

LyondellBasell Industries N.V.
Form DEF 14A
March 25, 2011

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)**

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

LyondellBasell Industries N.V.

(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:

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:

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- 1) Amount Previously Paid:

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

 - 3) Filing Party:

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LyondellBasell Industries N.V.

**NOTICE OF AND AGENDA FOR ANNUAL GENERAL MEETING
OF SHAREHOLDERS TO BE HELD MAY 5, 2011**

To the Shareholders of LyondellBasell Industries N.V.:

You are hereby notified that the Annual General Meeting of Shareholders (the Annual Meeting) of LyondellBasell Industries N.V. will be held at the Company s offices at Weena 737, 3013 AM, Rotterdam, The Netherlands, at 1:00 p.m., local time, on Thursday, May 5, 2011, for the following purposes:

1. Opening;
2. To discuss application of the Dutch Corporate Governance Code;
3. To re-elect or elect, as applicable, three Class I directors to serve as members of the Supervisory Board until the Annual General Meeting of Shareholders in 2014;
4. To elect two Class II directors to serve as members of the Supervisory Board until the Annual General Meeting of Shareholders in 2012;
5. To elect one Class III directors to serve as a member of the Supervisory Board until the Annual General Meeting of Shareholders in 2013;
6. To discuss our annual report of Company for the year ended December 31, 2010 and to adopt our Dutch statutory annual accounts for the year ended December 31, 2010;
7. To discharge the sole member of our Management Board from liability in respect of the exercise of his duties during the year ended December 31, 2010;
8. To discharge the members of our Supervisory Board from liability in respect of the exercise of their duties during the year ended December 31, 2010;
9. To appoint PricewaterhouseCoopers LLP as our independent registered public accounting firm, who will audit our accounts for the year ending December 31, 2011;
10. To approve the compensation of the members of the Supervisory Board;
11. To approve certain ministerial amendments to our Articles of Association;
12. To discuss our dividend policy;
13. To approve the authority of our Management Board, acting with the approval of the Supervisory Board, to declare a dividend in respect of the 2010 fiscal year;
14. To approve, in an advisory (non-binding) vote, LyondellBasell s executive compensation as disclosed in the accompanying proxy statement;

15. To approve an advisory (non-binding) proposal to determine whether the shareholder vote to approve executive compensation (Item 10 above) should occur every 1, 2 or 3 years; and

16. Closing.

The matters set forth in items 2, 6, 7, 8, 10, 12 and 13 are presented to our shareholders as a result of our being organized under the laws of The Netherlands. Under Dutch law, several matters that are within the authority of the directors under most U.S. state corporate laws require shareholder approval. Additionally, Dutch governance provisions require certain discussion topics for annual meetings of shareholders, that are not voted on, to be included in proxy statements. More information regarding the requirements and provisions of Dutch law applicable to each of these matters is set forth in the description of each such matter in this proxy statement.

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Our Dutch statutory annual accounts and the related annual report, our Annual Report on Form 10-K, the draft amendment to our Articles of Associations, charters of each of our Audit, Nominating and Governance, Compensation, and Health, Safety and Environmental Committees, our Corporate Governance Guidelines; our Code of Conduct and our Code of Ethics for principle officers can be accessed through our website, www.lyondellbasell.com, and, along with directions to attend the Annual Meeting, may be obtained free of charge by request to our administrative offices c/o Lyondell Chemical Company, 1221 McKinney Street, Suite 700, Houston, Texas 77010 Attn: Secretary to the Supervisory Board. Copies of the documents listed above are also available for inspection by shareholders free of charge at our offices in Rotterdam listed above.

REGISTERED SHAREHOLDERS ARE REQUESTED TO VOTE PROMPTLY, AND IF VOTING BY MAIL, TO COMPLETE, SIGN, DATE AND PROMPTLY MAIL THE ENCLOSED PROXY IN THE ENCLOSED ENVELOPE. NO POSTAGE IS REQUIRED FOR MAILING IN THE UNITED STATES.

Secretary

March 24, 2011

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on May 5, 2011: The proxy statement and annual report to security holders are available on the Internet at www.proxyvote.com.

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LyondellBasell Industries N.V.

PROXY STATEMENT

This proxy statement, which is first being mailed or made available to holders of registered shares on or about March 25, 2011, is furnished in connection with the solicitation of proxies on behalf of LyondellBasell Industries N.V. (we , LyondellBasell or the Company), who ask you to vote promptly, and if voting by mail, to complete, sign, date and mail the enclosed proxy for use at the Annual General Meeting of Shareholders to be held at the Company s offices at Weena 737, 3013 AM, Rotterdam, The Netherlands, at 1:00 p.m., local time, on Thursday, May 5, 2011 (the Annual Meeting), for the purposes set forth in the foregoing notice and agenda.

We are utilizing U.S. Securities and Exchange Commission rules allowing companies to furnish proxy materials over the Internet. Instead of receiving a paper copy of this proxy statement, our 2010 Annual Report and a form of proxy card (the proxy materials), most of our shareholders are receiving a notice regarding the availability of our proxy materials. The notice includes instructions on how to access the proxy materials over the Internet. The notice also contains instructions on how each shareholder can receive a paper copy of the proxy materials. Internet distribution of our proxy materials is designed to expedite receipt by shareholders, lower the costs of the Annual Meeting, and conserve natural resources.

Each share entitles the holder thereof to one vote on each matter submitted to a vote at the Annual Meeting. All shares represented by proxies duly executed and received by us within the time indicated on the enclosed proxy (the Voter Deadline) will be voted at the Annual Meeting in accordance with the terms of the proxies. If no choice is indicated on the proxy, the proxyholders will vote for all proposals described in this proxy statement. If any other business is properly brought before the Annual Meeting under our Articles of Association or Dutch law, the proxies will be voted in accordance with the best judgment of the proxyholders. In general, only those items appearing on the agenda can be voted on at the Annual Meeting.

A shareholder may revoke a proxy by submitting a document revoking it prior to the Voter Deadline, by submitting a duly executed proxy bearing a later date prior to the Voter Deadline or by attending the Annual Meeting and voting in person (with regard to which the requirements below apply).

Only holders of record of the registered shares of our share capital, par value 0.04 (the common shares or shares), issued at the close of business on April 7, 2011 are entitled to notice of and to vote at the Annual Meeting. Shareholders must give notice in writing of their intention to attend the Annual Meeting prior to April 29, 2011. Such notices may be emailed to investors@lyondellbasell.com. Admittance of shareholders and acceptance of written voting proxies shall be governed by Dutch law.

Although there is no quorum requirement under Dutch law, abstentions, directions to withhold authority to vote for a Supervisory Director nominee and broker non-votes will be considered present at the meeting but will not be counted to determine the total number of votes cast. Broker non-votes occur when nominees, such as brokers and banks holding shares on behalf of the beneficial owners, are prohibited from exercising discretionary voting authority for beneficial owners who have not provided voting instructions. If you do not give instructions to your bank, brokerage firm or other agent, the bank, brokerage firm or other agent will nevertheless be entitled to vote your shares of common stock in its discretion on routine matters and may give or authorize the giving of a proxy to vote the shares of common stock in its discretion on such matters. We believe that each of the matters to be voted on at the meeting, other than the election of directors (Items 1, 2 and 3 on the Proxy Card); the advisory vote on executive compensation (Item 11 on the Proxy Card); and the advisory vote on frequency of executive compensation (Item 12 on the Proxy Card) are considered routine matters for determining whether brokers may vote without instruction. For these reasons,

please promptly vote in accordance with the instructions provided by your bank, brokerage firm or other agent.

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We will bear the cost of soliciting proxies on the accompanying proxy card. Some of our directors, officers and regular employees may solicit proxies in person or by mail, telephone or fax, but will not receive any additional compensation for their services. We may reimburse brokers and others for their reasonable expenses in forwarding proxy solicitation material to the beneficial owners of our shares.

We have adopted a procedure approved by the SEC called householding. Under this procedure, stockholders of record who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of the proxy materials unless we are notified that one or more of these individuals wishes to receive separate copies. This procedure helps reduce our printing costs and postage fees.

If you participate in householding and wish to receive a separate copy of proxy materials, please contact our administrative offices c/o Lyondell Chemical Company, 1221 McKinney Street, Suite 700, Houston, Texas 77010, attention: Secretary to the Supervisory Board. If you do not wish to participate in householding in the future, and prefer to receive separate copies of the proxy materials, please contact: Broadridge Financial Solutions, Attention Household Department, 51 Mercedes Way, Edgewood, NY 11717, telephone 1-800-542-1061. If you are eligible for householding but are currently receiving multiple copies of proxy materials and wish to receive only one copy for your household, please contact Broadridge.

Shareholders and other interested persons may communicate with the Supervisory Board or one or more directors by sending a letter addressed to the Supervisory Board or to any one or more directors in care of Craig B. Glidden, Secretary to the Supervisory Board, at the Company's administrative offices c/o Lyondell Chemical Company, 1221 McKinney Street, Suite 700, Houston, Texas 77010, in an envelope clearly marked Shareholder Communication. Mr. Glidden's office will forward such correspondence unopened to Marvin O. Schlanger, Chairman, unless the envelope specifies that it should be delivered to another director.

SUPERVISORY BOARD OF DIRECTORS

The business and general affairs of the Company and the management of the business of the Company by the Management Board are supervised by the Board of Supervisory Directors (the Supervisory Board).

Our Supervisory Board currently has eight members. Our Articles of Association provide that the Supervisory Board will consist of at least nine members and the Rules of the Supervisory Board provide that the Supervisory Board, in its sole discretion, shall determine the size of the Supervisory Board in accordance with and in order to comply with our Articles, nomination agreements in effect and the listing standards of the New York Stock Exchange.

The NYSE listing standards require that we have a majority of independent directors. Pursuant to transition provisions of the listing standards, we have until one October 14, 2011 to meet this requirement. As discussed under

Independence of Supervisory Board Members, three of our current eight members are deemed independent. Access Industries, an approximately 16% shareholder, has advised us that it has selected Robin Buchanan for nomination as a member to our Supervisory Board at the Annual Meeting. As a result, in March 2011, our Supervisory Board determined that our Supervisory Board should consist of thirteen members, seven of whom will be independent and six of whom are not. Enabling the election of four additional independent members to the Supervisory Board will allow us to meet the listing standards requirement.

Our Supervisory Board is divided into three classes, each consisting of approximately one-third of the total number of the members of the Supervisory Board. The increase in the size of the Supervisory Board has created additional vacancies in each class of directors. Milton Carroll and Rudy der Meer are each Class I directors, whose terms expire at the Annual Meeting. Our Supervisory Board has nominated each of them for re-election as Class I directors. The Supervisory Board has nominated additional individuals to serve as Class I, II and III directors as described under

Election of Directors. The Supervisory Board intends to take all necessary action to fill the remaining vacancy with an independent director as soon as practicable.

The members of the Supervisory Board are elected by the general meeting of shareholders from a list that is drawn up by the Supervisory Board. Pursuant to our Articles of Association, the list is, in principle, binding

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and includes two candidates for each vacancy to be filled. The binding nature of the Supervisory Board's nomination may be overridden by a vote of two-thirds of the votes cast at the meeting if such two-thirds vote constitutes more than one-half of the issued share capital of the Company. In that case, shareholders would be free to cast their votes for persons other than those nominated below.

Board Leadership Structure

The Company maintains a two-tier governance structure, consisting of a Management Board, responsible for the management of the Company, and a Supervisory Board, responsible for the general oversight of the Management Board. The Management Board may consist only of executive directors and the Supervisory Board of non-executive directors. Marvin O. Schlanger is the non-executive Chairman of our Supervisory Board. James L. Gallogly, our Chief Executive Officer, is the sole member of our Management Board and is not a member of the Supervisory Board. Our Articles of Association provide that to the extent there is only one member of the Management Board, such member must be our CEO. Our two-tier board structure has the effect of separating the roles of chief executive officer and chairman of the board.

Maintaining the two-tier board structure allows our CEO to focus on managing our day-to-day business, including achieving our aims, strategy and risk profile, and results of operations. It also allows the non-executive chairman of the Supervisory Board to lead the Board in its fundamental role of supervising the policies of the Management Board and the general affairs of the Company as well as providing advice to the Management Board. The Supervisory Board recognizes the time, effort, and energy that the CEO is required to devote to his position in the current business environment, as well as the commitment required of our non-executive chairman. The Supervisory Board believes this separation of responsibilities is appropriate for LyondellBasell not only because of the size and composition of the Board, the scope and complexity of the Company's operations, and the responsibilities of the Board and management, but also as a demonstration of our commitment to good corporate governance.

Role in Risk Oversight

While the Company's management is responsible for the day-to-day management of risks to the Company, the Supervisory Board has broad oversight responsibility for the Company's risk management programs. In this oversight role, the Board is responsible for satisfying itself that the risk management processes designed and implemented by the Company's management are functioning as directed, and that necessary steps are taken to foster a culture of risk-adjusted decision-making throughout the organization. The primary means by which our Supervisory Board oversees our risk management structures and policies is through its regular communications with management. The Company believes that its leadership structure is conducive to comprehensive risk management practices, and that the Supervisory Board's involvement is appropriate to ensure effective oversight.

The Supervisory Board and its committees meet in person approximately six times a year, including one meeting that is dedicated specifically to strategic planning. At each of these meetings, our Chief Executive Officer; Chief Financial Officer; and Chief Legal Officer are asked to report to the Supervisory Board and, when appropriate, specific committees. Additionally, other members of management and employees periodically are requested to attend meetings and present information. One of the purposes of these presentations is to provide direct communication between members of the Supervisory Board and members of management; the presentations provide members of the Supervisory Board with the information necessary to understand the risk profile of the Company, including information regarding the specific risk environment, exposures affecting the Company's operations and the Company's plans to address such risks. In addition to information regarding general updates to the Company's operational and financial condition, management reports to the Supervisory Board on a number of specific issues meant to inform the Board about the Company's outlook and forecasts, and any impediments to meeting those or its pre-defined strategies generally. These direct communications between management and the Supervisory Board allow the Board to assess

management's evaluation and management of the day-to-day risks of the Company.

