LyondellBasell Industries N.V.

Financial Report

For the Year Ended 31 December 2015

LyondellBasell Industries N.V.

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1 Report of the Board of Management

LyondellBasell Industries N.V. is a global, independent chemical company and was incorporated under Dutch law on 15 October 2009. Unless otherwise indicated, the "Company," "we," "our," "us" and "LyondellBasell" are used in this report to refer to the businesses of LyondellBasell Industries N.V. and its consolidated subsidiaries. We are one of the world's top five independent chemical companies based on revenues.

We participate globally across the petrochemical value chain and are an industry leader in many of our product lines. Our chemicals businesses consist primarily of large processing plants that convert large volumes of liquid and gaseous hydrocarbon feedstocks into plastic resins and other chemicals. Our chemical products tend to be basic building blocks for other chemicals and plastics, while our plastic products are typically used in large volume applications. Our customers use our plastics and chemicals to manufacture a wide range of products that people use in their everyday lives including food packaging, home furnishings, automotive components, paints and coatings. Our refining business consists of our Houston refinery, which processes crude oil into products such as gasoline, diesel and jet fuel.

Our financial performance is influenced in general by the supply and demand for the products that we produce, the cost and availability of feedstocks, global and regional competitor capacity, our operational efficiency and our ability to control costs. We have a strong operational focus and, as a producer of large volume commodities, continuously strive to differentiate ourselves through safe, reliable and low-cost operations in all our businesses. During recent years the cost of natural gas-derived raw materials in the U.S. versus the global cost of crude oil-derived raw materials has had a significant positive influence on the profitability of our North American operations. While the North American feedstock advantage declined with lower oil prices in 2015, improved product supply and demand fundamentals in several businesses, notably global polyolefins products, more than offset the decline. To a lesser extent, our differentiated assets and technology also positively influence our performance as compared to our peers and competitors. These include our propylene oxide and polypropylene technologies; flexible feedstock olefins plants in the U.S.; joint venture olefins and polyolefins plants with access to low-cost feedstock, particularly in Saudi Arabia; and our Houston refinery, which is capable of processing heavy, high-sulfur crude.

1.1 About LyondellBasell

We manage our operations through five operating segments. Our reportable segments are:

- **Olefins and Polyolefins–Americas ("O&P–Americas").** Our O&P–Americas segment produces and markets olefins, including ethylene and ethylene co-products, and polyolefins.

- **Olefins and Polyolefins–Europe, Asia, International ("O&P–EAI").** Our O&P–EAI segment produces and markets olefins, including ethylene and ethylene co-products, polyolefins and specialty products, including polybutene-1 and polypropylene compounds.

- **Intermediates and Derivatives ("I&D").** Our I&D segment produces and markets propylene oxide ("PO") and its co-products, including isobutylene and derivatives, acetyls, including methanol, ethylene oxide ("EO") and its derivatives, ethanol, and oxygenated fuels or oxyfuels.

- **Refining.** Our Refining segment refines heavy, high-sulfur crude oil and other crude oils of varied types and sources available on the U.S. Gulf Coast into fuel products including gasoline and distillates (diesel and jet fuels).

- **Technology.** Our Technology segment develops and licenses chemical and polyolefin process technologies and manufactures and sells polyolefin catalysts.

1.2 Our Strategy

LyondellBasell works every day to be the best operated, most respected company in our industry. We strive to consistently outperform the competition by safely and reliably delivering high quality products to customers; being the company of choice for employees and shareholders; and being a responsible, good neighbor in the communities where we operate.

To achieve this goal, the LyondellBasell team is focused on a strategy that includes operating the company's existing assets with excellence; managing our business to perform well in multiple business environments; and, being positioned to take advantages of growth opportunities as they are presented.

More specifically:

- **Operational excellence:** LyondellBasell's focus on operational excellence begins with achieving differential performance in industrial and process safety and environmental stewardship. Over the past several years, our production facilities have become highly reliable through the systematic application of industry best practices and performance standards. Additionally, we continue to invest in projects that further enhance the reliability of our asset portfolio. This includes key maintenance and repair activities ("turnarounds") in each segment and necessary regulatory and maintenance spending.

- **Managing for any business environment:** LyondellBasell continues to manage the business in a manner that allows the company to perform well in a variety of business environments. One way we do this is by exercising financial and capital discipline across our system and by maintaining a strong balance sheet. LyondellBasell also maintains a robust program for benchmarking, goal setting and measurement that is designed to maintain and reinforce a culture of high performance at all levels of the organization.

- **Taking advantage of unique opportunities:** The company continues to capture opportunities created by the recent expansion of shale gas production in the U.S., which provides low-cost feedstocks for many of our businesses. The company actively seeks opportunities to increase sales of our differentiated products by leveraging our leading technological platform, worldwide presence, strong customer relationships, reliability and quality. In addition, we continue to evaluate and develop new growth projects, including the recently-announced world scale PO/TBA plant on the Texas Gulf Coast.

1.3 Sustainability

Our approach to sustainability

LyondellBasell's employees and management team are committed to sustainable development. We define sustainability as the responsible and ethical use of resources to improve the everyday quality of life in the world around us.

Through our stewardship of natural resources and with a focus on technological advancements, we believe we can help improve the quality of life today and for future generations.

The specifics of sustainability

We manage resources and the impact of our operations to create products that contribute to sustainability.

As a significant participant in the global economy, our objectives are to:

- Create value for our investors and customers;
- Protect the well-being of our employees, contractors and the communities in which we operate;
- Manage product safety;
- Protect the environment and preserve resources for future generations; and
- Supply products that enhance the quality of life worldwide.

We are global citizens

As a leading petrochemical manufacturer, LyondellBasell's long-term business success is underpinned by a commitment to sustainability principles. By developing products that address global challenges such as water scarcity, energy efficiency, and mobility, we are helping to solve some of the world's toughest problems.

We strive to create better environmental and social outcomes in the way we do business. Promoting safe, efficient, and ethical business practices provides better results not only for us, but also for the customers we serve and the communities in which we operate.

We continue to work on improving our sustainability outcomes.

We define sustainability as the responsible and ethical use of resources to improve the quality of life in the world around us both now and for future generations.

Our business approach and technological drive are underpinned by key sustainability themes such as resource efficiency, safety, governance, and productive stakeholder dialogue. Whether addressing energy challenges or speaking with our local communities, we work continuously towards sustainable successful outcomes.

We are committed to protecting the environment, human health and safety in the communities where we operate. We deliver on this commitment by:

- Producing the basic building blocks for products that enhance consumer safety, quality of life, convenience and energy conservation;
- Delivering essential products to the healthcare market;
- Conserving energy;
- Minimizing our impact on the environment; and
- Volunteering in community service activities.

With the help of LyondellBasell materials, thousands of products are safer, stronger, more affordable and more reliable.

We are dedicated to safety excellence. In 2015, LyondellBasell continued to operate with industry leading safety performance. The Company's safety performance in 2015, measured by total recordable incident rate* for employees and contractors, was 0.22.

Our Operational Excellence philosophy establishes uniform management system requirements for areas that have a direct impact on our operating performance. These management system requirements include programs for mechanical integrity and inspection, management of change, process hazard analysis, risk assessment, incident investigation and reporting, and the maintenance of process safety information. Other elements essential to a successful Operational Excellence program include effective communication and employee training.

Exemplary process safety performance is achieved through effective identification and mitigation of hazards, robust maintenance and inspection programs, effectively trained personnel and effective process communication with overall awareness of how individual actions can impact process safety. We also periodically audit these systems to ensure their effectiveness and to support sustained performance and continuous improvement.

Our process safety is focused on the pro-active identification and management of hazards in our operations. It plays a significant role in our overall safety performance and in fulfilling our commitment to operate in a manner that protects our people, the environment and our business relationship with our customers.

Our Product Stewardship efforts promote the safe and responsible use of our products. We strive to understand the safety, health and environmental issues associated with the manufacture, distribution and use of our products and we share that understanding with our customers and other stakeholders.

We are dedicated to minimizing our emissions and improving our energy efficiency. We are making the investments necessary to accomplish this goal through cost-effective compliance, business-driven improvement and science-based risk management. Since 2009, we have reduced energy consumption use for sites currently in operation by approximately 20%.

Footnote: * We utilize the U.S. Occupational Safety and Health Administration ("OSHA") definition for injury rate, which is the number of injuries recorded per 200,000 hours worked.

1.4 Research and Development

Our research and development ("R&D") activities are designed to improve our existing products and processes, and discover and commercialize new materials, catalysts and processes. These activities focus on product and application development, process development, catalyst development and fundamental polyolefin focused research.

In 2015 and 2014, our research and development expenditures were $85 million and $107 million, respectively. A portion of these expenses are related to technical support and customer service and are allocated to the other business segments. In 2015, approximately 45% of all R&D costs were allocated to business segments, other than Technology, while in 2014, the allocations approximated 35%.

1.5 Management's Discussion and Analysis of Results of Operations

Highlights for the period ended 31 December 2015:

- Profit for the year of $4.2 billion ($3.9 billion in 2014);
- Repurchased approximately 51.8 million of our ordinary shares (63.3 million ordinary shares in 2014);
- Increased our interim dividends in 2015 from $0.70 to $0.78 per share (from $0.60 to $0.70 per share in 2014);
- Paid dividends totaling $1.4 billion in 2015 ($1.4 billion in 2014);
- Completed a 250 million pounds per year ethylene expansion at our Channelview, Texas facility in the third quarter of 2015 and continued construction of an 800 million pounds per year ethylene expansion at our Corpus Christi, Texas facility to be completed in the second quarter of 2016; and
- Had liquidity of $3.9 billion ($4.3 billion in 2014), including cash of $995 million ($1.1 billion in 2014) at year end.

The following selected financial data of the Company should be read in conjunction with the Consolidated Financial Statements and related notes thereto and Management's discussion and analysis of our results of operations below. The selected financial data of the Company is derived from its audited Consolidated Financial Statements.

	Year Ended 31 December	
Millions of U.S. Dollars (except for earnings per share amounts)	**2015**	**2014**
Results of Operations Data		
Revenue	$ 32,834	$ 45,745
Operating profit	6,146	5,562
Finance costs	560	434
Depreciation, amortization and impairments	1,097	1,054
Profit for the year	4,209	3,931
Earnings per share:		
Basic	9.05	7.57
Diluted	9.02	7.53
Balance Sheet Data		
Total equity	5,701	7,778
Borrowings	8,136	7,177
Cash and cash equivalents	(995)	(1,084)
Net debt	7,141	6,093
Trade and other receivables	3,422	4,333
Inventories	3,275	4,068
Trade and other payables	(3,520)	(4,331)
Net working capital	3,177	4,070

Millions of U.S. Dollars (except for earnings per share amounts)	Year Ended 31 December 2015	2014
Cash Flow Data		
Net cash provided by (used in):		
Operating activities	5,701	5,968
Investing activities	(760)	(3,407)
Including purchase of property, plant and equipment	(1,458)	(1,527)
Financing activities	(4,982)	(5,970)

1.5.1 General

This discussion should be read in conjunction with the information contained in our Consolidated Financial Statements, and the accompanying notes elsewhere in this report. When we use the terms "we," "us," "our" or similar words in this discussion, unless the context otherwise requires, we are referring to LyondellBasell Industries N.V. and its consolidated subsidiaries.

References to industry benchmark prices or costs, including the weighted average cost of ethylene production, are generally to industry prices and costs from third-party consulting data. References to industry benchmarks for refining and oxyfuels market margins are to industry prices reported by Platts, a reporting service of The McGraw-Hill Companies. References to industry benchmark prices for crude oil and natural gas are to Bloomberg.

Our performance is driven by, among other things, global economic conditions generally and their impact on demand for our products, raw material and energy prices, as well as industry-specific issues, such as production capacity. Our businesses are generally subject to the cyclicality and volatility seen in the chemicals and refining industries.

1.5.2 Overview of Results of Operations

During 2015, we generated record earnings. Our performance remained focused and steady despite the challenging environment of declining crude oil and natural gas prices. We believe our performance indicates our capability to deliver strong results under a wide range of operating environments. During 2015, we continued to execute and expand our strategic growth program with expansions of our ethylene and PP compounds capacities. We also moved forward additional growth projects during the year.

Significant items that affected 2015 results include:

- Improved O&P–EAI segment results on higher European polyolefins and olefins margins supplemented by higher European polyolefins volumes;

- Improved refining margins, offset by lower crude processing rates due primarily to unplanned maintenance in the latter part of 2015 at our Houston refinery;

- Steady I&D segment results reflecting higher styrene and EO and derivatives results, offset in part by lower results for the TBA chain and acetyls; and

- A decline in O&P–Americas results on lower olefins margins, partially offset by higher olefins volumes and improved polyolefins results.

Revenues—We had revenues of $32,834 million in 2015 and $45,745 million in 2014. The $12,911 million decrease in 2015 revenues reflects the decline in prices for crude oil and other feedstocks and unfavorable translation impacts resulting from a significant decline in the euro/U.S. dollar exchange rate.

Sales volumes in 2015 were relatively unchanged from 2014. A decrease in sales volumes due to lower crude processing rates in our Refining segment was mostly offset by higher sales volumes for other products, including U.S. and European polyolefins in our O&P–Americas and O&P–EAI segments, respectively; and TBA products, acetyls and styrene in our I&D segment.

Crude processing rates at our Houston refinery were negatively impacted in 2015 primarily as a result of unplanned maintenance outages during the last part of the year. Strong 2015 demand for polyethylene and the completion of an expansion-related turnaround at our Matagorda, Texas facility in the first quarter of 2014 led to the higher U.S. polyethylene sales volumes in 2015. European polyolefins sales volumes increased relative to 2014 on higher demand. European polypropylene sales volumes also benefited from higher operating rates in 2015. TBA product sales volumes benefited from, among other things, strong octane and gasoline demand and a tight market. An increase in methanol sales volumes due to higher operating rates and increased feedstock supply led to the higher acetyls sales volumes. Increased operating rates and industry outages boosted sales volumes during 2015 for PO & derivatives and EO and derivatives.

Cost of Sales—Cost of sales were $26,098 million in 2015 and $39,334 million in 2014. The decrease in cost of sales in 2015 was primarily due to lower feedstock costs.

Cost of sales in 2014 included a $53 million non-cash charge related to an LCM inventory valuation adjustment driven by declines in crude oil and products derived from or correlated to crude oil.

Operating Profit—Our operating profit was $6,146 million and $5,562 million in 2015 and 2014, respectively. Operating profit increased by $584 million in 2015 compared to 2014.

The improvement in results was primarily driven by the operations of our O&P–EAI and Refining segments, offset in part by a decline in our O&P–Americas results. The primary drivers of the improvement in operating profit were higher margins that benefited from lower feedstock costs and improved supply/demand fundamentals in our European olefins and polyolefins businesses. Higher refining margins also contributed to the increases in operating profit. Improvements in polyolefins margins in our O&P–Americas segment added to these increases in 2015; however, lower olefin margins in that segment primarily driven by lower ethylene prices more than offset the polyolefins margin benefit.

Finance Costs—Finance costs were $560 million in 2015 and $434 million in 2014. The increase in finance costs in 2015 relative to 2014 reflects losses related to the unfavorable impact of our cross currency swaps and higher interest charges related to the issuance of our 4.875% guaranteed notes due 2044 in February 2014 and our 4.625% senior notes due 2055 in March 2015. These increases were offset in part by a favorable impact related to our fixed-for-floating interest rate swaps. See Note 4 to the Consolidated Financial Statements for additional information on these fixed-for-floating interest rate and cross-currency swaps.

Share of Profit of Investments Accounted for Using the Equity Method—The Company had profit from investments accounted for using the equity method totaling $269 million in 2015 and $203 million in 2014.

The $66 million increase in profit from investments accounted for using the equity method reflected improved margins in certain joint ventures as a result of favorable market prices during 2015 and strong operating rates.

Income Tax—The weighted average applicable tax rates for 2015 and 2014 were 32.6% and 33.8%, respectively. The decrease was primarily attributable to the change in the geographical mix of income. Our effective income tax rate of 28.5% in 2015 and 26.7% in 2014 resulted in tax provisions of $1,678 million and $1,433 million, respectively. Compared to 2014, the 2015 effective income tax rate increased primarily due to the reductions in foreign exchange losses and the U.S. domestic production activity deduction, partially offset by a change in the geographic mix of earnings and increased tax exempt income. The Company's exempt income primarily includes interest income and equity earnings of joint ventures. The interest income is earned by certain of our European subsidiaries through intercompany financings and is either untaxed or taxed at rates substantially lower than the U.S. statutory rate. The equity earnings are attributable to our joint ventures and these earnings when paid (dividended) to certain European subsidiaries are eligible for participation exemptions, which exempt the dividend payments from all or portions of normal statutory income tax rates. We currently anticipate the favorable treatment for the interest income and dividends to continue in the near term; however, this treatment is based on current law and tax rulings, which could change.

Other Comprehensive Income—We had comprehensive income of $3,855 million in 2015 and $2,922 million in 2014.

The increase in Comprehensive income in 2015 reflects the favorable impacts of the remeasurement of our post-employment benefits, unrealized net changes in foreign currency translation adjustments, higher profit and, to a lesser extent, the benefit of favorable financial derivative adjustments.

The predominant functional currency for our operations outside of the U.S. is the euro. Relative to the U.S. dollar, the value of the euro decreased during 2015 and 2014, resulting in losses as reflected in the Consolidated Statements of Comprehensive Income.

1.5.3 Segment Analysis

Our operations are managed through five operating segments: O&P–Americas; O&P–EAI; I&D; Refining; and Technology. Each of the operating segments is managed by a senior executive reporting directly to our Chief Executive Officer ("CEO"), the chief operating decision maker ("CODM"). Discrete financial information is available for each of the segments, and our CEO uses the operating results of each of the operating segments for performance evaluation and resource allocation.

Accounting policies for internal reporting, which are based on accounting principles generally accepted in the United States of America ("U.S. GAAP"), are materially similar to those described in Summary of Significant Accounting Policies (see Note 2 of the Consolidated Financial Statements), except for:

- *Discontinued Operations*—The Financial Accounting Standards Board ("FASB"), in April 2014, issued Accounting Standards Update ("ASU") 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*, which amended Accounting Standards Codification ("ASC") Topic 205, *Presentation of Financial Statements* ("ASC 205"). Under this new guidance, only disposals representing a strategic shift in operations that have or will have a major effect on a company's operations should be presented as discontinued operations. In 2014, we adopted this amendment prospectively.

Prior to the issuance of ASU 2014-8, under U.S. GAAP, the results of operations of a component of an entity was reported in discontinued operations if both of the following conditions were met: (a) the operations and cash flows of the component have been (or will be) eliminated from the ongoing operations of the entity as a result of the disposal transaction and (b) the entity will not have any significant continuing involvement in the operations of the component after the disposal transaction. The suspension of the Berre Refinery operations met these criteria and was treated as discontinued operations under U.S. GAAP. Under International Financial Reporting Standards ("IFRS") and this financial report, the suspension of the Berre Refinery operations has been accounted for under IFRS 5, *Non-current assets held for sale and discontinued operations* ("IFRS 5"). IFRS 5 defines a discontinued operation as a component of an entity that either has been disposed of or is classified as held for sale, and represents a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. For IFRS, the Berre Refinery did not meet the definition of a separate major line of business because the Company has not exited the refining business, and thus did not qualify for discontinued operations.

- *Inventories*—The Company measures its inventories in accordance with the Last In, First Out ("LIFO") method, which is permitted under U.S. GAAP. According to International Accounting Standards ("IAS") 2, *Inventories*, the LIFO method is prohibited under IFRS. Therefore, inventories are measured using the First In, First Out ("FIFO") method for the Consolidated Financial Statements. This inventory measurement difference between the reportable segments and the consolidated information results in different cost of sales and net profit for the period.

  Under U.S. GAAP we recognized pretax, lower of cost or market ("LCM") inventory valuation charges affecting all but the Technology segment in 2015 and 2014 of $548 million and $760 million, respectively ($351 million and $483 million, respectively, after tax).

- *Employee Benefits*—Under U.S. GAAP, ASC Topic 715, *Compensation – Retirement Benefits* ("ASC 715") requires the interest expense component of pension expense to be calculated as the product of the defined benefit liability and the discount rate. Such interest expense is netted against interest income resulting from the expected rate of return on plan assets applied to the market value of assets. The expected rate of return on plan assets is a longer term rate, and is expected to change less frequently than the discount rate, reflecting long-term market expectations, rather than current fluctuations in market conditions. Under IFRS, in accordance with IAS 19, *Employee Benefits*, the Company recognizes a net interest expense (income), which is the product of the net defined benefit liability (asset) and the discount rates, as a component of its pension expense on defined benefit plans.

  Under ASC 715, past service cost and actual return on plan assets in excess of expected return are initially recorded in other comprehensive income and subsequently recognized in earnings over the average remaining service period of the participants to the extent it exceeds the "corridor." The corridor is defined as the greater of 10 percent of the accumulated projected benefit obligation or the fair value of the plan assets as of the beginning of the year. Under IFRS, the Company immediately recognizes past service cost and net interest expense (income) as discussed above in the Consolidated Statement of Income. Actual return of plan assets in excess of recognized interest income is permanently recorded in other comprehensive income.

- *Other*—Amongst others, there are minor differences between IFRS and U.S. GAAP with respect to the adoption of IFRS 11, *Joint Arrangements* as well as the subsequent measurement of asset retirement obligations, cross-currency swaps, capitalization of development costs related to research and development and amortization of debt issuance costs. If material, these differences are separately disclosed in the Consolidated Financial Statements reconciliation.

We use earnings before interest, income taxes and depreciation and amortization ("EBITDA") as our measure of profitability for segment reporting purposes. Intersegment eliminations and items not directly related or allocated to business operations are included in "Other." For additional information related to our operating segments, as well as a reconciliation of EBITDA to its nearest U.S. GAAP measure and to the IFRS Operating profit, see Note 32 of the Consolidated Financial Statements.

	Year Ended 31 December	
Millions of U.S. Dollars	**2015**	**2014**
Sales and other operating revenues:		
O&P–Americas segment	$ 9,964	$ 13,948
O&P–EAI segment	11,576	15,203
I&D segment	7,772	10,130
Refining segment	6,557	11,710
Technology segment	465	497
Other, including intersegment eliminations	(3,599)	(5,880)
Total	$ 32,735	$ 45,608
Share of profit of associates and joint ventures:		
O&P–Americas segment	$ 42	$ 21
O&P–EAI segment	283	229
I&D segment	14	7
Total	$ 339	$ 257
EBITDA:		
O&P–Americas segment	$ 3,661	$ 3,911
O&P–EAI segment	1,825	1,366
I&D segment	1,475	1,459
Refining segment	342	65
Technology segment	243	232
Other, including intersegment eliminations	(13)	17
Total	$ 7,533	$ 7,050

Olefins and Polyolefins–Americas Segment

Overview—In calculating the impact of margin and volume on EBITDA, consistent with industry practice, management offsets revenues and volumes related to ethylene co-products against the cost to produce ethylene. Volume and price impacts of ethylene co-products are reported in margin. Ethylene is a major building block of our olefins and polyolefins businesses and as such management assesses the performance of the segment based on ethylene sales volumes and prices and our internal cost of ethylene production.

Segment results were lower in 2015 primarily due to a decline in olefins results partially offset by improved polyolefin results relative to 2014. Olefins results in 2015 reflect lower margins, offset in part by higher sales volumes due partly to the completion of an 800 million pound ethylene expansion at our La Porte, Texas facility in September 2014. The decrease in olefins margins was driven by the decline in U.S. ethylene prices due to the impact of lower oil prices on global ethylene markets and increased U.S. ethylene supply. Margin improvements and higher sales volumes in 2015 led to the increased polyethylene and polypropylene results over 2014.

Margins in our olefins business in 2015 continued to benefit from low-cost ethylene produced from NGLs in North America, but to a lesser extent than in 2014 and 2013. The cost advantage for this ethylene, compared to that produced from naphtha and other crude oil-based liquids in the rest of the world, declined due to the lower crude oil prices in 2015. Higher U.S. polyethylene margins and volumes reflected continued strong global market conditions. Polypropylene margins expanded on significant strengthening of supply/demand balances.

Prices for heavy liquids, NGLs and olefins have declined significantly since the third quarter of 2014, to levels that have not been seen in recent years. These declines resulted in the recognition of the non-cash, LCM inventory adjustments totaling $279 million in 2014 discussed below. Volatility in the benchmark prices for heavy liquids and natural gas and certain correlated products, particularly ethylene and propylene, which continued during most of 2015, led to net non-cash LCM inventory valuation adjustments totaling $548 million during 2015.

Ethylene Raw Materials—Benchmark crude oil and natural gas prices generally have been indicators of the level and direction of the movement of raw material and energy costs for ethylene and its co-products in the O&P–Americas segment. Ethylene and its co-products are produced from two major raw material groups:

- NGLs, principally ethane and propane, the prices of which are generally affected by natural gas prices; and
- crude oil-based liquids (“liquids” or “heavy liquids”), including naphtha, condensates, and gas oils, the prices of which are generally related to crude oil prices.

Although prices of these raw materials are generally related to crude oil and natural gas prices, during specific periods the relationships among these materials and benchmarks may vary significantly. In the U.S., we have significant capability to change the mix of raw materials used in the production of ethylene and its co-products to take advantage of the relative costs of heavy liquids and NGLs.

Production economics for the industry have favored NGLs in recent years. Although the decline in oil prices significantly reduced the cost of ethylene produced from heavy liquids in 2015, NGL prices also declined and they continued to be preferred feedstocks. Approximately 90% of our U.S. ethylene production was produced from NGLs during 2015 and 2014.

The following table shows the average U.S. benchmark prices for crude oil and natural gas for the applicable periods, as well as benchmark U.S. sales prices for ethylene and propylene, which we produce and sell or consume internally. The table also shows the discounted U.S. benchmark prices for certain polyethylene and polypropylene products. These industry benchmark prices are third party estimates that are indicative of contract sales for some key product grades, but do not necessarily describe price trends for our full olefins or polymers product mixes. The benchmark weighted average cost of ethylene production, which reflects credits for co-product sales, is based on a third party consultant's estimated ratio of heavy liquid raw materials and NGLs used in U.S. ethylene production.

	Average Benchmark Price and Percent Change Versus Prior Year Average		
	Year Ended 31 December		
	2015	2014	Change
Crude oil, dollars per barrel:			
West Texas Intermediate ("WTI")	48.71	92.91	(48)%
Light Louisiana Sweet ("LLS")	52.36	96.92	(46)%
Natural gas (Henry Hub), dollars per million BTUs	2.57	4.51	(43)%
United States, cents per pound:			
Weighted average cost of ethylene production	10.1	15.4	(34)%
Ethylene	31.7	48.0	(34)%
Polyethylene (high density)	63.6	77.0	(17)%
Propylene - polymer grade	39.0	70.9	(45)%
Polypropylene	62.8	86.3	(27)%

The following table sets forth selected financial information for the O&P–Americas segment including Share of profit of associates and joint ventures, which is a component of EBITDA.

	Year Ended 31 December	
Millions of U.S. Dollars	2015	2014
Sales and other operating revenues	$ 9,964	$ 13,948
Share of profit of associates and joint ventures	42	21
EBITDA	3,661	3,911

Revenues—Revenues decreased by $3,984 million in 2015 compared to 2014.

Average sales prices declined for most products in 2015 resulting in a 31% revenue decrease compared to 2014. Lower average olefin prices reflect the significant decline in prices for crude oil and correlated products relative to prices in 2014. The decline in average polyethylene and polypropylene sales prices followed the decline in the 2015 prices of their respective feedstocks, ethylene and propylene.

These decreases in revenues were offset in part by an increase in sales volumes, which gave rise to a 2% revenue increase in 2015, compared to 2014. Ethylene sales volumes were higher due to increased production reflecting higher capacity following the completion of the expansion-related turnaround at our La Porte, Texas facility during 2014 and additional production related to less planned and unplanned downtime at our Channelview, Texas facility. Polyethylene sales volumes improved in 2015, due to the completion of an expansion-related turnaround at our Matagorda, Texas facility in the first quarter of 2014 and continued healthy global demand. Polypropylene sales volumes, which were limited by production in both years, increased slightly in 2015 relative to 2014.

EBITDA—EBITDA decreased by $250 million in 2015 compared to 2014.

The 6% decrease in EBITDA reflects a 24% net margin decline due to lower olefin margins, offset in part by a 14% increase related to higher volumes and a 3% increase related to the $119 million decline in the non-cash charges related to the LCM inventory valuation adjustments discussed above. Improvements in our income from equity investments accounts for the remaining 1% increase in EBITDA during 2015.

The impact of significantly lower ethylene margins in 2015 was offset in part by increases in polyethylene and polypropylene margins compared to 2014. Olefin margins declined in 2015 as the average sales price of ethylene was driven down by the decline of naphtha feedstock prices, which generally trend with crude oil prices, and by improved market supply due to an improvement in industry operating rates and additional market capacity. A decrease in our cost of ethylene production partially offset the impact of the decline in ethylene sales price in 2015 lessening the impact of lower margins during the year. Lower NGL and heavy liquids feedstock prices in 2015 outpaced the decline in selling prices of our co-products, which resulted in the decrease of our cost of ethylene production compared to the prior year.

Polyethylene margins improved in 2015 as demand remained strong and decreases in the cost of ethylene feedstock more than offset lower average sales prices relative to 2014. Polypropylene margins, which increased in 2015, benefited from lower propylene feedstock costs, which in part reflect the decline in crude oil prices, and higher average sales prices relative to propylene, driven by industry operating issues and increased demand.

Sales volumes in 2015 increased as compared to the prior year as a result of downtime and expansion-related activities in 2014 and the increased demand discussed above.

Olefins and Polyolefins—Europe, Asia, International Segment

Overview—Operating results in 2015 reflect improved results for our European polyolefins business and, to a lesser extent, higher results for our olefins business and better results for our joint ventures that are accounted for using the equity method. Polyethylene and polypropylene margins improved due to supply constraints as a result of several industry outages and the benefit of a lower price position compared to other regions resulting from the weakness in the euro. An increase in 2015 sales volumes also contributed to the higher polyethylene and polypropylene results relative to 2014. Olefins margins improved in 2015 as the lower cost of ethylene production, which was driven by lower feedstock prices, outpaced the decline in olefin product prices. Margins benefited for most of 2015 from a lag between declining feedstock costs and product prices. Turnaround activities at our Münchsmünster, Germany facility and unplanned outages resulted in a decrease in olefins sales volumes in 2015 relative to 2014.

At the end of the fourth quarter of 2015, lower feedstock and product prices resulted in market prices that were lower than the carrying value of our related inventories. Accordingly, we recorded a $30 million non-cash, LCM inventory valuation charge related to our olefins and polyolefins businesses. This compares to the $44 million non-cash, LCM inventory valuation charge recognized in the fourth quarter of 2014.

*Ethylene Raw Materials***—**In Europe, heavy liquids are the primary raw materials for our ethylene production. In periods during 2015 not affected by turnaround activities, we increased the consumption of feedstocks other than naphtha, such as propane, butane and condensates, in our production process. The prices for these other feedstocks have been subject to declines that were at times of the same or greater magnitude as the declines in the crude oil prices.

The following table shows the average Western Europe benchmark prices for Brent crude oil for the applicable periods, as well as benchmark Western Europe prices for ethylene and propylene, which we produce and consume internally or purchase from unrelated suppliers, and discounted prices for certain polyethylene and polypropylene products. These industry benchmark prices are third party estimates that are indicative of contract sales for some key product grades, but do not necessarily describe price trends for our full olefins or polymers product mixes.

	Average Benchmark Price and Percent Change Versus Prior Year Average		
	Year Ended 31 December		
	2015	2014	Change
Brent crude oil, dollars per barrel	53.60	99.45	(46)%
Western Europe benchmark prices, €0.01 per pound:			
Weighted average cost of ethylene production	20.8	29.2	(29)%
Ethylene	43.6	52.6	(17)%
Polyethylene (high density)	56.0	54.5	3%
Propylene	38.5	50.5	(24)%
Polypropylene (homopolymer)	54.7	59.9	(9)%
Average exchange rate, $US per €	1.1105	1.3297	(15)%

The following table sets forth selected financial information for the O&P–EAI segment including Share of profit of associates and joint ventures, which is a component of EBITDA.

	Year Ended 31 December	
Millions of U.S. Dollars	2015	2014
Sales and other operating revenues	$ 11,576	$ 15,203
Share of profit of associates and joint ventures	283	229
EBITDA	1,825	1,366

Revenues—Revenues in 2015 decreased by $3,627 million compared to 2014.

The decline in 2015 revenues reflects decreases of 14% and 12% related to lower average sales prices and currency translation impacts, respectively. An increase in polyolefins volumes, which was substantially offset by a decline in olefins volumes stemming from turnaround activities and unplanned outages, was responsible for a 2% revenue increase in 2015.

In 2015, lower average sales prices for polypropylene and PP compounds were partially offset by higher average polyethylene prices. Decreases in feedstock costs in 2015 led to the decline in polypropylene and PP compounds sales prices compared to 2014. The increase in polyethylene prices in 2015 reflect strong spread increases over ethylene, primarily in Europe.

Higher polyethylene sales volumes reflect an increase in demand for our high density polyethylene as well as higher operating rates in 2015. Increased demand and an improvement in operating rates led to the increase in 2015 polypropylene sales volumes over 2014. Sale volumes for PP compounds increased in 2015 due to higher demand in the automotive industry. Lower production from our crackers related to turnaround activities during 2015 resulted in the decrease in olefins sales volumes.

EBITDA—EBITDA increased by $459 million in 2015 compared to 2014.

The 34% improvement in 2015 EBITDA reflects a 42% increase related to margins, a 4% increase related to higher volumes and an additional 4% increase stemming from improvements in income from our equity investments. These increases were partially offset by a 13% decrease due to the translation of a weaker euro and a 3% decrease related to a net charge of $38 million discussed below. In 2015, EBITDA included a $30 million charge related to LCM adjustments driven by a decline in naphtha prices and polyolefins prices. In 2014, EBITDA included a $52 million benefit associated with a settlement for certain existing and future environmental claims under a 2005 indemnification agreement from an insurance settlement, which was offset in part by a $44 million charge related to an LCM adjustment driven by a decline in naphtha prices.

The increase in 2015 results was mainly driven by better results for European polyolefins and olefins compared to 2014. Polyethylene results improved during 2015 on higher spreads, primarily due to a decline in ethylene feedstock costs and on increased sales volume, as discussed above. Polypropylene results increased in 2015 over the corresponding prior year period due to margin improvements from higher spreads and increased volumes, as discussed above. Higher olefins results reflect margin improvements, partly offset by a decline in volumes due to turnaround activity. Improved olefin margins reflect mid-year supply constraints due to industry outages, the decline in naphtha feedstock prices during the second half of 2015 and increased consumption of advantaged feedstocks in the first half of 2015.

The higher contribution to our results by certain of our joint ventures, which is reflected in Income from equity investments in 2015, is mainly driven by improved margins compared to 2014 in certain joint ventures as a result of favorable market prices during 2015 and strong operating rates.

Intermediates and Derivatives Segment

Overview—Results in 2015 reflect improvements in our styrene business and, to a lesser extent, our ethylene oxide and derivatives business, offset in part by lower results for our oxyfuels and C4 chemicals (“TBA products”) and acetyls businesses. Stronger margins resulting from favorable product pricing and declining benzene and ethylene feedstock costs led to the improved styrene results. The decline in the 2015 results for acetyls and TBA products reflected a decrease in methanol prices due to increased industry supply and lower energy prices, respectively, compared to 2014, which reflected unusually high TBA product margins.

Our 2015 results were also unfavorably impacted by non-cash, LCM inventory valuation adjustments. The continued decline in benzene, ETBE and feedstock prices to levels that were lower than the carrying value of our related inventories at reporting dates throughout the year necessitated the recognition of $181 million of LCM inventory valuation adjustments in 2015, an $88 million increase over the LCM inventory valuation adjustment recognized in the fourth quarter of 2014.

Although 2015 results were strong, fourth quarter results reflected a considerable decline versus those achieved in the third quarter. Typical seasonal declines in demand, planned and unplanned outages and a $74 million non-cash LCM inventory valuation adjustment recognized in the fourth quarter led the decline in fourth quarter results.

The following table sets forth selected financial information for the I&D segment including Share of profit of associates and joint ventures, which is a component of EBITDA. In addition, the table shows methyl tertiary butyl ether ("MTBE") margins in Northwest Europe ("NWE").

	Year Ended 31 December	
Millions of U.S. Dollars	**2015**	**2014**
Sales and other operating revenues	$ 7,772	$ 10,130
Share of profit of associates and joint ventures	14	7
EBITDA	1,475	1,459
Market margins, cents per gallon		
MTBE–NWE	85.1	94.0

Revenues—Revenues for 2015 decreased by $2,358 million compared to 2014.

The decrease in 2015 revenues reflects a decline in average sales prices for most products and a significantly weaker euro against the U.S. dollar, partly offset by higher sales volumes relative to the prior year. The declines in average sales prices and the currency translation impacts led to revenue decreases of 23% and 6%, respectively. These negative impacts were reduced by a 6% revenue increase related to higher sales volumes for our TBA, acetyls, PO and derivatives, styrene and EO and derivatives businesses.

In 2015, the significant decline in crude oil and other key feedstocks prices was the primary driver behind the overall decrease in average sales prices across most businesses. The impact of industry supply constraints in several businesses, principally styrene and EO/EG, due to planned and unplanned outages slowed the impact of falling prices; however, average sales prices fell below 2014 levels. This decline in prices was offset in part by TBA product octane blend premiums and gasoline price spreads over crude oil that were strong in 2015.

TBA product sales volumes increased due to strong octane and gasoline demand. Higher sales of purchased material and the reduction of inventory levels also contributed to this increase in sales volumes. Increased feedstock supply and an improvement in operating rates led to the increase in 2015 methanol sales volumes. Operating rates were higher in 2015 despite planned outages at our Channelview, Texas PO/SM plant and our PO/TBA plant at Fos sur Mer, France. These higher operating rates, which reflected strong global demand and the impact of industry outages led to an increase in PO & derivatives and styrene sales volumes. Industry outage and higher operating rates contributed to the increased sales volumes for EO and derivatives.

EBITDA—EBITDA increased by $16 million in 2015 compared to 2014.

The 1% increase in EBITDA during 2015 reflects increases of 7% related to higher volumes and 1% related to improvements in income from our equity investments. These improvements were substantially offset by decreases of 6% related to the $88 million incremental increase in the non-cash LCM inventory valuation adjustment recognized in 2015 over 2014 and by a 1% decrease related to lower margins in 2015.

Segment results in 2015 reflect better results for styrene and EO and derivatives, partly offset by lower results for our TBA chain and acetyls.

Higher styrene results in 2015 reflect significant margin improvements driven by tight supply resulting from industry outages and by benzene and ethylene feedstock prices that declined more rapidly than the average sales price of styrene. Results also benefited from increased sales volumes stemming from stronger market demand, industry outages and higher operating rates compared to 2014.

