the adoption of internal rules by a Committee, as well as any amendment to the internal rules of a Committee, are subject to approval as referred to in Clause 1.2. The internal rules of each Committee will form an integral part of these Rules.
- 5.4 At least one Member of the Board nominated by AI International Chemicals S.À R.L. (to the extent AI International is entitled to nominate three members of the Board pursuant to the Nomination Agreement) shall be entitled to serve on each Committee, except as may be prohibited by law or regulation including the NYSE listing standards. Each member of the Board nominated to serve on any Committee shall disclose any conflict of interest (as set forth under Clause 3) to the other members of such Committee and with respect to any matter in which such member has or reasonably could be expected to have a conflict of interest (as determined by the other members of such Committee or the other members of the Board in their sole discretion) the member shall be recused and not receive information or participate in discussions, deliberations, or decision-making processes related to such matter.

6. MISCELLANEOUS

6.1 Governing Law.

These Rules shall be governed by, and be construed in accordance with, the laws of The Netherlands.

6.2 Arbitration.

All disputes arising in connection with these Rules shall be finally settled in accordance with the arbitration rules of the Netherlands Arbitration Institute (NAI). The arbitral tribunal shall be composed of 3 (three) arbitrators: two selected by the Board and the third agreed upon by the first two selected arbitrators. The place of arbitration shall be Amsterdam. The arbitral procedures shall be conducted in the English language. Consolidation of the arbitral proceedings with other arbitral proceedings pending in The Netherlands, as provided in article 1046 of the Netherlands Code of Civil Procedure, is excluded.

These Rules, as amended and restated, are adopted on February 19, 2020 in accordance with Article 16.3 of the Articles.

ANNEX A

Resolutions to (to the extent applicable, in one or a series of related transactions):

1. acquire, repurchase, redeem, cancel, sell, or otherwise dispose of any equity interest of the Company or any of its Significant Subsidiaries, or any equity interest convertible into or exchangeable for, or any rights, warrants or options to acquire any shares of, capital stock of the Company or any of its Significant Subsidiaries;
2. declare, set aside, make or pay any dividend or other distribution in respect of the Company's Securities, or purchase or redeem, directly or indirectly, such Securities;
3. amend, modify or waive any material term of any outstanding (i) Security of the Company or any of its Significant Subsidiaries or (ii) indebtedness (as defined in GAAP) in excess of \$250,000,000 of the Company or any of its Significant Subsidiaries;
4. consummate an initial public offering or a public offering of the Securities of any Subsidiary;
5. make any Material Acquisition or Divestiture of any business or assets;
6. to adopt, materially amend or materially change the annual budget or business plan of the Company and its Subsidiaries or make aggregate expenditures exceeding the overall budget by greater than 10%;
7. make expenditures for capital projects (i) contemplated by the then approved annual budget, in excess of \$200,000,000 or (ii) not contemplated by the then approved annual budget, in excess of \$75,000,000;
8. adopt or amend these Rules;
9. enter into any material new line of business;
10. agree to enter into or consummate any mergers, amalgamations, consolidations, reorganizations, recapitalizations or other business combinations with unrelated third parties;
11. commence the termination, liquidation or dissolution of the Company, or enter into any agreement or arrangement relating thereto;
12. propose or institute proceedings to adjudicate the Company or any of its Subsidiaries as bankrupt, or consent to the filing of a bankruptcy proceeding against the Company or any of its subsidiaries, or file a petition or answer or consent seeking reorganization of the Company or any of its Subsidiaries under any applicable bankruptcy or insolvency laws, or consent to the filing of any such petition against the Company or any of its Subsidiaries, or consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Company or any of its Subsidiaries, or make an assignment for the benefit of creditors of the Company or any of its Subsidiaries or admit in writing the Company's or any of its Sub-

- sidiary's inability to pay its debts generally as they become due;
13. subject to applicable insolvency law, propose that the Company be wound up or that any liquidation proceedings be commenced;
 14. enter into, extend or terminate any contract, agreement, arrangement, commitment, letter of intent, memorandum of understanding, obligation or similar understanding (i) in the ordinary course of business, involving more than \$1,500,000,000 for purchase contracts and more than \$750,000,000 for sales contracts or (ii) outside of the ordinary course of business, involving more than \$50,000,000, other than with respect to acquisitions or divestitures which are covered in Item 5;
 15. hire or fire any Senior Officer or create any new Senior Officer position;
 16. (i) adopt, approve or materially amend compensation and benefit plans and programs of the Company or any of its Subsidiaries, including cash bonus plans, option and equity-based or profit sharing plans, (ii) enter into or adopt any welfare, pension or benefit plan or arrangement involving any labor organization (including without limitation any multi-employer trust providing retirement benefits) or (iii) approve any compensation of any Senior Officer, including any grants under any equity based or profit sharing plans;
 17. adopt or approve any Company-wide severance agreements or arrangements or any severance agreements or arrangements with any Senior Officer;
 18. enter into any agreement providing for the indemnification of any director or Senior Officer of the Company;
 19. purchase, obtain, terminate, discontinue or materially amend any "director and officer" insurance for the benefit of any officer, director, employee, agent or representative of the Company;
 20. accept or approve the external auditors or auditors' reports;
 21. approve the payment of any investment banking fees in excess of \$25,000,000;
 22. make any political contribution or make any charitable contribution from Company funds in excess of \$2,000,000;
 23. amend or waive any material term of any agreement or transaction that requires approval of the Board hereunder;
 24. change the corporate seat of the Company; or
 25. make, permit or approve any of the following transactions:
 - other than in the ordinary course of business consistent with the then approved business

plan and budget of the Company, mortgage or otherwise encumber or subject to any Encumbrance any material assets of the Company or any of its Significant Subsidiaries;

- other than in the ordinary course of business consistent with the then approved business plan and budget of the Company, lend any money or assets of the Company to any other Person in excess of \$50,000,000; provided however, that any loans made to directors, officers or employees of either the Company or of any of its Significant Subsidiaries other than normal advances for travel and entertainment expenses and the like, shall require approval irrespective of the amount; or
- incur (a) indebtedness of the Company or its Subsidiaries for money borrowed from others and purchase money indebtedness, in each case in excess of \$100,000,000; (b) guarantees by the Company or its Subsidiaries of third party indebtedness of the type and amounts described in clause (a) above, but excluding endorsements of checks and other instruments in the ordinary course; and (c) obligations of the Company or its Subsidiaries to pay rent or other amounts under any lease of (or other arrangement covering the right to use) real or personal property in excess of \$50,000,000, which obligations are required to be classified and accounted for as capital leases on a balance sheet of the Company, as of such date computed in accordance with GAAP.