In carrying out its oversight responsibility, the Supervisory Board has delegated to individual Board committees certain elements of its oversight function. The Audit Committee assists the Board in its

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involvement in the Company's risk management process by providing oversight for the integrity of the Company's financial statements; the Company's independent accountants' qualifications and independence; the performance of the Company's internal audit function, independent accountant and the Company's compliance program; and the Company's system of disclosure and internal controls. The Compensation Committee undertakes risk oversight of the Company's compensation programs through its responsibility to the Board to monitor the Company's compensation structure from the point of view of not encouraging risks inconsistent with the interests of our shareholders. The Nominating & Governance Committee also participates in identifying and participating in the management of risk factors facing the Company. The Nominating & Governance Committee's participation involves the review of policies and practices in the areas of corporate governance; consideration of the overall relationship of the Supervisory Board and the Company's management; and the development, review and recommendation of governance guidelines applicable to the Company. The Health, Safety and Environmental (HSE) Committee reviews and monitors compliance with health, safety and environmental matters affecting the Company.

The Company has also initiated an enterprise risk management process, which is coordinated by the Company's Director of Risk Management. This process initially involved the identification of the Company's programs and processes related to risk management, and the individuals responsible for them. Included was a self-assessment survey completed by senior personnel requesting information regarding perceived risks to the Company, with follow-up interviews with members of senior management to review the responses. The information gathered is tailored to coordinate with the Company's strategic planning process such that the risks can be categorized in a manner that identify the specific Company strategies that may be jeopardized and plans can be developed to address the risks to those strategies.

The results of these efforts are reported to the Audit Committee of the Supervisory Board, which is responsible for the overseeing the design of the risk assessment process. Since the initiation of the enterprise risk management process, regular updates are given to the Supervisory Board on material Company risks. In addition, the Audit Committee is responsible for ensuring that an effective risk assessment process is in place, and quarterly reports are made to the Audit Committee on all financial and compliance risks in accordance with New York Stock Exchange requirements.

Independence of Supervisory Board Members

The Supervisory Board has determined that each of the following six directors and director nominees is independent in accordance with the New York Stock Exchange listing standards and the Dutch Corporate Governance Code:

Jacques Aigrain (nominee)
Jagjeet S. (Jeet) Bindra (nominee)
Milton Carroll
Robert G. Gwin (nominee)
Bruce A. Smith
Rudy van der Meer

Messrs. Buchanan, Cooper, Harris, Kleinman, Schlanger and Serota are not considered independent, as described below.

To assist in determining independence, the Supervisory Board adopted categorical standards of director independence, which meet or exceed the requirements of both the New York Stock Exchange and the Dutch Corporate Governance Code. These standards specify certain relationships that must be avoided in order for directors to be deemed independent.

The categorical standards our Supervisory Board uses in determining independence are included in our Corporate Governance Guidelines, which can be found on our website, at www.lyondellbasell.com. The Supervisory Board has determined that each of the six directors and director nominees listed above meets these categorical standards and that there are no other relationships that would affect the independence of these individuals.

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The Company is party to nomination agreements with each of Access Industries, Apollo Management and Ares Management, pursuant to which each entity has the right to select individuals for nomination to our Supervisory Board based on certain share ownership levels. Messrs. Buchanan, Cooper, Harris, Kleinman, Schlanger and Serota were selected for nomination to our Supervisory Board based on these agreements. Each of Access, Apollo and Ares played significant roles in the bankruptcy proceedings of our predecessor, LyondellBasell Industries, AF S.C.A. Access was the beneficial owner of the predecessor company until the emergence from bankruptcy proceedings. Each of Apollo and Ares held significant amounts of the predecessor's debt and, as a result, exerted significant influence in the bankruptcy proceedings. Additionally, each of Access, Apollo and Ares were parties to an equity commitment agreement pursuant to which they provided a backstop for a significant portion of the Company's emergence financing. In connection therewith, they each demanded and received the above mentioned nomination rights as well as registration rights with respect to certain of the securities they received in the bankruptcy proceedings.

The information below describes the results of the analyses conducted to determine the independence of the nominees and directors named in the table:

Access Designated Directors and Nominees

Robin Buchanan
(Nominee for Director)

Mr. Buchanan serves as a consultant to Access. As a result, and given his designation to the Supervisory Board by Access, the Supervisory Board has determined that he is not independent.

Stephen F. Cooper

Mr. Cooper was recruited by our predecessor company to serve as Vice Chairman of its Supervisory Board and as Chairman of its Restructuring Committee given Mr. Cooper's vast experience in reorganization proceedings. The Remuneration Committee of the Company's predecessor determined to pay Mr. Cooper a fee of \$9.75 million in April 2010 in addition to his regular board fees, which was approved by the bankruptcy court, for his contribution in assisting the predecessor in its bankruptcy proceedings. As a result of this payment, and in addition to his designation to the Supervisory Board by Access, given the relationships between Access and the Company described above, the Supervisory Board has determined that he is not independent.

Apollo Designated Directors

Joshua J. Harris

Mr. Harris is a founding Managing Partner of Apollo Management LLC. Given the relationships between Apollo and the Company described above, and his designation to the Supervisory Board by Apollo, the Supervisory Board has determined that he is not independent.

Scott M. Kleinman

Mr. Kleinman is a Senior Partner at Apollo. Given the relationships between Apollo and the Company described above, and his designation to the Supervisory Board by Apollo, the Supervisory Board has determined he is not independent.

Marvin O. Schlanger

Mr. Schlanger is affiliated with Apollo, and receives compensation from Apollo for certain services. Given the relationships between Apollo and the Company described above, and his designation to the

Supervisory Board by Apollo, the Supervisory Board has determined that he is not independent.

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Ares Designated Director

Jeffrey S. Serota

Mr. Serota is a Senior Partner in Ares Management's Private Equity Group. Given the relationships between Ares and the Company described above, and his designation to the Supervisory Board by Ares, the Supervisory Board has determined he is not independent.

Meetings and Board Committees

The Supervisory Board held three meetings in 2010 as well as an informational and orientation meeting. Each of the Supervisory Directors attended at least 75% of the meetings of the Supervisory Board and of each committee of which he was a member. We expect that each member of the Supervisory Board will attend the Annual Meeting.

The Supervisory Board has four standing committees to assist the Supervisory Board in the execution of its responsibilities. The committees are the Audit Committee, the Nominating & Governance Committee, the Compensation Committee and the HSE Committee. The charters of each committee states that it will be composed of a minimum of three members of the Supervisory Board. Currently, the HSE Committee comprises two members. The Supervisory Board intends to appoint additional members to the HSE Committee after additional directors are elected at the Annual Meeting. Each committee functions under a charter adopted by the Supervisory Board that can be accessed through our website, www.lyondellbasell.com.

Audit Committee

The current members of the Audit Committee are Mr. Smith (Chairman) and Messrs. Carroll and Kleinman.

Each of Messrs. Smith and Carroll satisfies the additional New York Stock Exchange independence standards for audit committees. Mr. Kleinman is not independent. However, the transitional rules of the SEC and New York Stock Exchange require us to have only a majority of independent Audit Committee members until one year after listing, at which time all members must be independent. The Company believes that Mr. Kleinman's service on the Audit Committee is appropriate, given his knowledge and experience and does not believe that his lack of independence adversely affects the ability of the Committee to act independently or satisfy any of its responsibilities. However, on or before October 14, 2011, the anniversary of our listing on the New York Stock Exchange, Mr. Kleinman will cease to serve as a member of our Audit Committee and one or more of the independent director nominees to be elected at the Annual Meeting will be appointed to the Committee.

SEC rules require that we have at least one financial expert on our Audit Committee. Our Supervisory Board has determined that Mr. Smith is an Audit Committee expert for purposes of the SEC's rules based on a thorough review of his education and financial and public company experience.

Mr. Smith previously served as the Chief Financial Officer of Tesoro Corporation, a Fortune 100 manufacturer and marketer of petroleum products. He also served as the Chairman, President and Chief Executive Officer of Tesoro. Before joining Tesoro, Mr. Smith served in various financial positions, including Treasurer of Valero Energy Corporation, manager of a division of Continental Illinois National bank and Trust and a financial analyst at Ford Motor Company. Mr. Smith also holds a master's degree in business administration with a concentration in finance from the University of Kansas.

The Supervisory Board has also determined that each member of the Audit Committee possesses the necessary level of financial literacy required to enable them to serve effectively as Audit Committee members.

Mr. Smith serves on one public company audit committee in addition to ours and Mr. Kleinman serves on two public company audit committees in addition to ours.

The Audit Committee met three times during 2010. The Audit Committee generally is responsible for overseeing all matters relating to our financial statements and reporting; internal audit function and

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independent auditors; and our compliance function. As part of its function, the Audit Committee reports the results of its activities to the full Supervisory Board. Listed below are the general responsibilities of the Audit Committee. The Audit Committee's duties are set forth in a written charter that was approved by the Supervisory Board. A copy of the charter can be found on our website, at www.lyondellbasell.com.

Administrative Responsibilities

Report to the Board, at least annually, all public company audit committee memberships by members of the Audit Committee;

Perform an annual review of its performance relative to its charter and report the results of its evaluation to the full Board;

Independent Auditor

Engage an independent auditor, determine the auditor's compensation and replace the auditor if necessary;

Review the independence of the independent auditor and establish our policies for hiring current or former employees of the independent auditor;

Evaluate the lead partner of our independent audit team and review a report, at least annually, describing the independent auditor's internal control procedures;

Pre-approve all services, including non-audit engagements, provided by the independent auditor;

Internal Audit

Review the plans, staffing, reports and activities of the internal auditors;

Review significant difficulties and disagreements with management encountered by the internal audit department and review the effectiveness of the internal audit function;

Financial Statements

Review financial statements and Forms 10-K and 10-Q with management and the independent auditor;

Review earnings press releases and discuss with management the type of earnings guidance, if any, that we provide to analysts and rating agencies;

Discuss with the independent auditor any material changes to our accounting principles and matters required to be communicated under Statement on Auditing Standards No. 61 relating to the conduct of the audit;

Review our financial reporting, accounting and auditing practices with management, the independent auditor and our internal auditors;

Review management's and the independent auditor's assessment of the adequacy and effectiveness of financial reporting controls;

Compliance

Review the plans, staffing, reports and activities of the compliance function;

Review significant difficulties and disagreements with management encountered by the compliance department and review the effectiveness of the compliance function;

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Establish procedures for receiving, retaining and handling complaints, including anonymous complaints by our employees, regarding accounting, internal controls and auditing matters; and

Periodically review the Company's Code of Conduct and ensure management has established a system to monitor and enforce the Code of Conduct.

Audit Committee Report

The Audit Committee operates under a written charter, a copy of which is available on LyondellBasell's website, www.lyondellbasell.com. As required by the charter, the Audit Committee reviews and reassesses the charter annually and recommends any changes to the Supervisory Board for approval. The role of the Audit Committee is, among other things, to oversee the Company's financial reporting process on behalf of the Supervisory Board, to recommend to the Board whether the Company's financial statements should be included in the Company's Annual Report on Form 10-K and to select and nominate the independent auditor for appointment by shareholders. Company management is responsible for the Company's financial statements as well as for its financial reporting process, accounting principles and internal controls. The Company's independent auditors are responsible for performing an audit of the Company's financial statements and expressing an opinion as to the conformity of such financial statements with generally accepted accounting principles.

The Audit Committee has reviewed and discussed the Company's audited financial statements as of April 30, 2010 and for the four month period then ended and December 31, 2010 and for the eight month period then ended with management and PricewaterhouseCoopers LLP, the independent registered public accounting firm (PwC), and has taken the following steps in making its recommendation that the Company's financial statements be included in its annual report:

Discussed with PwC, the Company's independent registered public accounting firm for period ended December 31, 2010, those matters required to be discussed by Statement on Auditing Standards No. 61, including information regarding the scope and results of the audit. These communications and discussions are intended to assist the Audit Committee in overseeing the financial reporting and disclosure process.

Discussed with PwC its independence, including communications PwC is required to provide us under applicable Public Company Oversight Board requirements. This discussion and disclosure helped the Audit Committee in evaluating such independence. The Audit Committee also considered whether the provision of other non-audit services to the Company is compatible with the auditor's independence.

Met periodically with members of management, the internal auditors and PwC to review and discuss internal controls over financial reporting. The Company's Annual Report on Form 10-K for the eight month period ended December 31, 2010 does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of PwC due to a transition period established by rules of the Securities and Exchange Commission for new public companies. As a result, the Audit Committee was unable to review and discuss such reports.

Reviewed and discussed, with the Company's management and PwC, the Company's audited consolidated balance sheet as of December 31, 2010, and consolidated statements of income, cash flows and changes in stockholders' equity for the eight month period ended December 31, 2010, including the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of the disclosure.

The Committee has also discussed with the Company's internal auditors and independent registered public accounting firm the overall scope and plans of their respective audits. The Committee meets periodically with both the internal auditors and independent registered public accounting firm, with and without management present, to discuss the results of their examinations and their evaluations of the Company's internal controls.

The members of the Audit Committee are not engaged in the accounting or auditing profession and, consequently, are not experts in matters involving auditing or accounting. In the performance of their oversight

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function, the members of the Audit Committee necessarily relied upon the information, opinions, reports and statements presented to them by Company management and by the independent registered public accounting firm.