Ethylene oxide and derivative results were higher in 2015 relative to 2014, reflecting margin improvements and increased sales volumes. Despite a decline in product prices, margins improved as the ethylene feedstock prices declined more rapidly than the decline in average sales prices. Ethylene oxide volumes increased in 2015 compared to 2014, which was negatively impacted by constrained production due to turnaround activities.

Results for the TBA chain declined in 2015 reflecting lower margins offset in part by an increase in sales volumes as discussed above. A significant decline in crude oil prices, which was partly offset by strong gasoline price spreads over crude oil and octane blending value, led to a decrease in TBA product margins.

Acetyls results declined in 2015 relative to 2014 as lower margins were offset in part by increased sales volumes despite turnaround activities at our La Porte, Texas facility in the latter part of the year. The decrease in acetyls margins reflects a decline of methanol prices due to new industry supply and falling energy prices, partially offset by lower natural gas prices.

Refining Segment

Overview—The Refining segment comprises the operations of our full conversion refinery located on the Houston Ship Channel in Houston, Texas.

The results of our Refining segment in 2015 were impacted by non-cash charges totaling $177 million related to LCM inventory valuation adjustments to reduce the carrying value of our inventories to market value at our third and fourth quarter reporting dates. These charges, which resulted from a near $20 barrel decline in crude oil prices since the end of 2014 and corresponding reductions in refined product prices, were $167 million less than the LCM inventory valuation adjustment recorded in 2014.

Fourth quarter 2015 results declined significantly compared to the results in the prior three quarters of 2015 as refinery operating rates were significantly lower due to unplanned maintenance outages. The recognition of a $127 million non-cash, LCM inventory valuation adjustment resulted in a loss for the fourth quarter.

Excluding the impacts of the LCM inventory valuation adjustments recognized in both years, segment results for 2015 increased over 2014 as improvements in refining margins were largely driven by higher by-product price spreads over crude oil due to the drop in crude oil prices and increased purchases of crude oil at advantaged prices.

The following table sets forth selected financial information and heavy crude processing rates for the Refining segment and the U.S. refining market margins for the applicable periods. “LLS” is a light crude oil, while “Maya” is a heavy crude oil.

	Year Ended 31 December	
Millions of U.S. Dollars	**2015**	**2014**
Sales and other operating revenues	$ 6,557	$ 11,710
EBITDA	342	65
Heavy crude processing rates (thousands of barrels per day)	238	259
Market margins, dollars per barrel		
Light crude oil—2-1-1	$ 14.04	$ 13.32
Light crude oil—Maya differential	8.26	11.11
Total Maya 2-1-1	$ 22.30	$ 24.43

Revenues—Revenues decreased by $5,153 million in 2015 compared to 2014.

Total revenues decreased on significantly lower product prices due to the drop in crude oil prices and a reduction in sales volumes due to production limitations. The average crude oil price in 2015 declined by slightly over $40 per barrel compared to 2014 leading to lower product pricing. This decline in product pricing caused a 38% decrease in revenues compared to 2014. Processing rates in 2015 reflect an 8% decrease from 2014 rates, driven by processing limits which were negatively impacted primarily by unplanned maintenance in the fourth quarter of 2015. This decline contributed to a 6% decrease in 2015 revenues.

EBITDA—EBITDA increased by $277 million in 2015 compared to 2014.

The $177 million LCM inventory valuation adjustment in 2015 was significantly less than the $344 million adjustment recorded in 2014. This change in the LCM inventory valuation adjustment increased EBITDA by 257%. Results also improved by an additional 283% in 2015 due to an increase in refining margins. These improvements were offset in part by a 114% decline due to lower processing rates.

The increase in refining margins in 2015 relative to 2014 was generated by improved by-product price spreads to crude oil and increased purchases of crude oil at advantaged prices relative to the Maya crude price benchmark. By-product spread improved due to a decline in 2015 of the average per barrel price of crude oil relative to 2014. These factors more than offset the decline in the Maya 2-1-1 benchmark margin in 2015 versus 2014.

Crude processing rates in 2015 reflect an 8% decline relative to 2014. This decline is mainly due to a number of unplanned outages for maintenance that began in the latter part of the third quarter and extended into early December.

The average crude processing rate for the fourth quarter of 2015 was 206 thousands of barrels per day. Processing rates returned to near full capacity by mid-December 2015.

Technology Segment

Overview—The Technology segment recognizes revenues related to the sale of polyolefin catalysts, licensing of chemical, polyolefin and other process technologies and associated engineering and other services. These revenues are offset in part by the costs incurred in the production of catalysts, licensing and services activities and in research and development (“R&D”) activities. In 2015, our Technology segment incurred approximately 55% of all R&D costs while in 2014, it incurred approximately 65% of our R&D costs.

EBITDA in 2015 was relatively unchanged compared to 2014, reflecting improved catalyst results and lower R&D expenses, offset by lower licensing and services revenues.

The following table sets forth selected financial information for the Technology segment.

	Year Ended 31 December	
Millions of U.S. Dollars	**2015**	**2014**
Sales and other operating revenues	$ 465	$ 497
EBITDA	243	232

Revenues—Revenues decreased by $32 million in 2015 compared to 2014.

The unfavorable currency translation impacts due to the significantly weaker euro versus the U.S. dollar and a decline in licensing and services revenues contributed 12% and 7% to the decrease in 2015 revenues. These declines were offset in part by revenue increases of 12% and 1%, respectively, related to higher catalyst sales volumes and higher average catalyst sales prices in 2015.

EBITDA—EBITDA in 2015 increased by $11 million, or 5%, compared to 2014.

EBITDA increased by $11 million, or 5% in 2015 compared to 2014 as improved catalyst volumes and margins were partly offset by unfavorable currency translation impacts, and lower R& D expenses were more than offset by lower licensing and services revenues.

1.6 Outlook

Significant financial and strategic progress in recent years has positioned us well to capture market opportunities and weather the impacts of global economic and industry cycles. Underpinning everything we do is a constant focus on operational excellence that drives our safety, environmental performance, and management of costs and reliability.

We expect to continue to deliver differential results in these areas in 2016. We are a strong company financially as we continue to optimize our capital structure and deployment, including establishing a sound and competitive policy for dividends and other shareholder returns. In 2015, we increased the interim quarterly dividend by 11% to 78 cents per share, and we repurchased over 51 million shares of our common stock.

Earnings improvement in 2015 continued a six-year trend, but significant changes in the energy markets altered the mix of profit contributions from our five business segments. Lower oil prices had a negative effect on margins in our U.S. olefins and global oxyfuels businesses, but this was more than offset by stronger markets in our global polymers businesses and in styrene. Lower oil prices that have continued into 2016 will make it more difficult to continue the earnings improvement trend this year, but many of the offsetting factors that supported 2015 results currently remain in place.

Our 2015 O&P–Americas business segment results reflected reduced olefins margins as lower product prices outpaced feedstock cost declines. Lower prices were due both to the impact of oil price declines on global price relationships and to more balanced U.S. supply/demand for these products, as industry operating rates improved. Most of the olefins margin decline was offset by higher olefins volumes and increased polyolefins margins. Domestic and global demand for both polyethylene and polypropylene was strong and prices did not decline as much as olefins, leading to record polyolefins earnings. While lower oil and ample supplies in early 2016 continue to put pressure on olefins prices, polymers markets are holding up well. Entering the second quarter, we expect olefin prices to increase as industry supplies are likely to be limited by planned outages, including a turnaround at our Corpus Christi, Texas cracker which will result in the third of our recent Texas olefins capacity expansions (with La Porte in 2014 and Channelview in 2015).

The O&P–EAI segment had record earnings in 2015, both in European olefins and polyolefins and in the international businesses and joint ventures. Lower oil prices and a weaker euro improved our competitive position in Europe, and industry supply constraints further added to improved, margins and volumes. The favorable market conditions extended to our joint ventures in Poland and Korea, which together with better operations in our Middle East joint ventures, contributed to the record results. In early 2016, naphtha feedstock costs are declining with oil prices, and olefins margins are benefiting as olefins product prices lag that decline. Polymers margins are easing from high 2015 levels, but remain healthy. International and joint venture sales prices are lower with oil declines and costs in the Middle East are higher as a part of budget reforms in Saudi Arabia, leading to a slightly lower earnings outlook for the international businesses and joint ventures.

The I&D segment also had strong earnings in 2015, led by improvement in styrene. Styrene margins increased as industry supplies were constrained by operating issues, and it appears that a structural shortage driven by limited investment and some demand growth may make styrene balances more vulnerable to operational constraints going forward. The steady propylene oxide and derivatives business that underpins this segment had a good year, with volumes supported by strong demand that included benefits from outages elsewhere in the industry. The oxyfuels and C4s businesses saw some decline in earnings related to lower oil prices, but low butane feedstock costs and a relatively strong gasoline market limited that impact. The 2016 outlook is for stability in propylene oxide and derivatives, with some pressures on oxyfuels and C4s driven by lower oil prices, as well as a weaker methanol market driven by new capacity. Styrene margins are good, although somewhat lower average margins are expected in 2016 versus 2015.

Our Refining business improved in 2015 despite the impact of a strike in the early part of the year and several operating constraints late in the year. Overall margins improved despite lower industry benchmark spreads for the major refined products, driven by improved byproduct spreads that resulted from lower industry crude oil prices and increased purchases of advantaged crude oils. After major turnaround activity in the first quarter of 2016, refining earnings are expected to be steady, with continuing benefits in coproduct spreads with lower oil prices.

Our Technology business, which has been a stable contributor to our results in recent years, had a record year in 2015 despite unfavorable foreign currency translation effects, driven by higher catalyst sales volumes. This business should provide a steady contribution in 2016.

We and our subsidiaries employed approximately 13,000 full-time and part-time employees at 31 December 2015 and approximately 13,100 full-time and part-time employees at 31 December 2014. In addition to our own employees, we also use the services of contractors in the routine conduct of our businesses. For changes in key management refer to 2.1, *Report by the Supervisory Board*. Going forward, we do not foresee any material turnover of key personnel.

1.7 Financial Condition

Operating, investing and financing activities of continuing operations, which are discussed below, are presented in the following table:

Millions of U.S. Dollars	Year Ended 31 December 2015	2014
Sources (uses) of cash:		
Operating activities	$ 5,701	$ 5,968
Investing activities	(760)	(3,407)
Financing activities	(4,982)	(5,970)

Operating Activities—Cash of $5,701 million generated in 2015 primarily reflected profit for the year, adjusted for non-cash items, and cash provided by the main components of working capital – accounts receivable, inventories, accounts payable.

The main components of working capital provided cash of $734 million in 2015. This reflects decreases of $784 million in trade receivables, $742 million in inventories and $792 million in trade payables.

Trade receivables decreased on lower average product sales prices, reflective of the drop in 2015 crude oil prices. The decline in raw material and feedstock prices, which was partially offset by an increase in the levels of our U.S. olefins and crude oil inventories at year end led to the decrease in 2015 inventories. U.S. olefins inventories increased in preparation for the turnaround at our Corpus Christi, Texas facility in 2016 while the unplanned maintenance outage at our Houston refinery resulted in the higher level of crude oil inventories at year end. Trade payables in 2015 declined on the lower cost of crude oil and other feedstocks.

The $5,968 million of cash generated by operations in 2014 primarily reflected profit for the year, adjusted for non-cash items and refunds of $232 million received from Italian tax authorities for value added taxes related to prior periods and cash provided by the main components of working capital – accounts receivable, inventories and accounts payable.

Investing Activities—We invested cash of $760 million in 2015 and $3,407 million in 2014.

In 2014, we began to invest cash in investment-grade and other high-quality financial instruments that provide flexibility to redeploy funds as needed to meet our cash flow requirements while maximizing yield. In 2015 and 2014, we invested $2,073 million and $3,439 million, respectively, in securities that are deemed available-for-sale and classified as Short-term investments. We also invested $397 million and $425 million in tri-party repurchase agreements in 2015 and 2014, respectively. These investments are classified as short-term loans receivable except for a $101 million investment made in 2015 which is classified as a long-term loan receivable. We also received proceeds upon the sale and maturity of certain of our available-for-sale securities and repurchase agreements of $2,489 million and $350 million, respectively, in 2015 and $1,751 million and $75 million, respectively, in 2014. See Note 4 to the Consolidated Financial Statements for additional information regarding these investments.

We also received dividends from our investments in associates and joint ventures of $210 million in 2015 and $151 million in 2014.

The following table summarizes our capital expenditures plan for 2016 and actual capital expenditures for 2015 and 2014:

	Plan	Year Ended 31 December	
Millions of U.S. Dollars	**2016**	**2015**	**2014**
Capital expenditures by segment:			
O&P–Americas	$ 992	$ 668	$ 912
O&P–EAI	269	204	219
I&D	286	441	241
Refining	217	108	123
Technology	46	24	25
Other	23	13	7
	$ 1,833	$ 1,458	$ 1,527

The amounts presented for the 2016 Plan above include our contributions to our PO joint venture assets.

Capital spending projected for 2016 is expected to increase over 2015 levels. The largest projected increase is for our O&P–Americas segment and includes spending for projects related to environmental, health and safety matters, the ethylene expansion and related turnaround of our Corpus Christi, Texas facility, turnaround activities at one of our polyethylene facilities, the purchase of railcars and other projects. Spending in 2016 is also projected to be higher for our Refining and O&P–EAI segments versus 2015. Spending for the O&P–EAI segment is expected to increase as a result of turnaround activities at two of our facilities. Increased spending is planned for the Refining segment in 2016 as certain capital maintenance and turnaround projects scheduled in 2015 were deferred until 2016 during the strike at our Houston refinery. This increased level of spending is offset in part by lower projected spending in 2016 related to turnaround activities for our I&D segment as compared to 2015.

The decreased level of 2015 spending versus 2014 for our O&P–Americas segment reflects the completion in 2014 of the ethylene expansion and associated turnaround at our La Porte, Texas facility, a debottleneck at our Corpus Christi, Texas facility and the installation of new furnaces at our Channelview, Texas facility. Turnaround activities at four of our U.S. and European facilities resulted in an increase in 2015 capital spending over 2014.

Financing Activities—Financing activities used cash of $4,982 million and $5,970 million during 2015 and 2014, respectively.

We made payments totaling $4,656 million and $5,788 million in 2015 and 2014, respectively, to acquire a portion of our outstanding ordinary shares. We also made dividend payments totaling $1,410 million and $1,403 million to our shareholders in 2015 and 2014, respectively. For additional information related to these share repurchases and dividend payments, see Note 23 to the Consolidated Financial Statements.

In 2014, we entered into a commercial paper program. We received net proceeds of $61 million and $262 million through the issuance and repurchase of commercial paper instruments under this program during 2015 and 2014, respectively. See Note 25 to the Consolidated Financial Statements and the discussion of Liquidity and Capital Resources below for additional information related to our commercial paper program.

In March 2015, we issued $1,000 million of 4.625% senior notes due 2055 and received net proceeds of $984 million. In February 2014, we issued $1,000 million of 4.875% guaranteed notes due 2044 and received net proceeds of $988 million. For additional information related to these financing activities, see Note 25 to the Consolidated Financial Statements.

Liquidity and Capital Resources

As of 31 December 2015, we had $2,059 million unrestricted cash and cash equivalents and marketable securities classified as Available-for-sale financial assets. For additional information related to our purchases of marketable securities, which currently include certificates of deposit, commercial paper, bonds and limited partnership investments, see the Investing Activities section above and Note 4 to the Consolidated Financial Statements.

At 31 December 2015, we had $456 million of cash in jurisdictions outside the U.S., principally in the United Kingdom. Less than 6% of our consolidated cash and cash equivalent balance is held in a country that has established government imposed currency restrictions that could impede the ability of our subsidiary to transfer funds to us. There are currently no other material or legal or economic restrictions that would impede our transfers of cash.

We also had total unused availability under our credit facilities of $2,862 million at 31 December 2015, which included the following:

- $1,631 million under our $2,000 million revolving credit facility, which backs our $2,000 million commercial paper program. Availability under this facility is net of outstanding borrowings, outstanding letters of credit provided under the facility and notes issued under our $2,000 million commercial paper program. A small portion of our availability under this facility is impacted by changes in the euro/U.S. dollar exchange rate. At 31 December 2015, we had $323 million of outstanding commercial paper, no outstanding letters of credit and no outstanding borrowings under the facility;

- $748 million under our $900 million U.S. accounts receivable securitization facility. Availability under this facility is subject to a borrowing base of eligible receivables, which is reduced by outstanding borrowings and letters of credit, if any. This facility had no outstanding borrowings or letters of credit at 31 December 2015; and

- €430 million and $14 million (totaling approximately $483 million) under our €450 million European receivables securitization facility. Availability under this facility is subject to a borrowing base, net of outstanding borrowings. There were no outstanding borrowings under this facility at 31 December 2015.

We had total debt, including current maturities, of $8,136 million at 31 December 2015. We also had $624 million of outstanding letters of credit and bank guarantees issued under uncommitted credit facilities at 31 December 2015.

In accordance with our current interest rate risk management strategy and subject to management's evaluation of market conditions and the availability of favorable interest rates among other factors, we may from time to time enter into interest rate swap agreements to economically convert a portion of our fixed rate debt to variable rate debt or convert a portion of variable rate debt to fixed rate debt.

On 2 March 2016, LYB International Finance II B.V., a direct, 100% owned finance subsidiary of LyondellBasell Industries, N.V. issued €750 million ($826 million)of 1.875% Guaranteed Notes due 2022 at a discounted price of 99.607% . The notes are fully and unconditionally guaranteed by LyondellBasell N.V.

In August 2015, we amended our U.S. accounts receivable securitization facility, which, among other things, decreased the purchase limit from $1 billion to $900 million, added a $300 million uncommitted accordion feature and extended the term of the facility to August 2018.

In June 2015, we entered into an agreement to extend the maturity of our senior revolving credit facility to June 2020. In September 2015, we entered into an agreement to reduce the letters of credit sublimit of our senior revolving credit facility from $700 million to $500 million.

In March 2015, we issued $1,000 million of 4.625% Notes due 2055 at a discounted price of 98.353%. Proceeds from these notes were used for general corporate purposes, including repurchases of our ordinary shares. Interest payments under these notes commenced on 26 August 2015. These unsecured notes rank equally in right of payment to all of LyondellBasell N.V.'s existing and future unsubordinated indebtedness.

The notes may be redeemed before the date that is six months prior to the scheduled maturity date at a redemption price equal to the greater of 100% of the principal amount of the notes redeemed and the sum of the present values of the remaining scheduled payments of principal and interest (discounted at the applicable Treasury Yield plus 35 basis points) on the notes to be redeemed. The notes may also be redeemed on or after the date that is six months prior to the final maturity date of the notes at a redemption price equal to 100% of the principal amount of the notes redeemed plus accrued and unpaid interest.

In October 2014, we entered into a commercial paper program under which we may issue up to $2,000 million of privately placed, unsecured short-term promissory notes ("commercial paper"). This program is backed by our $2,000 million Senior Revolving Credit Facility. Proceeds from the issuance of commercial paper may be used for general corporate purposes, including dividend payments and share repurchases. At 31 December 2015, we had $323 million of commercial paper outstanding.

In February 2014, our direct, 100% owned subsidiary, LYB International Finance B.V., issued $1,000 million of 4.875% Notes due 2044 at a discounted price of 98.831%. Proceeds from these notes were used for general corporate purposes, including repurchases of our ordinary shares. Interest payments under these notes commenced on September 15, 2014. These unsecured notes, which are fully and unconditionally guaranteed by LyondellBasell Industries N.V., rank equally in right of payment to all of LYB International Finance B.V.'s existing and future unsecured indebtedness and to all of LyondellBasell's existing and future unsubordinated indebtedness. The notes may be redeemed before the date that is six months prior to the scheduled maturity date at a redemption price equal to the greater of 100% of the principal amount of the notes redeemed and the sum of the present values of the remaining scheduled payments of principal and interest (discounted at the applicable Treasury Yield plus 20 basis points) on the notes to be redeemed. The notes may also be redeemed on or after the date that is six months prior to the final maturity date of the notes at a redemption price equal to 100% of the principal amount of the notes redeemed plus accrued and unpaid interest.

For additional information related to our credit facilities and Notes discussed above, see Note 25 to the Consolidated Financial Statements.

In May 2015, our shareholders approved a proposal to authorize us to repurchase up to an additional 10%, or approximately 47 million, of our shares outstanding over the next eighteen months. Our share repurchase program does not have a stated dollar amount, and purchases may be made through open market purchases, private market transactions or other structured transactions. Repurchased shares could be retired or used for general corporate purposes, including for various employee benefit and compensation plans. As of 31 December 2015, we have purchased 32 million shares under this program for approximately $2,896 million. As of 7 March 2016, we had approximately 5 million shares remaining under the current authorization. The timing and amount of additional shares repurchased will be determined by our Management Board based on its evaluation of market conditions and other factors. For additional information related to our share repurchase programs, see Note 21 to the Consolidated Financial Statements.

On 17 February 2016 the Supervisory Board authorized the company's Management Board to declare an interim dividend of $0.78 per share. The interim dividend will be paid March 14, 2016 to shareholders of record as of February 29, 2016.

On 5 February 2016, we received proceeds of $184 million from the sale of our wholly owned subsidiary, Petroken Petroquimica Ensenada S.A.

We may repay or redeem our debt, including purchases of our outstanding bonds in the open market, using cash on hand, cash from operating activities, proceeds from the issuance of debt, proceeds from asset divestitures, or a combination thereof. We plan to fund our ongoing working capital, capital expenditures, debt service and other funding requirements with cash from operations, which could be affected by general economic, financial, competitive, legislative, regulatory, business and other factors, many of which are beyond our control. Cash on hand, cash from operating activities, proceeds from the issuance of debt, or a combination thereof, may be used to fund the repurchase of shares under our share repurchase program.

We intend to continue to declare and pay quarterly dividends, with the goal of increasing the dividend over time, after giving consideration to our cash balances and expected results from operations.

We believe that our cash on hand, cash from operating activities and proceeds from our credit facilities provide us with sufficient financial resources to meet our anticipated capital requirements and obligations as they come due.

Contractual and Other Obligations—The following table summarizes, as of 31 December 2015, our minimum payments for long-term debt, including current maturities, short-term debt, and contractual and other obligations for the next five years and thereafter:

		Payments Due By Period					
Millions of U.S. Dollars	**Total**	**2016**	**2017**	**2018**	**2019**	**2020**	**Thereafter**
Total debt, nominal value	$ 8,306	$ 377	$ 54	$ 14	$ 2,017	$ 19	$ 5,825
Interest payment on total debt	6,313	406	406	406	406	356	4,333
Advances from customers	97	57	17	7	3	2	11
Other	1,647	1,297	53	35	21	18	223
Deferred income taxes	1,893	186	112	114	118	137	1,226
Purchase obligations:							
Take-or-pay contracts	11,120	2,199	2,202	2,133	1,923	973	1,690
Other contracts	10,518	3,559	2,568	2,051	377	308	1,655
Operating leases	1,799	372	312	278	197	149	491
Total	$ 41,693	$ 8,453	$ 5,724	$ 5,038	$ 5,062	$ 1,962	$ 15,454

Total Debt—Our debt includes unsecured senior notes, guaranteed notes and various other U.S. and non-U.S. loans. See Note 25 of the Consolidated Financial Statements for a discussion of covenant requirements under the credit facilities and indentures and additional information regarding our debt facilities.

Interest on Total Debt—Our debt and related party debt agreements contain provisions for the payment of monthly, quarterly or semi-annual interest at a stated rate of interest over the term of the debt.

Pension and Other Postretirement Benefits—We maintain several defined benefit pension plans, as described in Note 27 to the Consolidated Financial Statements. Many of our U.S. and non-U.S. plans are subject to minimum funding requirements; however, the amounts of required future contributions for all our plans are not fixed and can vary significantly due to changes in economic assumptions, liability experience and investment return on plan assets. As a result, we have excluded pension and other postretirement benefit obligations from the Contractual and Other Obligations table above. Our annual contributions may include amounts in excess of minimum required funding levels. Contributions to our non-U.S. plans in years beyond 2016 are not expected to be materially different than the expected 2016 contributions disclosed in Note 27 to the Consolidated Financial Statements. At 31 December 2015, the projected benefit obligation for our pension plans exceeded the fair value of plan assets by $880 million. Subject to future actuarial gains and losses, as well as actual asset earnings, we, together with our consolidated subsidiaries, will be required to fund the $880 million, with interest, in future years. We contributed $107 million and $94 million to our pension plans in 2015 and 2014, respectively. We provide other postretirement benefits, primarily medical benefits to eligible participants, as described in Note 27 to the Consolidated Financial Statements. We pay other unfunded postretirement benefits as incurred.

Advances from Customers—We are obligated to deliver products in connection with long-term sales agreements under which advances from customers were received in prior years. These advances are treated as deferred revenue and will be amortized to earnings as product is delivered over the remaining terms of the respective contracts, which range predominantly from 4 to 8 years. The unamortized long-term portion of such advances totaled $40 million as of 31 December 2015.

Other—Other primarily consists of accruals for environmental remediation costs, obligations under deferred compensation arrangements, and anticipated asset retirement obligations.

Deferred Income Taxes—The scheduled settlement of the deferred tax liabilities shown in the table is based on the scheduled reversal of the underlying temporary differences. Actual cash tax payments will vary depending upon future taxable income. See Note 26 to the Consolidated Financial Statements for additional information related to our deferred tax liabilities.

Purchase Obligations—We are party to various obligations to purchase products and services, principally for raw materials, utilities and industrial gases. These commitments are designed to assure sources of supply and are not expected to be in excess of normal requirements. The commitments are segregated into take-or-pay contracts and other contracts. Under the take-or-pay contracts, we are obligated to make minimum payments whether or not we take the product or service. Other contracts include contracts that specify minimum quantities; however, in the event that we do not take the contractual minimum, we are only obligated for any resulting economic loss suffered by the vendor. The payments shown for the other contracts assume that minimum quantities are purchased. For contracts with variable pricing terms, the minimum payments reflect the contract price at 31 December 2015.

Operating Leases—We lease various facilities and equipment under non-cancelable lease arrangements for various periods. See Note 30 to the Consolidated Financial Statements for related lease disclosures.

1.8 Risk Factors

The factors described below represent our principal risks. Each of these risk factors could adversely affect our business, operating results and financial condition, as well as adversely affect the value of an investment in our common stock.

Our business, including our results of operations and reputation, could be adversely affected by safety or product liability issues.

Failure to appropriately manage safety, human health, product liability and environmental risks associated with our products, product life cycles and production processes could adversely impact employees, communities, stakeholders, our reputation and our results of operations. Public perception of the risks associated with our products and production processes could impact product acceptance and influence the regulatory environment in which we operate. While we have procedures and controls to manage safety risks, issues could be created by events outside of our control, including natural disasters, severe weather events and acts of sabotage.

Our operations are subject to risks inherent in chemical and refining businesses, and we could be subject to liabilities for which we are not fully insured or that are not otherwise mitigated.

We maintain property, business interruption, product, general liability, casualty and other types of insurance that we believe are in accordance with customary industry practices. However, we are not fully insured against all potential hazards incident to our business, including losses resulting from natural disasters, wars or terrorist acts. Changes in insurance market conditions have caused, and may in the future cause, premiums and deductibles for certain insurance policies to increase substantially and, in some instances, for certain insurance to become unavailable or available only for reduced amounts of coverage. If we were to incur a significant liability for which we were not fully insured, we might not be able to finance the amount of the uninsured liability on terms acceptable to us or at all, and might be obligated to divert a significant portion of our cash flow from normal business operations.

Further, because a part of our business involves licensing polyolefin process technology, our licensees are exposed to similar risks involved in the manufacture and marketing of polyolefins. Hazardous incidents involving our licensees, if they do result or are perceived to result from use of our technologies, may harm our reputation, threaten our relationships with other licensees and/or lead to customer attrition and financial losses. Our policy of covering these risks through contractual limitations of liability and indemnities and through insurance may not always be effective. As a result, our financial condition and results of operation would be adversely affected, and other companies with competing technologies may have the opportunity to secure a competitive advantage.

Our ability to source raw materials may be adversely affected by political instability, civil disturbances or other governmental actions.

We obtain a substantial portion of our principal raw materials from sources in North Africa, the Middle East, Mexico and South America that may be less politically stable than other areas in which we conduct business, such as Europe or the U.S. Political instability, civil disturbances and actions by governments in these areas are likely to substantially increase the price and decrease the supply of raw materials necessary for our operations, which will have a material adverse effect on our results of operations.

Increased incidents of civil unrest, including terrorist attacks and demonstrations that have been marked by violence, have occurred in a number of countries in North Africa and the Middle East. Some political regimes in these countries are threatened or have changed as a result of such unrest. Political instability and civil unrest could continue to spread in the region and involve other areas. Such unrest, if it continues to spread or grow in intensity, could lead to civil wars, regional conflicts, or regime changes resulting in governments that are hostile to countries in which we conduct substantial business, such as in Europe, the U.S., or their respective allies.

A continued decrease in the price of crude oil may adversely impact the results of our operations, primarily in North America.

Energy costs generally follow price trends of crude oil and natural gas. These price trends may be highly volatile and cyclical. In the past, raw material and energy costs have experienced significant fluctuations that adversely affected our business segments' results of operations. For example, we have benefitted from the favorable ratio of U.S. natural gas prices to crude oil prices in recent years. This advantage was reduced as oil prices declined beginning in 2014. If the price of crude oil continues to decrease and it remains lower relative to U.S. natural gas prices or if the demand for natural gas and NGLs increases, this may have a negative impact on our results of operations.

Costs and limitations on supply of raw materials and energy may result in increased operating expenses.

The costs of raw materials and energy represent a substantial portion of our operating expenses. Due to the significant competition we face and the commodity nature of many of our products we are not always able to pass on raw material and energy cost increases to our customers. When we do have the ability to pass on the cost increases, we are not always able to do so quickly enough to avoid adverse impacts on our results of operations.

Cost increases for raw materials also may increase working capital needs, which could reduce our liquidity and cash flow. Even if we increase our sales prices to reflect rising raw material and energy costs, demand for products may decrease as customers reduce their consumption or use substitute products, which may have an adverse impact on our results of operations. In addition, producers in natural gas cost-advantaged regions, such as the Middle East and North America, benefit from the lower prices of natural gas and NGLs. Competition from producers in these regions may cause us to reduce exports from Europe and elsewhere. Any such reductions may increase competition for product sales within Europe and other markets, which can result in lower margins in those regions.

For some of our raw materials and utilities there are a limited number of suppliers and, in some cases, the supplies are specific to the particular geographic region in which a facility is located. It is also common in the chemical and refining industries for a facility to have a sole, dedicated source for its utilities, such as steam, electricity and gas. Having a sole or limited number of suppliers may limit our negotiating power, particularly in the case of rising raw material costs. Any new supply agreements we enter into may not have terms as favorable as those contained in our current supply agreements.

Additionally, there is growing concern over the reliability of water sources, including around the Texas Gulf Coast where several of our facilities are located. The decreased availability or less favorable pricing for water as a result of population growth, drought or regulation could negatively impact our operations.

If our raw material or utility supplies were disrupted, our businesses may incur increased costs to procure alternative supplies or incur excessive downtime, which would have a direct negative impact on plant operations. Disruptions of supplies may occur as a result of transportation issues including, but not limited to, as a result of natural disasters and water levels that can affect the operations of vessels, barges, rails, trucks and pipeline traffic. These risks are particularly prevalent in the U.S. Gulf Coast area. Additionally, the export of NGLs from the U.S., greater restrictions on hydraulic fracturing or the lifting by the U.S. government of the ban on U.S. crude oil exports could restrict the availability of our raw materials, thereby increasing our costs.

With increased volatility in raw material costs, our suppliers could impose more onerous terms on us, resulting in shorter payment cycles and increasing our working capital requirements.

Economic disruptions and downturns in general, and particularly continued global economic uncertainty or economic turmoil in emerging markets, could have a material adverse effect on our business, prospects, operating results, financial condition and cash flows.

Our results of operations can be materially affected by adverse conditions in the financial markets and depressed economic conditions generally. Economic downturns in the businesses and geographic areas in which we sell our products substantially reduce demand for our products and result in decreased sales volumes and increased credit risk. Recessionary environments adversely affect our business because demand for our products is reduced, particularly from our customers in industrial markets generally and the automotive and housing industries specifically, and may result in higher costs of capital. A significant portion of our revenues and earnings are derived from our business in Europe, including southern Europe. In addition, most of our European transactions and assets, including cash reserves and receivables, are denominated in euros.

Europe's recovery from the economic crisis has continued to be uneven, slow and modest. If the crisis re-emerges or meaningful recovery does not materialize across Europe, there will likely be a continued negative effect on our European business, as well as the businesses of our European customers, suppliers and partners. In addition, if such a crisis re-emerges and leads to a further significant devaluation of the euro, the value of our financial assets that are denominated in euros would be significantly reduced when translated to U.S. dollars for financial reporting purposes. We also derive significant revenues from our business in emerging markets, particularly the emerging markets in Asia and Brazil. Any broad-based downturn in these emerging markets, or in a key market such as China, could require us to reduce export volumes into these markets and could also require us to divert product sales to less profitable markets. Any of these conditions could ultimately harm our overall business, prospects, operating results, financial condition and cash flows.

The cyclicality and volatility of the industries in which we participate may cause significant fluctuations in our operating results.

Our business operations are subject to the cyclical and volatile nature of the supply-demand balance in the chemical and refining industries. Our future operating results are expected to continue to be affected by this cyclicality and volatility. The chemical and refining industries historically have experienced alternating periods of capacity shortages, causing prices and profit margins to increase, followed by periods of excess capacity, resulting in oversupply, declining capacity utilization rates and declining prices and profit margins.

In addition to changes in the supply and demand for products, changes in energy prices and other worldwide economic conditions can cause volatility. These factors result in significant fluctuations in profits and cash flow from period to period and over business cycles.

New capacity additions in Asia, the Middle East and North America may lead to periods of oversupply and lower profitability. A sizable number of expansions have been announced in North America. The timing and extent of any changes to currently prevailing market conditions are uncertain and supply and demand may be unbalanced at any time. As a consequence, we are unable to accurately predict the extent or duration of future industry cycles or their effect on our business, financial condition or results of operations.

We sell products in highly competitive global markets and face significant price pressures.

We sell our products in highly competitive global markets. Due to the commodity nature of many of our products, competition in these markets is based primarily on price and, to a lesser extent, on product performance, product quality, product deliverability, reliability of supply and customer service. Generally, we are not able to protect our market position for these products by product differentiation and may not be able to pass on cost increases to our customers due to the significant competition in our business.

In addition, we face increased competition from companies that may have greater financial resources and different cost structures or strategic goals than us. These include large integrated oil companies (some of which also have chemical businesses), government-owned businesses, and companies that receive subsidies or other government incentives to produce certain products in a specified geographic region. Continuing increased competition from these companies, especially in our olefin and refining businesses, could limit our ability to increase product sales prices in response to raw material and other cost increases, or could cause us to reduce product sales prices to compete effectively, which could reduce our profitability. Competitors that have greater financial resources than us may be able to invest significant capital into their businesses, including expenditures for research and development.

In addition, specialty products we produce may become commoditized over time. Increased competition could result in lower prices or lower sales volumes, which would have a negative impact on our results of operations.

Interruptions of operations at our facilities may result in liabilities or lower operating results.

We own and operate large-scale facilities. Our operating results are dependent on the continued operation of our various production facilities and the ability to complete construction and maintenance projects on schedule. Interruptions at our facilities may materially reduce the productivity and profitability of a particular manufacturing facility, or our business as a whole, during and after the period of such operational difficulties. In the past, we had to shut down plants on the U.S. Gulf Coast, including the temporary shutdown of our Houston refinery, as a result of hurricanes striking the Texas coast.

In addition, because the Houston refinery is our only refining operation, an outage at the refinery could have a particularly negative impact on our operating results. Unlike our chemical and polymer production facilities, which may have sufficient excess capacity to mitigate the negative impact of lost production at other facilities, we do not have the ability to increase refining production elsewhere in the U.S.

Although we take precautions to enhance the safety of our operations and minimize the risk of disruptions, our operations are subject to hazards inherent in chemical manufacturing and refining and the related storage and transportation of raw materials, products and wastes. These potential hazards include:

- pipeline leaks and ruptures;
- explosions;
- fires;
- severe weather and natural disasters;
- mechanical failure;
- unscheduled downtimes;
- supplier disruptions;
- labor shortages or other labor difficulties;

- transportation interruptions;
- remediation complications;
- increased restrictions on, or the unavailability of, water for use at our manufacturing sites or for the transport of our products or raw materials;
- chemical and oil spills;
- discharges or releases of toxic or hazardous substances or gases;
- shipment of incorrect or off-specification product to customers;
- storage tank leaks;
- other environmental risks; and
- terrorist acts.

Some of these hazards may cause severe damage to or destruction of property and equipment or personal injury and loss of life and may result in suspension of operations or the shutdown of affected facilities.

Large capital projects can take many years to complete, and market conditions could deteriorate significantly between the project approval date and the project startup date, negatively impacting project returns. If we are unable to complete capital projects at their expected costs and in a timely manner, or if the market conditions assumed in our project economics deteriorate, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

Delays or cost increases related to capital spending programs involving engineering, procurement and construction of facilities could materially adversely affect our ability to achieve forecasted internal rates of return and operating results. Delays in making required changes or upgrades to our facilities could subject us to fines or penalties as well as affect our ability to supply certain products we produce. Such delays or cost increases may arise as a result of unpredictable factors, many of which are beyond our control, including:

- denial of or delay in receiving requisite regulatory approvals and/or permits;
- unplanned increases in the cost of construction materials or labor;
- disruptions in transportation of components or construction materials;
- adverse weather conditions, natural disasters or other events (such as equipment malfunctions, explosions, fires or spills) affecting our facilities, or those of vendors or suppliers;
- shortages of sufficiently skilled labor, or labor disagreements resulting in unplanned work stoppages; and
- nonperformance by, or disputes with, vendors, suppliers, contractors or subcontractors.

Any one or more of these factors could have a significant impact on our ongoing capital projects. If we were unable to make up the delays associated with such factors or to recover the related costs, or if market conditions change, it could materially and adversely affect our business, financial condition, results of operations and cash flows.

Increased IT security threats and more sophisticated and targeted computer crime could pose a risk to our systems, networks, products, facilities and services.

Increased global information security threats and more sophisticated, targeted computer crime pose a risk to the confidentiality, availability and integrity of our data, operations and infrastructure. While we attempt to mitigate these risks by employing a number of measures, including employee training, comprehensive monitoring of our networks and systems, and maintenance of backup and protective systems, our employees, systems, networks, products, facilities and services remain potentially vulnerable to sophisticated espionage or continual cyber-assault. Depending on their nature and scope, such threats could potentially lead to the compromise of confidential information, improper use of our systems and networks, manipulation and destruction of data, defective products, production downtimes and operational disruptions, which in turn could adversely affect our reputation, competitiveness and results of operations.

We operate internationally and are subject to exchange rate fluctuations, exchange controls, political risks and other risks relating to international operations.