Based on the reviews and discussions explained above (and without other independent verification), the Audit Committee recommended to the Supervisory Board (and the Supervisory Board approved) that the Company's financial statements be included in its annual report for its fiscal year ended December 31, 2010. The Committee has also approved the selection of PwC as the Company's independent registered public accounting firm for fiscal year 2011.

The Audit Committee of the Supervisory Board

Bruce A. Smith, *Chairman*
Milton Carroll
Scott M. Kleinman

Compensation Committee

The current members of the Compensation Committee are Messrs. Carroll (Chairman), van der Meer and Kleinman. Each of Messrs. Carroll and van der Meer is independent in accordance with the rules and regulations of the NYSE. Mr. Kleinman is not independent. However, the transitional rules of the NYSE also apply to our Compensation Committee. On or before October 14, 2011, Mr. Kleinman will cease to serve as a member of our Compensation Committee and one or more of the independent director nominees to be elected at the Annual Meeting will be appointed to the Committee.

The Compensation Committee met two times in 2010. The Compensation Committee is responsible for overseeing all of our executive compensation and developing the Company's compensation philosophy generally. The Compensation Committee's written charter, which was approved by the Supervisory Board, can be found on our website, at www.lyondellbasell.com. In fulfilling its duties as set forth in the charter, the Compensation Committee has the following responsibilities:

Establish and review the compensation philosophy, structure, policies and guidelines for the managing directors, executive officers and senior management of the Company for recommendation to the Supervisory Board;

Review periodically the objectives of the Company's executive compensation consistent with corporate objectives and shareholder interests;

Approve multi-employer welfare, pension or benefit plan or arrangement established or maintained by a labor organization (including without limitation any multi-employer trust providing retirement benefits);

Review periodically reports from management regarding funding of the Company's pension and other benefit plans;

Review and approve corporate goals and objectives relating to Chief Executive Officer compensation, and evaluate the performance of the Chief Executive Officer in light of the corporate goals and objectives;

Incorporate the performance evaluation results in setting the Chief Executive Officer's compensation level and make compensation decisions for all senior officers of the Company, including the Chief Executive Officer, and review these decisions with the Supervisory Board; and

Conduct an annual self-evaluation.

In overseeing compensation matters, the Compensation Committee may delegate authority for day-to-day administration and interpretation of the Company's plans, including selection of participants, determination of award levels within plan parameters, and approval of award documents, to Company employees. However, the

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Compensation Committee may not delegate any authority under those plans for matters affecting the compensation and benefits of the executive officers.

For additional information on the Compensation Committee, see the Compensation Discussion and Analysis on page 32.

Compensation Committee Report

The Compensation Committee of the Supervisory Board has reviewed and discussed the Compensation Discussion and Analysis with management, and based on such review and discussions, the Compensation Committee recommended to the Supervisory Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

The Compensation Committee of the Supervisory Board

Milton Carroll, *Chairman*
Rudy van der Meer
Scott M. Kleinman

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee was, during fiscal year 2010, an officer or employee of the Company or any of our subsidiaries, or was formerly an officer of the Company or any of our subsidiaries, or had any relationships requiring disclosure by us under Item 404 of Regulation S-K.

During fiscal year 2010, none of our executive officers served as (i) a member of the compensation committee (or other Board committee performing equivalent functions) of another entity, one of whose executive officers served on the Compensation Committee, (ii) a director of another entity, one of whose executive officers served on the Compensation Committee, or (iii) a member of the compensation committee (or other Board committee performing equivalent functions) of another entity, one of whose executive officers served as a director of the Company.

Nominating & Governance Committee

The current members of the Nominating & Governance Committee are Messrs. Smith (Chairman), Carroll and Kleinman. Each of Messrs. Smith and Carroll is independent in accordance with NYSE rules and regulations. The NYSE's transitional rules apply to the Nominating & Governance Committee. On or before October 14, 2011, Mr. Kleinman will cease to serve as a member of our Nominating & Governance Committee and one or more of the independent director nominees to be elected at the Annual Meeting will be appointed to the Committee.

The Nominating & Governance Committee formally met one time during 2010. One of the primary responsibilities of the Nominating & Governance Committee is to identify nominees for election to the Supervisory Board. As described in this proxy statement, the Supervisory Board intends to nominate several individuals for election at the Annual Meeting. The Nominating & Governance Committee performed substantial work during 2010 in identifying appropriate and suitable candidates for nomination.

The Nominating & Governance Committee has a written charter that has been approved by the Supervisory Board and can be viewed by accessing our website, at www.lyondellbasell.com. It is the duty of the Nominating & Governance Committee to oversee matters regarding corporate governance. In fulfilling its duties, the Nominating & Governance Committee has the following responsibilities:

Reviewing the overall effectiveness of the Supervisory Board and the Management Board and the conduct of their business;

Coordinating an evaluation by the directors of the Supervisory Board s and committees (including this Committee s) performances and procedures;

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Reviewing individual directors' performance as a part of the process for recommending nominees to the Supervisory Board;

Reviewing the Company's corporate governance profile and make recommendations to the Supervisory Board;

Recommending to the Supervisory Board compensation to be paid to non-employee directors;

Reviewing any shareholder proposals received by the Company for inclusion in the Company's proxy statement; and

Identifying and recommending to the Supervisory Board candidates for membership on the Supervisory Board.

Potential director candidates are identified through various methods; the Nominating & Governance Committee welcomes suggestions from directors, members of management, and shareholders. From time to time, the Nominating & Governance Committee uses outside consultants to assist in identifying potential director candidates. For all potential candidates, the Nominating & Governance Committee considers all factors it deems relevant, such as a candidate's personal and professional integrity and sound judgment, business and professional skills and experience, independence, possible conflicts of interest, diversity, and the potential for effectiveness, in conjunction with the other directors, to serve the long-term interests of the Company's stakeholders. While there is no formal policy with regard to consideration of diversity in identifying director nominees, the Committee considers diversity in business experience, professional expertise, gender and ethnic background, along with various other factors when evaluating potential director nominees.

Before being recommended by the Nominating & Governance Committee, director candidates are interviewed by the Chief Executive Officer; a minimum of two members of the Nominating & Governance Committee; and the Chairman of the Supervisory Board. Additional interviews may include other members of the Supervisory Board, representatives from senior levels of management and an outside consultant.

The Supervisory Board intends to maintain the size of the Board at a manageable size, as stated in our Corporate Governance Guidelines; however, if shareholders party to nomination agreements with the Company acquire additional shares of the Company, entitling them to nominate additional directors, the Supervisory Board will increase its size as necessary to ensure there are a majority of independent members. The Nominating & Governance Committee considers all potential nominees for vacancies on their merits without regard to the source of recommendation. The Nominating & Governance Committee believes that the nominating process will and should continue to involve significant subjective judgments. To suggest a nominee, you should submit your candidate's name, together with biographical information and his written consent to nomination to the Chairman of the Nominating & Governance Committee at the Company's administrative offices, c/o Lyondell Chemical Company, 1221 McKinney Street, Suite 700, Houston Texas 77010, before November 24, 2011.

HSE Committee

The current members of the HSE Committee are Messrs. van der Meer (Chairman) and Schlanger. The HSE Committee met one time during 2010. The Committee has a written charter that can be reviewed by accessing our website, at www.lyondellbasell.com. It is the duty of the HSE Committee to assist the Supervisory Board in its oversight responsibilities by assessing the effectiveness of environment, health and safety programs and initiatives that support the health, safety and environmental policy of the Company. In fulfilling its duties, the HSE Committee has the following responsibilities:

Review and monitor the Company's health, safety and environmental performance statistics and ensure processes are in place to record such statistics consistently;

Review and approve the scope of the health, safety and environmental audit program;

Review and, following appropriate consultation, recommend to the Supervisory Board the annual budget for the health, safety and environmental audit program; and

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Report periodically to the Supervisory Board on health, safety and environmental matters affecting the Company.

Related Party Transactions

We have adopted a written Related Party Transaction Approval Policy, which requires the disinterested members of the Audit Committee to review and approve, in advance of commitment, certain transactions that we may enter into with the following related parties:

members of the Supervisory Board;

executive officers;

holders of 5% or more of our shares;

entities for which a LyondellBasell Industries N.V. officer or Supervisory Board member serves as an officer or a member of that entity's board of directors or equivalent governing body;

immediate family members of the foregoing; and

entities, of which any of the foregoing own more than 10%.

The transactions covered by the policy are those which are:

in the ordinary course of business and have a value of \$25 million or more, or

not in the ordinary course of business, regardless of value.

Additionally, transactions covered include any transactions where an officer or director of the Company will have a material interest and the transaction has a value of \$120,000 or more.

The disinterested members of the Audit Committee determine the fairness of the transactions to LyondellBasell Industries N.V. by considering whether the transactions have terms no less favorable than those which could be obtained from non-related parties. Below is a description of related party transactions since the beginning of the last fiscal year.

In connection with Stephen F. Cooper's service as Chairman of the Restructuring Committee and Vice Chairman of the Supervisory Board of LyondellBasell AF during bankruptcy proceedings and his extraordinary efforts and contributions in furtherance of the restructuring of our predecessor, the remuneration committee of our predecessor determined to award Mr. Cooper a payment, which was approved by the bankruptcy court, of \$9.75 million in addition to his regular board fees in April 2010.

Additionally, we entered into certain agreements with the Access Industries, Apollo Management and Ares Management, or their affiliates upon our emergence from bankruptcy. These agreements include a registration rights agreement dated April 30, 2010 obligating us to, at our own cost, register for resale certain of our securities owned by Access, Apollo and Ares or their affiliates. Additionally, we entered into nomination agreements with each of Access, Apollo and Ares or their affiliates that give them the right to nominate individuals for appointment to the Supervisory Board if certain ownership thresholds are met. The nomination rights continue for so long as the shareholders meet the

required thresholds.

These transactions were approved by the bankruptcy court; they were not approved pursuant to the Related Party Transaction Policy, nor were they approved by our Audit Committee, as the Company became obligated before the Related Party Transaction Policy was adopted and the Audit Committee was formed.

In December 2010, the Company entered into a cooperation agreement with Access Industries. Employees of the Company have been providing assistance and support to Access Industries in connection with certain tax and accounting matters related to the time period during which LyondellBasell AF S.C.A. was wholly-owned by certain affiliates of Access Industries. Pursuant to the cooperation agreement, we charge Access Industries for these services on a time and materials basis, and in 2010 charged \$110,000. The agreement terminates December 31, 2014, and we reasonably believe that the amounts ultimately charged through the

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term will far exceed \$120,000. The Audit Committee approved the cooperation agreement at its November 2010 meeting.

In addition, at least annually, our Controller's Department will prepare a summary of all transactions and all currently proposed transactions with those related parties, including transactions that did not require pre-approval under the policy, and the summary is presented to the Audit Committee for review.

Each director, officer and employee must make prompt and full disclosure of all conflicts of interest. A conflict of interest includes a financial interest in any contract with us or in any organization doing business with us, or the receipt of improper personal benefits or loans as a result of his or her position in the Company. On an annual basis, each Supervisory Director and executive officer is obligated to complete a Director and Officer Questionnaire which requires disclosure of any transactions with the Company in which the Supervisory Director or executive officer, or any member of his or her immediate family, has a direct or indirect material interest. These obligations are set forth in writing in our Code of Conduct available through our website, www.lyondellbasell.com. Any waivers of our Code of Conduct for our executive officers or members of our Supervisory Board will be reported promptly.

We also have a Code of Ethics, applicable to our Chief Executive Officer, Chief Financial Officer and Controller, as defined by applicable SEC rules.

Compensation of the Members of the Supervisory Board

Under our Articles of Association, any decisions on compensation of members of our Supervisory Board are made by our general meeting of shareholders. If any changes need to be made to compensation of members of our Supervisory Board, the Nominating & Governance Committee makes recommendations to the Supervisory Board. The Supervisory Board would then approve or modify those recommendations and propose them to the shareholders at a general meeting. The Supervisory Board is proposing the compensation of the Supervisory Board as Item 10 in this proxy statement. For more information, see page 55.

Director Compensation in 2010

The members of our Supervisory Board receive equity and cash compensation for their service on the Board and its committees. Compensation for members of the Supervisory Board is reviewed annually by the Nominating & Governance Committee, and is approved by shareholders. The Board's goal in designing directors' compensation is to provide a competitive package that will enable it to attract and retain highly skilled individuals with relevant experience and that reflects the time and talent required to serve on the board of a complex international company. The Supervisory Board seeks to provide sufficient flexibility in the form of compensation delivered to meet the needs of different individuals while ensuring that a substantial portion of directors' compensation is linked to the long-term success of the Company.

Members of the Supervisory Board received grants of restricted stock units and cash retainers and fees. At the Extraordinary General Meeting of shareholder in August 2010, our shareholders approved an aggregate of \$2.5 million for Supervisory Board compensation, consisting of \$1.5 million in cash and restricted stock units valued at \$1 million. In accordance with our Articles of Association, these amounts were allocated based on determinations made by the Supervisory Board.

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The table below sets forth the allocation of the aggregate amount approved by shareholders. The amounts included in the table are the annual compensation amounts under the Supervisory Board compensation program. Actual amounts earned by or paid to Supervisory Directors in 2010 are in the following table entitled Director Compensation.

Annual Retainer

Cash	\$60,000 (\$80,000 for Chairman of the Board)
Restricted stock units	Valued at \$120,000 (\$150,000 for Chairman of the Board)

Board Meeting Fees

Intercontinental Travel	\$12,500 for each Supervisory Board meeting attended
Continental Travel	\$2,000 for each Supervisory Board meeting attended

Committee Fees

Members	\$10,000 (\$11,000 for Audit Committee)
Chairmen	\$15,000 (\$20,000 for Audit Chair)

Director Compensation

Name	Fees Earned or Paid in Cash \$(1)	Stock Awards \$(2)	Total (\$)
Marvin O. Schlanger, Chairman of the Board	74,486	124,114	198,600
Milton Carroll	76,952	99,295	176,247
Stephen F. Cooper	80,109	99,295	161,453
Joshua J. Harris(3)	49,658	99,295	148,953
Scott M. Kleinman(3)	62,897	99,295	161,692
Jeffrey S. Serota(3)	62,158	99,295	161,453
Bruce A. Smith	76,541	99,295	175,836
Rudy M. J. van der Meer	40,932	99,295	140,227

(1) Includes retainers, meeting and committee fees earned or paid through December 31, 2010. Messrs. Cooper and Kleinman each elected to have his Dutch sourced compensation taxed under the so-called Dutch 30% tax ruling. Under the ruling, the reimbursement by the Company of expenses may be considered income in The Netherlands, and each of Messrs. Cooper and Kleinman were taxed on certain reimbursements of expenses. The amounts in the table include \$17,951 and \$499 for Messrs. Cooper and Kleinman, respectively, for gross-ups paid by the Company as a result of their reimbursements of expenses being taxed. The gross-ups were paid in Euros, and the dollar amounts are based on a conversion rate of 1.339 on December 31, 2010.

(2) Includes 5,541 restricted stock units for all directors, other than Mr. Schlanger, who received 6,926 restricted stock units. In accordance with FASB Topic ASC 718, *Compensation - Stock Compensation*, the grant date fair value of the awards generally is the number of shares issued times the market value of our shares on that date. See Note 19 to our Consolidated Financial Statement included in our Form 10-K for the year ended December 31, 2010 for a description accounting for equity-based compensation in accordance with ASC 718.

(3) Each of Messrs. Harris and Kleinman received these securities as a nominee for the sole benefit of an affiliate of Apollo. Mr. Serota received the securities as a nominee for the sole benefit of an affiliate of Ares. Such affiliates have all economic, pecuniary and voting rights, if any, in respect of such securities. Accordingly, Messrs. Harris,

Kleinman and Serota each disclaim beneficial ownership of these securities.

Dutch Corporate Governance Code

In addition to the New York Stock Exchange listing standards and rules and regulations as promulgated by the SEC, as a Dutch company, our governance practices are governed by the Dutch Corporate Governance

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Code (the Code). The Code (as last amended on December 10, 2008) contains a number of principles and best practices. The Code is based on the apply or explain principle, on the basis of which we must either apply the relevant provisions of the Code or provide an explanation for any non-compliance. A copy of the Code can be found at <http://commissiecorporategovernance.nl>.

There is considerable overlap between the requirements we must meet under U.S. rules and regulations and the provisions of the Code. We comply with the majority of the provisions of the Code; however, where there are conflicting provisions of the Code and the requirements of the NYSE and the SEC, we have chosen to comply with the NYSE and SEC requirements. As an SEC registrant and NYSE listed company, we believe that it is appropriate to maintain governance practices that are in line with our peers. Additionally, as noted elsewhere in this proxy statement, the NYSE listing standards and certain SEC rules contain transitional provisions for newly listed companies; we have taken advantage of these provisions given we emerged from bankruptcy proceedings less than a year ago and have only been an SEC registrant and NYSE listed company for fewer than six months. The Code has no transitional provisions. In certain cases, we have not applied the Code's practices and provisions but expect to do so in the future.

For clarity purposes, we have listed below deviations from the Code and our reasons for deviating. The deviations follow the order of the recommendations in the Code.

Best practice provision II.1.1

Mr. Gallogly was appointed as a member of the Management Board for an initial term of five years, which exceeds the maximum of four years contained in the Code.

Mr. Gallogly was appointed to the Management Board upon the Company's emergence from bankruptcy proceedings. Given the unique and challenging circumstances surrounding the Company beginning with its emergence from bankruptcy proceedings, it was considered appropriate to ensure continuity in the effective management of the Company. Specifically, Mr. Gallogly was recruited to the Company not only to lead the efforts in emerging from bankruptcy, but also to grow the Company and increase value to stakeholders over the long term. As a result, Mr. Gallogly's initial term was set at five years.

Subsequent terms of Mr. Gallogly or any other member of the Management Board will be for a maximum of four years, in accordance with the Company's Articles of Association and Rules of the Management Board.

Best practice provisions of Principle II.2

The Company has followed all of Principle II.2 in determining the compensation of the Management Board, as described in the Compensation Discussion and Analysis section of this proxy statement. However, there are specific best practice provisions set forth under that principle that were not followed, given the unique situation of the Company in 2009 and 2010. Mr. Gallogly, the sole member of the Management Board, was recruited and hired to join the Company in May 2009, during bankruptcy proceedings. Many components of Mr. Gallogly's compensation were negotiated, determined and then approved by the bankruptcy court. As described in the Compensation Discussion and Analysis, the Company believes that the level and structure of Mr. Gallogly's compensation was necessary to recruit him and is appropriate for his responsibilities.

II.2.1/II.2.2.

The Compensation Committee of the Supervisory Board has spent considerable time reviewing and understanding the policies, procedures and practices that were put in place during the Company's bankruptcy and upon its emergence in April 2010. The Compensation Committee also retained the services of an independent consultant to assist in its

evaluation of appropriate remuneration for the Management Board and the executive officers of the Company. The scenario analyses mentioned in provisions II.2.1. and II.2.2. of the Code are planned for 2011; given Mr. Gallogly's 2010 compensation was agreed to in 2009, and thus prior to the establishment of the Supervisory Board, it was not possible for the Supervisory Board to perform the analysis provided for in best practice provision II.2.1, or determining the level and structure of Mr. Gallogly's compensation by reference to such analysis. However, as discussed in the Company's Compensation

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Discussion and Analysis, internal pay equity is one of the factors considered by the Compensation Committee in making compensation determinations, and it is expected this will be a factor in future compensation decisions. Additionally, the Compensation Committee expects to make use of tally sheets, which show each component of executives' compensation, the tally of all of the compensation elements, as well as potential payments in different termination scenarios. The use of these tally sheets enables the Compensation Committee to understand each element of total compensation and potential compensation, potential total payments, and analyze the internal equity amongst executives.

II.2.4

Pursuant to Mr. Gallogly's employment agreement, he was granted options to purchase Company shares that vest ratably over a five year period beginning one year after his date of employment. This is contrary to best practice provision II.2.4, which states that options shall not be exercisable in the first three years after the date of grant. Further, the number of options granted to Mr. Gallogly was negotiated at the time of his recruitment and approved by the bankruptcy court; as a result, the number of options granted was not determined based on the achievement of targets specified beforehand in accordance with best practice provision II.2.4. Nonetheless, the Company believes that the vesting schedule and number of options granted to Mr. Gallogly is appropriate. A five year ratable vesting schedule properly incentivizes Mr. Gallogly over a long period of time, since only twenty percent of the total award can be exercised each year.

II.2.8

Mr. Gallogly's employment agreement with the Company contains provisions that entitle him to payments upon termination of his employment agreement that exceed one annual salary payment. As previously mentioned, Mr. Gallogly's employment agreement was negotiated at the time of his recruitment when the Company was in bankruptcy and faced an uncertain future. The Company believes that the provisions with respect to payments to Mr. Gallogly upon termination of his employment agreement are appropriate, particularly given that they were included in part as a means to recruit Mr. Gallogly while the Company was in bankruptcy proceedings. The protections afforded by his employment agreement allow Mr. Gallogly to focus on the Company's performance and the creation of shareholder value through very difficult and demanding times for the Company and its Management Board.

II.2.11

The Company's employment agreement with Mr. Gallogly does not contain any claw-back provisions. However, the Compensation Committee recognizes the benefits to the Company and its stakeholders of claw-back policies for its executive officers, including Mr. Gallogly. Under Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Securities and Exchange Commission has been charged with requiring stock exchanges, including the NYSE on which our shares are listed, to prohibit listing of securities of any company that has not developed and implemented compensation claw-back policies. The Dodd-Frank Act's provisions regarding claw-back policies are specific as to what is required, although implementing regulations have not yet been promulgated. The Compensation Committee currently is reviewing those requirements and, in light of its compensation programs generally, is developing such a policy.

III.1.7

The Company's Corporate Governance Guidelines and each of the Supervisory Board committees' charters require evaluations of the Supervisory Board and its committees to be conducted at least annually. The Supervisory Board was originally constituted on April 30, 2010 and consisted of five members. In August 2010, one member of the

Supervisory Board resigned and four new members were appointed after an extensive search for qualified, independent members. As a result, the current Supervisory Board has only been comprised since August and formal discussions and evaluations of the functioning of the Supervisory Board, its committees and the individual Supervisory Board members have not yet been carried out. Such evaluations are planned during 2011.

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III.2.1/III.2.2/III.2.3

The Supervisory Board currently consists of eight members, and the Supervisory Board is nominating four additional individuals for election at the Annual Meeting, three of whom are considered independent. Of the current eight members, three are considered independent for purposes of the Code and NYSE listing standards and are deemed to be independent based on the Company's categorical standards of independence contained in the Company's Corporate Governance Guidelines.

NYSE listing standards require that a majority of the members of the Supervisory Board must be independent within one year of listing of the Company's shares, which will occur on October 14, 2011. In an effort to meet this requirement, the Company has and will conduct extensive searches for qualified individuals who meet the Supervisory Board's desired profile for composition and also meet all necessary independence requirements.

The Company is party to nomination agreements with certain shareholders that allow those shareholders to select up to three individuals for nomination to the Supervisory Board dependent on their share ownership levels. Each of our non-independent directors was selected for nomination pursuant to these agreements. The Supervisory Board believes that each of its non-independent members brings with him a level of skill, experience and qualifications that benefit the workings of the Supervisory Board, notwithstanding his lack of independence. The Supervisory Board will ensure that at all times beginning no later than October 14, 2011, at least a majority of its members are independent, but must also fulfill its obligations under the nomination agreements.

III.3.1

The Supervisory Board has not yet developed and published a profile of its size and composition, dealing with diversity in composition, and therefore has not specifically disclosed any reasons for divergence or the time period in which it aims to achieve the desired profile in accordance with best practice provision III.3.1.

As discussed, the Company is currently taking actions to add members to its Supervisory Board such that there will be a majority of independent members as soon as is practicable, and in no event later than October 14, 2011. As also discussed, the Supervisory Board has not yet conducted its evaluations of itself and the individual committees. The Supervisory Board believes it is appropriate that additional members be elected and serve for a period of time and conduct evaluations after such time before it develops its profile. Only after the Supervisory Board has functioned for a period of time does the Supervisory Board believe that assessing the desired profile is appropriate.

III.3.5.

Members of the Supervisory Board are appointed for terms of up to three years; however, there is no limit on the number of terms a Supervisory Board member may serve.

Currently, the Supervisory Board does not believe there is a driving interest in limiting members to the three four-year terms provision of the Code, given the early stages of development of the Company post-bankruptcy and the formation of the Supervisory Board. To the contrary, the Supervisory Board believes that a depth of history and knowledge of the Company, which can be developed through long term service, currently is key to an effective oversight of the Company. The Supervisory Board intends to revisit the provisions in its governing documents on a continuous basis and may determine that limitations of the number of terms for Supervisory Board members is appropriate. Notwithstanding any such determinations, under the nomination rights described above, as long as certain shareholders maintain their share ownership at required levels, they will be able to nominate individuals of their choosing; the result of which may be for individuals nominated by them to serve for longer than any Supervisory Board determined terms.

III.7.1/III.7.2

Members of the Supervisory Board have been granted restricted stock units as a portion of their annual remuneration. The restricted stock units entitle the recipient to an equal number of the Company's shares after

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certain time-based vesting requirements have been met. This is a deviation from the Code, which states that supervisory board members shall not be granted shares and/or rights to shares by remuneration.

The remuneration of the Supervisory Board was recommended by the Supervisory Board and approved by shareholders at a meeting held in August 2010, and consists of both cash and shares. The Supervisory Board believes that granting rights to acquire shares of the Company aligns the Supervisory Board members' interests with those of shareholders, thereby increasing the incentive to make decisions that create long-term value for the Company.

The Company does not have specific policies with respect to holding periods of equity by members of its Supervisory Board. The restricted stock units vest on June 30 of the year in which the director's term expires. As a result, the currently outstanding restricted stock units vest between one to three years, depending on the director's term. Future grants will similarly be tied to the directors' current terms of office. The Supervisory Board is of the opinion that tying the vesting period to the members' term effectively places a holding period on the members' interests as a shareholder, as he will not vest in those shares until he has served a full term.

ELECTION OF DIRECTORS

As described in this proxy statement, the Supervisory Board has set the number of its members at thirteen and, as a result, there are five vacancies to be filled. Our Supervisory Board is classified into three classes, each of which should represent approximately one-third of the total Supervisory Board. The Supervisory Board is proposing the re-election of Messrs. Carroll and van der Meer, whose terms are expiring, as Class I directors and is also proposing the election of one new Class I director, two new Class II directors, and one new Class III director.

We have provided information regarding the nationality, age, term of office on our Supervisory Board and experience within the last five years of each of the nominees for director as well as our directors who are not up for re-election. We also have included the qualifications we considered when inviting each individual to join our Supervisory Board or in nominating such individual for re-election. Required information relating to the share ownership of our Supervisory Directors and nominees may be found in the Director Compensation Table, above, and under the Director, Director Nominee and Management Share Ownership section on page 28.

Under our Articles of Association, binding nominations of individuals for appointment to the Supervisory Board must consist of two persons for each vacancy. For each vacancy, the candidate receiving the greatest number of FOR votes will be elected.

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**ELECTION OR RE-ELECTION OF CLASS I DIRECTORS
(Item 1 on the Proxy Card)**

The first proposal on the agenda is the election of three individuals to serve until the annual general meeting of shareholders in 2014 or until their respective successors have been duly elected and qualified.