We operate internationally and are subject to the risks of doing business on a global level. These risks include fluctuations in currency exchange rates, economic instability and disruptions, restrictions on the transfer of funds and the imposition of duties and tariffs. Additional risks from our multinational business include transportation delays and interruptions, war, terrorist activities, epidemics, pandemics, political instability, import and export controls, changes in governmental policies, labor unrest and current and changing regulatory environments.

We generate revenues from export sales and operations that may be denominated in currencies other than the relevant functional currency. Exchange rates between these currencies and functional currencies in recent years have fluctuated significantly and may do so in the future. It is possible that fluctuations in exchange rates will result in reduced operating results. Additionally, we operate with the objective of having our worldwide cash available in the locations where it is needed, including the United Kingdom for our parent company's significant cash obligations as a result of dividend and interest payments. It is possible that we may not always be able to provide cash to other jurisdictions when needed or that such transfers of cash could be subject to additional taxes, including withholding taxes.

Our operating results could be negatively affected by the global laws, rules and regulations, as well as political environments, in the jurisdictions in which we operate. There could be reduced demand for our products, decreases in the prices at which we can sell our products and disruptions of production or other operations. Additionally, there may be substantial capital and other costs to comply with regulations and/or increased security costs or insurance premiums, any of which could reduce our operating results.

We obtain a substantial portion of our principal raw materials from international sources that are subject to these same risks. Our compliance with applicable customs, currency exchange control regulations, transfer pricing regulations or any other laws or regulations to which we may be subject could be challenged. Furthermore, these laws may be modified, the result of which may be to prevent or limit subsidiaries from transferring cash to us.

Furthermore, we are subject to certain existing, and may be subject to possible future, laws that limit or may limit our activities while some of our competitors may not be subject to such laws, which may adversely affect our competitiveness.

Changes in tax laws and regulations could affect our tax rate and our results of operations.

We are a tax resident in the United Kingdom and are subject to the United Kingdom corporate income tax system. LyondellBasell N.V. has little or no taxable income of its own because, as a holding company, it does not conduct any operations. Through our subsidiaries, we have substantial operations world-wide. Taxes are primarily paid on the earnings generated in various jurisdictions, including the United States, The Netherlands, Germany, France, and Italy. We monitor income tax legislative developments in countries where we conduct business, including the United Kingdom. Recently, there has been an increase in attention, both in the U.K. and globally, to the tax practices of multinational companies, including proposals by the Organization for Economic Cooperation and Development ("OECD") with respect to base erosion and profit shifting. Such attention may result in legislative changes that could affect our tax rate. Management does not believe that recent changes in income tax laws will have a material impact on our Consolidated Financial Statements, although new or proposed changes to tax laws could affect our tax liabilities in the future.

Failure to comply with the Foreign Corrupt Practices Act and similar worldwide anti-bribery laws may have an adverse effect on us.

Our international operations require us to comply with a number of U.S. and international laws and regulations, including those involving anti-bribery and anti-corruption. In order to effectively operate in certain foreign jurisdictions, circumstances may require that we establish joint ventures with local operators or find strategic partners. As an issuer with securities listed on a United States stock exchange, we are subject to the regulations imposed by the Foreign Corrupt Practices Act ("FCPA"), which generally prohibits issuers and their intermediaries (including strategic or local partners or agents, even if those partners or agents are not themselves subject to the FCPA or other similar laws) from making improper payments to foreign officials for the purpose of obtaining or keeping business or obtaining an improper business benefit. We have an ongoing program to promote compliance with the FCPA and other similar anti-bribery and anti-corruption laws. Any determination that we have violated the FCPA or other similar laws could have a material effect on our business, results of operations, and cash flows.

Many of our businesses depend on our intellectual property. Our future success will depend in part on our ability to protect our intellectual property rights, and our inability to do so could reduce our ability to maintain our competitiveness and margins.

We have a significant worldwide patent portfolio of issued and pending patents. These patents and patent applications, together with proprietary technical know-how, are significant to our competitive position, particularly with regard to PO, performance chemicals, petrochemicals, and polymers, including process technologies such as *Spheripol*, *Spherizone*, *Hostalen*, *Spherilene*, *Lupotech T* and *Avant* catalyst family technology rights. We rely on the patent, copyright and trade secret laws of the countries in which we operate to protect our investment in research and development, manufacturing and marketing. However, we may be unable to prevent third parties from using our intellectual property without authorization. Proceedings to protect these rights could be costly, and we may not prevail.

The protection afforded by patents varies from country to country and depends upon the type of patent and its scope of coverage. While a presumption of validity may exist with respect to patents issued to us, our patents may be challenged, invalidated, circumvented or rendered unenforceable. As patents expire, the products and processes described and claimed under those patents become generally available for use by competitors.

Our continued growth strategy may bring us to regions of the world where intellectual property protection may be limited and difficult to enforce. In addition, patent rights may not prevent our competitors from developing, using or selling products that are similar or functionally equivalent to our products. Moreover, our competitors or other third parties may obtain patents that restrict or preclude our ability to lawfully produce or sell our products in a competitive manner, which could result in significantly lower revenues, reduced profit margins or loss of market share.

We also rely upon unpatented proprietary know-how and continuing technological innovation and other trade secrets to develop and maintain our competitive position. While it is our policy to enter into confidentiality agreements with our employees and third parties to protect our intellectual property, these confidentiality agreements may be breached, may not always be executed, may not provide meaningful protection or adequate remedies may not be available. Additionally, others could obtain knowledge of our trade secrets through independent development or other access by legal or illegal means.

The failure of our patents or confidentiality agreements to protect our processes, apparatuses, technology, trade secrets or proprietary know-how could result in significantly lower revenues, reduced profit margins and cash flows and/or loss of market share. We also may be subject to claims that our technology, patents or other intellectual property infringes on a third party's intellectual property rights. Unfavorable resolution of these claims could result in restrictions on our ability to deliver the related service or in a settlement that could be material to us.

Shared control or lack of control of joint ventures may delay decisions or actions regarding the joint ventures.

A portion of our operations are conducted through joint ventures, where control may be exercised by or shared with unaffiliated third parties. We cannot control the actions of our joint venture partners, including any nonperformance, default or bankruptcy of joint venture partners. The joint ventures that we do not control may also lack adequate internal controls systems or financial reporting systems to provide adequate and timely information for our reporting purposes.

In the event that any of our joint venture partners do not observe their obligations, it is possible that the affected joint venture would not be able to operate in accordance with our business plans. As a result, we could be required to increase our level of commitment in order to give effect to such plans. Differences in views among the joint venture participants also may result in delayed decisions or in failures to agree on major matters, potentially adversely affecting the business and operations of the joint ventures and in turn our business and operations.

We cannot predict with certainty the extent of future costs under environmental, health and safety and other laws and regulations, and cannot guarantee they will not be material.

We may face liability arising out of the normal course of business, including alleged personal injury or property damage due to exposure to chemicals or other hazardous substances at our current or former facilities or chemicals that we manufacture, handle or own. In addition, because our products are components of a variety of other end-use products, we, along with other members of the chemical industry, are subject to potential claims related to those end-use products. Any substantial increase in the success of these types of claims could negatively affect our operating results.

We (together with the industries in which we operate) are subject to extensive national, regional, state and local environmental laws, regulations, directives, rules and ordinances concerning

- emissions to the air;

- discharges onto land or surface waters or into groundwater; and
- the generation, handling, storage, transportation, treatment, disposal and remediation of hazardous substances and waste materials.

Many of these laws and regulations provide for substantial fines and potential criminal sanctions for violations. Some of these laws and regulations are subject to varying and conflicting interpretations. In addition, some of these laws and regulations require us to meet specific financial responsibility requirements. Any substantial liability for environmental damage could have a material adverse effect on our financial condition, results of operations and cash flows.

Although we have compliance programs and other processes intended to ensure compliance with all such regulations, we are subject to the risk that our compliance with such regulations could be challenged. Non-compliance with certain of these regulations could result in the incurrence of additional costs, penalties or assessments that could be material.

Our industry is subject to extensive government regulation, and existing, or future regulations may restrict our operations, increase our costs of operations or require us to make additional capital expenditures.

Compliance with regulatory requirements could result in higher operating costs, such as regulatory requirements relating to emissions, the security of our facilities, and the transportation, export or registration of our products. We generally expect that regulatory controls worldwide will become increasingly more demanding, but cannot accurately predict future developments.

Increasingly strict environmental laws and inspection and enforcement policies, could affect the handling, manufacture, use, emission or disposal of products, other materials or hazardous and non-hazardous waste. Stricter environmental, safety and health laws, regulations and enforcement policies could result in increased operating costs or capital expenditures to comply with such laws and regulations. Additionally, we are required to have permits for our businesses and are subject to licensing regulations. These permits and licenses are subject to renewal, modification and in some circumstances, revocation. Further, the permits and licenses are often difficult, time consuming and costly to obtain and could contain conditions that limit our operations.

We may incur substantial costs to comply with climate change legislation and regulatory initiatives.

There has been a broad range of proposed or promulgated state, national and international laws focusing on greenhouse gas ("GHG") reduction. These proposed or promulgated laws apply or could apply in countries where we have interests or may have interests in the future. Laws in this field continue to evolve and, while they are likely to be increasingly widespread and stringent, at this stage it is not possible to accurately estimate either a timetable for implementation or our future compliance costs relating to implementation. Within the framework of the EU emissions trading scheme ("ETS"), we were allocated certain allowances of carbon dioxide for the affected plants of our European sites for the period from 2008 to 2012 ("ETS II period"). The ETS II period did not bring additional cost to us as the allowance allocation was sufficient to cover the actual emissions of the affected plants. We were able to build an allowance surplus during the ETS II period which has been banked to the scheme for the period from 2013 to 2020 ("ETS III period"). We expect to incur additional costs for the ETS III period, despite the allowance surplus accrued over the ETS II period, as allowance allocations have been reduced for the ETS III period and more of our plants are affected by the scheme. We maintain an active hedging strategy to cover these additional costs. We expect to incur additional costs in relation to future carbon or GHG emission trading schemes.

In the U.S., the Environmental Protection Agency (the "EPA") has promulgated federal GHG regulations under the Clean Air Act affecting certain sources. The EPA has issued mandatory GHG reporting requirements, requirements to obtain GHG permits for certain industrial plants and proposals for GHG performance standards for some facilities. The recent EPA action could be a precursor to further federal regulation of carbon dioxide emissions and other greenhouse gases, and may affect the outcome of other climate change lawsuits pending in U.S. courts in a manner unfavorable to our industry. In any event, additional regulation may be forthcoming at the U.S. federal or state level with respect to GHG emissions, and such regulation could result in the creation of additional costs in the form of taxes or required acquisition or trading of emission allowances.

Compliance with these or other changes in laws, regulations and obligations that create a GHG emissions trading scheme or GHG reduction policies generally could significantly increase our costs or reduce demand for products we produce. Additionally, compliance with these regulations may result in increased permitting necessary for the operation of our business or for any of our growth plans. Difficulties in obtaining such permits could have an adverse effect on our future growth. Therefore, any future potential regulations and legislation could result in increased compliance costs, additional operating restrictions or delays in implementing growth projects or other capital investments, and could have a material adverse effect on our business and results of operations.

We may be required to record material charges against our earnings due to any number of events that could cause impairments to our assets.

We may be required to reduce production at or idle facilities for extended periods of time or exit certain businesses as a result of the cyclical nature of our industry. Specifically, oversupplies of or lack of demand for particular products or high raw material prices may cause us to reduce production. We may choose to reduce production at certain facilities because we have off-take arrangements at other facilities, which make any reductions or idling unavailable at those facilities. Any decision to permanently close facilities or exit a business likely would result in impairment and other charges to earnings.

Temporary outages at our facilities can last for several quarters and sometimes longer. These outages could cause us to incur significant costs, including the expenses of maintaining and restarting these facilities. In addition, even though we may reduce production at facilities, we may be required to continue to purchase or pay for utilities or raw materials under take-or-pay supply agreements.

Our business is capital intensive and we rely on cash generated from operations and external financing to fund our growth and ongoing capital needs. Limitations on access to external financing could adversely affect our operating results.

We require significant capital to operate our current business and fund our growth strategy. Moreover, interest payments, dividends and the expansion of our business or other business opportunities may require significant amounts of capital. We believe that our cash from operations currently will be sufficient to meet these needs. However, if we need external financing, our access to credit markets and pricing of our capital is dependent upon maintaining sufficient credit ratings from credit rating agencies and the state of the capital markets generally. There can be no assurances that we would be able to incur indebtedness on terms we deem acceptable, and it is possible that the cost of any financings could increase significantly, thereby increasing our expenses and decreasing our net income. If we are unable to generate sufficient cash flow or raise adequate external financing, including as a result of significant disruptions in the global credit markets, we could be forced to restrict our operations and growth opportunities, which could adversely affect our operating results.

We may use our five-year, $2 billion revolving credit facility, which backs our commercial paper program, to meet our cash needs, to the extent available. As of 31 December 2015, we had no borrowings or letters of credit outstanding under the facility and $323 million outstanding under our commercial paper program, leaving an unused and available credit capacity of $1,631 million. We may also meet our cash needs by selling receivables under our $900 million U.S. accounts receivable securitization facility or our €450 million European accounts receivable securitization facility. In the event of a default under our credit facility or any of our senior notes, we could be required to immediately repay all outstanding borrowings and make cash deposits as collateral for all obligations the facility supports, which we may not be able to do. Any default under any of our credit arrangements could cause a default under many of our other credit agreements and debt instruments. Without waivers from lenders party to those agreements, any such default could have a material adverse effect on our ability to continue to operate.

Legislation and regulatory initiatives could lead to a decrease in demand for our products.

New or revised governmental regulations and independent studies relating to the effect of our products on health, safety and the environment may affect demand for our products and the cost of producing our products. Initiatives by governments and private interest groups will potentially require increased toxicological testing and risk assessments of a wide variety of chemicals, including chemicals used or produced by us. For example, in the United States, the National Toxicology Program ("NTP") is a federal interagency program that seeks to identify and select for study chemicals and other substances to evaluate potential human health hazards. In the European Union, the Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH") is regulation designed to identify the intrinsic properties of chemical substances, assess hazards and risks of the substances, and identify and implement the risk management measures to protect humans and the environment.

Assessments under NTP, REACH or similar programs or regulations in other jurisdictions may result in heightened concerns about the chemicals we use or produce and may result in additional requirements being placed on the production, handling, labeling or use of those chemicals. Such concerns and additional requirements could also increase the cost incurred by our customers to use our chemical products and otherwise limit the use of these products, which could lead to a decrease in demand for these products. Such a decrease in demand could have an adverse impact on our business and results of operations.

Adverse results of legal proceedings could materially adversely affect us.

We are subject to and may in the future be subject to a variety of legal proceedings and claims that arise out of the ordinary conduct of our business. Results of legal proceedings cannot be predicted with certainty. Irrespective of its merits, litigation may be both lengthy and disruptive to our operations and may cause significant expenditure and diversion of management attention. We may be faced with significant monetary damages or injunctive relief against us that could materially adversely affect a portion of our business operations or materially and adversely affect our financial position and our results of operations should we fail to prevail in certain matters.

Significant changes in pension fund investment performance or assumptions relating to pension costs may adversely affect the valuation of pension obligations, the funded status of pension plans, and our pension cost.

Our pension cost is materially affected by the discount rate used to measure pension obligations, the level of plan assets available to fund those obligations at the measurement date and the expected long-term rate of return on plan assets. Significant changes in investment performance or a change in the portfolio mix of invested assets may result in corresponding increases and decreases in the value of plan assets, particularly equity securities, or in a change of the expected rate of return on plan assets. Any change in key actuarial assumptions, such as the discount rate, would impact the valuation of pension obligations, affecting the reported funded status of our pension plans as well as the net periodic pension cost in the following fiscal years.

Certain of our current pension plans could have projected benefit obligations that exceed the fair value of the plan assets. As of 31 December 2015, the aggregate deficit was $880 million. Any declines in the fair values of the pension plans assets could require additional payments by us in order to maintain specified funding levels.

Our pension plans are subject to legislative and regulatory requirements of applicable jurisdictions, which could include, under certain circumstances, local governmental authority to terminate the plan.

1.9 Statement of the Board of Management

The undersigned, being all of the members of the Management Board of LyondellBasell Industries N.V., (collectively, the "Management Board"), hereby states that the Management Board is primarily responsible for the design, implementation and operation of the Company's internal risk management and control systems. The purpose of these systems is to adequately and effectively manage the significant risks to which the Company is exposed. Such systems can never provide absolute assurance regarding achievement of corporate objectives, nor can they provide an absolute assurance that material errors, losses, fraud and the violation of laws or regulations will not occur.

To comply with our duties in the area of internal risk management and control systems, we have designed and implemented an enterprise risk management process.

An enterprise risk assessment is conducted annually in the first quarter incorporating the five business segments, manufacturing operations and the business support functions. In addition, group-level risks are assessed with corporate functions and executive leadership. The identification and assessment of enterprise risks is conducted in accordance with the LyondellBasell Enterprise Risk Management framework which is based on the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Enterprise Risk Management model.

All business and corporate risks are reviewed at business and executive leadership levels and risks assessed as significant are then reported to the Management Board, which is responsible for the design of the risk management process. After review by the Management Board the significant group-level risks are reported to the Supervisory Board, which is responsible for the oversight of the process.

Enterprise risks that are not reportable to the Management Board will continue to be assessed and managed at the business/functional level. Risks considered significant are those that could impair the company's ability to achieve its strategic objectives. A half-year update of the significant business risks reported during the annual enterprise risk assessment is conducted in the fourth quarter and reported to the Management Board for review.

The Company's significant risks, as identified in accordance with the described process, are assigned to a member of the executive leadership team, who is responsible for analyses and mitigation activities related to his assigned risks. In addition, the Audit Committee of the Supervisory Board is responsible for ensuring that an effective risk assessment process is in place, and quarterly reports are made to the Audit Committee on financial and compliance risks in accordance with requirements of the New York Stock Exchange.

We use various other measures to ensure compliance with our duties in the area of internal risk management and control systems, including:

- operational review meetings of the Management Board with LyondellBasell's senior management on financial performance and realization of operational objectives and responses to emerging issues;

- monthly meetings with LyondellBasell's Chief Executive Officer, Chief Financial Officer and senior finance management focusing on monthly financial figures and internal control evaluations;
- monthly and quarterly financial reporting, mainly to LyondellBasell's senior management;
- letters of representation that are signed by LyondellBasell's key personnel on a quarterly basis in which they confirm that for their responsible area and based upon their knowledge (i) an effective system of internal controls and procedures is maintained and (ii) the financial reports fairly present the financial position, results of operations and cash flows;
- assessments by LyondellBasell's Disclosure Committees with respect to the timely review, disclosure, and evaluation of periodic (financial) reports;
- discussions on process safety, product safety, environmental and security matters within our Management Board and the Health, Safety and Environmental Committee of the Supervisory Board;
- discussions on management letters and audit reports provided by the Company's internal and external auditors within our Management Board and Audit Committee of the Supervisory Board;
- corporate policies assigning responsibility for identification and management of risks;
- LyondellBasell's Code of Conduct;
- LyondellBasell's Financial Code of Ethics applicable to the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer;
- LyondellBasell's Ethics Hotline and whistleblower procedures; and
- LyondellBasell's Compliance programs and training, which facilitate the development of controls which will aid in prevention, deterrence and detection of fraud against LyondellBasell.

The Management Board acknowledges the importance of internal control and risk management systems. The Company has established a framework to properly manage internal controls over financial reporting so as to report its assessment for the fiscal year ended 31 December 2015, as required by Section 404 of the Sarbanes-Oxley Act of 2002. The results of LyondellBasell's assessment of the effectiveness of this framework, which is based on the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") model, as well as significant changes and improvements, are regularly reported to and discussed with LyondellBasell's Audit Committee and external auditors. The Audit Committee reports about these subjects to the Supervisory Board on a regular basis.

Summary

Based on the outcome of the above-mentioned measures and to the best of its knowledge and belief, the Management Board states that:

Evaluation of Disclosure Controls and Procedures

Employees within the Company, with the participation of our Chief Executive Officer (principal executive officer) and our Chief Financial Officer or Vice President of Finance, as applicable (principal financial officer) have evaluated the effectiveness of our disclosure controls and procedures in ensuring that the information required to be disclosed in reports in accordance with International Financial Reporting Standards as adopted by the European Union that we file or submit to the Chamber of Commerce in The Netherlands, as amended, is recorded, processed, summarized and reported within the time periods specified in the Dutch Law, including ensuring that such information is accumulated and communicated to management (including the principal executive and financial officers) as appropriate to allow timely decisions regarding required disclosure. Based on such evaluation, our principal executive and financial officers have concluded that such disclosure controls and procedures were effective as of 31 December 2015, the end of the period covered by this annual report.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting in our fourth fiscal quarter of 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

The establishment of LyondellBasell’s internal control and risk management systems is based on the identification of external and internal risk factors that could influence the operational and financial objectives of the Company and contains a system of monitoring, reporting and operational reviews. All material risk management activities have been discussed with the Audit Committee and the Supervisory Board.

The Management Board,

/s/ Bhavesh (Bob) V. Patel (appointed 16 April 2014)

/s/ Jeffrey A. Kaplan (appointed 6 May 2015)

/s/ Kevin W. Brown (appointed 6 May 2015)

London, 11 March 2016

2 Governance and Compliance

In this section we introduce our Supervisory Board and present their Report for 2015, as well as describing our remuneration and risk management policies. Details of our corporate governance structure can also be found in this section.

2.1 Report by the Supervisory Board

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.

Our Supervisory Board currently has twelve 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 of Association, any nomination agreements and the listing standards of the New York Stock Exchange.

The NYSE listing standards require that we have a majority of independent directors. As discussed under "Independence of Supervisory Board Members," all of our current members are deemed independent.

Our Supervisory Board is divided into three classes, each consisting of one-third of the total number of the members of the Supervisory Board. Jacques Aigrain, Lincoln Benet, Nance K. Dicciani and Bruce A. Smith are each Class III directors whose terms expire at the Annual Meeting.

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

The table below shows the relevant information for each member of our Supervisory Board as of 11 March 2016.

Director Nominees

Jacques Aigrain, French-Swiss, 61, Class III Supervisory Director since May 2011
Partner, Warburg Pincus LPP, a global private equity firm, since June 2013.
Director of The London Stock Exchange Group Plc, a diversified international stock exchange, since May 2013.
Director of WPP plc, a multinational advertising and public relations company, since May 2013.
Director of Lufthansa German Airlines, from September 2007 to April 2015.
Chairman of LCH Clearnet Group, Limited, a clearinghouse group, from March 2010 to March 2015.
Director of Resolution Ltd., a financial services company that acquires businesses in the insurance industry, from February 2010 to March 2013.
Director of Qatar Financial Centre Authority, the commercial arm of the Qatar Financial Centre, from April 2012 to October 2015.
Mr. Aigrain has extensive operational and management expertise, as well as considerable experience with

international companies and board service, among other skills.

Lincoln Benet, American-British, 52, Class III Supervisory Director since June 2015

Chief Executive Officer of Access Industries, a privately held industrial group, since 2006.

Director of Warner Music Group, a recorded music and music publishing business, since July 2011.

Director of CLAL Industries LTD, a privately held investment company, since July 2015.

Mr. Benet has corporate finance, mergers and acquisitions, fixed income and capital markets expertise as well as experience in executive management, leadership and strategy.

Nance K. Dicciani, American, 68, Class III Supervisory Director since September 2013

Director of Halliburton, an oilfield services company, since September 2009.

Director of Praxair, an industrial gases company, since September 2008.

Director of AgroFresh Solutions, Inc., a horticultural technology company, since July 2015.

Director of Rockwood Holdings, a specialty chemicals and advanced materials company from May 2008 until June 2014.

Ms. Dicciani's career history includes executive roles at specialty chemicals companies that give her unique insight into the petrochemicals industry. Ms. Dicciani has expertise in financial, senior management, general management, strategic planning, risk and asset management, corporate governance and public company matters.

Bruce A. Smith, American, 72, Class III Supervisory Director since July 2010

Chief Executive Officer of One Cypress Energy LLC, a crude petroleum products logistics provider, since December 2011.

Director of Ventech Engineers, Inc., an engineering and procurement services company, since January 2012.

Director of GEVO, Inc., a renewable chemicals and advanced biofuels company from June 2010 to February 2015.

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

Supervisory Directors not standing for election

Information, as of 11 March 2016, with respect to the Supervisory Directors who are not up for election is as follows:

Jagjeet S. Bindra, American, 68, Class I Supervisory Director since May 2011

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

Director of WorleyParsons, a global provider of project delivery and consulting services to the resources and energy sectors and complex process industries, since July 2015.

Director of Transocean Ltd., an offshore drilling contractor and the provider of drilling management services, from

2011 to 2014.

Director of Larsen & Toubro, a technology, engineering, construction and manufacturing company, from 2009 to 2012.

Director and Deputy Chairman of Transfield Services, a global provider of operations, maintenance and asset and project management services, from 2009 to 2012.

Mr. Bindra's career history includes executive roles at Chevron which, in addition to his other public company board service, gives him expertise in finance, general management, senior management, mergers and acquisitions, strategic planning, government and regulatory affairs, risk and asset management, capital markets, corporate governance and general public company oversight.

Robin Buchanan, British, 63, Class II Supervisory Director since May 2011

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

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

Chairman of Michael Page International plc, a specialist recruitment company, from December 2011 to December 2015.

Mr. Buchanan has extensive knowledge and experience relating to strategy, leadership, business management and corporate governance and extensive experience in serving on corporate boards and consulting for companies in an array of industries, including the industrial sector.

Milton Carroll, American, 65, Class I Supervisory Director since July 2010

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

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

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

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

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

Director of LRR Energy, L.P., from 2011 to January 2014.

As an experienced director of several public companies, Mr. Carroll brings with him expertise in finance, general management, senior management, mergers and acquisitions, strategic planning, government and regulatory affairs, risk and asset management, corporate governance and general public company oversight.

Stephen F. Cooper, American, 69, Class II Supervisory Director since July 2010

Chief Executive Officer and Director of Warner Music Group Corp., a recorded music and music publishing business, since August 2011.

Managing Partner of Cooper Investment Partners, a private equity firm specializing in underperforming companies, since July 2008.

Director of Ventech Engineers, Inc., an engineering and procurement services firm, since September 2011.

Mr. Cooper has considerable experience as a financial and executive advisor to companies facing operational and performance issues. He has substantial and expansive experience in various industries that provides him with significant expertise in all aspects of supervising management of large, complex companies.

Claire S. Farley, American, 57, Class I Supervisory Director since February 2014

Director of FMC Technologies, Inc., a global provider of technology solutions for the energy industry, since May, 2009.

Vice Chair of KKR Energy Group, since January 2016.

Member of KKR Management LLC, the general partner of KKR & Co. L.P., a global investment firm, from January 2013 to December 2015.

Managing Director of KKR Energy Group from November 2011 to December 2012.

Co - Chief Executive Officer of RPM Energy, a privately-owned oil and gas exploration and development company, from September 2010 to November 2011.

Director of Encana Corporation, a North American energy provider, from April 2008 through August 2014.

Ms. Farley is a former oil and gas executive with public company experience, which provides her with expertise in mergers and acquisitions, strategic planning, finance, general management, senior management, risk and asset management, capital markets, corporate governance and general public company oversight.

Isabella D. Goren, American, 55, Class II Supervisory Director since February 2014

Director of MassMutual Financial Group, a mutual life insurance company, whose major affiliates include Oppenheimer Funds, Inc. and Babson Capital Management LLC, among others, since December 2014.

Director of Gap Inc., a global retail company with a portfolio of brands, since August 2011.

Senior Vice President and Chief Financial Officer of AMR Corporation, a commercial aviation company and the parent holding company of several airlines, including American Airlines, Inc., a global airline, where she also served as Senior Vice President and Chief Financial Officer, from July 2010 to December 2013.[1]

Ms. Goren has extensive experience in executive management of capital intensive and highly competitive businesses, complex international operations and global operating strategies. She brings with her skills and expertise in financial matters, senior executive leadership, general management, strategic planning, and public company governance experience, all of which are skills the Supervisory Board seeks in a candidate.

[1] AMR Corporation and American Airlines, Inc. successfully completed a reorganization under Chapter 11 of the U.S. Bankruptcy Code in December 2013, for which a voluntary petition was filed in November 2011.

Robert G. Gwin, American, 52, Class II Supervisory Director since May 2011

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

Chairman of Western Gas Holdings, LLC, the general partner of Western Gas Partners, LP, an owner, operator and developer of midstream energy assets, since October 2009 and director since August 2007.

Chairman of Western Gas Equity Holdings, LLC, the general partner of Western Gas Equity Partners, LP since November 2012.

Mr. Gwin has expansive experience relating to the oil and gas industry, finance, public company board experience and executive management expertise, among other skills.

Rudy van der Meer, Dutch, 71, Class I Supervisory Director since July 2010

Chairman of the Supervisory Board of Coöperatie VGZ U.A., a health insurer, since 2011.

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

Chairman of Supervisory Board of Royal Imtech N.V., a technical services provider, from 2005 to 2013.

Chairman of Supervisory Board of Energie Beheer Nederland B.V., a Dutch state owned natural gas exploration, production, transportation and sale company, from 2006 to 2013.

Chairman of Supervisory Board of Gazelle Holding B.V., a bicycle manufacturing company, from 2005 to 2011.

Supervisory Director of ING Nederland N.V, retail banking and insurance subsidiaries, respectively, of ING Groep N.V., from 2004 to 2011.

Mr. van der Meer's career history includes three decades at AkzoNobel, a leading global paints and coatings company and a major producer of specialty chemicals, headquartered in The Netherlands. Mr. van der Meer brings with him several of the skills and knowledge our Supervisory Board seeks, including those related to general management, senior management, mergers and acquisitions, government and regulatory affairs, risk and asset management and corporate governance and public company experience, particularly as they relate to Dutch multinational companies.

Board Leadership Structure

We have a two-tiered board, 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. Only executive officers of the Company may serve on the Management Board and only non-employees of the Company may serve on the Supervisory Board. Our Articles of Association provide that our Chief Executive Officer ("CEO") shall serve as the Chairman of the Management Board. The following individuals are the current members of our Management Board:

- Bhavesh V. (Bob) Patel, CEO and Chairman of the Management Board;
- Kevin W. Brown, Executive Vice President – Manufacturing & Refining; and
- Jeffrey A. Kaplan, Executive Vice President and Chief Legal Officer.

Timothy D. Roberts, our former Executive Vice President – Global Olefins & Polyolefins, Karyn F. Ovelmen, our former Executive Vice President and Chief Financial Officer and Patrick D. Quarles, our former Executive Vice President – Intermediates & Derivatives, Supply Chain & Procurement, also served as members of the Management Board in 2015, but separated from the Company on 13 January 2016, 31 May 2015 and 31 May 2015, respectively. In addition, Jim Gallogly, our former Chief Executive Officer and Craig B. Glidden, our former Executive Vice President and Chief Legal Officer, were also members of the Management Board in 2015, but retired, effective 12 January 2015 and 28 February 2015, respectively.

At the Annual Meeting, we are requesting shareholders to elect each of the following executive officers as members of our Management Board:

- Thomas Aebischer, Executive Vice President and Chief Financial Officer ("CFO");
- Dan Coombs, Executive Vice President – Global Olefins & Polyolefins, Procurement and Technology; and
- Jim Guilfoyle, Senior Vice President – Global Intermediates & Derivatives and Supply Chain.

The principal responsibility of the Management Board is the overall management of the Company. This means, among other things, that the Management Board is responsible for implementing LyondellBasell's aims and strategy, managing the Company's associated risk profile, overseeing the operation of the business and addressing corporate responsibility issues relevant to the enterprise.

The principal responsibility of the Supervisory Board is overseeing the policies of the Management Board and the general course of business and related business enterprises. Robert G. Gwin is the Chairman of the Supervisory Board.

Our two-tier board structure allows our executive officers to focus on managing our day-to-day business, including achieving our aims, strategy and risk profile, and results of operations. It also allows Mr. Gwin, as non-executive Chairman of the Supervisory Board, to lead the Supervisory Board in its fundamental role of supervising the policies of the Management Board. We believe this separation of responsibilities is appropriate for LyondellBasell because of the scope and complexity of the Company's operations. We also believe the separation of CEO and Chairman of the Supervisory Board is a corporate governance best practice.

Role in Risk Oversight

While the Company's Management Board is responsible for the risk profile of the Company and managing the day-to-day of risks to the Company, the Supervisory Board has broad oversight as it relates to risk management. In this oversight role, the Supervisory Board is responsible for satisfying itself that the risk management processes designed and implemented by the Company's management are functioning and that necessary steps are taken to foster a culture of risk-adjusted decision-making throughout the organization. The Company believes that its leadership structure is conducive to sound risk management, and that the Supervisory Board's involvement is appropriate to ensure effective oversight.

The primary means by which our Supervisory Board oversees our risk management structures and policies is through its regular communications with management. At each Supervisory Board meeting, executive officers are asked to report to the Supervisory Board and, when appropriate, specific committees. Additionally, other members of management and employees periodically attend meetings and present information. One purpose of these presentations is to provide direct communication between members of the Supervisory Board and members of management. The presentations provide 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 about the Company's outlook and forecasts, and any impediments to meeting those or its pre-defined strategies generally. These direct communications allow the Supervisory 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 Supervisory Board committees certain elements of its oversight function.

- The Audit Committee provides oversight of 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 accountants and the Company's compliance program; and the Company's system of disclosure and internal controls.

- The Compensation Committee monitors the Company's compensation structure and assesses whether any excessive risks are created by our compensation programs.

- The Nominating & Governance Committee reviews policies and practices in the areas of corporate governance; considers the overall relationship of the Supervisory Board to the Company's management; and develops, reviews and recommends 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 and provides oversight of the Company's technology. Our HSE Committee discusses the Company's HSE and Operational Excellence programs, reviewing audits of operations; safety and environmental incidents and statistics; as well as action plans and initiatives to continuously improve HSE results.

The Company has an enterprise risk management function, with a group of employees dedicated to enterprise-wide risk management activities. The Management Board is responsible for overseeing the risk management programs of the Company generally, including approving risk tolerances, evaluating whether they are aligned with the Company's strategic goals, and defining the overall risk profile of the Company. The Management Board has delegated to a Risk Management Committee the authorization to review and approve transactions that are in furtherance of the strategies as approved by the Management Board. The standing members of the Risk Management Committee include the Company's CEO, CFO and Chief Legal Officer. Through a variety of policies and procedures, business leaders are required to identify, monitor, mitigate and report on risks under the supervision of the Management Board, which requires risk management plans from each business segment.

The results of the risk management processes and updates on the material risks are reported to the Supervisory Board and its committees. In addition, the Audit Committee is responsible for ensuring that an effective risk assessment process is in place, and reports are made to the Audit Committee in accordance with New York Stock Exchange requirements.

Independence of Supervisory Board Members

The Supervisory Board has determined that all twelve Supervisory Directors are independent in accordance with the NYSE listing standards.

To assist in determining independence, the Supervisory Board adopted categorical standards of Supervisory Director independence, which meet or exceed the requirements of the NYSE. These standards specify certain relationships that must be avoided to allow for a finding of independence. 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.lyb.com.

In July 2015, the Supervisory Board amended the categorical standards to remove two specific relationships that previously barred a finding of independence. These two relationships include: any director who (i) holds at least ten percent of the shares in the Company (including shares held by natural persons or legal entities which cooperate with him under an express or tacit, oral or written agreement); and/or (ii) is a member of the management board or supervisory board, or is a representative in some other way, of a legal entity which holds at least ten percent of the shares in the Company, unless such entity is a member of the same group as the Company. These relationships originally were included in the categorical standards to be consistent with the Dutch Corporate Governance Code and because of historical relationships certain large shareholders had with the Company's predecessor before it became a listed Company. The Supervisory Board deleted these provisions after determining, consistent with the commentary to the NYSE's listing standards, that share ownership, alone, is no longer an appropriate bar to a finding of independence.

The Supervisory Board has determined that there are no relationships or transactions under the categorical standards, as amended, that would prohibit any of the Supervisory Directors from being deemed independent. In addition to the relationships and transactions that would bar an independence finding under the categorical standards, the Supervisory Board considered all other known relationships and transactions in making its determination. Transactions and relationships considered included:

- Company subsidiaries' purchases of natural gas liquids from a subsidiary of Anadarko Petroleum, where Mr. Gwin serves as Executive Vice President and CFO;

- Company subsidiaries' purchases of utilities from a subsidiary of CenterPoint Energy, where Mr. Carroll serves as chairman;

- Company subsidiaries' engagement of the employee search and recruitment services of Michael Page International, where Mr. Buchanan served as Chairman until the end of 2015;

- Company subsidiaries' purchases of insurance coverage from a subsidiary of MassMutual Financial Group, where Ms. Goren is a director;

- Mr. Benet's position as CEO of Access Industries, the Company's largest shareholder;

- Company subsidiaries' purchases of industrial gases, including hydrogen and nitrogen, from, and sales of crude hydrogen to, Praxair, where Ms. Dicciani is a director;

- Mr. Cooper's position as CEO of Warner Music, a subsidiary of Access Industries;

- Mr. Buchanan's position as Non-Executive Chairman of Access Industries' Investment Committee; and

- Company subsidiaries' purchases of measurement products from a subsidiary of FMC Technologies, where Ms. Farley is a director.

In determining that none of these transactions or relationships affected the independence of any of the interested Supervisory Directors, the Supervisory Board considered the nature of the transactions and relationships. All of the transactions are ordinary course, and none of the dollar amounts involved was material to the Company or the counterparty. Additionally, the relationships between the Supervisory Directors and the Company's largest shareholder do not preclude a finding of independence.

Meetings and Board Committees

The Supervisory Board held five meetings in 2015. 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. The Company does not maintain a policy regarding Supervisory Board members' attendance at its annual general meetings. The Supervisory Board and its committees regularly hold executive sessions, at which members of management are not present. All such sessions are led by the respective Chairs of the Supervisory Board or committee, as applicable.

The Supervisory Board has four standing committees to assist it in the execution of its responsibilities. The committees are the Audit Committee, Nominating & Governance Committee, Compensation Committee and HSE Committee. The charter of each committee states that it will be composed of a minimum of three members of the Supervisory Board. Each committee functions under a charter adopted by the Supervisory Board as described below.

Audit Committee

The current members of the Audit Committee are Mr. Smith (Chairman), Mr. Aigrain, Ms. Dicciani and Ms. Goren. The Supervisory Board has determined that each member of the Audit Committee is financially literate and is a financial expert under the SEC's rules. The determination was based on a thorough review of our Audit Committee members' education and financial and public company experience. The Supervisory Board also determined that each member has satisfied the heightened independence requirements of Section 10A(m)(3) of the Exchange Act, in addition to our categorical standards.

Mr. Smith serves on no public company audit committees other than ours. Mr. Aigrain and Ms. Dicciani both serve on two public company audit committees in addition to ours, and Ms. Goren serves on one public company audit committee in addition to ours.