The current terms of Milton Carroll and Rudy van der Meer will expire at the Annual Meeting on May 5, 2011. Messrs. Carroll and van der Meer are eligible for re-election, and the Supervisory Board has made binding proposals to re-elect them as Class I directors. The Supervisory Board also has made a binding proposal to elect Jagjeet S. Bindra as a Class I director.

First Vacancy

Qualifications

Milton Carroll, American, 60.

Member of LyondellBasell Supervisory Board since July 2010.

Chairman of CenterPoint Energy, a public utility holding company, since 2002.

Chairman of Instrument Products, a private oil-tool manufacturing company, since 1977.

Director of Halliburton, an oilfield services company, since 2006.

Chairman of Health Care Service Corporation, a health benefits company, since 1998.

Director of Western Gas Holdings, the general partner of Western Gas Partners, an owner, operator and developer of midstream energy assets, since 2008.

Previously served as:

Director of Devon Energy, an oil and gas exploration and production company.

Director of EGL, Inc., a global logistics and supply chain management company.

Rudy van der Meer is nominated as the legally required second candidate.

Mr. Carroll has extensive knowledge of the oil and natural gas industries, corporate management, international operations, public company governance and board practices, among other skills, which strengthen the Supervisory Board's collective qualifications, skills and experience.

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Second Vacancy

Qualifications

Rudy van der Meer, Dutch, 66.

Member of LyondellBasell Supervisory Board since July 2010.

Chairman of Supervisory Board of Imtech N.V., an electrical engineering technical service provider, since 2005.

Chairman of Supervisory Board of Energie Beheer Nederland B.V., a Dutch state owned natural gas exploration, production transportation and sale company, since 2006.

Supervisory Director of James Hardie Industries, an industrial fibre cement products and systems manufacturer, since 2007.

Chairman of Supervisory Board of Gazelle Holding B.V., a bicycle manufacturing company, since 2005.

Previously served as:

Supervisory Director of ING Bank Nederland N.V. and ING Verzekeringen (Insurance) Nederland, retail banking and insurance subsidiaries, respectively, of ING Groep N.V.

Supervisory Director of Hagemeyer N.V., a distribution services focusing on electrical materials, safety and other maintenance, repair and operations products.

Chairman of Supervisory Board of Norit International B.V., a global water purification technology and applications company.

Milton Carroll is nominated as the legally required second candidate.

Mr. van der Meer has extensive knowledge of global businesses, Dutch companies, and the chemicals industry, among other skills, which strengthen the Supervisory Board's collective qualifications, skills and experience.

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Third Vacancy

Jagjeet S. Bindra, American, 63.

Director of Edison International, a generator and distributor of electric power, and its subsidiary, Southern California Edison Co., an electric utility company, since 2010.

Director of Larsen & Toubro, a technology, engineering, construction and manufacturing company, since 2009.

Deputy Chairman of Transfield Services, a global provider of operations, maintenance and asset and project management services, since 2010.

President, Chevron Global Manufacturing, Chevron Corp.'s worldwide manufacturing division, from 2004 to 2009.

Previously served as:

Director of Advisory Board of Hart Energy Consulting, an energy industry publisher.

Director of GS Caltex, a South Korean oil refiner.

Sriya Innovations, an alternative energy firm.

Reliance Petroleum Limited, a petroleum refiner and marketer.

Caltex Australia Limited, an integrated oil refining and marketing company.

Jacques Aigrain is nominated as the legally required second candidate.

We believe that Mr. Bindra's extensive knowledge and global experience in asset intensive industries, as well as his expertise in energy value chain and asset management, among other skills, will strengthen the Supervisory Board's collective qualifications, skills and experience.

The Supervisory Board recommends shareholders vote FOR the election of each of the first named candidates as Class I directors.

**ELECTION OF CLASS II DIRECTORS
(Item 2 on the Proxy Card)**

The second proposal on the agenda is the election of two Class II directors to serve until the annual general meeting of shareholders in 2012 or until their successors have been duly elected and qualified. The

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Supervisory Board has made binding proposals to elect Robin Buchanan and Robert G. Gwin as Class II directors.

First Vacancy

Qualifications

Robin Buchanan, British, 58.

Director of Schroders plc, a global asset management company, since 2010.

Director of the Centre for Corporate Governance at the London Business School since 2009.

Senior Advisor to Bain & Company, a global management consulting firm since 2007.

Advisor to Collier Capital Ltd., a private equity firm.

Dean and then President of the London Business School, from 2007 to 2009.

Managing Partner and then the Senior Partner, Bain & Company Inc. UK and South Africa between 1990 and 2007.

Previously served as:

Director of Liberty International plc, a retail property company.

Director of Shire plc, a global specialty bio-pharmaceutical company.
Robert G. Gwin is nominated as the legally required second candidate.

We believe that Mr. Buchanan's extensive knowledge and experience relating to business management, finance and international board service, as well as his extensive experience in advising and consulting for companies in an array of industries, including in the industrial sector, among other skills, will strengthen the Supervisory Board's collective qualifications, skills and experience.

Second Vacancy

Robert G. Gwin, American, 47.

Senior Vice President, Finance and Chief Financial Officer of Anadarko Petroleum, an oil and gas exploration and production company, since 2009.

Senior Vice President, Finance of Anadarko Petroleum from 2008 to 2009.

Vice President, Finance and Treasurer of Anadarko Petroleum from 2006 to 2008.

President of Western Gas Holdings, the general partner of Western Gas Partners, an owner, operator and developer of midstream energy assets, from 2007 to 2009.

Chief Executive Officer of Western Gas Holdings from 2007 to 2010.
Robin Buchanan is nominated as the legally required second candidate.

We believe that Mr. Gwin's skills and knowledge relating to the oil and gas industry, finance, public company board experience and executive management expertise, among other skills, will strengthen the Supervisory Board's collective qualifications, skills and experience.

The Supervisory Board recommends shareholders vote FOR the election of the candidates first named as Class II directors.

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**ELECTION OF CLASS III DIRECTOR
(Item 3 on the Proxy Card)**

The third proposal on the agenda is the election of one Class III director to serve until the annual general meeting of shareholders in 2013 or until his successor has been duly elected and qualified. The Supervisory Board has made a binding proposal to elect Jacques Aigrain as a Class III director.

Qualifications

Jacques Aigrain, French-Swiss, 56.

Chairman of LCH Clearent Group, Limited, an independent clearinghouse group, since 2010.

Chief Executive Officer of SwissRe, a global reinsurance company, from 2006 to 2009.

Director of Swiss International Air Lines, Switzerland's national airline, since 2001.

Director of Lufthansa German Airlines, the leading German airline, since 2007.

Director of Resolution Ltd., a financial services company that acquires businesses in the insurance industry, since 2010.

Previously served as:

Member of Board of Trustees of ETH Foundation.

Member of Industry Advisory Council of the Mayor of Shanghai.

Member of Advisory Council of the Monetary Authority of Singapore.

Chairman of Swiss American Chamber of Commerce.

Chairman of the Geneva Association.

Jagjeet S. Bindra is nominated as the legally required second candidate.

We believe that Mr. Aigrain's extensive operational and management expertise, as well as his experience with international companies and board service, among other skills, will strengthen the Supervisory Board's collective qualifications, skills and experience.

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Information with respect to the Supervisory Directors whose terms do not expire this year and who are not up for re-election is as follows:

Director

Qualifications

Stephen F. Cooper, American, 64
Class II Supervisory Director since July 2010

Advisor at Zolfo Cooper, a leading financial advisory and interim management firm, of which he is co-founder and former chairman, since 1982.

Managing Partner of Cooper Investment Partners, a private equity firm specializing in underperforming companies.

Previously served as:

Vice Chairman and Chairman of the Restructuring Committee of LyondellBasell Industries AF S.C.A., the Company's predecessor.

Vice Chairman and member of the office of Chief Executive Officer of Metro-Goldwyn-Mayer, a privately held motion picture and theatrical production and distribution company.

Chief Executive Officer of Hawaiian Telcom, a provider of phone, internet and wireless communication services to Hawaii.

Executive Chairman of Blue Bird Corporation, a manufacturer of school and transit buses and motor coaches.

Chairman of the Board of Collins & Aikman, which designed, engineered and manufactures automotive components, systems and modules.

Chief Executive Officer of Krispy Kreme Doughnuts, a branded retailer and wholesaler of doughnuts and packaged sweets.

Chief Executive Officer and Chief Restructuring Officer of Enron Corporation.

Mr. Cooper has more than thirty years of experience as a financial advisor and interim executive and advisor to companies facing operational and performance issues. We believe his substantial and expansive experience in various industries provides him with significant experience in all aspects of supervising management of large, complex companies.

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Director

Joshua J. Harris, American, 46
Class III Supervisory Director since April 2010

Senior Managing Director of Apollo Global Management, LLC, a global alternative asset manager and Managing Partner of Apollo Management, L.P. which he co-founded in 1990.

Director of the general partner of AP Alternative Assets, Apollo Global Management, LLC, Berry Plastics Group Inc., manufacturer of injection-molded plastic packaging, thermoformed products, flexible films and tapes and coatings, CEVA Group plc, a global logistics and transportation company and Momentive Performance Materials Holdings LLC, a producer of silicones and silicone derivatives.

Previously served as a director of:

Hexion Specialty Chemicals, Inc., a specialty chemicals and materials company (acquired by Momentive Performance in 2010).

Verso Paper, a producer of coated paper and specialty paper products.

Metals USA Holdings Corp., a provider of processed carbon steel, stainless steel, aluminum, red metals and manufactured metal components.

Nalco Company, a sustainability services company focused on industrial water, energy and air applications.

Pacer International, a freight transportation and third-party logistics services provider.

General Nutrition Centers, a specialty retailer of health and wellness products worldwide.

Furniture Brands International, Inc., a designer, manufacturer, and retailer of home furnishings.

Compass Minerals Group, Inc., a producer and marketer of inorganic mineral products.

Alliance Imaging, Inc., a provider of outpatient diagnostic imaging services.

NRT LLC, a provider residential real estate brokerage services.

Qualifications

Mr. Harris has significant experience in financing, analyzing, investing in and managing investments in public and private companies. Mr. Harris has substantial expertise in strategic and financial matters that inform his contributions to our Supervisory Board and enhance his oversight and direction of us. Mr. Harris service as a director of other companies in a variety of industries gives him a range of experience as a director on which he can draw in serving as our director and augments his knowledge of effective corporate governance.

Covalence Specialty Materials Corp., a manufacturer of plastic film products and producer of specialty adhesives and flexible packaging products.

United Agri Products Inc., a distributor agricultural inputs and noncrop products.

Quality Distribution, Inc., transporter of bulk chemicals in North America.

Whitmire Distribution Corporation, a pharmaceutical distributor.

Noranda Aluminum Holding Corporation, a producer of primary aluminum products and rolled aluminum coils.

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Director

Scott M. Kleinman, American, 38
Class III Supervisory Director since April 2010

Partner of Apollo Management, LP, a global alternative asset manager, where he has worked since 1996.

Chairman of Verso Paper, a producer of coated paper and specialty paper products, since 2006.

Director of Noranda Aluminum Holding, a producer of aluminum products, since 2007.

Director of Realogy Corporation, a provider of residential real estate and relocation services, since 2007.

Director of Momentive Performance Materials, a producer of silicones and silicone derivatives, since 2006.

Previously served as:

Director of Hexion Specialty Chemicals, a specialty chemicals and materials company (acquired by Momentive Performance in 2010).

Jeffery S. Serota, American, 45
Class II Supervisory Director since April 2010

Senior Partner in the Private Equity Group of Ares Management LCC, a global alternative asset manager, since 1997.

Director of Exco Resources, a natural gas and oil company since 2007.

Director of SandRidge Energy, Inc., an oil and gas exploration and production company since 2007.

Director of WCA Waste Corporation, a full service non-hazardous waste company since 2006.

Qualifications

Mr. Kleinman has significant experience in financing, analyzing, investing in and managing investments in public and private companies. Mr. Kleinman gained substantial expertise in strategic and financial matters that inform his contributions to our Supervisory Board and enhance his oversight and direction of us through his involvement in Apollo's diligence team that managed Apollo's investments in us during our reorganization proceedings, which provided him with a unique knowledge of our organization. Mr. Kleinman's service as a director of other companies in a variety of industries gives him a range of experience as a director on which he can draw in serving as our director and augments his knowledge of effective corporate governance.

Mr. Serota has extensive experience managing investments in, and serving on the boards of directors of, companies operating in various industries, including in the oil and natural gas exploration and production industries. Mr. Serota's background and experience provide him with extensive investment, capital markets and strategic experience.

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Director

Marvin O. Schlanger, American, 62
Chairman of the Board since June 2010.
Class II Supervisory Director since April 2010

Principal of Cherry Hill Chemical Investments, LLC, a firm that provides management services and capital to the chemical industry, since 1998.

Chairman of CEVA Group Plc, a global supply chain management company, since 2009.

Director of Momentive Performance Materials Holdings, a specialty chemicals and materials company, since 2010.

Director of UGI Corporation, a distributor and marketer of energy products and services, and its subsidiaries, UGI Utilities Inc. and Amerigas Propane, Inc., since 1998.

Consultant to Apollo Management LLP.

Previously served as:

Vice Chairman of Hexion Specialty Chemicals, a specialty chemicals and materials company (acquired by Momentive Performance in 2010).

Chairman and Chief Executive Officer of Resolution Performance Products, a manufacturer of specialty and intermediate chemicals and Resolution Specialty Materials LLC, which, together with Borden Chemical, formed Hexion Specialty Chemicals in 2005.

Chairman of Covalence Specialty Materials Corp., which was merged into Berry Plastics in 2007.

Director of Wellman, Inc., a manufacturer and marketer of PET packaging resins.

Bruce A. Smith, American, 67
Class III Supervisory Director since July 2010

Chairman of Tesoro Corporation, manufacturer and marketer of petroleum products, from 1996 to 2010. President and Chief Executive Officer of Tesoro from 1995 to 2010.