The Audit Committee met five times during 2015. The Audit Committee generally is responsible for overseeing all matters relating to our financial statements and reporting; internal audit function and 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. In addition to its oversight role of risk management as described above under "Role in Risk Oversight," 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.lyb.com.

Administrative Responsibilities	• Perform an annual self-assessment
Independent Auditor	• Engage external auditor and approve compensation
	• Review independence and establish policies relating to hiring of auditor employees
	• Pre-approval of audit services
Internal Audit	• Review plans, staffing and activities as well as effectiveness

Financial Statements	• Review financial statements and earnings releases • Discuss and review accounting policies and practices and external auditor reviews • Discuss and review effectiveness of controls
Compliance	• Review plans, staffing and function of Compliance function • Establish and review procedures for complaints, including anonymous complaints regarding accounting, controls and auditing • Review Code of Conduct and system for monitoring compliance therewith

Compensation Committee

The current members of the Compensation Committee are Messrs. Aigrain (Chairman), Benet and Carroll and Ms. Goren. Each member is independent in accordance with the rules and regulations of the NYSE.

The Compensation Committee met four times in 2015. The Compensation Committee is responsible for overseeing our executive compensation programs and developing the Company's compensation philosophy generally. As part of its function, the Compensation Committee reports the results of its activities to the full Supervisory Board. The Compensation Committee's written charter, which was approved by the Supervisory Board, can be found on our website at www.lyb.com.

In overseeing compensation matters, the Compensation Committee may delegate authority for day-to-day administration and interpretation of the Company's plans to Company employees, including selection of participants, determination of award levels within plan parameters, and approval of award documents. However, the Compensation Committee may not delegate authority under those plans for matters affecting the compensation and benefits of the executive officers. The Compensation Committee's responsibilities include the following:

Administrative	• Perform annual self-evaluations
Company Compensation & Benefits	• Establish and review compensation philosophy, programs and practices • Review and approve pension and benefit arrangements as well as funding of pension and benefit plans

Executive Compensation	• Approve compensation and benefits of executive officers • Review objectives of executive compensation consistent with corporate objectives • Review and approve goals and objectives of CEO compensation and evaluate CEO performance • Make recommendations to the Supervisory Board for all executive officers' compensation

Nominating & Governance Committee

The current members of the Nominating & Governance Committee are Ms. Farley (Chairman) and Messrs. Bindra, Buchanan, Carroll and Van der Meer. Each member is independent in accordance with the rules and regulations of the NYSE.

The Nominating & Governance Committee met eight times during 2015. One of the primary responsibilities of the Nominating & Governance Committee is to identify nominees for election to the Supervisory Board. The Supervisory Board has nominated Messrs. Aigrain, Smith and Benet and Ms. Dicciani for election at the Annual Meeting.

The Nominating & Governance Committee's written charter, which was approved by the Supervisory Board, can be viewed on our website at www.lyb.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:

Administrative	• Perform an annual self-assessment • Coordinate evaluations by other committees and the full Supervisory Board
Directors and Director Nominees	• Identify and recommend candidates for membership on the Supervisory Board • Recommend committee memberships • Recommend Supervisory Board compensation
Corporate Governance	• Review the Company's governance profile and make recommendations • Review and comment on shareholder proposals

Potential Supervisory Director candidates are identified through various methods. The Nominating & Governance Committee welcomes suggestions from Supervisory Directors, members of Company management, and shareholders. From time to time, the Nominating & Governance Committee uses outside consultants to assist in identifying potential Supervisory Director candidates. The Supervisory Board and Nominating & Governance Committee do not have a policy specific to the candidates nominated by different parties and considers all nominees for vacancies on their merits without regard to the source of recommendation. The Supervisory Board has adopted a profile, which can be found on our website, which details the desired characteristics and experience of members of the Supervisory Board. The Nominating & Governance Committee considers this profile (in addition to any other factors it deems relevant) when considering candidates for nomination to the Supervisory Board. The Supervisory Board intends to maintain a manageable size as stated in our Corporate Governance Guidelines.

The Nominating & Governance Committee believes that the nominating process will and should continue to involve significant subjective judgments. To suggest a nominee for the Committee to consider for nomination as a Class I Supervisory Director at the general meeting in 2017, 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 offices in Houston, Texas, at 1221 McKinney Street, Suite 300, Houston Texas 77010, before 2 December 2016.

HSE Committee

The current members of the HSE Committee are Messrs. Van der Meer (Chairman), Bindra and Cooper and Ms. Dicciani. The HSE Committee met four times during 2015. The Committee's written charter, which was approved by the Supervisory Board, can be viewed on our website at www.lyb.com. It is the duty of the HSE Committee to assist the Supervisory Board in its oversight responsibilities by assessing the effectiveness of environmental, health and safety programs and initiatives that support the health, safety and environmental policy of the Company and reviewing the Company's material technologies and the risks relating to its technology portfolio. In fulfilling its duties, the HSE Committee has the following responsibilities:

Administrative	• Perform an annual self-evaluation • Review the status of the Company's health, safety and environmental policies and performance, including processes to ensure compliance with applicable laws and regulations
Performance	• Review and monitor the Company's health, safety and environmental performance statistics, provide oversight of the programs, initiatives and activities in the areas of technology and sustainability and review with management the existing and emerging technologies, and environment, health, safety, product stewardship and other sustainability issues, that can have a material impact on the Company; and review the status of our environment, health, safety, product stewardship and other sustainability policies, programs and practices;
Audit	• Review and approve the scope of the health, safety and environmental audit program and regularly monitor program results • Review and approve the annual budget for the health, safety and environmental audit program
Reporting	• Report periodically to the Supervisory Board on technology, 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 related parties, including Supervisory Directors, Managing Directors, officers and certain shareholders. The transactions covered by the policy are those which are:

- in the ordinary course of business but have an aggregate value of $25 million or more,
- not in the ordinary course of business, regardless of value, or
- any transaction where an officer or Supervisory Director of the Company has a direct or indirect 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 the Company 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 in existence since the beginning of the last fiscal year.

In 2010, we entered into certain agreements with affiliates of Access Industries. These agreements include a registration rights agreement that obligates us to, at our own cost, register for resale equity securities owned by Access Industries or its affiliates, and a nomination agreement. Pursuant to the nomination agreement, Access Industries has the right to nominate individuals for appointment to the Supervisory Board if certain ownership thresholds are met. Access Industries' nomination rights continue for so long as it owns at least 5% of our issued share capital. 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 entered into these agreements before the Related Party Transaction Policy was adopted and the Audit Committee was formed.

On an ongoing basis and in the ordinary course of business, the Company makes spot purchases of natural gas liquids ("NGLs"), which are raw materials used by the Company to manufacture its products, from Anadarko Petroleum. Robert G. Gwin, the Chairman of our Supervisory Board, serves as the Executive Vice President and CFO of Anadarko Petroleum. In July 2014, the disinterested members of the Audit Committee approved the Company making spot purchases from Anadarko as it deems appropriate. The determination was based on the fact the transactions were on terms no less favorable than those which could be obtained from non-related parties. The Company made purchases of $62 million for condensates feedstock from Anadarko in 2015. The Audit Committee considered whether such purchases would affect Mr. Gwin's independence. The Company does not believe that Mr. Gwin's position at Anadarko gives rise to a direct or indirect material interest in the transactions.

In late 2014 and early 2015, the Supervisory Board agreed to advance legal expenses to certain related parties, including Bob Patel, our CEO and Chairman of the Management Board; James Gallogly, former CEO and Chairman of the Management Board; Craig Glidden, former Executive Vice President and Chief Legal Officer; and Kevin Brown, our Executive Vice President – Manufacturing and Refining. The expenses relate to certain equity compensation granted to these individuals in connection with their joining the Company that are the subject of audits by the Internal Revenue Service. The Supervisory Board's decision to advance the expenses was in light of contractual arrangements between the Company and those individuals and based on its determination that the Company has a common interest in the resolution of the audits, given they relate to the Company's equity compensation practices. At this time, we believe the interest of each of the individuals named may exceed $120,000.

Compensation of the Members of the Supervisory Board

The members of our Supervisory Board receive both equity and cash compensation for their service on the Supervisory Board and its committees. The Supervisory Directors' compensation is designed to provide a competitive package that will enable the Company to attract and retain highly skilled individuals with relevant experience. The equity awards granted to Supervisory Board directors are restricted stock units ("RSUs"). The equity grants are provided as a means to align the interests of our Supervisory Directors with those of shareholders, and to put a portion of their compensation at risk to the extent the Company's market value declines. Additionally, the granting of equity compensation to directors generally is considered a best practice for U.S. companies, and all of the Company's compensation peer groups offer equity compensation to their directors. The Company believes paying directors a portion of their compensation in equity is vital in order to remain competitive and to attract and retain the best individuals.

The Supervisory Board also believes that long-term ownership of shares is a best practice for its members. Therefore, the Company maintains Director Share Ownership Guidelines. Pursuant to these guidelines, Supervisory Directors may not sell more than 50% of the shares they receive upon vesting of their equity grants (net of shares withheld for taxes) until they own a number of shares valued at three times their annual cash retainer in effect when the guidelines were adopted. Restricting sales of shares in this manner ensures that our Supervisory Directors are able to diversify their holdings if necessary for their individual circumstances but also are required to hold substantial amounts of our shares during their service on our board.

The 2015 Supervisory Board compensation program is set forth below and was approved by shareholders at the 2015 annual general meeting of shareholders. Our Articles of Association currently provide that the Supervisory Board may set its own compensation, as long as the aggregate compensation paid to any individual member does not exceed $2 million in any single year.

Annual Retainer

Cash	$115,000 ($215,000 for Chairman of the Board)
RSUs	Valued at $170,000 ($310,000 for Chairman of the Supervisory Board)

Committee Retainer

Members	$10,000 ($15,000 for Audit Committee)
Chairs	$20,000 ($27,500 for Audit Chair)

In addition to the retainers shown above, recognizing the time and effort international travel requires, we pay members of the Supervisory Board $5,000 for each intercontinental trip taken in performing their board service.

Financial Statements

The Management Board has prepared the annual accounts and discussed these with the Supervisory Board. The Report of the Independent Auditor, PricewaterhouseCoopers Accountants N.V., is included in the 'Other Information' on page 171. The financial statements are being presented for adoption by shareholders at the Annual Meeting. The Supervisory Board recommends that shareholders adopt these financial statements.

Additional Information

For additional information, see the Corporate Governance Statement (page 56), which is deemed to be incorporated by reference herein.

London, 11 March 2016

The Supervisory Board

Robert G. Gwin (Chairman)

Jacques Aigrain

Lincoln Benet

Jagjeet Bindra

Robin Buchanan

Milton Carroll

Stephen F. Cooper

Nance K. Dicciani

Claire S. Farley

Isabella D. Goren

Bruce A. Smith

Rudy M.J. van der Meer

2.2 Conformity Statement

The Management Board is responsible for the preparation of the Annual Accounts and the Annual Report of LyondellBasell N.V. for the year ended 31 December 2015 in accordance with applicable Dutch law and International Financial Reporting Standards ("IFRS") as adopted by the European Union, ("EU").

RESPONSIBILITY STATEMENT PURSUANT TO SECTION 5:25C PARAGRAPH 2(C) OF THE DUTCH FINANCIAL MARKETS SUPERVISION ACT ('Wet op het financieel toezicht')

The Management Board confirms that to the best of its knowledge:

- the LyondellBasell N.V. 2015 Annual Accounts give a true and fair view of the assets, liabilities, financial position and profit or loss of LyondellBasell N.V. and the entities included in the consolidation taken as a whole;

- the LyondellBasell N.V. 2015 Annual Report gives a true and fair view of LyondellBasell N.V. and the entities included in the consolidation taken as a whole as at 31 December 2015 and the state of the affairs during the financial year to which the report relates and describes the principal risks facing LyondellBasell N.V.

London, 11 March 2016

/s/ Bhavesh (Bob) V. Patel (appointed 16 April 2014)

/s/ Jeffrey A. Kaplan (appointed 6 May 2015)

/s/ Kevin W. Brown (appointed 6 May 2015)

2.3 Corporate Governance Statement

We monitor and assess applicable Dutch, U.S., and other relevant corporate governance codes, rules, and regulations. We are subject to the Dutch Corporate Governance Code (the "Code"), as we are a listed company with its statutory seat in the Netherlands. As a NYSE listed company, we also are required to comply with the U.S. Sarbanes-Oxley Act of 2002, as well as NYSE listing rules, and the rules and regulations promulgated by the U.S. Securities and Exchange Commission ("SEC"). As an overseas company, with executive offices in the United Kingdom, we are also required to comply with applicable requirements of U.K. company law, including the Companies Act 2006.

Our corporate governance structure is based on the requirements of the Dutch Civil Code, the company's Articles of Association and the rules and regulations applicable to companies listed on the New York Stock Exchange, complemented by several internal procedures. These procedures include a risk management and control system, as well as a system of assurance of compliance with laws and regulations.

For the full text of the Code, please refer to the website http://www.commissiecorporategovernance.nl/. For the full text of the U.S. Sarbanes-Oxley Act of 2002, as well as NYSE listing rules, and the rules and regulations promulgated by the SEC, see www.sec.gov/about/laws/soa2002.pdf, http://nyse.com/, and www.sec.gov/about.shtml respectively.

This chapter describes LyondellBasell's corporate governance. The Code contains principles and best practices for Dutch companies with listed shares. We agree with both the general approach and the vast majority of its principles and best practice provisions. Any deviations from the Code are explained, in accordance with the Code's "apply or explain" principle.

Any material changes in our corporate governance structure and/or our compliance with the Code will be discussed at LyondellBasell's 2016 Annual General Meeting of Shareholders as a separate agenda item. The Board of Management and the Supervisory Board are of the opinion that the company's corporate governance structure, as described here, is the most appropriate for LyondellBasell. With the exception of those aspects of our governance structure which can only be amended with the approval of the General Meeting of shareholders, the Board of Management and the Supervisory Board may make adjustments to the way the Code is applied as described below, if this is considered to be in the interest of the company. If adjustments are made, they will be published and reported in the annual report for the relevant year.

2.3.1 Management Board

Our Management Board is responsible for managing LyondellBasell, under the chairmanship of its CEO, Bhavesh (Bob) V. Patel. The following individuals are the current members of our Management Board:

Bhavesh (Bob) V. Patel, American, 49, Chief Executive Officer and Chairman of the Management Board since January 2015

Prior to being named Chief Executive Officer, Mr. Patel led our olefins and polyolefins businesses and oversaw the Company's manufacturing operations in Europe, Asia and other non-North American jurisdictions. He also was responsible for the Company's Technology business, which encompasses licensing and support of our technology. Mr. Patel was the Senior Vice President of O&P–EAI and Technology from November 2010 until October 2013 when he was promoted to Executive Vice President and given responsibility for the Company's manufacturing operations in addition to his other responsibilities.

From March 2010 until August 2011, Mr. Patel was SVP, O&P–Americas, responsible for managing all of our North American and South American olefins and polyolefins business. Prior to joining the Company, Mr. Patel was General Manager of Olefins & NGL for Chevron Phillips Chemical Company from June 2009 to March 2010 and General Manager of its Asia Pacific businesses from April 2008 to June 2009.

Kevin W. Brown, American, 58, Executive Vice President – Manufacturing & Refining since January 2015

As Executive Vice President – Manufacturing & Refining, Mr. Brown is responsible for the Company's global manufacturing as well as the business and operations of our Houston refinery. Prior to being named Executive Vice President, Mr. Brown served as Senior Vice President – Refining since October 2009, overseeing the Company's refining operations. Mr. Brown also has responsibility for the Company's Global Projects functions.

Prior to joining the Company, Mr. Brown spent several years as an Executive Vice President and Director of Sinclair Oil, a privately held American petroleum company.

Jeffrey A. Kaplan, American, 47, Executive Vice President and Chief Legal Officer since March 2015

In his current role, Mr. Kaplan has responsibility for the Company's legal affairs generally as well as the Company's Public Affairs and Corporate Communications. As Chief Legal Officer, Mr. Kaplan's responsibilities include oversight of the Company's legal and regulatory compliance, as well as government affairs. Prior to his current role, Mr. Kaplan served as Deputy General Counsel since joining the Company in December 2009. Prior to joining the Company, he served in a variety of leadership roles at Chevron Phillips Chemical Company, including deputy general counsel. Prior to 2001 Mr. Kaplan was in private law practice in Houston, Texas.

The Management Board is responsible for the management of LyondellBasell, the deployment of its strategy, its risk profile and policies, the achievement of its objectives, its results and the corporate social responsibility aspects relevant to the Company.

In fulfilling its management tasks and responsibilities, the Management Board considers the interests of the Company and the business connected with it, as well as the interests of the Company's stakeholders. The Management Board is accountable to the Supervisory Board and the General Meeting of Shareholders for the performance of its management tasks.

Under a two-tier board structure, the Supervisory Board supervises and advises the Management Board in the execution of its tasks and responsibilities. The Management Board provides the Supervisory Board with all information, in writing or otherwise, necessary for the Supervisory Board to fulfill its duties. Besides the information provided in the regular meetings, the Management Board keeps the Supervisory Board frequently informed with respect to developments relating to LyondellBasell's business, financials, operations, and also with respect to industry developments in general.

Important decisions of the Management Board that require the approval of the Supervisory Board are, among others:

- The operational and financial objectives of the Company;
- The strategy to achieve the Company's objectives;

- The business and financial plans of the Company; and
- Corporate social responsibility issues relevant to the Company and the industry in which it operates.

The Rules for the Management Board contain the general responsibilities of the Management Board, the decision making process within the Management Board, and also the logistics surrounding the meetings. The Rules for the Management Board are posted in the Corporate Governance section within the Investor Relation section on our website at www.lyb.com.

Appointment, Other Functions

Members of the Management Board are appointed by the General Meeting of Shareholders upon recommendation by the Supervisory Board. Mr. Patel was appointed a member of the Management Board, effective 16 April 2014 for a period of four years. Mr. Kaplan and Mr. Brown were each appointed members of the Management Board, effective May 6, 2015 for a three year term ending on the date of our annual general meeting in 2018 to coincide with the end of Mr. Patel's term. Upon the end of the current members' terms, reappointment is possible for consecutive four-year terms.

The Supervisory Board may suspend one or more members of the Management Board at any time. The General Meeting of Shareholders may suspend or dismiss a member at any time, but only by means of a resolution adopted by at least two-thirds (2/3) of the valid votes cast, such two-third majority representing more than half of the issued capital.

Management Board members may only accept a Supervisory Board membership of another listed company after having obtained prior approval from the Supervisory Board. Members of the Management Board are also required to notify the Supervisory Board of other important functions held or to be held by them.

No member of the Management Board is currently a Supervisory Board member of any listed company.

Code of Conduct

Part of LyondellBasell's risk management and control system is the Company's Code of Conduct. The Code of Conduct contains rules and guidelines on integrity subjects and issues.

LyondellBasell has established a complaints procedure, which provides guidance with respect to the reporting by employees, anonymously if desired, of alleged violations of the Code of Conduct or other Company policies. The complaints procedure provides that alleged violations of the Code of Conduct can be reported by both LyondellBasell employees as well as third parties by calling a hotline or submitting information via the internet.

The Code of Conduct, including complaints received based on the complaints procedure, if any, are regularly discussed in the Audit Committee.

The Code of Conduct and information on how to submit complaints are posted in the Corporate Governance section of the Investor Relations section of our website.

Mandatory training courses on our Code of Conduct are conducted regularly by all employees worldwide.

Conflicts of Interest

The Management Board's Rules prohibit members of the Management Board from participating in deliberations or decisions on a subject or transaction in relation to which he has a direct or indirect personal interest, which may conflict with the interests of the Company and its associated enterprise. Additionally, any payments to a member of the Management Board, other than regular salary payments, expense reimbursements and payments arising under the Company's benefit and compensation plans applicable to employees generally must be approved by the Supervisory Board. Finally, the Company maintains a Related Party Transaction Policy that requires Audit Committee approval of certain transactions between the Company and any officer, director or substantial shareholder. During the year 2015, no transactions occurred that could have given the appearance of conflicts of interests or that effectively involved conflicts of interests.

2.3.2 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 Code (the "Code") a copy of which is available at www.commissiecorporategovernance.nl. The Code contains a number of principles and best practices. The Code, in contrast to U.S. laws, rules and regulations, contains an "apply-or-explain" principle, offering the possibility to deviate from the Corporate Governance Code and still be in compliance as long as any such deviations are explained. In certain cases, we have not applied the Code's practices and provisions and in those instances explain the non-application.

We conduct our operations in accordance with internationally accepted principles of good governance and best practice, while ensuring compliance with the corporate governance requirements applicable in the countries in which we operate. There is considerable overlap between the requirements we must meet under U.S. rules and regulations and the provisions of the Code and we apply almost all of the provisions of the Code. For clarity purposes, we have listed below deviations from the Code and our reasons for deviating.

II.2.4

The stock options we grant to our executive officers, including our Managing Directors, are exercisable before the third anniversary of the date of grant, which is contrary to best practices provision II.2.4 in the Code. The vesting terms of options to our Managing Directors vary between three and five years, and begin vesting on the first anniversary of date of grant. We believe our vesting schedules are in line with the practices of our peer group used for executive compensation purposes and necessary to attract and retain the best people.

II.2.4/11.2.5

The number of options and shares that we grant to our executives are determined based on an overall target of equity based compensation, calculated as a percentage of base salary, rather than on the achievement of specified targets as is considered best practice under the Code. The targeted values of options and shares granted are determined based on peer group analyses to ensure competitive compensation for attracting and retaining our executives.

II.2.5

In contrast to best practices provision II.2.5 under the Code, we do not require all shares granted as compensation to be held for five years or until the end of employment. Instead, our Compensation Committee implemented share ownership requirements that restricts selling of shares unless certain levels of equity are held. We believe that the share ownership guidelines appropriately ensure executives retain enough equity to make certain their interests are aligned with shareholders while also allowing flexibility for diversification of personal wealth.

II.2.8

Certain of our Managing Directors are party to employment agreements that provide for severance payments that are in excess of one year's base salary. Specifically, in certain circumstances, the agreements provide for base salary plus the annual bonus at target. We believe that these severance arrangements are consistent with market practices and our peer group severance arrangements and are necessary at times to attract or retain qualified leaders.

III.2.1/III.2.3

Our Supervisory Board currently consists of twelve members, three of whom (Messrs. Benet, Buchanan and Cooper) have been nominated by a shareholder pursuant to a nomination agreement. Under the provisions of the Code, but not under the NYSE listing standards, those three members are not considered independent as a result of their affiliation with the shareholder that nominated them, which owns more than 10% of our shares. This deviation from the Code is a result of our obligation under the nomination agreement with an affiliate of Access Industries to nominate individuals to our Supervisory Board. 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 and therefore the Company's stakeholders generally.

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. 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, continues to be 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 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 program of the Supervisory Board was recommended by the Supervisory Board and approved by the General Meeting of Shareholders in 2012, 2013 and 2015, and consists of both cash and shares. In addition, in 2015, the Supervisory Board determined to revise the compensation program for its members to allow them to elect to receive shares of the Company in lieu of their cash retainers beginning in 2016. The Company will issue shares to those directors who have elected this option at the same time as quarterly cash payments would otherwise be made. The number of shares issued is determined by dividing the cash payment by the average of the closing price of our shares over the quarter in which the compensation was earned. The Company believes that granting rights to acquire shares aligns the Supervisory Board members' interests with those of shareholders, thereby increasing the incentives to make decisions that create long-term value for the Company.

Additionally, as part of their review of director compensation, the Nominating & Governance Committee and the Supervisory Board consider, among other factors, the practices at a comparative group of public companies, based on market comparison studies prepared by an outside consultant, Frederic W. Cook & Co., Inc. All of the companies in the comparative group offer some form of equity compensation. For that reason, among others, the Company believes that equity awards are reflective of the market and are necessary to attract and retain highly skilled individuals with relevant experience and to reflect the time and talent required to serve on the board of a complex, multinational corporation.

Gender Diversity

In 2015, Dutch law required companies whose boards do not meet a 30% gender diversity quota to disclose the reason for not having the specified diversity percentage as well as their efforts and intent to obtain such diversity. The Company's Supervisory Board currently consists of twelve members, three of whom are female. The Supervisory Board does not believe that increasing its size solely to meet the gender diversity requirement is in the best interest of the Company or its stakeholders. The Company's Management Board currently consists of three members, and the Supervisory Board has nominated an additional three members for election, none of whom is female. Members of the Management Board were and will continue to be chosen from the executive officers of the Company based on their job responsibilities, regardless of gender.

2.3.3 Remuneration of the Management Board

The remuneration paid to each member of the Management Board is based solely on his respective duties as an executive of the Company and no member of the Management Board will receive (additional) compensation as a managing director. Each member of the Management Board in 2015 was, and with the exception of those who have retired or resigned from the Company (Mr. Gallogly, Mr. Glidden, Mr. Quarles, Mr. Roberts and Ms. Ovelmen), will continue to be, remunerated in accordance with the terms and conditions of his employment as an executive.

In accordance with the requirements of the SEC, in its Proxy Statement for the Annual Meeting, the Supervisory Board has included a "Compensation Discussion and Analysis," approved by the Compensation Committee of the Supervisory Board. This Compensation Discussion and Analysis, or CD&A, provides detailed information with respect to the Company's compensation philosophy, programs and practices for certain "named executive officers" (as defined and identified under SEC regulations). Each of Messrs. Patel, Brown, Gallogly, Glidden, Kaplan and Roberts and Ms. Ovelmen was a named executive officer. In addition to the disclosure for the named executive officers, the Company has provided comparable disclosure in the CD&A for Mr. Quarles, Mr. Coombs and Mr. Guilfoyle, as the other (former) member of and the nominees to the Management Board.

Also in accordance with SEC regulations, the Supervisory Board is seeking from shareholders at the Annual Meeting the approval, in an advisory vote, of the Company's executive compensation.

Set forth below are the elements of the Remuneration Policy as described in the CD&A included in the Proxy Statement for the Annual Meeting.

Our overriding philosophy on executive compensation is to pay our executives based on the Company's and their performance. Our executive compensation program is designed to provide targeted compensation that is more heavily weighted to incentive and equity compensation. We believe that making a higher percentage of our executives' compensation dependent upon performance:

- ensures that executives focus on achieving measurable Company objectives on both an absolute basis, and relative to industry peers, as well as individual performance objectives;
- fosters and supports a high-performing culture that attracts and retains highly qualified executive talent;
- aligns executives' incentives with the creation of shareholder value through both short and long-term incentive plans; and
- ensures we pay for performance.

Target compensation includes an executive's base salary and the dollar value of his target annual bonus and equity awards, all as a percentage of base salary.

Our executive compensation program provides that target compensation is set at or around the median of peers. Setting target compensation at or around the median allows the Compensation Committee to determine payouts based on market conditions, how the executives performed, and how much shareholders benefitted and reward the executives appropriately. Notwithstanding payouts substantially in excess of target, our executives are not paid in excess of their peers in the market. Instead, they are rewarded for performance to bring them in line with the compensation of their peers.

The Company's performance based compensation is not formulaic. There is no threshold that must be met in order to receive any payouts and, conversely, the Company's performance based compensation does not pay out based on the achievement of threshold, target and maximum levels. The Company's programs allow the Compensation Committee to use its discretion to determine whether the Company and the executives have earned payouts, and to what extent those payouts are earned – generally based on differential performance.

We look at the Company's HSE and financial performance, as well as executives' individual performance, in determining payouts under incentive compensation awards. We attempt to develop performance metrics that will assess the performance of the Company relative to other companies in addition to absolute performance. This practice is based on our belief that absolute performance can be affected, both positively and negatively, by industry-wide factors or general economic conditions over which our executives may have little control. For example, the cyclicality of feedstock costs and the global economy can have a significant effect on our results of operations. Therefore, we choose performance metrics that we believe can be used to analyze our performance generally as well as compared to our peers. We believe this helps focus on differential performance by our executives. Finally, we attempt to isolate the underlying performance measurements we believe are necessary for successful performance within our industry.

For purposes of awards under our incentive programs, we have set goals that will require high performance in order to receive target incentive compensation levels. We have selected goals under three areas of performance, as opposed to a single financial measure, to promote the well-rounded executive performance necessary to enable the Company to achieve long-term success.

Our executive compensation program currently consists of three principal components:

- Base salary;
- Short-term (annual) cash 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.

2.3.4 Internal Risk Management and Control Systems, External Factors

The Management Board is responsible for ensuring that LyondellBasell complies with applicable legislation and regulations. It is also responsible for the financing of LyondellBasell and for managing the internal and external risks related to its business activities.

The establishment of our internal risk management and control system is based on the identification of external and internal risk factors that could influence the operational and financial objectives of the Company, and contains a system of monitoring, reporting, and operational reviews.

To help identify risks, LyondellBasell uses a formal risk management approach, consisting of a set of risks definitions which are discussed amongst senior management of LyondellBasell at least annually, as described below. Based on this risk assessment, actions are initiated to further enhance the Company's risk mitigation.

The disclosure of the risks that potentially could have a significant impact on the Company's strategy execution, operations or financial position is derived in part from LyondellBasell's internal risk assessment, comprising elements of the risk assessment model as mentioned in the COSO report.

The Company publishes two annual reports in respect of the financial year ("2015 Annual Reports"): (i) a Statutory Annual Report in accordance with Dutch legal requirements in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee ("IFRIC") interpretations as adopted by the European Union and (ii) an Annual Report on Form 10-K in accordance with U.S. securities laws, based on the United States of America Generally Accepted Accounting Principles ("U.S. GAAP"). Both 2015 Annual Reports include risk factors that are specific to the petrochemical industry, LyondellBasell and ownership of its shares. LyondellBasell also provides sensitivity analyses by providing:

- a narrative explanation of its financial statements;
- the context within which financial information should be analyzed; and
- information about the quality, and potential variability, of LyondellBasell's earnings and cash flow.

In its "Statement of the Board of Management" (which is included on pages 38 through 40 hereof), the Management Board addresses the Company's internal risk management and control systems.

The Company's Annual Report on Form 10-K will include a report of management's assessment regarding internal control over financial reporting and an attestation report of our registered public accounting firm.

Additionally, we are required to conduct an evaluation, under the supervision and with the participation of our CEO and CFO (or other principal financial officer), of the effectiveness of the Company's internal control over financial reporting and, based on that evaluation, conclude whether the Company's internal control over financial reporting was effective as of 31 December 2015, providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. PricewaterhouseCoopers LLP, the Company's independent registered accounting firm under U.S. securities rules and regulations will also be required to confirm the effectiveness of the Company's internal control over financial reporting in its Consent of Independent Registered Public Accounting Firm as included in our 2015 Annual Report on Form 10-K for the year ended 31 December 2015.

With respect to the process of drafting annual reports, LyondellBasell has guidelines for the lay-out and the content of its reports. These guidelines are primarily based on applicable laws. For the Statutory Annual Report, the Company follows the requirements of Dutch law and regulations, including preparation of the consolidated financial statements in accordance with IFRS and IFRIC interpretations as adopted by the European Union. For the Annual Report on Form 10-K, the Company applies the requirements of the U.S. Securities and Exchange Act of 1934, and prepares the financial statements included therein in accordance with U.S. GAAP.

LyondellBasell currently has a Disclosure Committee, consisting of various members of management from different functional areas within the Company. The Disclosure Committee reports to and assists the CEO and CFO in the maintenance, review and evaluation of disclosure controls and procedures. The Disclosure Committee's main responsibilities are to ensure compliance with applicable disclosure requirements arising under United States and applicable stock exchange rules. The Company's CEO and CFO attend the meetings of the Disclosure Committee, or otherwise receive reports from the Chairman of the Disclosure Committee on any material topics discussed in the meetings.

The Company has an enterprise risk management function, with a group of employees dedicated to enterprise-wide risk management activities. The Management Board is responsible for overseeing the risk management programs of the Company generally, including approving risk tolerances, evaluating whether they are aligned with the Company's strategic goals, and defining the overall risk profile of the Company. The Management Board has delegated to a Risk Management Committee the authorization to review and approve transactions that are in furtherance of the strategies as approved by the Management Board. The standing members of the Risk Management Committee include the Company's CEO, CFO and Chief Legal Officer. Through a variety of policies and procedures, business leaders are required to identify, monitor, mitigate and report on risks under the supervision of the Management Board, which requires risk management plans from each business segment.

The results of the risk management processes and updates on the materials risks are reported to the Supervisory Board and its committees. In addition, the Audit Committee is responsible for ensuring that an effective risk assessment process is in place, and reports are made to the Audit Committee in accordance with New York Stock Exchange requirements.

2.3.5 Shareholders and General Meeting of Shareholders

Powers

A general meeting of shareholders will be held at least once a year and is expected to take place in Rotterdam. In this meeting, the following items are expected to be discussed and/or approved:

- the written report of the Management Board containing the course of affairs in LyondellBasell and the conduct of the management during the past financial year as disclosed in this Annual Report;
- the adoption of the annual accounts;
- LyondellBasell's reserves and dividend policy and justification thereof by the Management Board;
- the discharge of the members of the Management Board in respect of their management during the previous financial year;
- the discharge of the members of the Supervisory Board in respect of their supervision during the previous financial year;
- each material change in the corporate governance structure of LyondellBasell (if occurred); and
- any other item the Management Board or the Supervisory Board determine to place on the agenda.

The Management Board requires the approval of the general meeting of shareholders and the Supervisory Board for resolutions regarding a significant change in the identity or character of LyondellBasell or its business, including in any event:

- a transfer of the business or virtually all of the business to a third party;
- entry into or termination of long-term cooperation by LyondellBasell or a subsidiary with another legal entity or partnership or as a general partner with full liability in a limited or general partnership if such cooperation or the termination thereof is of far-reaching significance for LyondellBasell; and
- an acquisition or disposal by LyondellBasell or a subsidiary of a participation in the capital of another company, the value of which equals at least one third of the amount of the assets according to the consolidated statement of financial position with explanatory notes attached to the Annual Accounts as most recently adopted.

Proposals placed on the agenda by the Supervisory Board, the Management Board, or at the request of shareholders, provided that they have submitted the proposals in accordance with the provisions of LyondellBasell's Articles of Association, will be discussed and resolved upon. Shareholders are entitled to request the Supervisory Board to place agenda items on the annual general meeting agenda at the latest sixty days before the meeting, and provided that they represent at least 1 percent of LyondellBasell's outstanding share capital or whose shares represent a value of at least €50,000,000. Additionally, pursuant to shareholder proposal rules issued by the SEC, if a shareholder wishes to propose a matter for inclusion in our proxy materials for consideration at our 2017 annual meeting of shareholders, subject to our Articles of Association, Dutch law and certain shareholder requirements set forth in the rules of the SEC, the proposal should be mailed by certified mail return receipt requested to the Corporate Secretary at the address set forth above and must be received by the Corporate Secretary on or before 30 November 2016 .

The Management Board or Supervisory Board may convene Extraordinary General Meetings as often as they deem necessary. Such meetings must be held if one or more shareholders and others entitled to attend the meetings jointly representing at least one-tenth of the issued share capital make a written request to that effect to the Supervisory Board, specifying in detail the items to be discussed.

Logistics of the General Meeting of Shareholders

Shareholders registered at the record date set by the Company will be entitled to attend the meeting and to exercise other shareholder rights during the meeting, notwithstanding the subsequent sale of their shares after the record date. LyondellBasell's practice will be (as long as Dutch law does not prescribe otherwise) to set the record date at twenty-eight days before the meeting. The Management Board and Supervisory Board shall provide the shareholders with the facts and circumstances relevant to the proposed resolutions, through an explanation to the agenda, as well as through other documents necessary and/or helpful for this purpose. All documents relevant to the general meeting of shareholders, including the agenda with explanations, shall be posted on LyondellBasell's website at www.lyb.com. The agenda will clearly indicate which agenda items are voting items, and which items are for discussion only.

LyondellBasell shareholders may appoint a proxy who can attend and address the general meeting of shareholders and vote on their behalf at the meeting. LyondellBasell also uses an internet proxy voting system to vote, thus facilitating shareholder participation without having to attend in person. Shareholders who voted through internet proxy voting are required, however, to appoint a proxy to officially represent them at the meeting in person.

The record of the minutes of the general meeting of shareholders will be available to shareholders on our website no later than three months after the meeting. The minutes are adopted by the Chairman and the secretary of the meeting. Also, the voting results will be published via a Current Report on Form 8-K that will be filed with the SEC no later than four business days after the general meeting, which Current Report will be available on LyondellBasell's website.

All resolutions are made on the basis of the "one share, one vote" principle. All resolutions are adopted by absolute majority, unless the law or our Articles of Association stipulate otherwise.

Information to the Shareholders

To ensure fair disclosure, LyondellBasell distributes Company information that may influence the share price to shareholders and other parties in the financial markets simultaneously and through means that are public to all interested parties.

When LyondellBasell's annual and quarterly results are published by means of a press release, interested parties, including shareholders, can participate through conference calls and view the presentation of the results on LyondellBasell's website. The schedule for communicating the annual financial results is in general published through a press release and is posted on LyondellBasell's website.

It is LyondellBasell's policy to post the presentations given to analysts and investors at investor conferences on its website. Information regarding presentations to investors and analysts and conference calls are announced in advance on LyondellBasell's website. Meetings and discussions with investors and analysts shall, in principle, not take place shortly before publication of regular financial information. LyondellBasell does not assess, comment upon, or correct analysts' reports and valuations in advance, other than to comment on factual errors. LyondellBasell does not pay any fees to parties carrying out research for analysts' reports, or for the production or publication of analysts' reports, and takes no responsibility for the content of such reports.

At the annual general meetings of shareholders, the shareholders will be provided with all requested information, unless this is contrary to an overriding interest of the Company. If this should be the case, the Management Board and Supervisory Board will provide their reasons for not providing the requested information.

Furthermore, the Investor Relations section on LyondellBasell's website provides links to information about LyondellBasell published or filed by LyondellBasell in accordance with applicable rules and regulations.

Relationship with Institutional Investors

LyondellBasell finds it important that its institutional investors participate in LyondellBasell's general meetings of shareholders. The Company believes that applying a record date and providing internet proxy voting are measures that should achieve high levels of participation at the meeting.

2.3.6 Audit of Financial Reporting

Financial Reporting

LyondellBasell has comprehensive internal procedures in place for the preparation and publication of Annual Reports, annual accounts, quarterly figures, and all other financial information. These internal procedures are frequently discussed in the Audit Committee and the Supervisory Board. The Disclosure Committee assists the Management Board in overseeing LyondellBasell's disclosure activities and ensures compliance with applicable disclosure requirements arising under U.S. and Dutch law and regulatory requirements.

The Audit Committee reviews and approves the external auditor's Audit Plan for the audits planned during the financial year. The Audit Plan also includes the activities of the external auditor with respect to their reviews of the quarterly results other than the annual accounts. These reviews are based on agreed upon procedures and are approved by the Audit Committee. The external auditor regularly updates the Audit Committee on the progress of the audits and other activities.

Appointment, Role, Assessment of the Functioning of the External Auditor, and the Auditor's Fee

In accordance with Dutch law, LyondellBasell's external auditor is appointed by the general meeting of shareholders and is nominated for appointment by the Supervisory Board upon advice from the Audit Committee and the Management Board. LyondellBasell's current external auditor is PricewaterhouseCoopers Accountants N.V. ("PwC"), and the Supervisory Board, on the recommendation of the Audit Committee, is proposing shareholders appoint PwC as its auditor to audit the Dutch statutory accounts at the Annual Meeting.

The Audit Committee and Management Board will conduct an extensive evaluation of the external auditor's performance every four years as required by the Dutch Corporate Governance Code.

In the years that no formal evaluation is conducted, the external auditor's performance is continuously assessed by the Audit Committee in the Audit Committee meetings. So far, the external auditor has functioned to the satisfaction of both the Audit Committee and the Management Board.

Annually, the Management Board and the Audit Committee provide the Supervisory Board with a report on the relationship with the external auditor, including the required auditor independence. To determine the external auditor's independence, the relationship between the audit services and the non-audit services provided by the external auditor is important, as well as the rotation of the responsible lead audit partner every five years. Non-audit services (including tax fees and non-audit-related fees) performed by the external auditor comprised approximately one percent of the external auditor's services in 2015. Based on the proportion audit fees versus non-audit related fees, it was concluded and confirmed by the external auditor that the external auditor acts independently.

The external auditor will be present at the Annual Meeting to respond to questions, if any, from the shareholders about the auditor's report on the financial statements.

The Audit Committee, on behalf of the Supervisory Board, approves the remuneration of the external auditor as well as the non-audit services to be performed, after consultation with the Management Board and the CFO. It has been agreed among the members of the Supervisory Board and the Management Board that the Audit Committee has the most relevant insight and experience to be able to approve both items, and therefore the Supervisory Board has delegated these responsibilities to the Audit Committee.

In principle the external auditor attends all meetings of the Audit Committee, unless this is deemed not necessary by the Audit Committee. The findings of the external auditor are discussed at these meetings.

The Audit Committee reports on all issues discussed with the external auditor to the Supervisory Board, including the external auditor's report with regard to the audit of the annual accounts as well as the content of the annual accounts. In the audit report, the external auditor refers to the financial reporting risks and issues that were identified during the audit, internal control matters, and any other matters requiring communication under the auditing standards generally accepted in the Netherlands and in the United States.

Internal Audit Function

The internal audit function of LyondellBasell forms one of the key elements to address the topics of risk management and internal control over financial reporting as required under the Code and the Sarbanes-Oxley Act, respectively. To ensure the independence of this function, the Company's internal auditor reports to the Audit Committee. The external auditor and the Audit Committee are involved in drawing up the work schedule and audit scope of the internal auditor. The internal auditor regularly provides updates on its findings to the Audit Committee.

2.3.7 Takeover Directive; Anti-Takeover Provisions and Control

General

The EU Takeover Directive requires that certain listed companies must publish information providing insight into defensive structures and mechanisms which they apply. The relevant provision has been implemented into Dutch law by means of a decree of 5 April 2006. Pursuant to this decree, Dutch companies whose securities have been admitted to trading on an EU regulated market have to include information in their annual report which could be of importance for persons who are considering taking an interest in the company. The Company's shares are admitted to trading on the NYSE and not on any EU regulated markets.

According to provision IV.3.11 of the Code, we are required to provide a survey of our actual or potential anti-takeover measures, and to indicate in what circumstances it is expected that they may be used.

Accordingly, we have set out below a number of provisions in the Articles of Association that in a Dutch context technically are not necessarily considered to be anti-takeover measures, but which could restrict the ability of a controlling shareholder to effectively exercise control over the Company:

- As per article 12.4 of the Articles of Association, up to one-third (1/3) of the members of the Supervisory Board may be appointed by the Supervisory Board itself;

- As per article 12.2 of the Articles of Association, the General Meeting of Shareholders will appoint both the members of the Management Board and, subject to the above, the members of the Supervisory Board, upon the nomination of the Supervisory Board. Any such nomination with respect to the appointment of a Supervisory Board member shall, at the discretion of the Supervisory Board be binding. Such a binding nomination may be rendered non-binding by the General Meeting of Shareholders provided that a resolution to that effect shall be adopted by at least two-thirds (2/3) of the valid votes cast, such two-third (2/3) majority representing more than half of the issued share capital. In case of such a vote, the General Meeting of Shareholders will be free in its selection and appointment of a Supervisory Board member to fill the vacancy by means of a resolution adopted by at least two-thirds (2/3) of the valid votes cast, such two-third (2/3) majority representing more than half of the issued capital. If the votes cast in favor of such resolutions do not represent at least two-thirds of the issued share capital, a new meeting can be convened at which the relevant resolution can be adopted by absolute majority;

- Pursuant to a resolution passed by shareholders at the 2015 General Meeting of Shareholders the Supervisory Board has been designated for a period ending on 6 November 2016 as the body competent to issue shares in the capital of the Company whereby the Supervisory Board is in principle authorized to restrict or exclude any pre-emptive rights of existing shareholders; and

- As per article 22.1 of the Articles of Association, the Articles of Association may only be amended by the General Meeting of Shareholders on the basis of a proposal thereto of the Management Board and subject to approval of the Supervisory Board.

In the event of a hostile takeover bid, in general the Supervisory Board and the Management Board reserve the right to use all powers available to them in the interests of the Company and its affiliated enterprise, taking into consideration the relevant interests of the Company's stakeholders.

CONSOLIDATED FINANCIAL STATEMENTS

LyondellBasell Industries N.V.

CONSOLIDATED STATEMENT OF INCOME

Millions of U.S. Dollars, except per share data	Note	Year Ended 31 December 2015	2014
Revenue	5	$ 32,834	$ 45,745
Cost of sales	6	26,098	39,334
Gross profit		6,736	6,411
Selling costs	6	269	277
Administrative expenses	6	659	633
Other (income) expense, net	10	(338)	(61)
Operating profit		6,146	5,562
Finance income		32	33
Finance costs	11	(560)	(434)
Share of profit of investments accounted for using the equity method	16	269	203
Profit before income tax		5,887	5,364
Income tax expense	12	(1,678)	(1,433)
Profit for the year		$ 4,209	$ 3,931
Attributable to:			
Profit/(loss) attributable to			
- Owners of the Company		$ 4,211	$ 3,937
- Non-controlling interests		(2)	(6)
Total		$ 4,209	$ 3,931
Earnings per share:			
- Basic	13	$ 9.05	$ 7.57
- Diluted	13	$ 9.02	$ 7.53

The notes on pages 71 to 158 are an integral part of these Consolidated Financial Statements.

LyondellBasell Industries N.V.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Millions of U.S. Dollars	Note	Year Ended 31 December 2015	2014
Profit for the year		$ 4,209	$ 3,931
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of post-employment benefits obligations	27	34	(436)
Tax on remeasurements of post-employment benefits obligations	12	(7)	148
		27	(288)
Items that may be reclassified subsequently to profit or loss:			
Unrealized gains (losses) on available-for-sale securities:		(6)	(1)
Tax on (benefit from) on available-for-sale securities:	12	1	(1)
		(5)	(2)
Impact of cash flow hedges	4	17	(17)
Tax on (benefit from) cash flow hedges	12	(6)	4
		11	(13)
Currency translation of foreign operations		(392)	(706)
Tax on currency translation of foreign operations	12	5	- -
		(387)	(706)
Other comprehensive income (loss), net of tax		(354)	(1,009)
Total comprehensive income		$ 3,855	$ 2,922
Attributable to:			
- Owners of the Company		3,857	2,928
- Non-controlling interests		(2)	(6)
		$ 3,855	$ 2,922

The notes on pages 71 to 158 are an integral part of these Consolidated Financial Statements.

LyondellBasell Industries N.V.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

Millions of U.S. Dollars	Note	31 December 2015	31 December 2014
Non-current assets:			
Intangible assets	14	$ 1,003	$ 1,145
Property, plant and equipment	15	9,666	9,470
Investments in associates and joint ventures	16	1,334	1,352
Deferred income tax assets	26	264	298
Derivative financial instruments	19	326	40
Trade and other receivables	21	216	79
Total non-current assets		12,809	12,384
Current assets:			
Inventories	20	3,275	4,068
Trade and other receivables	21	3,422	4,333
Available-for-sale financial assets	19	1,064	1,593
Derivative financial instruments	19	38	16
Income tax receivable		315	12
Cash and cash equivalents	22	995	1,084
Total current assets		9,109	11,106
Total assets		$ 21,918	$ 23,490

The notes on pages 71 to 158 are an integral part of these Consolidated Financial Statements.

LyondellBasell Industries N.V.

EQUITY AND LIABILITIES

Millions of U.S. Dollars	**Note**	**31 December 2015**	**31 December 2014**
Equity attributable to the owners of the Company:	23		
Share capital		$ 31	$ 31
Share premium		10,007	10,304
Other reserves		(1,169)	(815)
Retained earnings		8,894	6,081
Treasury shares		(12,086)	(7,853)
		5,677	7,748
Non-controlling interests	24	24	30
Total equity		5,701	7,778
Non-current liabilities:			
Borrowings	25	7,759	6,800
Deferred income tax liability	26	1,893	1,781
Retirement benefit obligations	27	1,263	1,371
Derivative financial instruments	19	6	- -
Provisions for other liabilities and charges	29	262	280
Accruals and deferred income		178	190
		11,361	10,422
Current liabilities:			
Trade and other payables	28	3,520	4,331
Income tax payable		822	461
Borrowings	25	377	377
Derivative financial instruments	19	50	35
Provisions for other liabilities and charges	29	87	86
		4,856	5,290
Total liabilities		16,217	15,712
Total equity and liabilities		$ 21,918	$ 23,490

The notes on pages 71 to 158 are an integral part of these Consolidated Financial Statements.

LyondellBasell Industries N.V.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Millions of U.S. Dollars	Note	Share Capital	Share Premium	Treasury Shares	Other Reserves	Retained Earnings	Equity Attributable to the Owners of the Company	Non-Controlling Interests	Total Equity
Balance at 1 January 2014		31	10,343	(2,035)	194	3,519	12,052	36	12,088
Transactions with owners:									
Shares purchased	23	- -	- -	(5,873)	- -	- -	(5,873)	- -	(5,873)
Warrants exercised		- -	(11)	- -	- -	- -	(11)	- -	(11)
Dividends paid relating to 2013	23	- -	- -	- -	- -	(1,403)	(1,403)	- -	(1,403)
Employees share-based payments:									
- Issuance of shares		- -	(28)	55	- -	- -	27	- -	27
- Tax credits related to share-based awards	12	- -	- -	- -	- -	28	28	- -	28
Total transactions with owners		31	10,304	(7,853)	194	2,144	4,820	36	4,856
Comprehensive income for the period:									
Profit/(loss) for the year		- -	- -	- -	- -	3,937	3,937	(6)	3,931
Other comprehensive income:									
Financial derivatives		- -	- -	- -	(13)	- -	(13)	- -	(13)
Available-for-sale securities		- -	- -	- -	(2)	- -	(2)	- -	(2)
Actuarial loss on post employment benefit obligations	12/27	- -	- -	- -	(288)	- -	(288)	- -	(288)
Currency translation differences		- -	- -	- -	(706)	- -	(706)	- -	(706)
Total Comprehensive income for the period		- -	- -	- -	(1,009)	3,937	2,928	(6)	2,922
Balance at 31 December 2014		$ 31	$ 10,304	$ (7,853)	$ (815)	$ 6,081	$ 7,748	$ 30	$ 7,778

The notes on pages 71 to 158 are an integral part of these Consolidated Financial Statements.

LyondellBasell Industries N.V.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Millions of U.S. Dollars	Note	Share Capital	Share Premium	Treasury Shares	Other Reserves	Retained Earnings	Equity Attributable to the Owners of the Company	Non-Controlling Interests	Total Equity
Balance at 1 January 2015		$ 31	$ 10,304	$ (7,853)	$ (815)	$ 6,081	$ 7,748	$ 30	$ 7,778
Transactions with owners:									
Shares purchased	23	- -	- -	(4,615)	- -	- -	(4,615)	- -	(4,615)
Equity issuance cost,									
Dividends paid relating to 2014	23	- -	- -	- -	- -	(1,410)	(1,410)	- -	(1,410)
Settlement from partner on exit from partnership	24	- -	20	- -	- -	- -	20	(4)	16
Employees share-based payments:									
- Issuance of shares		- -	(317)	382	- -	- -	65	- -	65
- Tax credits related to share-based awards	12	- -	- -	- -	- -	12	12	- -	12
Total transactions with owners		31	10,007	(12,086)	(815)	4,683	1,820	26	1,846
Comprehensive income for the period:									
Profit/(loss) for the year		- -	- -	- -	- -	4,211	4,211	(2)	4,209
Other comprehensive income:									
Financial derivatives		- -	- -	- -	11	- -	11	- -	11
Available-for-sale securities		- -	- -	- -	(5)	- -	(5)	- -	(5)
Actuarial loss on post employment benefit obligations	12/27	- -	- -	- -	27	- -	27	- -	27
Currency translation differences		- -	- -	- -	(387)	- -	(387)	- -	(387)
Total Comprehensive income for the period		- -	- -	- -	(354)	4,211	3,857	(2)	3,855
Balance at 31 December 2015		$ 31	$ 10,007	$ (12,086)	$ (1,169)	$ 8,894	$ 5,677	$ 24	$ 5,701

The notes on pages 71 to 158 are an integral part of these Consolidated Financial Statements.

LyondellBasell Industries N.V.

CONSOLIDATED STATEMENT OF CASH FLOWS

Millions of U.S. Dollars	Note	Year Ended 31 December 2015	2014
Cash flows from operating activities:			
Profit before income tax		$ 5,887	$ 5,364
Adjustments for:			
Depreciation, amortization and impairments	6	1,097	1,054
Share based compensation	8	53	37
Finance cost, net		528	401
Other (income) expense, net		(338)	(61)
Share of profit of investments accounted for using the equity method	16	(269)	(203)
Changes in working capital relating to:			
(Increase)/decrease in trade receivables		784	345
(Increase)/decrease in inventories		742	765
Increase/(decrease) in trade payables		(792)	(416)
Other		(158)	197
Cash generated from operations		7,534	7,483
Interest paid		(398)	(343)
Net income taxes paid		(1,435)	(1,172)
Net cash from operating activities		5,701	5,968
Cash flows from investing activities:			
Purchase of property, plant and equipment		(1,458)	(1,527)
Payments for repurchase agreements		(397)	(425)
Proceeds from repurchase agreements		350	75
Purchase of available-for-sale securities		(2,073)	(3,439)
Proceeds from sale and maturities of available-for-sale securities		2,489	1,751
Interest received		88	3
Dividends received from associates and joint ventures	16	210	151
Other investing costs		31	4
Net cash used in investing activities		(760)	(3,407)
Cash flows from financing activities:			
Repurchase of company ordinary shares		(4,656)	(5,788)
Repayments of borrowings	25	(20)	(143)
Proceeds from borrowings	25	968	1,087
Net proceeds from commercial paper	25	61	262
Dividends paid	23	(1,410)	(1,403)
Other financing activities		75	15
Net cash used in financing activities		(4,982)	(5,970)
Net increase in cash and cash equivalents		(41)	(3,409)
Cash and cash equivalents at beginning of period		1,084	4,522
Exchange rate differences		(48)	(29)
Cash and cash equivalents at end of the period	22	$ 995	$ 1,084

The notes on pages 71 to 158 are an integral part of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General

LyondellBasell Industries N.V. is a limited liability company (*Naamloze Vennootschap*) incorporated under Dutch law by deed of incorporation dated 15 October 2009. Unless otherwise indicated, the "Company," "we," "us," "our" or similar words are used to refer to LyondellBasell Industries N.V. together with its consolidated subsidiaries ("LyondellBasell N.V.").

LyondellBasell N.V. is a worldwide manufacturer of chemicals and polymers, a refiner of crude oil, a significant producer of gasoline blending components and a developer and licensor of technologies for production of polymers. LyondellBasell Industries N.V.'s shares are listed on the New York Stock Exchange ("NYSE"). The address of our Principal executive offices is 4th Floor, One Vine Street, London, W1J0AH, The United Kingdom; our registered office address is Delftseplein 27E 45, 3013 AA Rotterdam, The Netherlands; and our other Principal office is 1221 McKinney St., Suite 300 Houston, Texas, USA 77010.

The Consolidated Financial Statements for the year ended 31 December 2015 of LyondellBasell N.V. were approved for issue by both the Supervisory Board and the Management Board on 11 March 2016.

The Consolidated Financial Statements are subject to adoption by the Annual General Meeting of Shareholders on 11 May 2016.

2 Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation and Consolidation

The Consolidated Financial Statements of LyondellBasell N.V. have been prepared from the books and records of LyondellBasell Industries N.V. and its subsidiaries in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee ("IFRIC") interpretations as adopted by the European Union. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. All inter-company transactions and balances have been eliminated in consolidation.

As the corporate financial information of LyondellBasell Industries N.V. is included in the Consolidated Financial Statements, the Corporate Statement of Income is presented in abbreviated format in accordance with Section 402, Book 2 of Dutch Civil Code.

The Consolidated Financial Statements have been prepared under the historical cost convention, as modified for the accounting of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss. Consolidated financial information, including subsidiaries, associates and joint arrangements, has been prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

New and Amended Standards Adopted

There are no IFRS or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2015 which have a material impact on the financial statements:

New standards, amendments and interpretations issued but not effective for the financial year 2015 and we have not elected early adoption.

IFRS 9, Financial Instruments—IFRS 9, issued in July 2014, which replaces the guidance in IAS 39, *Financial Instruments: Recognition and Measurement,* includes revised guidance on classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. This standard is effective for annual periods beginning on or after 1 January 2018 but is available for early adoption. The standard has not currently been endorsed by the EU.

We are currently assessing the impact of the adoption of this standard on our consolidated financial statements and will determine an adoption date.

IFRS 15, Revenue from Contracts with Customers—IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

This revenue standard, which is applicable to all entities, will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The standard has not currently been endorsed by the EU.

We are currently assessing the impact of the adoption of IFRS 15 on our consolidated financial statements and will determine an adoption date.

IFRS 16, *Leases*—IFRS 16 was issued in January 2016 and it provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases except for short term leases or if the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019. Earlier adoption is permissible if IFRS 15 is first adopted by a company. For transition, entities can apply a full retrospective method or cumulative catch up method.

We are currently assessing the impact of the adoption of IFRS 16 on our consolidated financial statements and will determine an adoption date.

All other standards, amendments and interpretations are not expected to materially impact our Consolidated Financial Statements.

Goodwill

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Investments in Associates and Joint Arrangements

Investments in entities over which we have the right to exercise significant influence but not control are classified as associates. Arrangements under which we have contractually agreed to share control with another party or parties are joint arrangements. Under IFRS 11, *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations that each investor has, rather than the legal structure of the joint arrangement. The Company has assessed the nature of its joint arrangements and determined that it has both joint operations and joint ventures.

Interests in associates and joint ventures are accounted for using the equity method. Under the equity method of accounting, the investment is initially recognized at cost and subsequently adjusted for our share of comprehensive income, dividends received and by loans of a long-term investment nature. Interests in joint operations are recognized by including our share of assets, liabilities, income and expenses on a line-by-line basis in accordance with our accounting policies. Unrealized gains and losses on other transactions between the Group and its associates and joint arrangements are eliminated to the extent of our interest in them.

At each reporting date, we determine whether there is any objective evidence of impairment of our investments in associates or joint ventures. If an impairment is indicated, we calculate the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognize the amount adjacent to Share of profit/(loss) of investments accounted for using the equity method in the Consolidated Statement of Income.

Foreign Currency Translation

Functional and presentation currency—Items included in the financial information of each of LyondellBasell N.V.'s entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency") and then translated to the U.S. dollar reporting currency through Other comprehensive income. The consolidated financial information is presented in U.S. dollars, which is our presentation currency.

Transactions and balances—Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Consolidated Statement of Income, except when deferred in Other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Income within Finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Income within Other expense, net.

In the Consolidated Financial Statements, the results and financial position of all the subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates; and
- All resulting exchange differences are recognized as a separate component within other comprehensive income (currency translation reserve).

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied and services rendered, stated net of discounts, returns and value added taxes. Substantially all of the Company's revenue is derived from product sales. Revenues are recognized when sales are realized or realizable, and the earnings process is complete. Revenue from product sales is recognized when the price is fixed or determinable, collectability is reasonably assured, and the customer has an obligation to pay at the time of transfer of title and risk of loss to the customer, which usually occurs at the time of shipment. Revenue is recognized at the time of delivery if we retain the risk of loss during shipment.

Segment Reporting

Our operations are managed through five operating segments. Each of the operating segments is separately managed under a structure that includes senior executives who report directly to our Chief Executive Officer and discrete financial information for each of the segments is available. Our Chief Executive Officer uses the operating results of each of the five operating segments for performance evaluation and resource allocation and, as such, is the chief operating decision maker.

Share-Based Compensation

The Company grants stock-based compensation awards that vest over a specified period upon employees meeting certain service criteria. The fair value of equity instruments issued to employees is measured on the grant date and is recognized over the vesting period. The fair value of stock options is determined using the Black-Scholes model.

Contingent share awards are recognized ratably over the vesting period as a liability and re-measured, at fair value, at the balance sheet date.

Leases

Finance leases, which transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. All other leases are operating leases. Lease payments for finance leases are apportioned to finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are included in Finance costs. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Operating lease payments are recognized as an expense over the lease term on a straight-line basis.

Intangible Assets

Intangible Assets—Intangible assets primarily consist of emission allowances, various contracts (favorable utility contracts and licensing contracts), research and development and software costs. These assets are amortized using the straight-line method over their estimated useful lives or over the term of the related agreement, if shorter. We evaluate definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable.

*Research and development—*Costs incurred on development projects are recognized as intangible assets when it is probable that we will achieve economic benefits in the future, considering its commercial and technological feasibility, and costs can be measured reliably. Research and other development expenditures are recognized as expense as incurred. Development costs that have a finite useful life and that have been capitalized are amortized on a straight-line basis over the period of expected useful life from the date that services can be offered. The expected useful life is generally 10 years.

Capitalized development projects are impaired if the recoverable amount falls below the carrying value of the related asset. Impairments are reversed if and to the extent that the impairment no longer exists.

Other intangible assets—Costs associated with maintaining computer software programs are recognized as expense is incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the recognition criteria are met. The capitalized costs are amortized over the estimated useful life, which is between 3 and 10 years.

Property, Plant and Equipment

Property, plant and equipment are recorded at historical cost. Historical cost includes expenditures that are directly attributable to the acquisition of the items. Costs may also include borrowing costs incurred on debt during construction of major projects exceeding one year, costs of major maintenance arising from turnarounds of major units relating to betterments and committed decommission costs. Routine maintenance and repair costs are expensed as incurred. Land is not depreciated. Depreciation is computed using the straight-line method over the estimated useful asset lives to their residual values, generally as follows:

- 25 years for major manufacturing equipment
- 30 years for buildings
- 5 to 20 years for light equipment and instrumentation
- 15 years for office furniture
- 4 to 7 years for turnarounds of major units, and
- 3 to 5 years for information system equipment.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Upon retirement or sale, we remove the cost of the asset and the related accumulated depreciation from the accounts and reflect any resulting gain or loss in the Consolidated Statement of Income.

Impairments of Non-Financial Assets

Assets that have an indefinite useful life, including goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units) which for the Company is generally at the plant group level (or, at times, individual plants in certain circumstances where we have isolated production units with separately identifiable cash flows). Non-financial assets other than goodwill that have been impaired are reviewed for possible reversal of the impairment at each reporting date.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Derivative Financial Instruments and Hedging Activities

We selectively enter into derivative transactions to manage volatility related to market risks associated with changes in commodity pricing, currency exchange rates and interest rates. For a discussion of our policies related to financial instruments and derivatives and hedging strategy, see Note 4 Financial Risk Management.

All financial instruments are measured at amortized cost or fair value.

Derivatives are initially recognized at fair value on the inception date and are subsequently re-measured at fair value as of each reporting date. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

a. hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge); or

b. hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or

c. hedges of a net investment in a foreign operation (net investment hedge).

At the inception of the transaction, the Company documents the relationship between the hedging instrument and the hedged item, its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivative that is used in the hedging transaction is highly effective in offsetting changes in the fair value or cash flow of the hedged item.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 19. The full fair value of the derivatives is classified as a non-current asset or liability if the remaining maturity of the derivative is more than 12 months and as a current asset or liability if the remaining maturity is less than 12 months.

(a) Fair value hedge

Changes in the fair value of a derivative that is designated and qualifies as a fair value hedge are recorded in the Consolidated Statement of Income, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. The Company applies fair value hedge accounting for hedging the changes in fair value of fixed rate borrowings. The gain or loss relating to the effective and ineffective portion of interest rate swaps hedging fixed rate borrowings is recognized in the Consolidated Statement of Income in Finance costs. Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognized in the Consolidated Statement of Income in Finance costs.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to profit or loss over the period to maturity.

(b) Cash flow hedge

The effective portion of changes in the fair value of a derivative that is designated and qualifies as cash flow hedge is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the Consolidated Statement of Income in Other (income) expense, net.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecasted sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognized in the Consolidated Statement of Income in Finance income/costs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecasted transaction is ultimately recognized in the Consolidated Statement of Income. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Consolidated Statement of Income in Other (income) expense, net.

(c) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in Other comprehensive income. The gain or loss relating to the ineffective portion is recognized in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first in, first out ("FIFO") method. The cost of finished goods and work in progress comprises directly attributable costs and related production overheads (based on normal operating capacity). Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

Current Trade Receivables

Current trade receivables are initially recognized at fair value and subsequently measured at amortized cost, which generally corresponds to face value, less an adjustment for bad debt.

Cash Equivalents

Cash equivalents consist of highly liquid debt instruments such as certificates of deposit, commercial paper and money market accounts. Cash equivalents include instruments with maturities of three months or less when acquired. Bank overdrafts are shown within Borrowings in current liabilities on the balance sheet. Cash equivalents are stated at cost, which approximates fair value. Cash and cash equivalents exclude restricted cash. Our cash equivalents are placed in certificates of deposit, high-quality commercial paper and money market accounts with major international banks and financial institutions.

Borrowings

Borrowings are initially recognized at the fair value of the proceeds received, net of transaction costs. Subsequently, borrowings are stated at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium. Interest expense on outstanding borrowings are accrued and recorded each period in the Consolidated Statement of Income.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Income Taxes

The income tax for the period comprises current and deferred tax. Income tax is recognized in the Consolidated Statement of Income, except to the extent that it relates to items recognized in Other comprehensive income or directly in equity. In these cases, the applicable tax amount is recognized in Other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect to previous years. Management evaluates positions with respect to applicable tax regulation which is subject to interpretation. The Company establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, as well as the net tax effects of net operating loss carryforwards, using the liability method. Deferred income taxes are measured at the tax rates and under the tax laws that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred tax assets are realized or the deferred tax liabilities are settled.

Deferred tax assets, including assets arising from losses carried forward, are recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilized.

Employee Benefits

Pension plans—We have both defined benefit (funded and unfunded) and defined contribution plans. For the defined benefit plans, a defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. Pension costs primarily represent the increase in the actuarial present value of the obligation for pension benefits based on employee service during the year, the net interest expense (income) that is calculated as the product of the net defined benefit liability (asset) and the discount rate determined at the beginning of the year and employees past-service costs.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity and are reflected in other comprehensive income in the period in which they arise.

For defined contribution plans, we pay contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognized as employee benefit expense when they are due.

Other post-employment obligations—Certain employees are entitled to post-retirement medical benefits upon retirement. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans.

Termination benefits—Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. We recognize termination benefits when we are committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

Other Provisions

Provisions are recognized when all of the following conditions are met: 1) there is a present legal or constructive obligation as a result of past events; 2) it is probable that a transfer of economic benefits will settle the obligation; and 3) a reliable estimate can be made of the amount of the obligation. The probable amount required to settle long-term obligations is discounted if the effect of discounting is material. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest costs.

Asset Retirement Obligation—At some sites, we are contractually obligated to decommission our plants upon site exit. These obligations are recorded at their fair value at the time the obligation is incurred. Upon initial recognition of the liability, that cost is capitalized as part of the related long lived asset and depreciation is recognized on a straight line basis over the useful life of the related asset. Accretion expense in connection with the discounted liability is also recognized over the useful life of the related asset. Such depreciation accretion expenses are included in Finance costs.

Share capital

Ordinary shares are classified as equity. Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction cost and the related income tax effects, is included in equity attributable to the company's equity holders.

3 Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the period as well as the information disclosed.

Critical Accounting Estimates and Assumptions

For our critical accounting estimates and assumptions, reference is made to the notes to these Consolidated Financial Statements, including the determination of deferred tax assets for loss carry forwards and the provision for tax contingencies (see Notes 12 and 26), the determination of fair value and the value of cash-generating units for use in goodwill impairment testing (see Note 14), the depreciation rates for property, plant and equipment (see Note 15) and intangible assets (see Note 14), the discount rate used to determine the provision for retirement benefit obligations and periodic pension cost (see Note 27) and the more likely than not assessment required to determine if a provision should be recognized and measured (see Notes 29 and 30).

Also, reference is made to Note 4 Financial Risk Management, which discusses our exposure to credit risk and financial market risks.

Actual results in the future may differ from these estimates. Management estimates and judgments are continually evaluated based on historic experience and other factors, including expectations of future events believed to be reasonable under the circumstances.

Critical Accounting Judgments in Applying LyondellBasell N.V.'s Accounting Policies

Property, plant and equipment and intangible assets—With respect to property, plant and equipment and intangible assets, key assumptions included estimates of useful lives and the recoverability of carrying values of fixed assets and other intangible assets, as well as the existence of any obligations associated with the retirement of fixed assets. Such estimates could be significantly modified and/or the carrying values of the assets could be impaired by such factors as new technological developments, new chemical industry entrants with significant raw material or other cost advantages, uncertainties associated with the European, U.S. and other world economies, the cyclical nature of the chemical and refining industries, and uncertainties associated with regulatory governmental actions.

Goodwill—Goodwill represents the tax effect of the differences between the tax and book bases of the our assets and liabilities resulting from the revaluation of those assets and liabilities to fair value in connection with the Company's acquisition of LyondellBasell Subholdings B.V. and LyondellBasell Finance Company on 30 April 2010. We evaluate the recoverability of the carrying value of goodwill annually or more frequently if events or changes in circumstances indicate that the carrying amount of the goodwill of a group of cash generating units may not be fully recoverable.

Capitalization of research and development costs—We incur research and development costs associated with developing catalyst systems, polymers and chemicals. Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Our intention to complete and our ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to reliably measure the expenditure during development

Significant judgments are required to determine the status of the projects and whether or not the relevant development should be capitalized. A determination is made as to whether or not the projects have progressed from a "research" phase into a "development" phase; and the timing of when the criteria outlined above can be clearly demonstrated.

Joint Arrangements—We are a party to several joint arrangements. The Company has joint control over these arrangements as unanimous consent is required from all parties to the agreements to direct the activities that significantly affect the returns of the arrangement, such as annual production budgets, capital expenditures, incurrence of indebtedness, election of key management team members, approval of pricing policies and admission of new parties.

The classification of these joint arrangements as either a joint operation or a joint venture is driven by the rights and obligations of the parties arising from the arrangement rather than the legal form of the arrangement.

The Company's joint ventures are structured as limited companies and provide the Company and the parties to the agreements with rights to the net assets of the limited companies under the arrangements. The parties are not substantially the only source of cash flows contributing to the continuity of the operations of the joint venture.

The output of the Company's joint operations is for the sole use of the parties to the joint arrangement. The parties are substantially the only source of cash flows contributing to the continuity of the operations of the joint operation.

Employee Benefits—Our costs for long-term employee benefits, particularly pension and other postretirement medical and life insurance benefits, are incurred over long periods of time, and involve many uncertainties over those periods.

The current benefit service costs, as well as the existing liabilities, for pensions and other postretirement benefits are measured on a discounted present value basis. The discount rate is a current rate, related to the rate at which the liabilities could be settled. Our assumed discount rate is based on yield information for high-quality corporate bonds.

The benefit obligation and the periodic cost of other postretirement medical benefits also are measured based on assumed rates of future increase in the per capita cost of covered health care benefits.

Accruals for Taxes Based on Income—The determination of our provision for income taxes and the calculation of our tax benefits and liabilities is subject to management's estimates and judgments due to the complexity of the tax laws and regulations in the tax jurisdictions in which we operate. Uncertainties exist with respect to interpretation of these complex laws and regulations.

4 Financial Risk Management

We are exposed to market risks, such as changes in commodity pricing, currency exchange rates and interest rates. To manage the volatility related to these exposures, we selectively enter into derivative transactions pursuant to our risk management policies. Derivative instruments are recorded at fair value on the Consolidated Statement of Financial Position. Gains and losses related to changes in the fair value of derivative instruments not designated as hedges are recorded in earnings. For derivatives that have been designated as fair value hedges, the gains and losses of the derivatives and hedged instruments are recorded in earnings. For derivatives designated as cash flow and net investment hedges, the effective portion of the gains and losses is recorded through Other comprehensive income ("OCI"). The ineffective portion of cash flow and net investment hedges is recorded in earnings.

Commodity Price Risk

A substantial portion of our products and raw materials are commodities whose prices fluctuate as market supply and demand fundamentals change. Accordingly, product margins and the level of our profitability tend to fluctuate with changes in the business cycle. We try to protect against such instability through various business strategies. These include provisions in sales contracts allowing us to pass on higher raw material costs through timely price increases, formula price contracts to transfer or share commodity price risk, and increasing the depth and breadth of our product portfolio.

In addition, we selectively use commodity swap and futures contracts with various terms to manage the volatility related to raw materials and product sales. Such contracts are generally limited to durations of one year or less. Hedge accounting has not been elected for any of our commodity contracts in any of the periods presented. Market risks created by these derivative instruments and the mark-to-market valuations of open positions are considered by management prior to execution and monitored daily.

The estimated fair value and notional amounts of our open commodity futures contracts and swap contracts are shown in the table below:

	31 December 2015				
		Notional Amounts			
Millions of U.S. Dollars	Fair Value	Value	Volumes	Volume Unit	Maturity Dates
Futures:					
Heating oil	$ --	$ 10	9	million gallons	February–April 2016
Crude oil	7	72	78	million gallons	February–May 2016
Crude/Distillates	(2)	57	252	million gallons	October 2016
Butane	1	1	8	million gallons	February 2016
	$ 6	$ 140			

	31 December 2014				
		Notional Amounts			
	Fair Value	Value	Volumes	Volume Unit	Maturity Dates
Futures:					
Heating oil	$ (1)	$ 28	15	million gallons	January 2015
Crude oil	2	- -	- -	million gallons	February 2015
	$ 1	$ 28			

We use value at risk ("VAR"), stress testing and scenario analysis for risk measurement and control purposes.

VAR estimates the maximum potential loss in fair market values, given a certain move in prices over a certain period of time, using specified confidence levels.

Using sensitivity analysis and hypothetical changes in market prices ranging from 12% to 28%, which represents a three month volatility range of the underlying products, the effect on our pretax income would be $22 million. The quantitative information about market risk is necessarily limited because it does not take into account the effects of the underlying operating transactions.

Foreign Exchange Risk

We manufacture and market our products in a number of countries throughout the world and, as a result, are exposed to changes in foreign currency exchange rates. We enter into transactions in currencies other than the applicable functional currency.

A significant portion of our reporting entities use the euro as their functional currency. Our reporting currency is the U.S. dollar. The translation gains or losses that result from the process of translating the euro denominated financial statements to U.S. dollars are deferred in OCI until such time as those entities may be liquidated or sold. Changes in the value of the U.S. dollar relative to the euro can therefore have a significant impact on comprehensive income.

Some of our operations enter into transactions that are not denominated in their functional currency. This results in exposure to foreign currency risk for financial instruments, including, but not limited to third party and inter-company receivables and payables and inter-company loans.

We maintain risk management control systems intended to monitor foreign currency risk attributable to inter-company and third party outstanding foreign currency balances. These practices involve the centralization of our exposure to underlying currencies that are not subject to central bank and/or country specific restrictions. By centralizing most of our foreign currency exposure into one subsidiary, we are able to take advantage of any natural offsets thereby reducing the overall impact of changes in foreign currency rates on our earnings. We enter into foreign currency forward contracts to reduce the effects of our net currency exchange exposures. At 31 December 2015, foreign currency forward contracts in the notional amount of $180 million, maturing in January 2016 to March 2016, were outstanding.

For forward contracts that economically hedge recognized monetary assets and liabilities in foreign currencies, no hedge accounting is applied. Changes in the fair value of foreign currency forward contracts, which are reported in the Consolidated Statement of Income, are offset in part by the currency translation results recognized on the assets and liabilities.

Our policy is to maintain an approximately balanced position in foreign currencies to minimize exchange gains and losses arising from changes in exchange rates. To minimize the effects of our net currency exchange exposures, we enter into foreign currency spot and forward contracts and, in some cases, cross-currency swaps. This position is monitored routinely. At 31 December 2015, a 10% fluctuation compared to the U.S. dollar in the underlying currencies that have no central bank or other currency restrictions related to non-hedged monetary net assets would result in an additional impact to earnings of approximately $1 million.

Basis Swaps—In 2015, we entered into cross-currency floating-to-floating interest rate swaps ("basis swaps") to reduce the volatility in stockholders' equity resulting from changes in currency exchange rates of our foreign subsidiaries with respect to the U.S. dollar. Under the terms of these contracts, which have been designated as net investment hedges, we will make interest payments in euros at 3 Month EURIBOR plus basis and will receive interest in U.S. dollars at 3 Month LIBOR. Upon the maturities of these contracts, we will pay the principal amount in euros and receive U.S. dollars from our counterparties. The fair value of our basis swap contracts is calculated using the present value of future cash flows discounted using observable inputs such as known notional value amounts, yield curves, spot and forward exchange rates as well as discount rates.

We use the long-haul method to assess hedge effectiveness using a regression analysis approach under the hypothetical derivative method. We perform the regression analysis of our basis swap contracts at least on a quarterly basis over an observation period of three years, utilizing data that is relevant to the hedge duration. We use the dollar offset approach to measure ineffectiveness.

The effective portion of the unrealized gains and losses on these basis swap contracts is reported in Equity and reclassified to earnings only when realized upon the sale or upon complete or substantially complete liquidation of the investment in the foreign entity. Cash flows from basis swaps are reported in Cash flows from investing activities in the Consolidated Statement of Cash Flows.

There was no ineffectiveness recorded during the year ended 31 December 2015.

At 31 December 2015, a 10% fluctuation in foreign currency rates would have a $92 million impact on other comprehensive income. A 10% fluctuation in the EURIBOR and LIBOR rates at 31 December 2015 would have an immaterial impact on other comprehensive income.