Director of GEVO, Inc., a renewable chemicals and advanced biofuels company, since 2010.

Qualifications

Mr. Schlanger has significant senior management experience as Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer of Arco Chemical Company, a large public chemical company, as well as experience serving as chairman, director and committee member of the boards of directors of large public and private international companies, including his experience representing a major private equity firm's shareholder interest.

Mr. Smith has extensive senior leadership experience in the refining and marketing industry, substantial management background in publicly traded companies and previous experience serving as a director and

Previously served as:

Director of Noble Energy, an independent energy company.

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chairman of the audit and
compensation committees of
publicly traded companies.

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Under SEC rules, we are required to include, in tabular format, information relating to the beneficial ownership of our shares by each (i) director, (ii) director nominee, and (iii) executive officer named in the Summary Compensation Table on page 44 as of March 18, 2011. We also are required to include information with respect to all of these individuals, and all other executive officers, as a group.

Beneficial ownership of shares generally means voting or investment power over the shares, as well as shares that the individual has the right to acquire within 60 days. Our directors and executive officers, other than Mr. Gallogly, have all been granted restricted stock units under our long term incentive program. The restricted stock units granted to directors in 2010 vest on June 30 in the year that their term of office expires, which is 2011 for Class I directors (Messrs. Carroll and van der Meer), 2012 for Class II directors (Messrs. Cooper, Schlanger and Serota) and 2013 for Class III directors (Messrs. Harris, Kleinman and Smith). Because these units do not vest within 60 days, the shares underlying the units are not yet deemed beneficially owned, and are not included in the table. Additionally, as noted under Supervisory Board of Directors Compensation of Members of the Supervisory Board, each of Messrs. Harris, Kleinman and Serota hold their securities as a nominee for the benefit of affiliates of the entities that selected them for nomination to our Supervisory Board. As a result, they each disclaim all beneficial ownership in the restricted stock units.

Our executive officers' restricted stock units vest in 2015, and therefore the shares underlying those units are similarly not considered to be beneficially owned. Mr. Gallogly was granted restricted shares in April 2010. These shares vest in full in 2014, and are therefore not deemed to be beneficially owned for SEC disclosure purposes.

Our executive officers, including Mr. Gallogly, have been granted stock options to purchase our shares. Mr. Gallogly's stock options vest in five equal, annual increments beginning on May 14, 2010. Our other executive officers' stock options grant in three equal, annual increments beginning on the second anniversary of the dates of grant, which occurred in 2010; as a result, executive officers other than Mr. Gallogly do not have the right to acquire the shares underlying the options within 60 days.

Our directors, director nominees and executive officers, both individually and in the aggregate, beneficially own less than 1% of our outstanding shares as of March 18, 2011.

Share Ownership Table

Name	Common Shares Owned	Common Shares Covered by Exercisable Options
Jacques Aigrain	0	0
Jagjeet S. Bindra	0	0
Robin Buchanan	0	0
Milton Carroll	0	0
Stephen F. Cooper	0	0
Robert G. Gwin	0	0
Joshua J. Harris(1)	0	0

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Scott M. Kleinman(2)	0	0
Marvin O. Schlanger	0	0
Jeffrey S. Serota(3)	0	0
Bruce A. Smith	0	0
Rudy M.J. van der Meer	0	0
James L. Gallogly	0	2,255,608(4)
C. Kent Potter	0	0
Craig Glidden	0	0

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Name	Common Shares Owned	Common Shares Covered by Exercisable Options
Kevin Brown	0	0
Bhavesh V. (Bob) Patel	0	0
All directors, nominees and executive officers as a group (26 persons)	3,007	2,255,608

- (1) Mr. Harris is associated with Apollo Management, a more than 5% beneficial owner of our shares. Mr. Harris disclaims beneficial ownership of ordinary shares owned by Apollo and any other shareholder, except to the extent of any pecuniary interest therein.
- (2) Mr. Kleinman also is associated with Apollo, a more than 5% beneficial owner of our shares. Mr. Kleinman disclaims beneficial ownership of ordinary shares owned by Apollo and any other shareholder, except to the extent of any pecuniary interest therein.
- (3) Mr. Serota is a Senior Partner in the Private Equity Group of Ares Management. Mr. Serota disclaims beneficial ownership of ordinary shares owned by the Ares Recordholders (defined below) and any other shareholder, except to the extent of any pecuniary interest therein.
- (4) Includes 1,127,804 vested options to purchase shares and 1,127,804 options that will vest within 60 days. The options have an exercise price of \$17.61 and expire April 30, 2017. Mr. Gallogly will vest in an additional 1,127,804 options on each of May 14, 2012, 2013 and 2014.

PERSONS OWNING MORE THAN 5% OF LYONDELLBASELL SHARES

The table below shows information for shareholders known to us to beneficially own more than 5% of our common shares, based on their filings with the SEC through March 18, 2011.

Name and Address	Shares Beneficially Owned Number	Percentage(1)
Apollo Management Holdings, L.P.(2) 9 West 57th Street New York, NY 10019	164,898,365	29.0%
Certain affiliates of Access Industries, LLC(3) 730 Fifth Ave., 20th Floor New York, NY 10019	90,443,366	15.9%
Bank of America Corporation Bank of America Center 100 N. Tryon Street Charlotte, NC 28255	37,699,995	6.6%
Certain affiliates of Ares Management LLC(4) 2000 Avenue of the Stars, 12th Floor Los Angeles, CA 90067	36,202,005	6.4%
FMR LCC	35,530,161	6.3%

82 Devonshire Street
Boston, MA 02109

- (1) All percentages are based on 568,013,997 shares outstanding as of March 18, 2011.
- (2) Apollo Management Holdings, L.P. is the general partner or manager of various Apollo investment managers that, through various affiliated investment managers, manage four of the Apollo investments funds that hold our shares. Apollo Principal Holdings II, L.P. is the general partner or manager of various Apollo investment advisors that, indirectly through various affiliated investment advisors, provide investment advisor services to various Apollo investment funds, including one of the Apollo investment funds that hold our shares. Apollo Principal Holdings III, L.P. is the general partner or manager of various Apollo investment advisors that, indirectly through various affiliated investment advisors, provide investment advisor

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services to various Apollo investment funds, including one of the Apollo investment funds that hold our shares. Apollo Management Holdings GP, LLC is the general partner of Apollo Management Holdings, L.P., Apollo Principal Holdings II GP, LLC is the general partner of Apollo Principal Holdings II, L.P. and Apollo Principal Holdings III GP Ltd. is the general partner of Apollo Principal Holdings III, L.P. Leon Black, Joshua Harris and Marc Rowan are the principal executive officers and managers of Apollo Management Holdings GP, LLC and of Apollo Principal Holdings II GP, LLC. Each of Apollo Management Holdings GP, LLC, Apollo Management Holdings, L.P. and its affiliated investment managers, Apollo Principal Holdings II GP, LLC, Apollo Principal Holdings II, L.P. and its affiliated investment advisors, Apollo Principal Holdings III GP Ltd., Apollo Principal Holdings III, L.P. and its affiliated investment advisors, and Messrs. Black, Harris and Rowan disclaims beneficial ownership of any ordinary shares that may be held or acquired by any of the Apollo investment funds, except to the extent of any pecuniary interest therein.

- (3) Access Industries is a privately-held U.S. industrial group with holdings primarily in natural resources and chemicals, media and telecommunications and real estate, which controls directly or indirectly AI International Chemicals S.à r.l. and certain other entities that became recordholders of our outstanding ordinary shares on or after the Emergence Date (collectively, the Access Recordholders). Len Blavatnik, an individual whose principal occupation is Chairman of Access Industries, may be deemed to beneficially own the shares held by one or more of the Access Recordholders. Access Industries and each of its affiliated entities and the officers, partners, members and managers thereof (including, without limitation, Mr. Blavatnik), other than the Access Recordholders, disclaim beneficial ownership of any ordinary shares owned by the Access Recordholders, except to the extent of any pecuniary interest therein.
- (4) Ares Management is a private investment management firm that indirectly controls ACOF III and manages certain other investment vehicles that became recordholders of our outstanding ordinary shares upon the Emergence Date (together with ACOF III, the Ares Recordholders). Ares Management and each of its affiliated entities and the officers, partners, members and managers thereof, other than the Ares Recordholders (with respect to the shares held directly by ACOF III and the other Ares Recordholders respectively), expressly disclaim beneficial ownership, and any pecuniary interest therein, of any ordinary shares owned by the Ares Recordholders. The shares listed include warrants to purchase 658,412 shares at an exercise price of \$15.90, which are currently exercisable.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our Supervisory Directors, executive officers and persons who own more than 10% of our common shares to file initial reports of ownership and reports of changes in ownership of common shares (Forms 3, 4 and 5) with the SEC and the New York Stock Exchange. All such persons are required by SEC regulation to furnish us with copies of all such forms that they file.

To our knowledge, based solely on our review of the copies of such reports received by us and on written representations by certain reporting persons that no reports on Form 5 were required, we believe that during the year ended December 31, 2010, our Supervisory Directors, executive officers and 10% shareholders complied with all Section 16(a) requirements applicable to them except that Apollo was late in filing a Form 4 to reflect the automatic conversion of our class B shares to class A shares due to an administrative error.

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EXECUTIVE OFFICERS

Name and Age*

Significant Experience in Last Five Years

James L. Gallogly, 58

Chairman of the Management Board since April 30, 2010 and Chief Executive Officer since May 2009.
Executive Vice President of Exploration and Production for ConocoPhillips from 2008 to 2009.
Executive Vice President of Refining, Marketing and Transportation for ConocoPhillips from 2006 to 2008.
President and Chief Executive Officer of Chevron Phillips Chemical Company LLC from 2000 to 2006.

Craig B. Glidden, 53

Executive Vice President and Chief Legal Officer since August 2009.
Senior Vice President, Legal and Public Affairs, General Counsel and Corporate Secretary of Chevron Phillips Chemical Company from 2004 to 2009.

C. Kent Potter, 64

Executive Vice President and Chief Financial Officer since August 2009.
Director of LyondellBasell AF S.C.A., the Company's predecessor, from 2007 to 2009.
Director of Basell AF S.C.A. from 2005 to 2007.
Chief Financial Officer of TNK-BP from 2003 to 2005.

Kevin W. Brown, 53

Senior Vice President, Refining & Oxyfuels since October 2009.
Director of Sinclair Oil from 2006 to 2009.
Executive Vice President, Operations of Sinclair Oil from 2004 to 2009.

Massimo Covezzi, 53

Senior Vice President, Research and Development since 2008.
Head of Research and Development from 2005 to 2008.

Bhavesh V. (Bob) Patel, 44

Senior Vice President, Olefins and Polyolefins EAI since November 2010, with additional responsibility for the Company's Technology business since that time.
Senior Vice President, Olefins and Polyolefins Americas from March 2010 November 2010.
General Manager, Olefins and NGLs of Chevron Phillips Chemical Company from 2009 to 2010.
General Manager, Asia Pacific Region Singapore of Chevron Phillips Chemical Company from 2008 to 2009.

Business Manager, Olefins of Chevron Phillips Chemical Company from 2005 to 2008.

Patrick D. Quarles, 44

Senior Vice President, Intermediates & Derivatives since January 2010.
Divisional Vice President of Performance Chemicals from 2004 to 2009.

Paramijit Singh, 50

Senior Vice President, Manufacturing EAI since January 2009.
Senior Vice President, Technology Services from 2005 to 2008.

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Name and Age*

Significant Experience in Last Five Years

Karen M. Swindler, 45

Senior Vice President, Manufacturing Americas since November 2009.
Director of Performance Improvement from July 2009 to November 2009.
Divisional Vice President of North America Polymers Manufacturing from 2008 to 2009.
Between 2003 and 2007, Ms. Swindler served as Vice President of Health, Safety and Environmental and Divisional Vice President of Manufacturing Northern Region.

Sergey Vasnetsov, 47

Senior Vice President, Strategic Planning & Transactions since August 2010.
Managing Director of Equity Research at Barclay's Capital from 1999 to 2010.

Paul Davies, 48

Vice President and Chief Human Resource Officer since June 2010.
Independent human resources consultant from 2008 to 2010.
Vice President, Human Resources at Wyeth Pharmaceuticals from 1996 to 2008.

Wendy M. Johnson, 52

Vice President and Chief Accounting Officer since July 2010.
Vice President and Assistant Controller from 2008 to 2010.
Director, Global Manufacturing and Accounting from 2004 to 2008.

Samuel L. Smolik, 58

Vice President, Health, Safety and Environmental since November 2009.
Vice President, Downstream Health, Safety and Environmental of Royal Dutch Shell from 2004 to 2009.

Francesco Svelto, 50

Vice President and Treasurer since January 2010.
Interim Vice President from 2009 to 2010.
Divisional Vice President Business Finance, Polymers for 2008.
Treasurer of Basell AF S.C.A. from 2003 to 2007.

* As of March 18, 2011.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

The following Compensation Discussion and Analysis, or CD&A, describes how we made compensation decisions for our executive officers that are named in the Summary Compensation Table on page 45 of this Proxy Statement. These officers include James L. Gallogly, C. Kent Potter, Craig B. Glidden, Kevin W. Brown and Bhavesh V. (Bob) Patel.

We refer to them collectively as the named executive officers, or named executives, throughout this Proxy Statement.

Executive Summary

We began 2010 under the protection of chapter 11 of the U.S. bankruptcy laws. The Company is the successor to the entity that filed for bankruptcy protection in January 2009 after the combination of Lyondell Chemical Company and Basell in December 2007, and as a result of the subsequent economic recession and shutdown of the credit markets.