The following table summarizes our basis swaps outstanding:

	31 December 2015	
Millions of dollars	**Notional Value**	**Fair Value**
Basis Swaps expiring in 2016	$ 500	$ 10
Basis Swaps expiring in 2017	305	6
Basis Swaps expiring in 2018	139	2

Forward Exchange Contracts–In December 2015, we entered into forward exchange contracts with an aggregate notional value of €750 million ($795 million) to mitigate the risk associated with the fluctuations in the Euro to U.S. Dollar exchange rate related to our investments in foreign subsidiaries. The contracts expire in March 2016.

We have elected to designate these forward exchange contracts as net investment hedges. The effective portion of the gain or loss is recorded in Other comprehensive income. In periods where the hedging relationship is deemed ineffective, changes in the fair value will be recorded directly to Other income (expense), net in the Consolidated Statement of Income. Cash flows from these forward exchange contracts are reported in Cash flows from operating activities in the Consolidated Statement of Cash Flows.

We use the long-haul method to assess both prospective and retrospective hedge effectiveness using a regression analysis approach under the hypothetical derivative method. We use the dollar-offset method under the hypothetical derivative method to measure hedge ineffectiveness. We perform the regression analysis of forward exchange contracts at least on a quarterly basis utilizing data that is relevant to the hedge duration.

There was no ineffectiveness recorded during the period.

Cross-Currency Swaps—We have cross-currency swap contracts that reduce our exposure to the foreign currency exchange risk associated with certain intercompany loans. Under the terms of these contracts, which have not been designated as hedges, we will make interest payments in euros and receive interest in U.S. dollars. Upon the maturities of these contracts, we will pay the principal amount of the loans in euros and receive U.S. dollars from our counterparties. Each reporting period, the swaps are marked to market to arrive at their fair value. The resulting gains and losses are classified as Other (income) expense, net.

The following table summarized our cross-currency swaps outstanding:

			31 December 2015		31 December 2014	
Millions of dollars, except expiration date and rates	**Expiration Date**	**Average Interest Rate**	**Notional Value**	**Fair Value**	**Notional Value**	**Fair Value**
Pay Euro	2021	4.55%	$ 1,000	$ 141	$ 1,000	$ 19
Receive U.S. dollars		6.00%				
Pay Euro	2024	4.37%	1,000	145	1,000	16
Receive U.S. dollars		5.75%				
Pay Euro	2027	3.69%	300	14		
Receive U.S. dollars		5.49%				

Finance costs in the Consolidated Statement of Income reflected losses of $217 million and $72 million for the periods ended 31 December 2015 and 2014, respectively, related to changes in currency exchange rates and cross-currency swaps.

Interest Rate Risk

We are exposed to interest rate risk with respect to our fixed and variable rate debt. Fluctuations in interest rates impact the fair value of fixed-rate debt as well as pretax earnings stemming from interest expense on variable-rate debt.

Fixed-for-Floating Interest Rate Swaps—In 2014, we entered into U.S. dollar fixed-for-floating interest rate swaps with third party financial institutions to mitigate changes in the fair value of our $2,000 million 5% senior notes due 2019 associated with the risk of variability in the 3 Month USD LIBOR rate (the benchmark interest rate). These interest rate swaps are used as part of our current interest rate risk management strategy to achieve a desired proportion of variable versus fixed rate debt.

Under these arrangements, we exchange fixed for floating rate interest payments to effectively convert our fixed-rate debt to floating-rate debt. The fixed and variable cash payments related to the interest rate swaps are net settled semi-annually and classified as Finance costs, net in the Cash flows from operating activities section of the Consolidated Statement of Cash Flows.

We have elected to designate these fixed-for-floating interest rate swaps as fair value hedges. We use the long haul-method to assess hedge effectiveness using a regression analysis approach. We perform the regression analysis over an observation period of three years, utilizing data that is relevant to the hedge duration. We use the dollar offset method to measure ineffectiveness.

Changes in the fair value of the derivatives and changes in the value of the hedged items based on changes in the benchmark interest rate are recorded as Finance costs in our Consolidated Statement of Income. We evaluate the effectiveness of the hedging relationship periodically and calculate the changes in the fair value of the derivatives and the underlying hedged items separately. During the years ended 31 December 2015 and 2014, we recognized net gains of $44 million and $17 million, respectively, related to the ineffectiveness of our hedging relationships.

At 31 December 2015 and 2014, we had outstanding interest rate swap agreements with notional amounts of $2,000 million, maturing on 15 April 2019. We estimate that a 10% change in market interest rates as of 31 December 2015 would change the fair value of our interest rate swaps outstanding and affect our profit before income tax by approximately $9 million.

Variable-rate debt—Our variable rate debt consists of our $2,000 million Senior Revolving Credit Facility, our $900 million U.S. Receivables Securitization Facility, our €450 million European Receivables Securitization Facility and $323 million outstanding at 31 December 2015 under our commercial paper program. At 31 December 2015 and 2014, there were no outstanding borrowings our Senior Revolving Credit Facility and U.S. and European receivables facilities. We estimate that a 10% change in interest rates will not have a material impact on earnings.

Forward-Starting Interest Rate Swaps—In March 2015, we entered into forward-starting interest rate swaps to mitigate the risk of adverse changes in the benchmark interest rates on the anticipated refinancing of our senior notes due 2019. These interest rate swaps will be terminated upon debt issuance. The total notional amount of these forward-starting interest rate swaps was $1,000 million at 31 December, 2015. The ineffectiveness recorded for this hedging relationship was less than $1 million during the year ended 31 December 2015.

In January 2015, we entered into forward-starting interest rate swaps with a total notional value of $750 million to mitigate the risk of adverse changes in the benchmark interest rates on the Company's planned issuance of fixed-rate debt in 2015. These forward-starting interest rate swaps were terminated upon issuance of the $1,000 million senior notes due 2055 in March 2015. The ineffectiveness recorded for this hedging relationship was less than $1 million during the year ended 31 December 2015.

In February 2014, we entered into forward-starting interest rate swaps with a total notional value of $500 million to hedge the risk of adverse changes in the benchmark interest rates for anticipated fixed-rate debt issuances in 2014. The swap was terminated upon issuance of the $1,000 million of guaranteed notes due 2044.

We have elected to designate these forward-starting interest rate swaps as cash flow hedges. The effective portion of the gain or loss is recorded in other comprehensive income. In periods where the hedging relationship is deemed in effective changes in the fair value will be amortized to interest expenses in the Consolidated Income Statement over the original term of the related swaps using the effective interest method.

In 2015 and 2014, we recognized a gain of $15 million and a loss of $17 million, respectively, in other comprehensive income related to the settlement of these forward starting swap agreements.

As of 31 December 2015, less than $1 million (on a pretax basis) is scheduled to be reclassified as an increase to interest expense over the next twelve months.

Cash Concentration

Our cash equivalents are placed in high-quality commercial paper, money market funds and time deposits with major international banks and financial institutions.

Marketable Securities—We invest cash in investment-grade securities for periods not exceeding two years. Investments in securities with original maturities of three months or less are classified as Cash and cash equivalents. At 31 December 2015 and 2014, we had marketable securities classified as Cash and cash equivalents of $575 million and $431 million, respectively.

We also have investments in marketable securities classified as available-for-sale. These securities, which are included in Available-for-sale financial assets on the Consolidated Statement of Financial Position, are carried at estimated fair value with unrealized gains and losses recorded in other comprehensive income. We periodically review our available-for-sale securities for other-than-temporary declines in fair value below the cost basis, and when events or changes in circumstances indicate the carrying value of an asset may not be recoverable, the investment is written down to fair value, establishing a new cost basis.

Repurchase Agreements—We invest in tri-party repurchase agreements. Under these agreements, we make cash purchases of securities according to a pre-agreed profile from our counterparties. The counterparties have an obligation to repurchase, and we have an obligation to sell, the same or substantially the same securities at a pre-defined date for a price equal to the purchase price plus interest. These securities, which pursuant to our policy are held by a third-party custodian and must generally have a minimum collateral value of 102%, secure the counterparty's obligation to repurchase the securities. Depending upon maturity, these tri-party repurchase agreements are treated as short-term loans receivable and are reflected in current Trade and other receivables or as long-term receivables reflected in noncurrent Trade and other receivables on our Consolidated Statement of Financial Position. The balance of our investment at 31 December 2015 and 2014 was $387 million and $350 million, respectively.

Available-for-Sale Securities—The following table summarizes the amortized cost, gross unrealized gains and losses, and fair value of available-for-sale securities measured on a recurring basis that are outstanding as of 31 December 2015 and 2014.

	31 December 2015			
Millions of U.S. Dollars	**Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
Commercial paper	$ 329	$ - -	$ - -	$ 329
Bonds	175	- -	- -	175
Certificates of deposit	215	- -	- -	215
Limited partnership investments	350	- -	(5)	345
Total available-for-sale securities	$ 1,069	$ - -	$ (5)	$ 1,064

	31 December 2014			
Millions of U.S. Dollars	**Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**
Commercial paper	$ 1,029	$ 1	$ - -	$ 1,030
Bonds	414	- -	(1)	413
Certificates of deposit	150	- -	- -	150
Total available-for-sale securities	$ 1,593	$ 1	$ (1)	$ 1,593

Our limited partnership investments include investments in, among other things, equities and equity related securities, debt securities, credit instruments, global interest rate products, currencies, commodities, futures, options, warrants and swaps. These investments, which include both long and short positions, may be redeemed at least monthly with advance notice ranging up to ninety days. The fair value of these funds is estimated using the net asset value (NAV) per share of the respective pooled fund investment.

As of 31 December 2015, the commercial paper securities held by the Company had maturities between five and six months; bonds had maturities between less than one and twenty one months; certificates of deposit mature within fourteen months; and limited partnership investments mature between one and three months.

The proceeds from maturities and sales of our available-for-sale securities during the years ended and 2015 and 2014 are summarized in the following table.

	Year Ended 31 December	
Millions of dollars	**2015**	**2014**
Proceeds from maturities of securities	$ 2,288	$ 1,730
Proceeds from sales of securities	201	21
	$ 2,489	$ 1,751

We recognized realized gains of less than $1 million in connection with the sale of securities during the year ended 31 December 2015 and 2014.

The specific identification method was used to identify the cost of the securities sold and the amounts reclassified out of Accumulated other comprehensive income into earnings.

The following table summarizes the fair value and unrealized losses related to available-for-sale securities that were in a continuous unrealized loss position for less than and greater than twelve months as of 31 December 2015 and 2014.

	31 December 2015			
	Less than 12 months		Greater than 12 months	
Millions of dollars	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Bonds	$ 46	$ - -	$ 35	$ - -
Certificates of deposit	150	- -	- -	- -
Limited partnership investments	345	(5)	- -	- -
Total	$ 541	$ (5)	$ 35	$ - -

	31 December 2014			
	Less than 12 months		Greater than 12 months	
Millions of dollars	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Commercial paper	$ 45	$ - -	$ - -	$ - -
Bonds	294	(1)	- -	- -
Certificates of deposit	150	- -	- -	- -
Total	$ 489	$ (1)	$ - -	$ - -

No losses related to other-than-temporary impairments of our available-for-sale investments have been recorded in Accumulated other comprehensive loss during the years ended 31 December 2015 and 2014.

Capital Risk Management

Capital includes equity attributable to the equity holders of the parent. A discussion of credit risk can be found in Note 18.

The primary objective of the Group’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new debt, repay debt, return capital to shareholders or issue new shares.

Liquidity and Capital Resources—As of 31 December 2015, we had unrestricted cash and cash equivalents of $995 million ($1,084 million in 2014). In addition at 31 December 2015, we had total unused availability under our credit facilities of $2,862 million ($3,253 million in 2014) and $719 million marketable securities classified as Available-for-sale financial assets ($1,593 million in 2014).

We may repay or redeem our debt, including purchases of our outstanding bonds in the open market, using cash on hand, cash from operating activities, proceeds from the issuance of debt, proceeds from asset divestitures, or a combination thereof. We plan to fund our ongoing working capital, capital expenditures, debt service and other funding requirements with cash from operations, which could be affected by general economic, financial, competitive, legislative, regulatory, business and other factors, many of which are beyond our control. Cash on hand, ash from operating activities, proceeds from the issuance of the debt; or a combination thereof, may be used to fund the repurchase of shares under our share repurchase program.

We intend to continue to declare and pay quarterly dividends, with the goal of increasing the dividend over time, after giving consideration to our cash balances and expected results from operations. We believe that our cash on hand, cash from operating activities and proceeds from our credit facilities provide us with sufficient financial resources to meet our anticipated capital requirements and obligations as they come due.

The table below provides a maturity analysis of our financial liabilities based on the remaining contractual maturities as of 31 December 2015.

Millions of U.S. Dollars	Total obligations	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years
31 December 2015					
Borrowings (excluding finance lease liabilities)	$ 8,302	$ 375	$ 54	$ 2,050	$ 5,823
Interest payment on total debt	6,313	406	406	1,168	4,333
Trade and other payables	3,520	3,520	- -	- -	- -
Commodity derivatives	2	2	- -	- -	- -
	$ 18,137	$ 4,303	$ 460	$ 3,218	$ 10,156

Fair Value Estimates

The following table summarizes financial assets and liabilities outstanding at 31 December that are measured at fair value on a recurring basis.

Millions of U.S. Dollars	Total	Level 1	Level 2	Level 3
31 December 2015				
Assets -				
Derivatives:				
Cross-currency swaps	$ 300	$ - -	$ 300	$ - -
Commodities	8	8	- -	- -
Embedded derivatives	4	- -	4	- -
Foreign currency	1	- -	1	- -
Derivatives used for hedging:				
Basis swaps	18	- -	18	- -
Forward-starting interest rate swaps	8	- -	8	- -
Fixed-for-floating interest rate swaps	25	- -	25	- -
Non-derivatives:				
Available-for-sale securities	1,064	104	960	- -
	$ 1,428	$ 112	$ 1,316	$ - -
Liabilities -				
Derivatives:				
Commodities	$ 2	$ - -	$ 2	$ - -
Written put option	21	- -	- -	21
Foreign currency	3	- -	3	- -
Derivatives used for hedging:				
Forward exchange contracts	24	- -	24	- -
Forward-starting interest rate swaps	6	- -	6	- -
Non-derivatives:				
Performance share awards	40	40	- -	- -
	$ 96	$ 40	$ 35	$ 21

Millions of U.S. Dollars	Total	Level 1	Level 2	Level 3
31 December 2014				
Assets -				
Derivatives:				
Cross-currency swaps	$ 35	$ --	$ 35	$ --
Commodities	2	2	--	--
Embedded derivatives	3	--	3	--
Derivatives used for hedging:				
Fixed-for-floating interest rate swaps	16	--	16	--
Non-derivatives:				
Available-for-sale securities	1,593	--	1,593	--
	$ 1,649	$ 2	$ 1,647	$ --
Liabilities -				
Derivatives:				
Commodities	$ 1	$ 1	$ --	$ --
Written put option	21	--	--	21
Foreign currency	13	--	13	--
Non-derivatives:				
Performance share awards	36	36	--	--
	$ 71	$ 37	$ 13	$ 21

The following table presents the carrying value and estimated fair value of our financial instruments that are not measured at fair value on a recurring basis as of 31 December 2015 and 2014. Short-term and long-term loans receivable, which represent our repurchase agreements, and current and non-current borrowings are recorded at amortized cost in the Consolidated Statement of Financial Position. The carrying and fair value of current and non-current borrowings exclude finance lease liabilities and commercial paper.

	31 December 2015				
Millions of U.S. Dollars	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Non-derivatives:					
Assets:					
Short-term loans receivables	$ 289	$ 289	$ --	$ 289	$ --
Long-term loans receivables	98	98	--	98	--
Total	387	387	--	387	--
Liabilities					
Current borrowings	$ 26	$ 23	$ --	$ 23	$ --
Non-current borrowings	7,669	8,032	--	8,032	--
Total	$ 7,695	$ 8,055	$ --	$ 8,055	$ --

	31 December 2014				
Millions of U.S. Dollars	**Carrying Value**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Non-derivatives:					
Assets:					
Short-term loans receivables	$ 350	$ 350	$ - -	$ 350	$ - -
Liabilities:					
Current borrowings	$ 77	$ 74	$ - -	$ 74	$ - -
Non-current borrowings	6,799	7,632	- -	7,628	4
Total	$ 6,876	$ 7,706	$ - -	$ 7,702	$ 4

Fair value measurements are classified using the following hierarchy:

Level 1 – Quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs or significant value-drivers are observable in active markets.

Level 3 – Model-derived valuations in which one or more significant inputs or significant value-drivers are unobservable. A detailed description of the valuation techniques used for the above valued level 3 put option can be found in Note 19. There was no change in the value of the put option between 2015 and 2014.

During the years ended 31 December 2015 and 2014, there were no transfers between Level 1, Level 2 and Level 3.

The fair value of all non-derivative financial instruments included in Current assets, including Cash and cash equivalents, Restricted cash and Accounts receivable, and Current liabilities, including Short-term debt excluding precious metal financings, and Accounts payable, approximates the applicable carrying value due to the short maturity of those instruments.

We use the following inputs and valuation techniques to estimate the fair value of our financial instruments:

Basis Swaps—The fair value of our basis swap contracts is calculated using the present value of future cash flows discounted using observable inputs such as known notional value amounts, yield curves, spot and forward exchange rates as well as discount rates.

Cross-Currency Swaps—The fair value of our cross-currency swaps is calculated using the present value of future cash flows discounted using observable inputs with the foreign currency leg revalued using published spot and future exchange rates on the valuation date.

Forward-Starting Interest Rate Swaps—The fair value of our forward-starting interest rate swaps is calculated using the present value of future cash flows method and based on observable inputs such as benchmark interest rates.

Fixed-for-Floating Interest Rate Swaps—The fair value of our fixed-for-floating interest rate swaps is calculated using the present value of future cash flows method and based on observable inputs such as interest rates and market yield curves.

Commodity and Embedded Derivatives—The fair values of our commodity derivatives classified as Level 1 and embedded derivatives are measured using closing market prices at the end of the reporting period obtained from the New York Mercantile Exchange and from third-party broker quotes and pricing providers.
The fair value of our commodity swaps classified as Level 2 is determined using a combination of observable and unobservable inputs. The observable inputs consist of future market values of various crude and heavy fuel oils, which are readily available through public data sources. The unobservable input, which is the estimated discount or premium used in the market pricing, is calculated using an internally-developed, multi-linear regression model based on the observable prices of the known components and their relationships to historical prices. A significant change in this unobservable input would not have a material impact on the fair value measurement of our level 2 commodity swaps.

Foreign Currency Derivatives—The fair value of our foreign currency derivatives is based on forward market rates.

Available-for-Sale Securities—Fair value is calculated using observable market data for similar securities and broker quotes from recognized purveyors of market data or the net asset value for limited partnerships.

Our limited partnership investments are disclosed as Level 1 and Level 2 in the fair value hierarchy. Our level 1 valued fund is actively traded based on the current day published NAV (net asset value). The published NAV represents the exit price for a unit in the fund.

The value of our other two limited partnership funds is based on their monthly published NAV. which is available to market participants. The funds have a 60 and 90 day redemption feature, respectively, whereby the exit price is the NAV 60 or 90 days after the redemption request. The historic 90 day liquidity risk (volatility of the NAV over the maximum redemption period), which is considered to be an unobservable input, has an immaterial impact on the published NAV. Therefore, the funds have been determined to be level 2 in the fair value hierarchy.

Performance Share Awards—Fair value is determined using the quoted market price of our stock.

Short-Term and Long-Term Loans Receivable—Valuations are based on discounted cash flows, which consider prevailing market rates for the respective instrument maturity in addition to corroborative support from the minimum underlying collateral requirements.

Short-Term Debt—Fair values of short-term borrowings related to precious metal financing arrangements are determined based on the price of the associated precious metal.

Long-Term Debt—Fair value is calculated using pricing data obtained from well-established and recognized vendors of market data for debt valuations.

5 Revenue

Millions of U.S. Dollars	**2015**	**2014**
Sale of goods	$ 32,531	$ 45,357
Rendering of services	216	263
License income	87	125
Total revenue	$ 32,834	$ 45,745

Reference is made to Note 32 Segment Reporting for more information about revenues.

6 Expenses by Nature

Millions of U.S. Dollars	Note	2015	2014
Change in inventories of finished goods and work in progress		$ (675)	$ (596)
Raw materials and utilities		22,002	35,050
Employee benefit expense	7	2,205	2,403
Depreciation, amortization, and impairment charges	14/15	1,097	1,054
Distribution expenses		1,244	1,272
Other expenses		1,153	1,061
Total cost of sales, selling costs, and administration expenses		$ 27,026	$ 40,244

7 Employee Benefit Expenses

Millions of U.S. Dollars	Note	2015	2014
Wages and salaries		$ 1,643	$ 1,857
Social security		267	273
Share based compensation granted to directors and employees	8	53	37
Pension costs – defined benefit obligations	27	102	80
Pension costs – defined contribution obligations		43	44
Other post-employment benefits – defined benefit obligations	27	20	22
Other employee benefits		77	90
Total cost of employee benefits		$ 2,205	$ 2,403

8 Share-Based Compensation Granted to Directors and Employees

Under our Long-Term Incentive Plan (“LTI”), which was approved by shareholders in 2012, the Compensation Committee is authorized to grant restricted stock, restricted stock units, stock options, qualified performance awards, stock appreciation rights and other types of equity-based awards. The Compensation Committee determines the recipients of the equity awards, the type of award(s) made, the required performance measures, and the timing and duration of each grant. The maximum number of shares of LyondellBasell Industries N.V. common stock reserved for issuance under the LTI is 22,000,000. As of 31 December 2015, there were 8,006,697 shares remaining available for issuance. Upon share exercise or payment, shares are issued from our treasury shares.

Total share-based compensation expense and the associated tax benefits are as follows for the years ended 31 December:

Millions of U.S. Dollars	**2015**	**2014**
Compensation expense:		
Restricted stock units	$ 11	$ 11
Stock options	6	5
Qualified performance awards	25	15
Performance share units	11	6
	$ 53	$ 37
Tax benefit:		
Restricted stock units	$ 4	$ 4
Stock options	2	2
Qualified performance awards	9	5
Performance share units	4	2
	$ 19	$ 13

Restricted Stock Unit Awards—Restricted stock unit awards (“RSUs”) generally entitle the recipient to be paid out an equal number of ordinary shares on the fifth anniversary of the grant date. Beginning in 2014, RSUs are generally vested and shares are delivered on the third anniversary of the grant date. RSUs, which are subject to customary accelerated vesting or forfeiture in the event of certain termination events, are accounted for as an equity award with compensation cost recognized in the Consolidated Statement of Income ratably over the vesting period.

In January 2015, 190,399 RSUs were granted to the Chief Executive Officer (“CEO”) and three other executive officers. These RSUs vest in annual tranches with 10% vested after one year and an additional 15% vested after two years and the remaining vesting in equal tranches after each of the third, fourth, and fifth years. Compensation cost is recognized using the graded vesting method.

The holders of RSUs are entitled to dividend equivalents to be settled no later than 15 March, following the year in which dividends are paid, as long as the participant is in full employment at the time of the dividend payment. See the “Dividend Distribution” section of Note 23 for the per share amount of dividend equivalent payments made to the holders of RSUs during 2015 and 2014. Total dividend equivalent payments were $2 million and $4 million for 2015 and 2014, respectively.

RSUs are valued at the market price of the underlying stock on the date of grant. The weighted average grant date fair value for RSUs granted during the years ended 31 December 2015 and 2014 was $83.31 and $91.66, respectively. The total fair value of RSUs vested during 2015 and 2014 was $120 million and $30 million.

The following table summarizes RSU activity for the years ended 31 December:

	2015			2014		
	Number of Units (in thousands)		**Weighted Average Grant Date Fair Value (per share)**	**Number of Units (in thousands)**		**Weighted Average Grant Date Fair Value (per share)**
Outstanding at 1 January	1,425	$	24.30	1,717	$	23.00
Granted	277		83.31	75		91.66
Vested	(1,217)		20.35	(329)		33.08
Forfeited	(87)		77.49	(38)		21.72
Outstanding at 31 December	398	$	65.80	1,425	$	24.30

As of 31 December 2015, the unrecognized compensation cost related to RSUs was $15 million, which is expected to be recognized over a weighted average period of 2 years.

Stock Options—Stock options are granted with an exercise price equal to the market price of our ordinary shares at the date of grant. The stock options are accounted for as an equity award with compensation cost recognized using the graded vesting method. On 30 April 2010, we issued stock options to our former Chief Executive Officer, which entitled him to purchase 5,639,020 of our ordinary shares. These options vested in five equal, annual installments beginning on 14 May 2010 and were exercisable through 30 April 2017. These options were granted with an exercise price of $17.61 per share, which was the fair value of the Company's ordinary shares based on its reorganized value at the date of emergence.

All other stock options granted before 4 May 2011 vested in equal increments on the second, third, and fourth anniversary of the grant date, and options granted on and after 4 May 2011 vest in equal increments on the first, second, and third anniversary of the grant date. These options have a contractual term of ten years and are subject to customary accelerated vesting or forfeiture in the event of certain termination events. Exercise prices for these options range from $11.95 to $113.03.

In January 2015, 457,555 stock options were granted to the Chief Executive Officer and three other executive officers. These stock options vest in annual tranches with 10% vested after one year and an additional 15% vested after two years and the remaining vesting in equal tranches after each of the third, fourth, and fifth years.

The fair value of each stock option award is estimated, based on several assumptions, on the date of grant using the Black-Scholes option valuation model. The principal assumptions utilized in valuing stock options include the expected stock price volatility (based on LyondellBasell N.V.'s historic stock price volatility over the expected term); the expected dividend yield (LyondellBasell N.V's expected yield); and the risk-free interest rate (an estimate based on the yield of United States Treasury zero coupon bond with a maturity equal to the expected life of the option).

In 2010, when the majority of our options were granted, we did not possess exercise patterns in similar situations as LyondellBasell N.V.'s situation. The option grants that have been made since 2010 have been limited in number and have occurred during periods of substantial share price escalation. As historical data about employees' exercise behavior is limited, the expected term of all options granted is an estimate based on a weighted average expected option life for the entire participant group. The resulting expected weighted average life of the options granted is the mid-point between the vesting date and the contractual term of the options.

Weighted average fair values of stock options granted in each respective year and the assumptions used in estimating those fair values are as follows:

	2015	2014
Weighted average fair value:	$ 22.71	$ 33.06
Fair value assumptions:		
Dividend yield	3.00%	3.00%
Expected volatility	35.9-37.0%	46.00-49.00%
Risk-free interest rate	1.48-1.93%	1.81-1.98%
Weighted average expected term, in years	6.0-6.7	6.0

The following table summarizes stock option activity for the years ended 31 December 2015 and 2014 for the non-qualified stock options:

	Number of Shares (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Term	Aggregate Intrinsic Value (Millions of Dollars)
Outstanding at 1 January 2014	5,215	$ 15.62	- -	$ - -
Granted	143	92.72	- -	- -
Exercised	(1,169)	13.90	- -	- -
Forfeited	(4)	26.85	- -	- -
Outstanding at 31 December 2014	4,185	$ 18.74	2.7 years	$ 256
Exercisable at 31 December 2014	3,949	$ 15.20	2.5 years	$ 253
Outstanding at 1 January 2015	4,185	$ 18.74	- -	$ - -
Granted	680	82.42	- -	- -
Exercised	(3,919)	16.07	- -	- -
Forfeited	(166)	87.09	- -	- -
Outstanding at 31 December 2015	780	$ 73.15	8.1 years	$ 12
Exercisable at 31 December 2015	167	$ 41.12	4.7 years	$ 8

The range of exercise prices for options outstanding at the end of 31 December 2015 and 2014 was $12.61 to $113.03 and $12.61 to $113.03, respectively.

The aggregate intrinsic value of stock options exercised during the years ended 31 December 2015 and 2014 was $280 million and $98 million, respectively.

As of 31 December 2015, the unrecognized compensation cost related to non-qualified stock options was $8 million, which is expected to be recognized over a weighted average period of 2 years. During 2015, cash received from option exercises was $61 million and tax benefits realized from stock options exercised was $102 million.

Medium-Term Incentive Program ("MTI"), Qualified Performance Awards ("QPA"), and Performance Share Units ("PSU")—Shares issued in satisfaction of PSU, QPA, and MTI awards are granted under our 2012 Amended and Restated Long-Term Incentive Plan, which was approved by shareholders at our 2012 Annual Meeting. Share awards under QPA and PSU are similar. The target number of share awards is established at the beginning of a three-calendar year performance period. Each unit is equivalent to one share of LyondellBasell N.V. common stock. The final number of LyondellBasell N.V. shares payable is determined at the end of the three-calendar year performance period by the Compensation Committee of the Supervisory Board. Since the service-inception date precedes the grant date, these share awards are treated as a liability award until the grant date and compensation expense during the three-calendar year performance period is accrued on a straight-line basis subject to fair value adjustments. These share awards are subject to customary accelerated vesting and forfeiture in the event of certain termination events. They are classified in Accrued and Other liabilities on the Consolidated Balance Sheets. For the fair value of the share awards, see Note 15. For grants made in 2012 and 2013, eligible employees other than executive officers could elect to receive share-based awards or cash-based awards (MTI) while executive officers were only eligible for the share-based awards. Awards under the MTI are accounted for as a liability and classified in Other liabilities on the Consolidated Balance Sheets. We recorded compensation expense for cash MTI awards of $10 million and $9 million for the years ended 31 December 2015 and 2014, respectively, based on the expected achievement of performance results.

Employee Stock Purchase Plan

At the 2015 Annual General Meeting, shareholders approved an amendment to the Company's Employee Share Purchase Plan ("ESPP") effective 1 October 2015. The amended plan includes a 10% discount and a look-back provision which allows for participants to receive a discount on the lower of the fair market value at the beginning or end of the purchase period.

Prior to 2015, the ESPP enabled eligible employees to make quarterly purchases of shares of LyondellBasell N.V. common stock at a 5% discount.

9 Remuneration of the Management Board and Supervisory Board Members

Management Board Pay [A]

Thousands U.S. Dollars	Base Salary	Stock Awards [(2)]	Stock Option Awards [(3)]	Non-equity Incentive Plan Compensation	Change in Pension Value [(4)]	All Other Compensation [(5)]	Total [(1)]
2015							
Chief Executive Officer							
Bhavesh (Bob) V. Patel	$ 1,218	$ 12,356	$ 6,518	$ 3,900	$ 13	$ 467	$ 24,472
James L. Gallogly [B]	70	- -	- -	127	5	680	882
Executive Vice Presidents							
Karyn F. Ovelmen[C]	327	- -	- -	371	7	834	1,539
Craig B. Glidden[D]	115	3,000	2,000	137	6	111	5,369
Timothy D. Roberts[E]	693	4,755	2,785	935	14	26	9,208
Patrick D. Quarles[F]	216	788	263	- -	- -	52	1,319
Kevin W. Brown	547	2,025	1,075	801	15	47	4,510
Jeffrey A. Kaplan	456	688	229	739	13	40	2,165
2014							
Chief Executive Officer							
Bhavesh (Bob) V. Patel	$ 609	$ 375	$ 75	$ 1,054	$ 14	$ 1,194	$ 3,321
James L. Gallogly [B]	1,594	5,209	3,146	3,191	16	37	13,193
Executive Vice Presidents							
Karyn F. Ovelmen[C]	766	1,371	457	885	13	93	3,585
Craig B. Glidden[D]	657	352	- -	1,185	16	74	2,284
Timothy D. Roberts[E]	609	788	262	924	14	52	2,649
Patrick D. Quarles[F]	445	- -	- -	634	117	36	1,232

[A] Each of Messrs. Aebischer, Coombs and Guilfoyle is a nominee to the Management Board for election by shareholders at our 2016 Annual Meeting. Mr. Aebischer's compensation includes a base salary of $725,000, a target STI bonus at 85% of base salary and a target LTI bonus at 300% of base salary. Mr. Coombs' compensation includes a base salary of $600,000, a target STI bonus at 85% of base salary and a target LTI bonus at 220% of base salary. Mr. Guilfoyle's compensation includes a base salary of $350,298, a target STI bonus at 70% of base salary and a target LTI bonus at 130% of base salary. Each of Mr. Coombs and Guilfoyle is a participant in the Company's Executive Severance Program, which provides for certain severance payments in the event of termination of employment without cause, including one year's base salary plus one year's STI bonus at target. Payment of the severance is contingent on certain restrictive covenants, including a non-compete. It is expected that Mr. Aebischer also will be a participant in the program once relocated to the U.S. Mr. Aebischer and Mr. Coombs each received sign-on benefits in connection with their hiring. Mr. Aebischer received equity awards valued at $1.5 million, split 60% between RSUs and 40% stock options. These awards vest ratably over a three year period. Mr. Coombs received a cash payment of $200,000. In both cases, the Compensation Committee deemed these awards to be necessary to recruit these individuals.

[B] *Retired on 12 January 2015*

[C] *Separated from Company on 31 May 2015*

[D] *Retired on 28 February 2015*

[E] *Separated from Company on 8 February 2016*

[F] *Separated from Company on 31 May 2015*

(1) Information is based on a full year compensation. Total expense recognized in the Consolidated Financial Statements was $31.7 million and $25.6 million in 2015 and 2014, respectively.

(2) For 2015, the stock awards include restricted stock units (RSUs) and performance share units (PSUs). The RSUs granted under the LyondellBasell Long Term Incentive Plan (the "LTI"), entitle the recipient to an equal number of shares upon vesting. RSUs receive dividend equivalents. Amounts included in the table are the aggregate grant date fair values of the awards calculated in accordance with IFRS 2, *Share Based Payments* ("IFRS 2"). The PSUs are also granted under the LTI. The PSUs entitle the recipient to a number of shares equal to the granted share units, multiplied by an earned percentage, which can range from 0 – 200% of the targeted number of units.

(3) For 2015, the amounts of the stock option awards are the fair value on the date of grant, calculated in accordance with IFRS 2. The fair values of stock options were estimated using the Black-Scholes option-pricing model. We use the Black-Scholes formula to calculate an assumed value of the options for compensation expense purposes; because the formula uses assumptions, the fair values calculated are not necessarily indicative of the actual values of the stock options. The assumptions used for one-time grants to Mr. Patel were: a dividend yield of 3%; a risk-free interest rate of 1.639%; an expected life of 6.7 years; and stock price volatility of 37%. The assumptions used for the one-time grants awarded to Messrs. Brown, Glidden and Roberts were: a dividend yield of 3%; a risk-free interest rate of 1.619%; an expected life of 6.7 years; and stock price volatility of 37%. The assumptions used for the annual grants awarded to Messrs. Patel, Brown, Kaplan, Quarles and Roberts were: a dividend yield of 3%; a risk-free interest rate of 1.777%; an expected life of 6.0 years; and a stock price volatility of 37%. Finally, the assumptions used in Mr. Kaplan's promotional award were: a dividend yield of 3%; a risk-free interest rate of 1.751%; an expected life of 6.0 years; and a stock price volatility of 36.3%.

(4) All individuals have a cash balance accrual under the LyondellBasell Retirement Plan. Amounts include increases during 2015 in actuarial present values of benefits under the LyondellBasell Retirement Plan. The increases are calculated based on the difference between the total benefit actuarially reduced from age 65 to current age and the present value of the benefits under the plan. Mr. Quarles also has a frozen benefit under a predecessor plan that, in 2015, decreased in present value by $16,448. The amount reported for Mr. Quarles' "Change in Pension Value" includes the change in present value of his frozen benefits under the predecessor plan, which, in 2015, resulted in a net change in pension value of ($2,438). The "Change in Pension Value" for Mr. Quarles in 2015 is reported as 0 to not decrease the other compensation elements in the table above.

(5) For 2015, amounts included in "All Other Compensation" in the table above include matching contributions to the 401(k) plan; payouts of vacation accruals for departed employees; severance payments; matching contributions to the Company's Deferral Plan; executive physicals; payment of professional fees for tax filings; financial planning allowances; expatriate and relocation payments; and reimbursement of taxes and gross-ups in certain situations to avoid double taxation of executives. Noteworthy items include the following:

   (A) Matching 401(k) contributions in 2015 for Patel, Gallogly, Ovelmen, Glidden, Roberts, Quarles, Brown and Kaplan of $15,949, $4,188, $15,859, $10,608, $14,395, $15,840, $15,900 and $16,058, respectively, which may include "true-up" matches for 2014 contributions.

   (B) Company 401(k) and pension plan contributions under the restoration feature of the Deferral Plan in 2015 for Patel, Brown and Kaplan of $110,457, $31,038 and $21,058, respectively. The other members of the Management Board did not receive the Company contribution as none were employed as of 15 February 2016, as required under the Deferral Plan.

   (C) Payments to each of Mr. Patel, Mr. Gallogly, Mr. Glidden and Ms. Ovelmen of $15,000 for use in financial and tax planning services.

   (D) Expatriate payments and benefits to Mr. Patel of $191,381. The Company from time to time makes "expatriate payments" for certain of its executives when they are asked to relocate to other jurisdictions. These payments, which include primarily housing, transportation and cost-of-living allowances, are intended to ensure that the executive does not suffer losses from his intended targeted compensation as a result of the relocation to another jurisdiction. Also included in the Company's expatriate package is a tax equalization component, pursuant to which the Company pays foreign income taxes for the expatriated executive so that his ultimate actual personal tax liability will be equal to his "stay at home" tax liability with respect to his compensation. In 2015, expatriate payments to Mr. Patel included $36,714 for housing costs; $24,990 for a mobility premium; a cost-of-living allowance of $29,553; and a home-leave allowance of $12,902. In addition to the expatriate benefits described, we paid $87,222 in tax equalization and gross-up payments as part of the expatriate package.

(E) Relocation payments and legal fees of $92,445 and $41,890, respectively, paid for Mr. Patel in connection with his reassignment and relocation to the U.S. and the negotiation of his employment agreement in connection with his promotion to CEO.

(F) Payments to each of Mr. Roberts, Ms. Ovelmen and Mr. Glidden of $11,338, $17,306 and $16,970 respectively, in connection with each of their respective UK taxation.

(G) Payments to each of Mr. Gallogly, Mr. Glidden, Mr. Quarles and Ms. Ovelmen of $158,654, $68,878, $36,346 and $11,882 for accrued vacation leave at the time of their departure from the Company.

(H) Reimbursements and gross-up payments of $289,570 and $209,258, respectively for Mr. Gallogly. The reimbursement was for state taxes owed by Mr. Gallogly to the State of New York for LyondellBasell work performed in that state in 2014 and the tax-gross-up payment was to offset the increased tax liability to him as a result of the reimbursement. Mr. Gallogly is resident in the State of Texas, which has no state income tax. Therefore, the income tax liability he incurred to the State of New York for travelling there on Company business was not able to be offset against his home state taxes. The Compensation Committee made the determination that he should not be financially penalized as a result of taxation by the State of New York on non-residents in determining to make these reimbursements and gross-up payments.

(I) Severance payments pursuant to the Company's Executive Severance Program of $772,353 to Ms. Ovelmen.

Equity Compensation of the Management Board Members

The following table shows the Management Boards' equity compensation activity during 2015:

	Stock Options (1)	Restricted Stock Units (RSUs) (2)	Performance Share Units (PSUs) (3)	Qualified Performance Awards (QPAs) (3)
Bhavesh V. Patel				
Outstanding at 1 January 2015	2,418	100,185	3,497	2,637
Granted	297,269	113,661	38,220	3,416
Vested/Exercised	- -	99,310	- -	6,053
Outstanding at 31 December 2015	299,687	114,536	41,717	- -
James L. Gallogly[A]				
Outstanding at 1 January 2015	3,603,241	32,581	21,358	24,790
Granted	- -	- -	- -	34,036
Forfeited	54,449	25,327	14,011	7,574
Vested/Exercised	3,511,216	7,254	- -	51,252
Outstanding at 31 December 2015	37,576	- -	7,347	- -
Karyn F. Ovelmen[B]				
Outstanding at 1 January 2015	148,408	32,073	10,655	7,150
Granted	- -	- -	- -	9,531
Forfeited	7,342	12,461	5,623	1,390
Vested/Exercised	141,066	19,612	- -	15,291
Outstanding at 31 December 2015	- -	- -	5,032	- -

	Stock Options (1)	Restricted Stock Units (RSUs) (2)	Performance Share Units (PSUs) (3)	Qualified Performance Awards (QPAs) (3)
Craig B. Glidden[C]				
Outstanding at 1 January 2015	39,009	201,716	4,099	5,615
Granted	88,653	36,865	- -	7,344
Forfeited	83,171	37,945	2,504	1,559
Vested/Exercised	39,009	200,636	- -	11,400
Outstanding at 31 December 2015	5,482	- -	1,595	- -
Timothy D. Roberts[D]				
Outstanding at 1 January 2015	32,660	14,490	6,119	2,747
Granted	122,111	48,518	8,562	3,575
Vested/Exercised	21,533	364	- -	6,322
Outstanding at 31 December 2015	133,238	62,644	14,681	- -
Patrick D. Quarles[E]				
Outstanding at 1 January 2015	- -	102,045	1,502	2,048
Granted	10,724	2,919	5,838	2,527
Forfeited	10,724	2,919	7,340	2,048
Vested/Exercised	- -	102,045	- -	2,527
Outstanding at 31 December 2015	- -	- -	- -	- -
Kevin W. Brown				
Outstanding at 1 January 2015	- -	134,658	2,882	3,930
Granted	46,695	17,804	6,116	5,091
Vested/Exercised	- -	134,658	- -	9,021
Outstanding at 31 December 2015	46,695	17,804	8,998	- -
Jeffrey A. Kaplan				
Outstanding at 1 January 2015	813	15,402	831	- -
Granted	9,062	2,450	4,900	- -
Vested/Exercised	- -	15,402	- -	- -
Outstanding at 31 December 2015	9,875	2,450	5,731	- -

[A] Retired on 12 January 2015

[B] Announced separation on 24 February 2015 with final departure on 31 May 2015

[C] Retired on 28 February 2015

[D] Announced resignation on 14 January 2016 with final departure on 8 February 2016

[E] Announced resignation on 19 May 2015 with final departure on 31 May 2015

(1) The stock options exercised by the Management Board members are as follows:

- Bhavesh V. Patel did not exercise any options in 2015. Of the 299,687 options outstanding, 806 are currently vested. 1,612 of these unvested options will vest in equal installments on 20 February 2016 and 2017 and have an exercise price of $85.80. These stock options expire on 20 February 2024. Of the 227,058 outstanding unvested shares that expire on 12 January 2025, 22,706 shares will vest on 12 January 2016, 34,059 shares will vest on 12 January 2017, 56,765 shares will vest on 12 January 2018 and 56,764 shares will vest on 12 January 2019 and 2020. These options have an exercise price of $76.15. Of the 70,211 outstanding unvested shares that expire on 17 February 2025, 23,405 shares will vest on 17 February 2016 and 23,403 shares will vest on 17 February 2017 and 2018. These options have an exercise price of $89.94.

- James L. Gallogly exercised 3,511,216 stock options during the year in eight separate transactions as follows: 1,127,804 exercised at $87.89; 872,196 exercised at $87.89; 500,000 exercised at $87.71; 2,100 exercised at $87.77; 435,007 exercised at $87.83; 12,505 exercised at $85.35; 318,341 exercised at $85.82; and 243,263 exercised at $86.68. All of the options outstanding at 31 December 2015 are fully vested and have an exercise price of $96.57. These vested options will expire on 12 January 2020.

- Karyn F. Ovelmen exercised 141,066 stock options during the year in nine separate transactions as follows: 26,801 exercised at $85.76; 4,199 exercised at $85.76; 31,000 exercised at $85.99; 12,509 exercised at $86.12; 18,491 exercised at $86.12; 27,273 exercised at $87.77; 4,913 exercised at $103.02; 10,423 exercised at $104.25; and 5,457 exercised at $104.25. She had no options outstanding at 31 December 2015.

- Craig B. Glidden exercised 39,009 stock options during the year at $87.89. Of the 5,482 options outstanding, all are fully vested with an exercise price of $81.38. All of his outstanding stock options at 31 December 2015 expire on 28 February 2020.

- Timothy D. Roberts exercised 21,533 stock options during the year in eight separate transactions as follows: 2,734 exercised at $90.00; 3,218 exercised at $90.00; 2,468 exercised at $90.00; 1,270 exercised at $90.00; 3,341 exercised at $90.95; 3,934 exercised at $90.95; 3,017 exercised at $90.95; and 1,551 exercised at $90.95.The options outstanding at 31 December 2015 will vest as follows: 10,639 will vest on 21 January 2016 and 53,858 will vest on 8 February 2016. Timothy Roberts will forfeit 67,880 stock options on 8 February 2016 pursuant to the terms of the awards agreement when he leaves the Company.

- Patrick D. Quarles did not exercise any options in 2015 and had no options outstanding at 31 December 2015.

- Kevin W. Brown did not exercise any options in 2015. The outstanding options at 31 December 2015 will vest as follows: 35,461 options with an exercise price of $81.38 will vest as follows: 3,547 will vest on 21 January 2016, 5,319 will vest on 21 January 2017 and 8,865 will vest on 21 January 2018, 2019 and 2020; and 11,234 options with an exercise price of $89.94 will vest as follows: 3,745 will vest on 17 February 2016 and 2017, and 3,744 will vest on 17 February 2018.

- Jeffrey A. Kaplan did not exercise any options in 2015. Of the 9,875 options outstanding at 31 December 2015, 813 are currently vested with an exercise price of $13.11. The remaining 9,062 options will vest as follows: 6,205 options with an exercise price of $89.94 will vest as follows: 2,069 will vest on 17 February 2016 and 2,068 will vest on 17 February 2017 and 2018; and 2,857 options with an exercise price of $101.79 will vest as such: 953 will vest on 7 May 2016 and 952 will vest on 7 May 2017 and 2018.

(2) The vesting dates of the RSUs are as follows:

Name	**Vesting Dates of RSUs**
Bhavesh V. Patel	9,456 vest 12 January 2016; 14,183 vest 12 January 2017; 875 vest 20 February 2017; 23,638 vest 12 January 2018; 19,110 vest 17 February 2018; 23,637 vest 12 January 2019 and 2020
Timothy D. Roberts	4,424 vest 21 January 2016 and 26,640 vest on 8 February 2016 pursuant to the terms of the awards agreements. Timothy Roberts will forfeit 31,580 RSUs pursuant to the terms of the award agreements when he leaves the Company.
Kevin W. Brown	1,475 vest 21 January 2016; 2,212 vest 21 January 2017; 3,687 vest 21 January 2018; 3,058 vest 17 February 2018; 3,686 vest 21 January 2019 and 2020
Jeffrey A. Kaplan	1,689 vest 17 February 2018 and 761 vest 7 May 2018

(3) The QPAs and PSUs are the same type of award and represent qualified performance awards and performance share units with three year performance periods. Beginning with awards granted in 2014, the Company changed the name of such awards from QPAs to PSUs. The PSUs represent performance share units with three-year performance periods ending 31 December 2016 and 31 December 2017. The QPAs represent qualified performance awards with a three year performance period ending 31 December 2015. We have assumed target performance criteria and target payout will be achieved for unearned PSUs. Above-target QPAs were granted and vested in February 2015. Payouts on QPAs and PSUs are made after the Company's financial results of operations for the entire performance period are reported and the Compensation Committee determines achievement of performance results and corresponding vesting, typically in mid to late February of the succeeding year. The QPAs for the performance period ended on 31 December 2015 are not included in the table as they are considered earned as of 31 December 2015 for disclosure purposes. The performance share units in the table above include the following:

Three-Year Performance periods ending 31 December	**2016**	**2017**
Bhavesh V. Patel	3,497	38,220
James L. Gallogly	7,347	- -
Karyn F. Ovelmen	5,032	- -
Craig B. Glidden	1,595	- -
Timothy D. Roberts	6,119	8,562
Kevin W. Brown	2,882	6,116
Jeffrey A. Kaplan	831	4,900

Supervisory Board Pay—The members of our Supervisory Board receive equity and cash compensation for their service on the Supervisory Board and its committees. The Supervisory Directors' compensation is designed to provide a competitive package that will enable the Company to attract and retain highly skilled individuals with relevant experience.

Members of the Supervisory Board received grants of restricted stock units and cash retainers and fees. The Supervisory Board has determined that equity grants are appropriate to its members because they ensure the members' interests are aligned with other shareholders. Beginning in 2016, Supervisory Directors are permitted to elect to receive the cash component of their retainer payments in Company shares. The Supervisory Board compensation program effective for 2015 is set forth below.

Annual retainer:	
Cash	$115,000 ($215,000 for Chairman of the Board)
Restricted stock units	Valued at $170,000 ($310,000 for Chairman of the Board)
Committee retainer:	
Members	$10,000 ($15,000 for Audit Committee)
Chairs	$20,000 ($27,500 for Audit and Compensation Chair)
Travel fees	$5,000 for each intercontinental round trip

LyondellBasell Industries N.V.

Actual amounts earned by or paid to Supervisory Directors in 2015 and 2014 are in the following table below:

Thousands of U.S. Dollars	2015 Fees Earned or Paid in Cash Cash (1)	2015 Stock Awards (2) (3)	2015 All Other Compen-sation (1) (4) (5)	2015 Total	2014 Fees Earned or Paid in Cash Cash (1)	2014 Stock Awards (2) (3)	2014 All Other Compen-sation (1) (4) (5)	2014 Total
Robert G. Gwin								
Chairman of the Board	$ 240	$ 310	$ 27	$ 577	$ 188	$ 310	$ 30	$ 528
Jacques Aigrain	158	170	10	338	146	170	13	329
Lincoln Benet	68	155	5	228	- -	- -	- -	- -
Jagjeet S. Bindra	145	170	33	348	141	170	35	346
Robin W. T. Buchanan	118	170	- -	288	108	170	14	292
Milton Carroll	135	170	12	317	128	170	15	313
Stephen F. Cooper	118	170	27	315	108	170	20	298
Nance K. Dicciani	140	170	27	337	132	170	23	325
Claire S. Farley	132	170	23	325	113	204	18	335
Bella D. Goren	140	170	28	338	117	203	19	339
Bruce A. Smith	149	170	18	337	143	170	20	333
Rudy M. J. van der Meer	145	170	7	322	136	170	9	315

2015

(1) Includes cash retainers for services and travel fees earned or paid through 31 December 2015 and 2014.

(2) For 2015, represents 1,647 RSUs for all Supervisory Directors, other than Mr. Gwin and Mr. Benet. Mr. Gwin received 3,003 RSUs as his compensation as Chairman of the Supervisory Board. Mr. Benet received a pro-rated grant of 1560 RSUs when he joined the Supervisory Board in June 2015. For 2014, represents 1,899 RSUs for all Supervisory Directors, other than Mr. Gwin, Ms. Farley and Ms. Goren. Mr. Gwin received 3,462 RSUs as his compensation as Chairman of the Supervisory Board. Ms. Farley and Ms. Goren received grants of 393 RSUs as pro-rated payment of the Supervisory Director grant that vested in May 2014 when they joined the Supervisory Board in February 2014 in addition to the 2014 annual grant of the 1,899 RSUs.

(3) The aggregate number of restricted stock units outstanding at fiscal year-end 2015 includes:

Robert G. Gwin, Chairman	3,003
Jacques Aigrain	1,647
Lincoln Benet	1,560
Jagjeet S. Bindra	1,647
Robin W. T. Buchanan	1,647
Milton Carroll	1,647
Stephen F. Cooper.	1,647
Nance K. Dicciani.	1,647
Claire S. Farley	1,647
Bella D. Goren	1,647
Bruce A. Smith	1,647
Rudy M. J. van der Meer	1,647

The RSUs disclosed above vest as follows: 1) Mr. Gwin – 3,003 vest on May 6, 2016; 2) Mr. Aigrain – 1,647 vest on May 6, 2016; 3) Mr. Benet – 1,560 vest on May 6, 2016; 4) Mr. Bindra – 1,647 vest on May 6, 2016; 5) Mr. Buchanan – 1,647 vest on May 6, 2016; 6) Mr. Carroll – 1,647 vest on May 6, 2016; 7) Mr. Cooper – 1,647 vest on May 6, 2016; 8) Ms. Dicciani – 1,647 vest on May 6, 2016; 8) Ms.

Farley – 1,647 vest on May 6, 2016; 10) Ms. Goren – 1,647 vest on May 6, 2016; 11) Mr. Smith – 1,647 vest on May 6, 2016; and 12) Mr. van der Meer – 1,647 vest on May 6, 2016.

(4) Includes $5,000 for each intercontinental trip taken for work performed for the Company. The fees paid for each Supervisory Director in 2015 are as follows: $25,000 for Mr. Gwin; $10,000 for Mr. Aigrain; $5,000 for Mr. Benet; $30,000 for Mr. Bindra; $10,000 for Mr. Carroll; $25,000 for each of Mr. Cooper and Ms. Dicciani; $20,000 for Ms. Farley; $25,000 for Ms. Goren; $15,000 for Mr. Smith; and $5,000 for Mr. van der Meer. The fees paid for each Supervisory Director in 2014 are as follows: $25,000 for Mr. Gwin; $10,000 for Mr. Aigrain; $30,000 for Mr. Bindra; $10,000 for each of Mr. Buchanan and Mr. Carroll; $20,000 for each of Mr. Cooper and Ms. Dicciani; $15,000 for each of Ms. Farley, Ms. Goren and Mr. Smith; and $5,000 for Mr. van der Meer. Also includes benefits in kind related to tax preparation and advice related to the Supervisory Directors' UK and Dutch tax returns and payments. The Company provides these services, through a third party, to the Supervisory Director because of our unique incorporation and tax domicile situation. The amounts included for each Supervisory Director in 2015 include $2,483 for Mr. Gwin; $433 for Mr. Aigrain; $2,504 for Mr. Bindra; $2,342 for Mr. Carroll; $2,048 for Mr. Cooper; $2,159 for Ms. Dicciani; $2,673 for Mr. Farley; $2.746 for Ms. Goren; $2,761 for Mr. Smith; and $2,283 for Mr. van der Meer. For 2014, includes $4,832 for each of Mr. Gwin, Mr. Bindra, Mr. Carroll and Mr. Smith; $4,187 for Ms. Goren; $3,435 for Ms. Farley; $1,594 for each of Messrs. Aigrain and Buchanan; and $3,237 for each of Ms. Dicciani and Mr. Van der Meer.

(5) The terms of the RSUs granted to directors entitle them to dividend equivalent payments when and if dividends are paid on the Company's shares generally. Therefore, directors holding restricted stock units received dividend equivalent payments in 2015 and in 2014. The dividend equivalent payments are not included in the table above. In 2015, these payments included $14,434 to Mr. Gwin; $2,434 to Mr. Benet; $10,166 to Mr. Buchanan and Mr. Cooper; and $5,183 to each of the remaining Supervisory Board members (Messrs. Aigrain, Bindra, Carroll, Smith and van der Meer and Ms. Dicciani, Ms. Farley and Ms. Goren). In 2014, these payments included $14,808 to Messrs. Carroll and Bindra; $15,776 to Messrs. Cooper and Buchanan; $4,499 to Ms. Goren and Ms. Farley; $11,059 to Mr. van der Meer; $6,685 to Mr. Smith; $10,434 to Mr. Aigrain; $19,378 to Mr. Gwin; and $5,712 to Ms. Dicciani.

The Company has not provided any loans, advances or guarantees to any members of the Management Board or Supervisory Directors.

10 Other (Income) Expense, Net

Millions of U.S. Dollars	2015	2014
Gains on financial derivatives	$ (262)	$ (31)
(Gains)/losses on foreign exchange	(34)	2
Other	(42)	(32)
Other (income) expense, net	$ (338)	$ (61)

The amounts reported as gains on financial derivatives in 2015 and 2014 are related to our cross-currency swaps.

11 Finance Costs

Millions of U.S. Dollars	Note	2015	2014
Interest expense on borrowings		$ 303	$ 352
Provisions for unwinding of discount		2	3
Foreign exchange (gain) loss from borrowings and cash		251	70
Other		4	9
Total finance costs		$ 560	$ 434

12 Income Tax Expense

LyondellBasell N.V. moved its tax residence from The Netherlands, where LyondellBasell N.V. is incorporated, to the United Kingdom effective as of 1 July 2013 pursuant to a mutual agreement procedure determination ruling between the Dutch and United Kingdom competent authorities. Pursuant to this ruling, LyondellBasell N.V. is treated solely as a tax resident in the United Kingdom and is subject to the United Kingdom corporate income tax system.

Through our subsidiaries, we have substantial operations world-wide and in recent years have earned significant income in the United States. Taxes are primarily paid on the earnings generated in various jurisdictions, including the United States, The Netherlands, Germany, France, Italy and other countries. LyondellBasell N.V. has little or no taxable income of its own because, as a holding company, it does not conduct any operations. Instead, the subsidiaries through which we operate incur tax obligations in the jurisdictions in which they operate.

A portion of the Company's interest income from internal financing is either untaxed or taxed at rates substantially lower than the U.S. statutory rate. This treatment may be prospectively impacted by potential changes in the law, including adoption of certain proposals for base erosion and profit shifting.

We monitor income tax legislative developments in countries where we conduct business, including the United Kingdom. Management does not believe that recent changes in income tax laws will have a material impact on our Consolidated Financial Statements, although new or proposed changes to tax laws could affect our tax liabilities in the future.

Millions of U.S. Dollars	Note	2015	2014
Current tax on profits for the year		$ 1,552	$ 1,361
Deferred tax - origination and reversal of temporary difference	26	126	72
Income tax expense		$ 1,678	$ 1,433

The tax on LyondellBasell N.V.'s profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

Millions of U.S. Dollars	2015	2014
Profit before tax	$ 5,887	$ 5,364
Tax calculated at domestic tax rates applicable to profits in the respective countries	1,919	1,814
Tax effects of:		
Exempt income	(270)	(238)
Notional royalties		
Tax losses for which no deferred income tax asset was recognized	8	3
U.S. manufacturing deduction	(88)	(106)
Other	109	(40)
Tax charge	$ 1,678	$ 1,433

The weighted average applicable tax rates for 2015 and 2014 were 32.6% and 33.8%, respectively. The decrease was primarily attributable to a change in the geographic mix of income. Our effective income tax rate of 28.5% in

2015 and 26.7% in 2014 resulted in tax provisions of $1,678 million and $1,433 million, respectively. Compared to 2014, the 2015 effective income tax rate increased primarily due to reductions in foreign exchange losses and the U.S. domestic production activity deduction, partially offset by a change in the geographic mix of earnings and increased exempt income.

Current and deferred taxes related to items charged or (credited) directly to other comprehensive income during the period are as follows:

Millions of U.S. Dollars	2015	2014
Current tax:		
Retirement benefit obligation	$ - -	$ (15)
Currency translation differences	(5)	- -
Deferred tax:		
Retirement benefit obligation	7	(133)
Derivatives	6	(4)
Other	(1)	1
	$ 7	$ (151)

Current and deferred taxes credited directly to equity are as follows:

Millions of U.S. Dollars	Note	2015	2014
Current tax			
Share base payments		$ (111)	$ (33)
Settlement from partner on exit from partnership		10	- -
Deferred tax:			
Share base payments	26	99	5
Settlement from partner on exit from partnership		2	- -
		$ - -	$ (28)

13 Earnings Per Share

Basic earnings per share—Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by the Company and held as treasury shares. The Company has unvested restricted stock units that are considered participating securities for earnings per share.

Millions, except per share data	2015	2014
Profit attributable to LyondellBasell N.V.	$ 4,211	$ 3,937
Profit attributable to participating securities	(8)	(12)
Profit attributable to equity holders of the Company	4,203	3,925
Basic weighted average common stock outstanding	465	518
Basic earnings per share	$ 9.05	$ 7.57

Diluted earnings per share—Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Millions, except per share data	2015	2014
Profit attributable to LyondellBasell N.V.	$ 4,211	$ 3,937
Profit attributable to participating securities	(8)	(12)
Profit attributable to equity holders of the Company	4,203	3,925
Basic weighted average common stock outstanding	465	518
Effect of dilutive securities:		
MTI and QPA awards	1	- -
Stock options	- -	3
Dilutive potential shares	466	521
Diluted earnings per share	$ 9.02	$ 7.53
Participating securities	0.4	1.4
Interim dividend per share of common stock	$ 3.04	$ 2.70

14 Intangible Assets

Millions of U.S. Dollars	Research and Development	Goodwill	Emission Allowances	Favorable Contracts and Other Intangibles	Total
Balance at 1 January 2014	$ 125	$ 357	$ 467	$ 346	$ 1,295
Additions	5	- -	5	1	11
Amortization	(11)	- -	(69)	(46)	(126)
Impairment	(1)	- -	(2)	- -	(3)
Exchange differences	(12)	(14)	(1)	(5)	(32)
At 31 December 2014	$ 106	$ 343	$ 400	$ 296	$ 1,145
At 31 December 2014					
Cost	$ 154	$ 343	$ 730	$ 649	$ 1,876
Accumulated amortization and impairment	(48)	- -	(330)	(353)	(731)
Closing balance	$ 106	$ 343	$ 400	$ 296	$ 1,145
Balance at 1 January 2015	$ 106	$ 343	$ 400	$ 296	$ 1,145
Additions	4	- -	26	- -	30
Amortization	(9)	- -	(97)	(39)	(145)
Exchange differences	(11)	(8)	(1)	(7)	(27)
At 31 December 2015	$ 90	$ 335	$ 328	$ 250	$ 1,003

Millions of U.S. Dollars	Research and Development	Goodwill	Emission Allowances	Favorable Contracts and Other Intangibles	Total
At 31 December 2015					
Cost	$ 141	$ 335	$ 687	$ 608	$ 1,771
Accumulated amortization and impairment	(51)	- -	(359)	(358)	(768)
Closing balance	$ 90	$ 335	$ 328	$ 250	$ 1,003

Research and development—Amortization expense is generally recorded as part of Cost of sales. Research and development expenditures recognized as expense for 2015 and 2014 were $85 million and $107 million, respectively.

Goodwill—Goodwill is allocated and monitored by management into the following groups of cash generating units ("CGU"):

Millions of U.S. Dollars	2015	2014
Intermediates and Derivatives	$ 180	$ 187
Olefins and Polyolefins - Americas	131	131
Olefins and Polyolefins - Europe, Asia, International	16	16
Technology	8	9
Total	$ 335	$ 343

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on management approved financial budgets covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates described in the "Growth rate estimates" section below. Based on this analysis, the recoverable amounts of each of our cash generating units or groups of cash generating units were substantially in excess of their carrying value. Accordingly, no goodwill impairment was recognized in 2015 or 2014.

The calculation of value is most sensitive to the following assumptions:

- Gross margin
- Pre-tax discount rates
- Market share assumptions; and
- Growth rate used to extrapolate cash flows beyond the budget period

Gross margins—Gross margins are predicted in the planning period by using key hydrocarbon pricing estimates and product variable margins based on macroeconomic predictions and individual supply and demand balances.

Pre-tax discount rates—Pre-tax discount rates ("discount rates") represent the current market assessment of the risks specific to each cash generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the nature of the assets and activities of the Company's business and its operating segments and derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the nature of the Company's assets and activities.

Market share assumptions—These assumptions are based on forecasts of demand for our products taking into consideration changes in global capacity.

Growth rate estimates—Rates are based upon managements' best estimates which are determined using published third party sources, internal knowledge and market insights based on macroeconomic predictions

With regard to the assessment of value in use, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value to materially exceed its recoverable amount.

The key assumptions used for value-in-use calculations are as follows:

	2015		2014	
	Pre-tax Discount Rate	Growth Rate	Pre-tax Discount Rate	Growth Rate
Intermediates and Derivatives	11%	2%	13%	2%
Olefins and Polyolefins - Americas	15%	2%	16%	2%
Olefins and Polyolefins - EAI	19%	2%	19%	2%
Technology	20%	3%	20%	3%

15 Property, Plant and Equipment

Millions of U.S. Dollars	Land	Building and Equipment	Assets Under Construction	Joint Operations	Other	Total
Balance at 1 January 2014	$ 320	$ 7,459	$ 962	$ 458	$ - -	$ 9,199
Additions	- -	48	1,542	26	- -	1,616
Transfers	- -	1,316	(1,316)	- -	- -	- -
Disposals	- -	(12)	- -	(5)	- -	(17)
Depreciation	- -	(882)	- -	(32)	- -	(914)
Impairment	- -	- -	(11)	- -	- -	(11)
Exchange differences	(23)	(328)	(34)	(18)	- -	(403)
At 31 December 2014	$ 297	$ 7,601	$ 1,143	$ 429	$ - -	$ 9,470
At 31 December 2014						
Cost	297	11,122	1,206	689	- -	13,314
Accumulated amortization and impairment	- -	(3,521)	(63)	(260)	- -	(3,844)
Closing balance	$ 297	$ 7,601	$ 1,143	$ 429	$ - -	$ 9,470

Millions of U.S. Dollars	Land	Building and Equipment	Assets Under Construction	Joint Operations	Other	Total
Balance at 1 January 2015	$ 297	$ 7,601	$ 1,143	$ 429	$ - -	$ 9,470
Additions	4	17	1,439	16	- -	1,476
Transfers	- -	1,243	(1,275)	- -	- -	(32)
Disposals	- -	(18)	- -	(6)	- -	(24)
Depreciation	- -	(896)	- -	(56)	- -	(952)
Exchange differences	(18)	(249)	(35)	(27)	- -	(329)
Other changes	- -	57	- -	- -	- -	57
At 31 December 2015	$ 283	$ 7,755	$ 1,272	$ 356	$ - -	$ 9,666
At 31 December 2015						
Cost	283	11,686	1,335	631	- -	13,935
Accumulated amortization and impairment	- -	(3,931)	(63)	(275)	- -	(4,269)
Closing balance	$ 283	$ 7,755	$ 1,272	$ 356	$ - -	$ 9,666

Depreciation, amortization and impairment charges are recognized in Cost of sales, Selling costs and Administrative expenses as indicated in the following table:

Millions of U.S. Dollars	2015	2014
Cost of sales	$ 1,083	$ 1,041
Selling costs	1	1
Administrative expenses	13	12
Total	$ 1,097	$ 1,054

16 Investments in Associates and Joint Ventures

The Company does not have any joint ventures or associates that are considered individually material. None of the associates and joint ventures is listed on a stock exchange.

Summarized aggregate financial information of the joint ventures and associates are shown below.

The amounts recognized on our Consolidated Statement of Financial Position are as follows

	31 December	
Millions of U.S. Dollars	2015	2014
Associates	$ 502	$ 535
Joint ventures	832	817
	$ 1,334	$ 1,352

The amounts recognized on our Consolidated Statement of Income are as follows:

Millions of U.S. Dollars	31 December 2015	31 December 2014
Associates	$ 124	$ 73
Joint ventures	145	130
	$ 269	$ 203

Associates

The changes in our Associates investments are as follows:

Millions of U.S. Dollars	31 December 2015	31 December 2014
Opening balance	$ 535	$ 576
Share in profit of associates, net of tax	124	73
Dividends received	(91)	(51)
Divestitures	(16)	- -
Currency exchange differences	(48)	(63)
Other	(2)	- -
Closing balance	$ 502	$ 535

Currency exchange differences are reported in the Consolidated Statement of Other Comprehensive Income within Currency translation of foreign operations.

Joint Ventures

The changes in our Joint Venture investments are as follows:

Millions of U.S. Dollars	31 December 2015	31 December 2014
Opening balance	$ 817	$ 816
Share in profit of joint ventures, net of tax	145	130
Dividends received	(119)	(100)
Currency exchange differences	2	(29)
Other	(13)	- -
Closing balance	$ 832	$ 817

Currency exchange differences are reported in the Consolidated Statement of Other Comprehensive Income within Currency translation of foreign operations.

Principal Subsidiaries

Information about principal subsidiaries at 31 December 2015 is set out in Appendix A.

17 Financial Assets and Liabilities by Category

Millions of U.S. Dollars	2015 Loans and Recei-vables	2015 Assets Held at Fair Value	2015 Deriva-tives Used for Hedging	2015 Total	2014 Loans and Recei-vables	2014 Assets Held at Fair Value	2014 Deriva-tives Used for Hedging	2014 Total
Financial assets at 31 December								
Trade and other receivables, excluding prepayments	$ 3,246	$ - -	$ - -	$ 3,246	$ 4,103	$ - -	$ - -	$ 4,103
Derivative financial instruments	- -	313	51	364	- -	40	16	56
Available for sale investments	- -	1,064	- -	1,064	- -	1,593	- -	1,593
Cash and cash equivalents	995	- -	- -	995	1,084	- -	- -	1,084
Total	$ 4,241	$ 1,377	$ 51	$ 5,669	$ 5,187	$ 1,633	$ 16	$ 6,836

	2015 Other Financial Liabilities at Amortized Cost	2015 Liabilities at Fair Value through Profit and Loss	2015 Total	2014 Other Financial Liabilities at Amortized Cost	2014 Liabilities at Fair Value through Profit and Loss	2014 Total
Financial liabilities at 31 December						
Borrowings	$ 8,136	$ - -	$ 8,136	$ 7,177	$ - -	$ 7,177
Derivative financial instruments	- -	56	56	- -	35	35
Trade and other payables	3,480	40	3,520	4,295	36	4,331
Total	$ 11,616	$ 96	$ 11,712	$ 11,472	$ 71	$ 11,543

18 Credit Quality of Financial Assets

Investments in cash and cash equivalents and transactions involving derivative financial instruments are entered into with counterparties that have sound credit ratings and a good reputation. Available-for-sale investments consist of commercial paper, bonds and certificates of deposits, time deposits and limited partnership investments with counterparties whose credit rating is investment grade or higher.

We have a global credit risk management policy to minimize credit losses due to non-performance of our customer base. We monitor our exposure to credit risk on an on-going basis through a team of credit professionals stationed in our key global markets. We have continued to manage our customer credit risk very closely by monitoring our aging analysis along with payment and financial performance. Where appropriate, additional security instruments, letters of credit or corporate guarantees, are secured. Due to our global breadth and scale, we do not have a significant concentration of customer risk. Our largest counterparty risk amounted to $63 million and $115 million at 31 December 2015 and 2014, respectively.

19 Derivative and Other Financial Instruments

	31 December	
Millions of U.S. Dollars	**2015**	**2014**
Assets		
Derivatives -		
Designated as hedges:		
Basis swaps	$ 18	$ - -
Forward-starting interest rate swaps	8	- -
Fixed-for-floating interest rate swaps	25	16
Not designated as hedges:		
Cross-currency swaps	300	35
Commodities	8	2
Embedded derivatives	4	3
Foreign currency	1	- -
Non-derivatives:		
Available-for-sale securities	1,064	1,593
Total	$ 1,428	$ 1,649
Liabilities		
Derivatives -		
Designated as hedges:		
Forward exchange contacts	$ 24	$ - -
Forward-starting interest rate swaps	6	- -
Not designated as hedges:		
Commodities	2	1
Foreign currency	3	13
Written put option	21	21
Non-derivatives:		
Performance share awards	40	36
Total	$ 96	$ 71

Written put option—The subsidiary that holds the Company's equity interest in a certain associate has a minority shareholder, which holds 16.21% of its equity. The equity interest held by the minority shareholder can be called by the Company or can be put to the Company by the minority interest shareholder at any time. The price of the call option is the nominal value of the shares (initial $18 million investment) plus accrued interest based on the London Interbank Offered Rate ("LIBOR") plus 40 basis points, less paid dividends. The liability recognized in respect of the written put, is measured at management's best estimate of the redemption amount discounted back from the expected redemption date.

For further details on derivatives, reference is made to Note 4 Financial Risk Management.

20 Inventories

Millions of U.S. Dollars	31 December 2015	31 December 2014
Finished goods	$ 1,866	$ 2,460
Parts and materials	504	478
Raw materials and supplies	905	1,130
Total inventories	$ 3,275	$ 4,068

Cost of inventories of $26,098 million and $39,334 million in 2015 and 2014, respectively, has been recognized as expense and included in Cost of sales.

21 Trade and Other Receivables

Millions of U.S. Dollars	31 December 2015	31 December 2014
Trade receivables	$ 2,527	$ 3,512
Trade receivables on related parties	13	9
Less: provision for impairment of trade receivables	(24)	(28)
Trade receivables, net	2,516	3,493
Social security and other taxes	125	92
Prepaid expenses	392	309
Repurchase agreements	387	350
Other	218	168
Total	3,638	4,412
Less: non-current portion	(216)	(79)
Current portion	$ 3,422	$ 4,333

The carrying value of the trade and other receivables approximates their fair value. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. We do not hold any collateral as security.

The provision for doubtful trade receivables is determined based on ageing and reviewed periodically. The creation and release of provisions for impaired receivables have been included in Selling costs in the Consolidated Statement of Income.

The ageing of the gross trade receivables not impaired at 31 December were as follows:

Millions of U.S. Dollars	2015	2014
Amounts undue	$ 2,401	$ 3,299
Past due 0-90 days	98	165
Past due 91-180 days	17	29
	$ 2,516	$ 3,493

The ageing of the gross trade receivables partly impaired at 31 December were as follows:

	2015		2014	
Millions of U.S. Dollars	**Gross**	**Provision**	**Gross**	**Provision**
Amounts undue	$ - -	$ - -	$ - -	$ - -
Past due 0-90 days	- -	- -	- -	- -
Past due 91-180 days	24	24	28	28
	$ 24	$ 24	$ 28	$ 28

At 31 December 2015 and 2014, trade receivables of an initial value of $24 million and $28 million, respectively, were impaired and fully provided for. The movement in the provision for doubtful accounts is as follows:

Millions of U.S. Dollars	2015	2014
Balance, 1 January	$ 28	$ 44
(Write off) additions, net	(4)	(16)
Balance, 31 December	$ 24	$ 28

Trade receivables secured by letters of credit were $99 million and $126 million at 31 December 2015 and 2014, respectively. The carrying amounts of trade and other receivables are denominated in the following currencies at 31 December:

Millions of U.S. Dollars	2015	2014
USD	$ 1,719	$ 2,645
EUR	1,506	1,369
Other	413	398
	$ 3,638	$ 4,412

For further details on trade receivables, reference is made to Note 4 Financial Risk Management.

22 Cash and Cash Equivalents

For the purpose of the Consolidated Statement of Cash Flows, Cash and cash equivalents comprise the following at 31 December:

Millions of U.S. Dollars	2015	2014
Cash at bank and on hand	$ 515	$ 1,004
Short-term deposits	480	80
	$ 995	$ 1,084

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements, and earn interest at the respective short-term deposit rates.

23 Equity Attributable to the Owners of the Company

The Company's authorized share capital totals €51 million divided into 1,275 million ordinary shares of €0.04 each.

For a breakdown of Equity attributable to equity holders, reference is made to the Consolidated Statement of Changes in Equity. For a detail of the non-distributable reserves, reference is made to the Corporate Financial Statements.

Dividend distribution—We declared and paid the following dividends for the following periods:

Millions of U.S. Dollars, except per share amounts	Dividend Per Ordinary Share	Aggregate Dividends Paid	Date of Record
For the year 2015:			
March	$ 0.70	$ 334	2 March 2015
June	0.78	368	1 June 2015
September	0.78	361	25 August 2015
December	0.78	347	23 November 2015
	$ 3.04	$ 1,410	
For the year 2014:			
March	$ 0.60	$ 327	3 March 2014
May	0.70	370	28 April 2014
September	0.70	358	25 August 2014
December	0.70	348	24 November 2014
	$ 2.70	$ 1,403	

Shares Repurchase Programs—We completed the repurchase of shares under share repurchase programs authorized by our shareholders in April 2014 ("April 2014 Share Repurchase Program") and May 2013 ("May 2013 Share Repurchase Program") in 2015 and 2014, respectively. We were authorized to purchase up to 10% of our outstanding shares under each of these programs. In May 2015, our shareholders approved a proposal to authorize us to repurchase up to an additional 10% of our outstanding ordinary shares through November 2016 ("May 2015 Share Repurchase Program"). These repurchases, which are determined at the discretion of our Management Board, may be executed from time to time through open market or privately negotiated transactions. The repurchased shares are recorded as Treasury stock and may be retired or used for general corporate purposes, including for various employee benefit and compensation plans.

The following table summarizes our share repurchase activity for the periods presented:

Millions of U.S. Dollars, except shares and per share amounts	2015 Shares Repurchased	2015 Average Purchase Price	2015 Total Purchase Price, Including Commissions
April 2014 Share Repurchase Program	19,892,101	$ 86.40	$ 1,719
May 2015 Share Repurchase Program	31,947,812	90.66	2,896
	51,839,913	$ 89.03	$ 4,615

	2014 Shares Repurchased	2014 Average Purchase Price	2014 Total Purchase Price, Including Commissions
May 2013 Share Repurchase Program	30,225,236	90.31	2,730
April 2014 Share Repurchase Program	33,070,101	95.08	3,143
	63,295,337	$ 92.80	$ 5,873

Due to the timing of settlements, total cash paid for share repurchases for the years ended 31 December 2015 and 2014 was $4,656 million and $5,788 million, respectively.

Ordinary Shares—The changes in the outstanding number of ordinary and treasury shares are as follows:

	31 December 2015	31 December 2014
Ordinary shares outstanding:		
Beginning balance	486,969,402	548,824,138
Share-based compensation	4,972,908	1,411,837
Warrants exercised	1,989	1,116
Employee stock purchase plan	45,683	27,648
Purchase of ordinary shares	(51,839,913)	(63,295,337)
Ending balance	440,150,069	486,969,402
Ordinary shares held as Treasury shares:		
Beginning balance	91,463,729	29,607,877
Share-based compensation	(4,972,908)	(1,411,837)
Warrants exercised	150	- -
Employee stock purchase plan	(45,683)	(27,648)
Purchase of ordinary shares	51,839,913	63,295,337
Ending balance	138,285,201	91,463,729
Ordinary shares issued at end of period	578,435,270	578,433,131

24 Non-Controlling Interests

Non-controlling interests primarily represent the interest of unaffiliated investors in a partnership that owns our PO/SM II plant at the Channelview, Texas complex and a subsidiary owning an equity investment in Al-Waha Petrochemicals Ltd.