Our Compensation Committee was formed in August 2010. Prior to that time, the compensation of our executive officers was determined by the Remuneration Committee of LyondellBasell Industries AF S.C.A., our predecessor, and approved in many cases by the bankruptcy court in the bankruptcy proceedings under

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chapter 11. References to the Compensation Committee in this CD&A are to our current Compensation Committee, or the Remuneration Committee of our predecessor, as appropriate, unless specifically noted otherwise.

Significant items of note concerning the 2010 compensation for our named executive officers include:

Compensation consisting of base salaries; short-term incentive awards based on Company and individual performance; medium-term incentive awards earned over a three year performance period ending December 31, 2012 based on Company performance; and long-term incentive awards in the form of stock options and restricted stock units (and restricted shares, in the case of Mr. Gallogly);

Long-term, equity based incentive awards granted April 2010, after approval by the bankruptcy court, due to our successful emergence from bankruptcy proceedings; and

Achievement of approximately 146% of consolidated Company performance metrics, which account for 50% of the named executives' target bonus payment based on our superior performance during 2010, including

Substantial improvement over prior year period in safety and environmental performance, with employees full-year 2010 recordable incidence rate down 41% as compared to 2009;

Providing approximately \$200 million of fixed cost reductions to replace certain one-time savings that had been achieved in 2009; and

EBITDA in 2010 of \$4 billion, representing strong performance by the Company and an 80% increase over 2009.

Additionally, the Company achieved a total shareholder return from the date its shares were issued in April 2010 until year end 2010 of approximately 57%.

As discussed throughout this CD&A, each of our named executive officers was hired during our bankruptcy proceedings. In certain cases, these hirings were very early in the bankruptcy proceedings. As a result, there were significant uncertainties involved in our named executive officers joining the Company, including but not limited to the timing and likelihood of our emergence from bankruptcy proceedings and the bankruptcy court's actual approval of negotiated compensation terms. Additionally, we recruited each of our named executives based on their knowledge, skills and experience, as evidenced by the positions they held and which they left to work for us. Many of our compensation decisions were based on the difficulty in recruiting these individuals away from successful, secure companies where our named executive officers had successful careers and opportunities for advancement.

Compensation Philosophy

We believe that we should pay for performance and align our executives' interests with those of our shareholders. To this end, our compensation program for our named executives has been designed to achieve the following objectives:

support a high performing culture that attracts and retains highly qualified executive talent;

tie annual incentives to the achievement of Company and individual performance objectives; and

align executives' incentives with the creation of shareholder value through both medium and long term incentive plans.

Administration of Compensation Programs

Our current Compensation Committee met twice in 2010, and will meet several times each year in future years to perform its responsibilities as delegated by the Supervisory Board and set forth in the Compensation Committee's charter. These responsibilities include evaluating and approving the Company's compensation philosophy, policies, plans and programs for our named executive officers.

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In the performance of its duties, the Compensation Committee reviews the total compensation, including the base salary, target bonus award opportunities, incentive award opportunities and other benefits, including potential severance payments for each of our named executive officers. In the first quarter of 2011, the Compensation Committee met to determine salary increases, if any, for the named executive officers; verified the results of the Company's performance for annual incentive calculations; reviewed the individual annual incentive targets for 2011 for each of the named executive officers; and made decisions on granting other incentive awards.

The Compensation Committee has several resources it utilizes in its analysis of the appropriate compensation for the named executive officers. Late in 2010, the Compensation Committee hired an independent consultant to provide advice relating to market and general compensation trends. The Compensation Committee intends to use the services of its independent consultant for data gathering and analyses, and for use in its discussions of and decisions on the named executive officers' compensation. The Compensation Committee retained Frederic W. Cook & Co., Inc. (Cook & Co.) as its independent consultant in 2010. The Company's engagement with Cook & Co. includes meeting preparation and attendance, advice, best practice information, as well as competitive data. In addition to services related to executive compensation, the Nominating & Governance Committee of the Supervisory Board intends to use the consultant for information and advice related to director compensation. Cook & Co. has no other business relationships with the Company.

To ensure the independence of any compensation consultants utilized by the Compensation Committee for executive compensation matters, it is the Company's policy that no compensation consultant engaged by the Compensation Committee to assist in determining or recommending the compensation of executive officers may be engaged by management of the Company to provide any other services unless first approved by the Compensation Committee.

Mr. Gallogly plays an important part in determining executive compensation, as he assesses the performance of the named executive officers reporting to him and reports these assessments with recommendations to the Compensation Committee.

To facilitate the Compensation Committee's review of our executive compensation program, our human resources department provides the Compensation Committee with:

- data from compensation survey databases and other historical data that it believes will be useful in reviewing the compensation of the named executive officers;

- historical breakdowns of the total direct compensation component amounts approved by the Compensation Committee and previous Remuneration Committee for our officers;

- recommendations for performance targets under our incentive plans;

- recommendations of Mr. Gallogly, as Chief Executive Officer and the sole member of our Management Board, for the prospective total direct compensation component amounts and the methodology for calculating the amounts for the named executive officers that report to him; and

- such additional information as the Compensation Committee may request.

Overview of Executive Compensation Program

Each of the named executive officers joined the Company during its bankruptcy proceedings and entered into employment agreements with the Company at that time. The employment agreements contain compensation packages designed to attract the named executives in light of the risks to them involved in joining us during our turnaround

period. The Company underwent tremendous turnover of personnel, including executive officers, during 2007 and through 2009, and as a result, stability of the Company's leadership team became a priority. As a result, in addition to the need to attract these individuals, retention was a significant factor in designing the total compensation provided for in their agreements.

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Generally, our programs are designed to increase the proportion of at-risk pay as a percentage of total compensation as an executive's responsibilities increase. This is based upon the belief that our senior executives have more opportunity to affect the performance of the Company and that executives' performance will be enhanced by ensuring that a significant portion of their potential compensation is tied to the performance of the Company.

Salary Structure

For our named executives, base salary increases with responsibility, but at a lesser rate than increases in target incentive compensation percentages. This results in an increased percentage of at-risk compensation as the named executive's responsibility is increased.

Benchmarking

In order to establish the initial compensation packages for our named executive officers and formulate our incentive plans described below, the Remuneration Committee of LyondellBasell AF considered data from the Towers Perrin 2008 Executive Compensation Database, which collects data from hundreds of companies for a given year across industries and revenue sizes (the Towers Perrin Database). Single regression analysis of the Towers Perrin Database established the market levels of compensation for each of the named executive officer's position based on the revenue size of the individual's responsibilities within the organization. The identity of the component companies that comprised the sub-set used in the single regression analyses was not made available to us. Our human resources department's recommendations to the Remuneration Committee were designed to position each element of each named executive officer's total direct compensation at approximately the 50th percentile in relation to similar compensation paid to the executive's peers.

In setting compensation levels in the future, the Compensation Committee plans to use compensation surveys that include, but are not limited to, large chemical and energy companies. The purpose of benchmarking is to ensure that we are able to offer competitive packages in order to retain our executives. We believe that a cumulative target for the total of base salary and all incentive compensation at or near the 50th percentile for similar positions is appropriate, allowing for adjustment upon consideration of experience, individual performance and other factors.

Additionally, there is a group of companies whose performance we review to assist in making subjective considerations related to the achievement of our goals under our incentive programs. These companies' results are reviewed to benchmark our performance against the industry in which we operate. These companies include:

Chemical Companies (Weighted 80%)

BASF
Dow Chemical
Huntsman Corp.
Celanese Corp.
Eastman Chemical Corp.
Westlake Corp.
ExxonMobil Chemical U.S. Segment
Shell Chemical Segment
ExxonMobil Chemical non-U.S. Segment
Ineos
Chevron Phillips Chemical Company
Borealis

Energy & Refining Companies (Weighted 20%)

Valero Energy Corp.
Sunoco
Tesoro Corp.
Western Refining Inc.
Holly Corp.
ALON USA Energy Inc.
Frontier Oil Corp.
Delek US Holdings Inc.
ConocoPhillips Refining Segment
ExxonMobil Refining Segment
Shell Refining Segment
Chevron Refining Segment

Nova

Internal Pay Equity

We believe our salary structure provides a framework for equitable compensation between executives. As a general matter, jobs having greater duties and responsibilities will have higher incentive compensation targets. However, each executive's compensation package as a whole is analyzed to ensure appropriate

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compensation given the market for analogous positions within the marketplace and the mix of components of compensation is taken into account. Taken as a whole, our compensation program for executives is designed so that individuals' incentive target levels rise as their salary level increases, with the portion of performance-based compensation rising as a percentage of total targeted compensation. The result is that each executive's actual total compensation as a multiple of the total compensation of his subordinates will increase in periods of above-target performance and decrease in times of below-target performance.

Developing Performance Measures

We use Company financial and other performance criteria, including safety metrics, as well as individual performance criteria in determining payouts under incentive compensation awards. We attempt to develop performance measures that assess the performance of the Company relative to other companies in addition to absolute performance measures. This is based on our belief that absolute performance can be affected positively or negatively by industry-wide factors over which our executives have no control, such as the cyclical nature of feedstock costs and the global economy. We also attempt to isolate the underlying performance necessary to enable achievement of performance criteria considering our unique circumstances within the industry.

For purposes of awards under our incentive programs, we have set performance metrics so as to require high performance in order to receive target incentive compensation levels, and have selected multiple metrics to promote the well-rounded executive performance necessary to enable the Company to achieve long-term success.

Although our incentive programs use performance metrics, we have no threshold measures such that payouts are guaranteed assuming the attainment of specified targets. We use numerical targets as one of the components to determine whether payouts are warranted under each of the metrics; however, the discretionary nature of our programs means that the achievement (or non-achievement) of such targets is only the starting point in the Committee's determination of payouts for that metric. This is because we believe that judging performance based on an analysis of all relevant considerations provides a more meaningful determination of actual performance than using bright line performance targets. To this end, the Compensation Committee retains discretion to consider other factors in addition to the stated performance metrics to determine relative performance.

Elements of our Executive Compensation Program

Our executive compensation program generally consists of four principal components:

- base salary;
- annual cash incentive compensation;
- medium-term incentive compensation; and
- long-term equity-based incentive compensation.

We have chosen to pay each of these elements because we believe they best serve to advance our compensation objectives, as discussed in more detail below.

Base Salary

We pay base salaries to our named executives to provide them with sufficient, regularly paid income for performing day-to-day responsibilities. As executives assume more responsibilities within the Company, a smaller percentage of

their total compensation will be from base salary. By providing a competitive base salary, we serve our compensation objectives of retaining and attracting employees and motivating employees by rewarding individual performance and tenure with base salary increases.

In 2010, each of our named executive officers other than Messrs. Gallogly and Patel received merit increases, effective May 1, 2010. Mr. Gallogly did not receive an increase in 2010, as he requested that his

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salary be frozen for this period. Mr. Patel did not receive an increase, as his employment did not begin until March 2010. The increases in base salary for Messrs. Potter, Glidden and Brown were 4.2%, 6.2% and 6.2%, respectively. These increases were based on each of the individual's performance ratings that had previously been determined under the Company's 2009 Short-Term Incentive Plan. Although Mr. Patel did not receive a merit increase, his salary increased from \$430,000 to \$475,000 in November 2010 in connection with his change in position from Senior Vice President O&P-Americas to Senior Vice President O&P EAI at that time.

Our named executive officers were being paid the following base salaries as of January 1, 2011:

Name	Annual Base Salary
Mr. Gallogly	\$ 1,500,000
Mr. Potter	\$ 729,404
Mr. Glidden	\$ 557,076
Mr. Brown	\$ 428,814
Mr. Patel	\$ 475,000

Annual Cash Incentive Compensation

We paid annual bonuses to our named executives under our 2010 Short-Term Incentive Plan, or the 2010 STI. Our named executives' bonuses are targeted at a percentage of base salary and actual payouts under the STI can range from zero to 300% of target based on achievement of goals under the metrics, including personal performance.

Mr. Gallogly's employment agreement provides that his maximum bonus is 200% of his annual base salary. We tie actual payouts of our named executives' bonuses to the achievement of Company financial and performance measures, and the performance of the components of the Company for which they have direct supervisory authority. These individuals have the highest level of decision making authority within our organization and, therefore, the most ability to influence the Company's operational performance and results of operations. As a result, we believe it is appropriate to put a significant portion of their potential total compensation at risk based on whether the goals of the Company are achieved.

For 2010, bonus targets as a percentage of base salary for the named executive officers were:

Name	Target Bonus Percentage
Mr. Gallogly	100%
Mr. Potter	170%(1)
Mr. Glidden	80%
Mr. Brown	75%
Mr. Patel	75%/80%(2)

- (1) As described in this CD&A, pursuant to the terms of his compensation as approved by the bankruptcy court, Mr. Potter does not receive any grants under the Company's medium and long term incentive plans. In lieu thereof, Mr. Potter has a higher target bonus percentage.

- (2) In connection with the change in Mr. Patel's position from SVP O&P Americas to SVP O&P-EAI in November 2010, his target bonus as a percentage of salary increased to 80%.

Our business and financial results can be significantly impacted by economic factors outside the control of the Company and management. Mitigation of the impact of adverse conditions and the continuous improvement of our organization are expectations of our named executives. As a result, our 2010 STI includes a personal performance component that will affect the named executives' incentive payments.

To support our strong pay-for-performance philosophy, the measures chosen for our named executive officers' bonus calculations are those that we believe drive behaviors that increase value to our shareholders and are appropriately measured on an annual basis. In 2010, those measures primarily were based on (i) safety,

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(ii) costs, and (iii) net income before interest, taxes, depreciation and amortization (EBITDA). Safety is the foremost goal within our Company, and tying compensation to the achievement of safe operations ensures the safety of our people and protection of our assets is one of our named executives' primary concerns. Additionally, we believe that to compete effectively, we must maintain an appropriate cost structure and, therefore, have included a cost metric. Finally, EBITDA is an indication of our ability to generate competitive earnings. We believe the ability to grow our earnings is an important metric to our shareholders, and drives shareholder value. The specific measures for 2010 bonus purposes are discussed below.

The 2010 STI awards for our named executive officers are based on an overall Company scorecard as well as award units ratings. The Company scorecard includes the consolidated results of the Company, based on the achievement of the performance measures. Award units are assigned to operational or functional groups within the Company and are divided into three categories: business, manufacturing and service (including research and development). Award units and the performance criteria for each award unit are established at the beginning of each annual performance period. In 2010, we had 68 discrete award units within the Company. The award unit criteria for 2010 were designed based on the Company scorecard, modified to address specific budgets, targets and performance indicators related to the applicable award unit.

Mr. Gallogly's STI award for 2010 performance was based 50% on the Company scorecard and 50% on a weighted average of all award unit ratings within the Company. The 2010 awards for the other named executive officers were based 50% on the Company scorecard and 50% on a weighted average rating of award units for which such executives were responsible, described below.

The following table shows the metrics for the Company's 2010 scorecard, the weighting of each metric, considerations used in determining achievement, and the actual payouts for 2010:

Metric	Weight	Considerations	Payout
HSE Performance	12.5%	Based on Recordable Injury Rate and HSE Management, with a goal of 1.8 for recordable injuries.* The severity of injuries and benchmarks, process safety incidents, environmental performance and stewardship, and audit results were considered.	90%
Costs	12.5%	Based on cash fixed costs compared to budget, with a goal of \$3.57 billion. Benchmarks and success in cost improvement initiatives were considered.	125%
Business Results	25%	Based on EBITDA, with a goal of \$1.6 billion, with appropriate adjustments for unusual events compared to budget. The business environment and the Company's performance relative to its peers were considered.	185%

* Recordable injuries are measured by the total number of injuries needing medical attention or time off work for every million of hours worked.

The Compensation Committee reviewed the Company's performance and made the considerations shown in the above table to determine the payouts as noted based on several factors. The Company's safety performance, measured by recordable incidence rate for employees and contractors was 2.1, over its goal of 1.8. However, the Company's

employees full year incidence rate of 1.5 showed a 41% improvement over the prior year period. Additionally, process safety and environmental incidents were substantially improved over the prior year. As a result, the Compensation Committee determined that a 90% payout of the HSE Performance was appropriate. The Committee also considered the Company's substantial cost improvement initiatives, including providing approximately \$200 million of fixed-costs savings to replace certain one time savings that had been achieved in 2009. Based on reduction of fixed costs, particularly given the \$1 billion in savings already achieved in the prior year, the Compensation Committee determined to pay out the cost metric at 125%. Finally, the Company's business results in 2010 were outstanding, with over \$4 billion in EBITDA, which was more than twice the Company's budget for the year. After consideration of economic conditions and the performance of the industry as a whole, the Committee determined that a payout for business results at 185% was appropriate. The 185% was chosen because, notwithstanding the outstanding financial

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performance of the Company, the Committee acknowledged the benefit received by economic conditions generally. The Committee determined that based on the Company's performance, and its differential performance as compared to others within the industry, less than the full 200% should be awarded. The total payout for the Company Scorecard was 146.25%.

In determining award unit performance, the Compensation Committee reviewed and approved management's determinations of performance by the award units under their performance metrics. Each of the award units had a safety and cost metric. Functional groups, such as Finance and Legal, also had a customer service metric, while operational groups, such as Refining & Oxyfuels and O&P Americas, had a business results metric. Based on the evaluation of the safety performance, cost controls, financial performance and customer satisfaction ratings of the award units, the Committee approved award unit payouts of between 98 and 162% for our named executive officers other than Mr. Gallogly. Mr. Gallogly's award unit component is a weighted average of all award units within the Company, which equaled 118%.

In addition to the Company scorecard and award units, each of the named executive officer's awards was dependent on his individual performance. Depending on the individual named executive's personal performance, his award may be adjusted down to zero and up to 1.5 times the calculated award. The Compensation Committee reviewed the personal performance of each of the named executive officers, taking into account the individual's impact on the Company's performance and success during the year. For all of the named executive officers other than Mr. Gallogly, the Committee also considered Mr. Gallogly's recommendations of those officers' performance. The Compensation Committee conducted its own evaluation of Mr. Gallogly's performance in 2010 to determine his individual performance modifier. Based on this evaluation and the discussions of the named executives' performance, the Committee approved multiples of between 1.2 and 1.5. These multiples reflect the Compensation Committee's recognition of these individuals' contributions to the Company's strong operational performance and safety improvement in 2010.

Medium Term Cash Incentive Compensation

Under our 2010 Medium Term Incentive Plan, or 2010 MTI, we grant performance based incentive awards that provide for payouts based on the achievement of Company financial results after a three-year performance period. Target awards are based on a specified cash dollar amount, and can pay from 0 - 200% of target, depending on the Company's achievement of the performance measures, as determined by the Compensation Committee. The plan provides that the awards may be settled in cash or shares, at the discretion of the Compensation Committee. The awards granted in 2010 will be settled in cash. We believe that these medium-term awards serve our compensation objectives by tying incentives to measurable corporate performance that, in turn, creates shareholder value. Further, medium-term incentives balance rewards for short-term and long-term results and help to drive accountability for results. Medium-term incentives also help to provide an attractive overall compensation package to further our objective of recruiting and retaining our executive talent.

In 2010, each of our named executive officers other than Mr. Potter was granted an MTI award. These awards are paid out in the first quarter of 2013 based on the Company's achievement of the metrics shown in the table below over the period ending December 31, 2012, provided that the participant is employed on the date on which the Compensation Committee certifies the performance results, which is expected to occur in the first quarter of 2013. The 2010 MTI also provides for prorated payouts in the event of a change in control of the Company and in the event of the retirement, death or termination other than for cause of the individual. Mr. Potter was not included as a participant in the 2010 MTI, as he receives a higher target bonus percentage under the 2010 STI pursuant to his negotiated compensation terms as approved by the bankruptcy court. The table below shows the metrics, weighting of those metrics, and considerations in evaluating achievements for the 2010 MTI.

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Metric	Weight	Considerations
Return on Assets	67%	Percentage change in return on assets, as measured by EBITDA/assets, between January 1, 2010 and December 31, 2012 for the Company compared to peer companies, considering relative change, market conditions and any special circumstances.
Costs	33%	Cost improvements over the performance period and improvement in the Company's position in cost benchmarks, considering size of achievement, success in cost improvement initiatives, market conditions, and special circumstances applicable to the Company.

Long-Term Equity-Based Incentive Compensation

We have the ability to grant a variety of equity-based awards under our 2010 Long-Term Incentive Plan, or 2010 LTI, including restricted stock units, restricted stock, stock options and stock appreciation rights. The restricted stock and restricted stock units we granted in 2010 to our executives vest after five years. We believe the long-term vesting is an appropriate retention tool. Further, receipt of awards only after five years of service motivates our named executive officers to act in a manner that will increase shareholder value over time. Restricted stock units correspond to an equal number of our shares. At the end of the five-year vesting period for each grant, the Company will deliver an equal number of shares. Restricted stock units are entitled to dividend equivalents, which are paid out based on the number of shares underlying the units when and if the Company declares and pays dividends on its shares.

We also granted stock options to our named executive officers in 2010. Stock options for named executive officers other than Mr. Gallogly begin vesting two years after date of grant, and vest in equal annual installments over three years thereafter. We believe that time-vested awards encourage long-term value creation and executive retention because executives can realize value from such awards only if our share value increases and they remain employed by us at least until the awards vest. The terms of the stock options granted to Mr. Gallogly are described below.

Awards granted under the 2010 LTI, unless otherwise provided in an applicable award or employment agreement, have a double-trigger change in control provision pursuant to which they will vest in the event of a change in control of the Company followed within one year by constructive termination or involuntary termination without cause. Mr. Gallogly's employment agreement has a single-trigger provision that provides for immediate vesting upon a change in control, regardless of a change in his employment status. Mr. Gallogly's employment agreement contains the only single-trigger provision in our compensation programs. This provision was deemed necessary to recruit Mr. Gallogly from his previous position as an executive of ConocoPhillips, one of the largest U.S. companies and a Fortune 10 company, given the uncertainty of the Company's future and prospects when Mr. Gallogly joined the Company.

In connection with the hiring of Messrs. Gallogly, Glidden and Brown, we agreed to certain initial equity grants as soon as practicable following our emergence from bankruptcy, which occurred on April 30, 2010. The amounts of these awards were determined by the Company in its consideration and formulation of the overall compensation packages that were offered to these individuals, using the market levels of long-term incentive compensation included in the Towers Perrin Database. Significantly, the initial equity grants provided for in these executives' employment agreements reflected the Company's need to persuade these individuals to join us during our bankruptcy case. In all cases, the individuals were giving up substantial value at successful companies in order to join a company that faced not only significant challenges, but unique risks as a going concern. Additionally, because we were in bankruptcy proceedings when these individuals were hired, the actual grants of these awards were delayed significantly from the dates of hire because they could not be granted until emergence, which was not a certainty, but also were not certain to

be confirmed or approved by the bankruptcy court.

Mr. Gallogly's grants included 1,771,794 restricted shares and stock options to purchase 5,639,020 shares. The restricted shares vest in full on May 14, 2014, subject to earlier forfeiture upon termination of

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employment as provided in Mr. Gallogly's employment agreement. The stock options have an exercise price of \$17.61 per share and vest in five annual equal increments beginning on May 14, 2010. Mr. Gallogly's compensation was based on numerous factors, including market levels included in the Tower's Perrin Database. Mr. Gallogly joined the Company in May 2009, four months into the Company's bankruptcy proceedings under chapter 11, as its Chief Executive Officer. This gave rise to several unique circumstances in determining Mr. Gallogly's compensation including, but not limited to, the fact that Mr. Gallogly was recruited to lead the Company's reorganization efforts not as a short-term turn-around expert, but as an executive that could both turn-around the Company by spearheading its emergence from bankruptcy and provide the leadership and management required to improve operations, sustain those improvements over the long-term and ultimately grow the Company for the benefit of all the Company's stakeholders.

As a result, granting Mr. Gallogly significant long-term equity awards as provided in his employment agreement that was approved by the bankruptcy court was viewed to be in the best interests of the Company and its stakeholders. As described elsewhere in this CD&A, we believe that equity awards of the types granted to our named executive officers appropriately incentivize our named executives to act in a manner that will benefit shareholders and grow the long-term value of the Company.

The initial grants of equity awards made on April 30, 2010 to Messrs. Glidden and Brown as provided for in their employment agreements included the following:

Name	Initial Equity Award
Craig B. Glidden	Stock options to purchase 34,676 shares and 19,612 restricted stock units
Kevin W. Brown	Stock options to purchase 14,881 shares and 8,417 restricted stock units

The awards shown in the table above were part of the compensation agreed to when we recruited Messrs. Glidden and Brown. These awards are considered by the Company to be 2009 awards. However, as explained, they could not be granted until our emergence from bankruptcy proceedings, which occurred in April 2010. As a result, they are considered for SEC disclosure purposes to be 2010 compensation. The stock options have an exercise price of \$17.61 and vest in three equal, annual installments beginning on the second anniversary of date of grant of April 30, 2010. The restricted stock units cliff vest on the fifth anniversary of the date of grant of April 30, 2010.

In addition to the grants described above, the named executive officers shown in the table below were granted the following equity awards on April 30, 2010, which were provided for in their employment agreements, and which have the same terms and conditions as those included in the above table:

Name	Awards
Craig B. Glidden	Stock options to purchase 321,990 shares and 182,104 restricted stock units
Kevin W. Brown	Stock options to purchase 223,215 shares and 126,241 restricted stock units
Bob V. Patel	Stock options to purchase 175,596 shares and 99,310 restricted stock units

The Compensation Committee does not intend to grant its named executive officers additional equity awards under the 2010 LTI until 2015 other than in the case of promotions or other extraordinary circumstances.

Mr. Potter does not participate in the 2010 LTI. As described elsewhere in this CD&A, Mr. Potter's compensation arrangement, as approved by the bankruptcy court, provides for a higher target bonus percentage under the 2010 STI in lieu of medium and long term equity compensation.

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Other Benefits

In addition to the compensation described above, we provide our named executive officers with very few perquisites or other benefits. Those benefits include 401(k) plan matching contributions; life and disability benefits; vacation pay; and eligibility to participate in health and welfare benefit plans, including pension plans, available to our employees generally. We at times make expatriation payments to employees to make them whole when a requested relocation would adversely affect their compensation due to different tax regimes. We may make these types of payments to our named executive officers in future years if the situation warrants.

Claw-Back Provisions

The Compensation Committee recognizes the benefits to the Company and its stakeholders of claw-back policies for its executive officers. Under Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC has been charged with requiring stock exchanges, including the NYSE on which our shares are listed, to prohibit listing of securities of any company that has not developed and implemented compensation claw-back policies. The Dodd-Frank Act's provisions regarding claw-back policies are specific as to what is required, although implementing regulations have not yet been promulgated. The Compensation Committee currently is reviewing those requirements and, in light of its compensation programs generally, is developing such a policy.

Share Ownership Guidelines

The Compensation Committee has determined that share ownership guidelines are in the best interest of its shareholders, and intends to adopt such guidelines in advance of the vesting of equity award grants to its named executive officers other than Mr. Gallogly, whose stock options began vesting in 2010. The stock option awards granted to the other named executives begin vesting in 2012.

Insider Trading

The Company maintains an insider trading policy that prohibits the named executive officers from engaging in most transactions involving the Company's shares during periods, determined by the Company, that those executives are most likely to be aware of material inside information. Named executive officers must clear all of their transactions in our shares with the Company's Corporate Secretary's office to ensure they are not transacting i