In June 2015, we received $24 million from a holder of a minority interest in one of our consolidated partnerships to exit the partnership. Accordingly, our interest in this partnership increased resulting in an impact to equity of a $4 million reduction of Non-controlling interests and a $20 million increase in Additional paid-in capital.

25 Borrowings

The carrying amounts of the borrowings and the fair value of the non-current borrowings as of 31 December are as follows:

	2015		2014	
Millions of U.S. Dollars	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Non-current:				
Senior Notes due 2019, $2,000 million, 5.0%	$ 1,943	$ 2,129	$ 1,975	$ 2,187
Senior Notes due 2021, $1,000 million, 6.0%	989	1,128	988	1,165
Senior Notes due 2024, $1,000 million, 5.75%	990	1,105	990	1,135
Senior Notes due 2055, $1,000 million, 4.625%	972	829	- -	- -
Guaranteed Notes due 2044, $1,000 million, 4.875%	979	915	978	1,051
Guaranteed Notes due 2023, $750 million, 4.0%	737	752	736	765
Guaranteed Notes due 2043, $750 million, 5.25%	721	746	721	815
Guaranteed Notes due 2027, $300 million, 8.1%	300	392	300	405
Other	128	36	112	112
Total	$ 7,759	$ 8,032	$ 6,800	$ 7,635
Current:				
Other	$ 377	$ 346	$ 377	$ 374
Total borrowings	$ 8,136	$ 8,378	$ 7,177	$ 8,009

The fair values of the senior notes and guaranteed notes are based on data obtained from well-established and recognized vendors of market data for debt valuations. The fair value of the finance payable to investees and the Other equals the carrying amount, as the impact of discounting is not significant.

Our 5% Senior Notes due 2019 include gains of $35 million and $7 million for the years ended 31 December 2015 and 2014, respectively, related to adjustments for our fixed-for-floating interest rate swaps, which are recognized in Finance cost in the Consolidated Statement of Income.

The carrying amounts of our borrowings are denominated in the following currencies at 31 December:

	31 December	
Millions of U.S. Dollars	**2015**	**2014**
USD	$ 8,020	$ 7,032
EUR	6	7
Other	110	138
	$ 8,136	$ 7,177

Aggregate maturities of debt during the next five years are $377 million in 2016, $54 million in 2017, $14 million in 2018, $2,017 million in 2019, $19 million in 2020 and $5,825 million thereafter.

Long-Term Debt

Senior Notes due 2055—In March 2015, we issued $1,000 million of 4.625% Notes due 2055 at a discounted price of 98.353%.

These unsecured notes rank equally in right of payment to all of LyondellBasell N.V.'s existing and future unsubordinated indebtedness.

The indenture governing these notes contains limited covenants, including those restricting our ability and the ability of our subsidiaries to incur indebtedness secured by significant property or by capital stock of subsidiaries that own significant property, enter into certain sale and lease-back transactions with respect to any significant property or enter into consolidations, mergers or sales of all or substantially all of our assets.

The notes may be redeemed before the date that is six months prior to the scheduled maturity date at a redemption price equal to the greater of 100% of the principal amount of the notes redeemed and the sum of the present values of the remaining scheduled payments of principal and interest (discounted at the applicable Treasury Yield plus 35 basis points) on the notes to be redeemed. The notes may also be redeemed on or after the date that is six months prior to the final maturity date of the notes at a redemption price equal to 100% of the principal amount of the notes redeemed plus accrued and unpaid interest.

Guaranteed Notes due 2044—In February 2014, LYB International Finance B.V. ("LYB Finance"), a direct, 100% owned finance subsidiary of LyondellBasell Industries N.V., as defined in Rule 3-10(b) of Regulation S-X, issued $1,000 million of 4.875% guaranteed notes due 2044 at a discounted price of 98.831%.

These unsecured notes, which are fully and unconditionally guaranteed by LyondellBasell Industries N.V., rank equally in right of payment to all of LYB Finance's existing and future unsecured indebtedness and to all of LyondellBasell's existing and future unsubordinated indebtedness. There are no significant restrictions that would impede the Guarantor from obtaining funds by dividend or loan from its subsidiaries. Subsidiaries are generally prohibited from entering into arrangements that would limit their ability to make dividends to or enter into loans with the Guarantor.

The indenture governing these notes contains limited covenants, including those restricting our ability and the ability of our subsidiaries to incur indebtedness secured by significant property or by capital stock of subsidiaries that own significant property, enter into certain sale and lease-back transactions with respect to any significant property or enter into consolidations, mergers or sales of all or substantially all of our assets.

The notes may be redeemed before the date that is six months prior to the scheduled maturity date at a redemption price equal to the greater of 100% of the principal amount of the notes redeemed and the sum of the present values of the remaining scheduled payments of principal and interest (discounted at the applicable Treasury Yield plus 20 basis points) on the notes to be redeemed. The notes may also be redeemed on or after the date that is six months prior to the final maturity date of the notes at a redemption price equal to 100% of the principal amount of the notes redeemed plus accrued and unpaid interest.

Guaranteed Notes due 2023 and 2043—In July 2013, LYB Finance issued $750 million of 4% Notes due 2023 and $750 million of 5.25% guaranteed notes due 2043 at discounted prices of 98.678% and 97.004%, respectively.

These unsecured notes, which are fully and unconditionally guaranteed by LyondellBasell Industries N.V., rank equally in right of payment to all of LYB Finance's existing and future unsecured indebtedness and to all of LyondellBasell's existing and future unsubordinated indebtedness. There are no significant restrictions that would impede the Guarantor from obtaining funds by dividend or loan from its subsidiaries. Subsidiaries are generally prohibited from entering into arrangements that would limit their ability to make dividends to or enter into loans with the Guarantor.

The indenture governing these notes contains limited covenants, including those restricting our ability and the ability of our subsidiaries to incur indebtedness secured by significant property or by capital stock of subsidiaries that own significant property, enter into certain sale and lease-back transactions with respect to any significant property or enter into consolidations, mergers or sales of all or substantially all of our assets.

The notes may be redeemed and repaid, in whole or in part, at any time and from time to time prior to maturity at a redemption price equal to the greater of 100% of the principal amount of the notes redeemed, and the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed. Such interest will be discounted to the date of redemption on a semi-annual basis at the applicable Treasury Yield plus 25 basis points in the case of the 4% Notes due 2023 and plus 30 basis points in the case of the 5.25% Notes due 2043.

Senior Notes due 2019, 2021 and 2024—In April 2012, we issued $2,000 million aggregate principal amount of 5% senior notes due 2019 and $1,000 million aggregate principal amount of 5.75% senior notes due 2024, each at an issue price of 100%. In November 2011, we issued $1,000 million of 6% senior notes due 2021.

The indentures governing the 5%, 5.75% and 6% Senior Notes contain limited covenants, including those restricting our ability and the ability of our subsidiaries to incur indebtedness secured by any property or assets, enter into certain sale and lease-back transactions with respect to any assets or enter into consolidations, mergers or sales of all or substantially all of our assets.

These notes may be redeemed and repaid, in whole or in part, at any time and from time to time prior to the date that is 90 days prior to the scheduled maturity date of the notes at a redemption price equal to 100% of the principal amount of the notes redeemed plus a premium for each note redeemed equal to the greater of 1.00% of the then outstanding principal amount of the note and the excess of: (a) the present value at such redemption date of (i) the principal amount of the note at maturity plus (ii) all required interest payments due on the note through maturity (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over (b) the outstanding principal amount of the note. These notes may also be redeemed, in whole or in part, at any time on or after the date which is 90 days prior to the final maturity date of the notes, at a redemption price equal to 100% of the principal amount of the notes redeemed plus accrued and unpaid interest and additional interest, if any, to, but not including, the applicable redemption date.

Short-Term Debt

Senior Revolving Credit Facility—In June 2015, we entered into an agreement to extend the maturity of our senior revolving credit facility to June 2020. This facility, which may be used for dollar and euro denominated borrowings, has a sublimit for dollar and euro denominated letters of credit and supports our commercial paper program. By agreement in September 2015, the letters of credit sublimit was reduced to $500 million. The aggregate balance of outstanding borrowings and letters of credit under the facility may not exceed $2,000 million at any given time. Borrowings under the facility bear interest at a Base Rate or LIBOR, plus an applicable margin. Additional fees are incurred for the average daily unused commitments.

The facility contains customary covenants and warranties, including specified restrictions on indebtedness and liens. In addition, we are required to maintain a leverage ratio at the end of every quarter of 3.50 to 1.00 or less for the period covering the most recent four quarters. We are in compliance with these covenants as of 31 December 2015.

At 31 December 2015, availability under this facility, which backs our $2,000 million commercial paper program discussed below, was $1,631 million. Availability under this facility is reduced by outstanding borrowings, outstanding letters of credit provided under the facility and notes issued under our $2,000 million commercial paper program. A small portion of our availability under this facility is impacted by changes in the euro/U.S. dollar exchange rate. There were no outstanding letters of credit and no outstanding borrowings under the facility.

U.S. Receivables Securitization Facility—In August 2015, we amended our U.S. accounts receivable securitization facility. This amendment, among other things, decreased the purchase limit from $1 billion to $900 million, added a $300 million uncommitted accordion feature and extended the term of the facility to August 2018. Our U.S. accounts receivable securitization facility provides liquidity through the sale or contribution of trade receivables by certain of our U.S. subsidiaries to a wholly owned, bankruptcy-remote subsidiary on an ongoing basis and without recourse. The bankruptcy-remote subsidiary may then, at its option and subject to a borrowing base of eligible receivables, sell undivided interests in the pool of trade receivables to financial institutions participating in the facility. In the event of liquidation, the bankruptcy-remote subsidiary's assets will be used to satisfy the claims of its creditors prior to any assets or value in the bankruptcy-remote subsidiary becoming available to us. We are responsible for servicing the receivables. This facility also provides for the issuance of letters of credit up to $200 million. The term of the securitization facility may be extended in accordance with the provisions of the agreement.

The facility is also subject to customary warranties and covenants, including limits and reserves and the maintenance of specified financial ratios. We are required to maintain a leverage ratio at the end of every fiscal quarter of 3.50 to 1.00 or less for the period covering the most recent four quarters. We are in compliance with these covenants as of 31 December 2015. Performance obligations under the facility are guaranteed by our parent company.

At 31 December 2015, availability under this facility was $748 million. There were no borrowings or letters of credit outstanding under the facility.

European Receivables Securitization Facility—In April 2013, we amended and restated our €450 million European receivables securitization facility to obtain more favorable terms and conditions, including reduced pricing, and to extend the maturity date of the facility to April 2016. Under the terms of the amendment, we must maintain a leverage ratio at the end of every fiscal quarter of 3.50 to 1.00 or less for the period covering the most recent four quarters. Failure to maintain the ratio within the stated parameters constitutes a termination event, which left uncured, may result in the termination of the program. We are in compliance with these covenants as of 31 December 2015.

At 31 December 2015, there were no borrowings outstanding under the facility. Accordingly, availability under this facility at 31 December 2015 was $483 million.

Commercial Paper Program—In October 2014, we entered into a commercial paper program under which we may issue up to $2,000 million of privately placed, unsecured, short-term promissory notes ("commercial paper"). This program is backed by our $2,000 million Senior Revolving Credit Facility. Proceeds from the issuance of commercial paper may be used for general corporate purposes, including dividends and share repurchases. At 31 December 2015, we had $323 million of outstanding commercial paper.

Precious Metal Financings—We enter into lease agreements for precious metals which are used in our production processes. All precious metal borrowings are shown in either Non-current or Current liabilities, within Borrowings, on the Consolidated Statement of Financial Position. These borrowings are reflected in Other in the table above.

26 Deferred Income Tax

The gross movement in the deferred income tax account is as follows:

Millions of U.S. Dollars	Note	31 December 2015	31 December 2014
Opening balance		$ 1,483	$ 1,670
Income statement charge	12	126	72
Tax charge/(credit) relating to components of other comprehensive income	12	12	(136)
Tax charge/(credit) directly relating to equity	12	101	5
Tax charge/(credit) relating to reclass from deferred tax liabilities		(77)	(100)
Currency translation adjustment		(16)	(28)
Deferred tax liabilities, net		$ 1,629	$ 1,483

The deferred tax movement of tax loss and credit carryforwards ("tax attributes") and the tax effects of temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements are as follows:

Millions of U.S. Dollars	Retirement Benefit Obligation	Tax Attributes	Other	Total
Deferred income tax assets:				
Balance at 1 January 2014	$ 318	$ 340	$ 204	$ 862
(Charged)/credited to the income statement	(7)	(30)	(2)	(39)
(Charged)/credited to other comprehensive income	133	- -	3	136
Reclass (to)/from deferred tax liabilities	132	14	(84)	62
(Charged)/credited to equity	- -	- -	(5)	(5)
(Charged)/credited for deferred tax liabilities and current tax liabilities reclassification	4	(5)	(9)	(10)
Currency translation adjustment	(11)	(41)	(6)	(58)
Balance at 31 December 2014	$ 569	$ 278	$ 101	948
Reclassification				(650)
Net deferred taxes				$ 298

Millions of U.S. Dollars	Retirement Benefit Obligation	Tax Attributes	Other	Total
Balance at 1 January 2015	$ 569	$ 278	$ 101	$ 948
(Charged)/credited to the income statement	(20)	(73)	(9)	(102)
(Charged)/credited to other comprehensive income	(7)	- -	(5)	(12)
(Charged)/credited to equity	(99)	- -	(2)	(101)
(Charged)/credited for deferred tax liabilities and current tax liabilities reclassification	(4)	21	- -	17
Currency translation adjustment	(17)	(25)	(4)	(46)
Balance at 31 December 2015	$ 422	$ 201	$ 81	704
Reclassification				(440)
Net deferred taxes				$ 264

Millions of U.S. Dollars	Intangible Assets	Accelerated Tax Depreciation	Inventory	Other	Total
Deferred income tax liabilities					
Balance at 1 January 2014	$ 388	$ 1,578	$ 497	$ 69	$ 2,532
Charged/(credited) to the income statement	(49)	137	(128)	73	33
Reclass (to)/from deferred tax assets	(60)	(101)	- -	223	62
(Charged)/credited for deferred tax assets and current tax liabilities reclassification	- -	(84)	(11)	(15)	(110)
Currency translation adjustment	(5)	(57)	(9)	(15)	(86)
Balance at 31 December 2014	$ 274	$ 1,473	$ 349	$ 335	2,431
Reclassification					(650)
Net deferred taxes					$ 1,781
Balance at 1 January 2015	$ 274	$ 1,473	$ 349	$ 335	$ 2,431
Charged/(credited) to the income statement	(36)	160	(187)	87	24
(Charged)/credited for deferred tax assets and current tax liabilities reclassification	(8)	(72)	9	11	(60)
Currency translation adjustment	(4)	(42)	(9)	(7)	(62)
Balance at 31 December 2015	$ 226	$ 1,519	$ 162	$ 426	2,333
Reclassification					(440)
Net deferred taxes					$ 1,893

Deferred tax assets are recognized for tax attributes to the extent that the realization of the related tax benefit through future taxable profits is probable. For tax loss carry forwards from Spain, deferred tax assets are not recognized due to its cumulative three year loss and/or limited future reversal of deferred tax liabilities. This consideration precludes a determination that it is probable that the net deferred tax assets will be realized. Although Spain operations are in a cumulative three year loss, current earnings are favorable and these trends are expected to continue in the near future. We are monitoring for future recognition of our deferred tax assets.

At 31 December 2015 and 2014, we had realizable tax attributes available in the amount of $649 million and $889 million, respectively, for which a deferred tax asset was recognized at 31 December 2015 and 2014 of $201 million and $278 million, respectively.

Prior to the close of each reporting period, management considers the weight of all evidence, both positive and negative, to determine if the deferred tax assets for tax attributes and deductible temporary differences for each jurisdiction can be valued at full value. We place greater weight on historical evidence over future predictions of our ability to utilize net deferred tax assets. We consider future reversals of existing taxable temporary differences, future taxable income exclusive of reversing temporary differences, and taxable income in prior carryback year(s) if carryback is permitted under applicable law, as well as available prudent and feasible tax planning strategies that would, if necessary, be implemented to ensure realization of the net deferred tax asset.

The Company did not recognize deferred tax assets of $121 million and $131 million with respect to tax attributes amounting to $433 million and $451 million and other temporary differences for the years ended 31 December 2015 and 2014, respectively, which can be carried forward against future taxable income. The expiration periods of the unrecognized tax attributes and the related deferred tax asset as of 31 December 2015 are as follows:

Millions of U.S. Dollars	Gross Tax Attributes	Deferred Tax on Tax Losses
In 2016	$ 4	$ 2
In 2018	31	11
In 2019	35	9
In 2020	- -	- -
Thereafter	147	39
Indefinite	216	60
	$ 433	$ 121

During 2015, the reduction in our unrecognized tax attributes was primarily attributable to currency translation adjustments, partially offset by an increase of unrecognized tax attributes in The Netherlands.

As of 31 December 2015 and 2014, deferred taxes of $51 million and $52 million, respectively, have been provided on the unremitted earnings (to the extent such earnings are subject to taxation on their future remittance) of certain equity joint ventures and subsidiaries.

Contingencies— Certain income tax returns of LyondellBasell N.V. and its subsidiaries are under examination by tax authorities. These audits may result in proposed assessments by the tax authorities. The Company believes that its tax positions comply with applicable tax law and intends to defend its positions through appropriate administrative and judicial processes.

Out of the total current income tax payable of $822 million, $320 million is expected to be settled within the next 12 months.

27 Retirement Benefit Obligations

Millions of U.S. Dollars	Note	2015	2014
Asset in the Consolidated Statement of Financial Position:			
Defined benefit pension plans		$ 3	$ 4
Liabilities in the Consolidated Statement of Financial Position:			
Defined benefit pension plans		$ 883	$ 964
Other post-employment benefit plans		340	407
Total liabilities		$ 1,223	$ 1,371
Net defined benefit liabilities		$ 1,220	$ 1,367
Income statement charge:	7		
Defined benefit pension plans		$ 102	$ 80
Other post-employment benefit plans		20	22
Total charges		$ 122	$ 102
Remeasurements recognized in the Consolidated Statement of Other Comprehensive Income (loss) in the period (before tax):			
Defined benefit pension plans		$ 4	$ 381
Other post-employment benefit plans		63	55
Total recognized in Other Comprehensive Income in the period		$ 67	$ 436

We have defined benefit pension plans which cover employees in various countries. We also sponsor postretirement benefit plans other than pensions that provide medical benefits to certain of our U.S., Canadian, and French employees. In Italy and Germany, we provide other post-employment benefits such as early retirement and deferred compensation severance benefits. We use a measurement date of 31 December for all of our benefit plans.

The U.S. defined benefit pension plans are subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), including minimum funding requirements. The benefits under the U.S. defined benefit plans are determined either under a cash balance formula or another formula based on the participant’s earnings history or service or both. The benefit payments are made from a trust or insurance contract. The plans are administered by the Benefits Administrative Committee (“BAC”) and investment of the trust assets is directed by external investment managers hired and monitored by the Benefits Finance Committee (“BFC”). Both the BAC and BFC consist of individuals appointed by the Board of Directors of Lyondell Chemical Company, a wholly owned subsidiary of the Company.

The non-U.S. defined benefit pension plans are subject to the regulatory framework and minimum funding requirements of applicable jurisdictions in which the plans are operated. The benefits under the non-U.S. defined benefit pension plan are also generally calculated based on the participant’s earnings history or service or both. The benefit payments from certain non-U.S. plans are made from a trust or insurance contract; however, there are also a number of unfunded plans under which the Company meets each benefit payment obligation as it falls due. Management of non-U.S. plan assets is governed by local regulations and practice in each applicable jurisdiction.

Defined benefit pension plans

The amounts recognized in the Statement of Financial Position are determined as follows:

Millions of U.S. Dollars	31 December 2015	2014
Present value of benefit obligations	$ (3,383)	$ (3,586)
Fair value of plan assets	2,512	2,633
Deficit of defined benefit pension plans	(871)	(953)
Effect of asset limitation and minimum funding requirement	(9)	(7)
Net liability	$ (880)	$ (960)

The changes in the net defined benefit liability over the year are as follows:

Millions of U.S. Dollars	Present value of obligation	Fair value of plan assets	Total	Effect of asset limitation and minimum funding requirement	Total
At 1 January 2014	$ 3,294	$ (2,625)	$ 669	$ 3	$ 672
Current service cost	66	- -	66	- -	66
Past service cost	(9)	- -	(9)	- -	(9)
Interest expense (income)	136	(112)	24	- -	24
	193	(112)	81	- -	81
Remeasurements:					
- Return on plan assets (excluding interest income)	- -	(71)	(71)	- -	(71)
- Effect of changes in demographic assumptions	76	- -	76	- -	76
- Effect of changes in financial assumptions	379	- -	379	- -	379
- Effect of changes in experience adjustments	3	- -	3	- -	3
- Changes in asset ceiling (excluding interest income)	- -	- -	- -	4	4
	458	(71)	387	4	391
Exchange differences	(164)	74	(90)	- -	(90)
Contributions:					
- Employers	- -	(94)	(94)	- -	(94)
- Plan participants	3	(3)	- -	- -	- -
Payments from plans:					
- Benefit payments	(198)	198	- -	- -	- -
At 31 December 2014	$ 3,586	$ (2,633)	$ 953	$ 7	$ 960

Millions of U.S. Dollars	Present value of obligation	Fair value of plan assets	Total	Effect of asset limitation and minimum funding requirement	Total
At 1 January 2015	$ 3,586	$ (2,633)	$ 953	$ 7	$ 960
Current service cost	70	- -	70	- -	70
Past service cost	- -	- -	- -	- -	- -
Interest expense (income)	122	(89)	33	- -	33
	192	(89)	103	- -	103
Remeasurements:					
- Return on plan assets (excluding interest income)	- -	54	54	- -	54
- Effect of changes in demographic assumptions	(26)	- -	(26)	- -	(26)
- Effect of changes in financial assumptions	(40)	- -	(40)	- -	(40)
- Effect of changes in experience adjustments	6	- -	6	- -	6
- Changes in asset ceiling (excluding interest income)	- -	- -	- -	2	2
	(60)	54	(6)	2	(4)
Exchange differences	(147)	75	(72)	- -	(72)
Contributions:					
- Employers	- -	(107)	(107)	- -	(107)
- Plan participants	1	(1)	- -	- -	- -
Payments from plans:					
- Benefit payments	(189)	189	- -	- -	- -
At 31 December 2015	$ 3,383	$ (2,512)	$ 871	$ 9	$ 880

The defined benefit obligation and plan assets are composed by country as follows:

	2015							
Millions of U.S. Dollars	U.S.	Canada	France	Germany	Netherlands	U.K.	Other	Total
Present value of obligation	$ 2,066	$ 85	$ 180	$ 393	$ 440	$ 183	$ 36	$ 3,383
Fair value of plan assets	(1,789)	(90)	(26)	- -	(427)	(176)	(4)	(2,512)
Effect of asset limitation and minimum funding requirement	- -	5	- -	- -	4	- -	- -	9
Total	$ 277	$ - -	$ 154	$ 393	$ 17	$ 7	$ 32	$ 880

Millions of U.S. Dollars	2014 U.S.	Canada	France	Germany	Netherlands	U.K.	Other	Total
Present value of obligation	$ 2,178	$ 104	$ 214	$ 429	$ 436	$ 184	$ 41	$ 3,586
Fair value of plan assets	(1,898)	(111)	(32)	- -	(410)	(178)	(4)	(2,633)
Effect of asset limitation and minimum funding requirement	- -	7	- -	- -	- -	- -	- -	7
Total	$ 280	$ - -	$ 182	$ 429	$ 26	$ 6	$ 37	$ 960

As of 31 December 2015, the present value of the defined benefit obligation was comprised of approximately $1,491 million relating to active employees, $757 million relating to vested deferred members and $1,135 million relating to members in retirement. As of 31 December 2014, the present value of the defined benefit obligation was comprised of approximately $1,603 million relating to active employees, $794 million relating to vested deferred members and $1,190 million relating to members in retirement.

The expected contributions to be paid to the defined benefit pension plans and the multi-employer plan during 2016 are $110 million and $8 million, respectively.

Our goal is to manage pension investments over the longer term to achieve optimal returns with an acceptable level of risk and volatility. The assets are externally managed by professional investment firms and performance is evaluated continuously against specific benchmarks. The Company or other oversight bodies actively monitor investment results. Investments are well diversified such that the failure of any single position would not have a material effect on the overall level of assets.

The actual return on plan assets was a loss of $35 million (a gain of $183 million in 2014).

The major categories of plan assets as a percentage of total plan assets are:

	2015	2014
Equity securities	43%	45%
Fixed income securities	44%	40%
U.S. government securities	1%	5%
Alternatives [(a)]	12%	10%

(a) Include investments in real estate, hedge funds, private equity and insurance annuity contracts.

The plan assets are summarized as follows at 31 December:

	2015			2014		
Millions of U.S. Dollars	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Common and preferred stock						
Domestic	$ 347	$ - -	$ 347	$ 404	$ - -	$ 404
International	298	- -	298	325	- -	325
Fixed income securities						
Corporate bonds	592	- -	592	566	- -	566
Mortgage-backed securities	- -	- -	- -	13	- -	13
Municipal bonds	13	- -	13	6	- -	6
Foreign government issued bonds	- -	- -	- -	10	- -	10
Asset-backed securities	- -	- -	- -	4	- -	4
Commingled funds						
Domestic equity	99	- -	99	105	- -	105
International equity	332	- -	332	388	- -	388
Fixed income	459	- -	459	420	- -	420
Real estate	- -	97	97	- -	89	89
Hedge funds	- -	140	140	- -	129	129
Private equity	- -	60	60	- -	32	32
Convertible securities	- -	- -	- -	1	- -	1
U.S. government securities						
Agency securities	2	- -	2	95	- -	95
U.S. Treasury securities	34	- -	34	41	- -	41
Cash and cash equivalents	60	- -	60	57	- -	57
John Hancock GACs	- -	- -	- -	- -	6	6
Total Pension Assets	$ 2,236	$ 297	$ 2,533	$ 2,435	$ 256	$ 2,691

Our pension plans have not directly invested in securities of LyondellBasell Industries N.V. and there have been no significant transactions between any of the pension plans and the Company or related parties thereof.

The weighted average assumptions used to determine benefit obligations were as follows:

	2015	2014
Discount rate	3.72%	3.57%
Rate of salary increase	3.38%	3.39%
Rate of price inflation	2.39%	2.32%
Rate of pension increase	1.96%	1.62%

The weighted average assumptions used to determine net pension cost were as follows:

	2015	2014
Discount rate	3.57%	4.34%
Rate of salary increase	3.40%	3.62%
Rate of price inflation	2.32%	2.34%
Rate of pension increase	1.62%	1.18%

The sensitivity analysis presented in the following table is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The sensitivity of the benefit obligations to changes in the discount rate is as follows:

Millions of U.S. Dollars	Effects on benefit obligations in 2015	Change %	Effects on benefit obligations in 2014	Change %
Present value of obligations	$ 3,383		$ 3,586	
Discount rate increases by 50 basis points	(204)	-6.0%	(224)	-6.2%
Discount rate decreases by 50 basis points	231	6.8%	253	7.1%

Reasonably foreseeable changes to the other principal assumptions would not result in a material impact to the benefit obligations and the benefit costs of our pension plans.

The defined benefit pension plans and the other post-employment benefit plans are subject to a number of risks, the most significant of which are discussed below:

Market price risk—Significant changes in investment performance may result in corresponding increases and decreases in the value of the plan assets.

Changes in bond yields—A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

Inflation risk—Some of the pension plans' benefit arrangements are directly related to the salary levels so that a significant increase in salaries could lead to an increase in the pension obligations of the plans.

Life expectancy—Some plan obligations provide benefits for the lifetime of the member and so increases in life expectancy could result in an increase in the plans' liabilities.

Multi-employer Plan—The Company participates in a multi-employer pension arrangement Pensionskasse der BASF WaG V.VaG (Pensionskasse), which provides for benefits to the majority of our employees in Germany. The plan provides fixed, monthly retirement payments on the basis of the credits earned by the participating employees. The Company-specific plan information for the Pensionskasse is not publicly available and the plan is not subject to a collective-bargaining agreement. Up to a certain salary level, the benefit obligations are covered by contributions of the Company and the employees to the Pensionskasse. To the extent that the Pensionskasse is underfunded or for benefits owed but not subject to the Pensionskasse arrangement, the Company's future contributions to the plan or payments to retirees may increase. The Pensionskasse was overfunded in 2015 and 2014. To the extent that benefit obligations under the plan are funded by Pensionskasse, the related Company contributions are expensed as incurred. The amounts accrued for expected future benefits payable which are not funded by Pensionskasse was $45 million at 31 December 2015 and the remeasurements recognized in the Consolidated Statement of Other Comprehensive Income are a loss of $33 million.

The amounts recognized in the Consolidated Statement of Income are as follows:

	31 December	
Millions of U.S. Dollars	**2015**	**2014**
Company contributions to Pensionskasse	$ 7	$ 7

Other post-employment benefits plans

The amounts recognized in the Consolidated Statement of Financial Position are determined as follows:

	31 December	
Millions of U.S. Dollars	**2015**	**2014**
Present value of benefit obligations	$ 340	$ 407
Fair value of plan assets	- -	- -
Net liability	$ 340	$ 407

The changes in the net defined benefit liability over the year are as follows:

Millions of U.S. Dollars	Present value of obligation	Fair value of plan assets	Total
At 1 January 2014	$ 351	$ - -	$ 351
Current service cost	5	- -	5
Past service cost	1	- -	1
Interest expense	16	- -	16
	22	- -	22
Remeasurements:			
- Effect of changes in demographic assumptions	21	- -	21
- Effect of changes in financial assumptions	49	- -	49
- Effect of changes in experience adjustments	(13)	- -	(13)
	57	- -	57
Exchange differences	(7)	- -	(7)
Contributions:			
- Employers	- -	(16)	(16)
- Plan participants	8	(8)	- -
Payments from plans:			
- Benefit payments	(24)	24	- -
At 31 December 2014	$ 407	$ - -	$ 407

Millions of U.S. Dollars	Present value of obligation	Fair value of plan assets	Total
At 1 January 2015	$ 407	$ - -	$ 407
Current service cost	6	- -	6
Interest expense	14	- -	14
	20	- -	20
Remeasurements:			
- Effect of changes in demographic assumptions	(16)	- -	(16)
- Effect of changes in financial assumptions	(9)	- -	(9)
- Effect of changes in experience adjustments	(39)	- -	(39)
	(64)	- -	(64)
Exchange differences	(7)	- -	(7)
Contributions:			
- Employers	- -	(16)	(16)
- Plan participants	8	(8)	- -
Payments from plans:			
- Benefit payments	(24)	24	- -
At 31 December 2015	$ 340	$ - -	$ 340

The weighted average assumptions used to determine benefit obligations were as follows:

	2015	2014
Discount rate	3.98%	3.71%
Rate of salary increase	3.87%	3.85%
Rate of price inflation	1.90%	2.00%

The weighted average assumptions used to determine net benefit cost were as follows:

	2015	2014
Discount rate	3.71%	4.47%
Rate of salary increase	3.85%	3.85%
Rate of price inflation	2.00%	2.00%

The following table reflects the sensitivity of the benefit obligations of our other post-employment benefit plans to changes in the discount rate:

Millions of U.S. Dollars	Effects on benefit obligations in 2015	Change %	Effects on benefit obligations in 2014	Change %
Present value of obligations	$ 340		$ 407	
Discount rate increases by 50 basis points	(20)	-5.9%	(24)	-5.9%
Discount rate decreases by 50 basis points	23	6.8%	27	6.6%

Reasonably foreseeable changes to the other principal assumptions would not result in a material impact to the benefit obligations and the benefit costs of our other post-employment benefit plans.

The weighted average duration of the defined benefit obligation for the defined benefit pension plans and other post-employment benefit plans is 12.8 years and 12.6 years, respectively.

As of 31 December 2015, future expected benefit payments by our defined benefit pension plans and other post-employment benefit plans which reflect expected future service, as appropriate, are as follows:

Millions of U.S. Dollars	2016	2017	2018	2019	2020	Thereafter	Total
Defined benefit pension plans	$ 196	$ 198	$ 198	$ 192	$ 189	$ 2,410	$ 3,383
Other post-employment benefit plans	20	21	22	23	23	231	340
Total	$ 216	$ 219	$ 220	$ 215	$ 212	$ 2,641	$ 3,723

28 Trade and Other Payables

Millions of U.S. Dollars	Note	31 December 2015	2014
Trade payables		$ 1,913	$ 2,655
Amounts due to related parties	31	270	409
Social securities and other taxes		31	43
Accrued expenses		1,306	1,224
		$ 3,520	$ 4,331

29 Provisions for Other Liabilities and Charges

Millions of U.S. Dollars	Asset Retirement Obligation	Environmental	Restructuring	Other	Total
Balance at 1 January 2014	$ 112	$ 120	$ 120	$ 49	$ 401
Charged/(credited) to the income statement:					
Additional provisions	2	- -	4	- -	6
Unused amounts reversed	(6)	(3)	(3)	(3)	(15)
Unwinding of discount	1	- -	2	- -	3
Changes in estimate	24	6	1	10	41
Used during the period	(4)	(8)	(51)	(17)	(80)
Exchange differences	(12)	(9)	(8)	(8)	(37)
Other	- -	- -	- -	47	47
At 31 December 2014	$ 117	$ 106	$ 65	$ 78	$ 366
Of which:					
Non-current	$ 105	$ 96	$ 40	$ 39	$ 280
Current	12	10	25	39	86
Closing balance	$ 117	$ 106	$ 65	$ 78	$ 366
Balance at 1 January 2015	$ 117	$ 106	$ 65	$ 78	$ 366
Charged/(credited) to the income statement:					
Additional provisions	1	20	3	2	26
Unused amounts reversed	- -	- -	- -	(1)	(1)
Unwinding of discount	2	- -	- -	- -	2
Changes in estimate	1	2	(4)	6	5
Used during the period	(1)	(14)	(21)	(1)	(37)
Exchange differences	(12)	(8)	(5)	(7)	(32)
Other	- -	- -	24	(4)	20
At 31 December 2015	$ 108	$ 106	$ 62	$ 73	$ 349

Millions of U.S. Dollars	Asset Retirement Obligation	Environmental	Restructuring	Other	Total
Of which:					
Non-current	$ 95	$ 90	$ 43	$ 34	$ 262
Current	13	16	19	39	87
Closing balance	$ 108	$ 106	$ 62	$ 73	$ 349

Asset retirement obligations—At some locations, we are contractually obligated to decommission our plants upon site exit. We have provided for the net present value of the estimated costs. Typically such costs are incurred within three years of a plant's closure.

Environmental remediation—Our accrued liability for future environmental remediation costs at current and former plant sites and other remediation sites totaled $106 million as of 31 December 2015 and 2014. At 31 December 2015, the accrued liabilities for individual sites range from less than $1 million to $17 million. The remediation expenditures are expected to occur over a number of years, and not to be concentrated in any single year. In our opinion, it is reasonably possible that losses in excess of the liabilities recorded may have been incurred. However, we cannot estimate any amount or range of such possible additional losses. New information about sites, new technology or future developments such as involvement in investigations by regulatory agencies, could require us to reassess our potential exposure related to environmental matters.

Restructuring—In connection with current restructuring activities, we recognized severance charges totaling $3 million and $1 million for the years ended 31 December 2015 and 2014, respectively, for the separation of employees. The restructuring cost primarily relates to the suspension of operations at the Berre refinery in France and optimization of our operations in Europe and North America. We may incur additional costs related to these activities that cannot be reasonably estimated at this time.

30 Contingencies and Commitments

Contingencies—Litigation and Other Matters

Access Indemnity Demand—In December 2010, one of our subsidiaries received demand letters from affiliates of Access Industries (collectively, "Access Entities"), a more than five percent shareholder of the Company, demanding indemnity for losses, including attorney's fees and expenses, arising out of a pending lawsuit styled *Edward S. Weisfelner, as Litigation Trustee of the LB Litigation Trust v. Leonard Blavatnik, et al.*, Adversary Proceeding No. 09-1375 (REG), in the United States Bankruptcy Court, Southern District of New York. In the *Weisfelner* lawsuit, the plaintiffs seek to recover from Access, the return of all amounts earned by the Access Entities related to their purchase of shares of Lyondell Chemical prior to its acquisition by Basell AF S.C.A.; distributions by Basell AF S.C.A. to its shareholders before it acquired Lyondell Chemical, and management and transaction fees and expenses. The trial that was scheduled for October 2011 has been postponed.

The Access Entities have also demanded $100 million in management fees under a 2007 management agreement between an Access affiliate and the predecessor of LyondellBasell AF, as well as other unspecified amounts relating to advice purportedly given in connection with financing and other strategic transactions. In June 2009, an Access affiliate filed a proof of claim in Bankruptcy Court against LyondellBasell AF seeking "no less than" $723 thousand for amounts allegedly owed under the 2007 management agreement. In April 2011, Lyondell Chemical filed an objection to the claim and brought a declaratory judgment action for a determination that the demands are not valid. The declaratory judgment action is stayed pending the outcome of the *Weisfelner* lawsuit.

We do not believe that the 2007 management agreement is in effect or that the Company or any Company-affiliated entity owes any obligations under the management agreement, including for management fees or for indemnification. We intend to vigorously defend our position in any proceedings and against any claims or demands that may be asserted.

We cannot at this time estimate the reasonably possible loss or range of loss that may be incurred in the *Weisfelner* lawsuit; therefore, we cannot estimate the loss that may be sought by way of indemnity.

409A Matter—Certain of the Company's current and former executives are being audited by the Internal Revenue Service for the 2012 tax year. The IRS has issued proposed assessments of additional taxes to these individuals for wages and penalties under Section 409A of the Internal Revenue Code. The IRS has argued that stock options awarded to the individuals in 2010 in connection with the Company's emergence from bankruptcy should not have used the exercise price set under the bankruptcy court approved plan of reorganization but instead should have used an exercise price based on pre-emergence trading by parties not controlled by the Company. If the individuals are unsuccessful in their defenses against these audits, or any audits for subsequent tax years, the Company believes it is reasonably possible that it may be liable to the individual executive taxpayers for the additional amounts they may owe to the IRS as a result of the stock options allegedly not meeting the exemption from Section 409A. Any amount that may be owed by the Company is dependent on the ultimate resolution of the IRS audits, but the Company believes that such amount could range from no liability to up to $165 million. The Company intends to vigorously defend its compensation practices.

Indemnification—We are parties to various indemnification arrangements, including arrangements entered into in connection with acquisitions, divestitures and the formation and dissolution of joint ventures. Pursuant to these arrangements, we provide indemnification to and/or receive indemnification from other parties in connection with liabilities that may arise in connection with the transactions and in connection with activities prior to completion of the transactions. These indemnification arrangements typically include provisions pertaining to third party claims relating to environmental and tax matters and various types of litigation. As of 31 December 2015, we had not accrued any significant amounts for our indemnification obligations, and we are not aware of other circumstances that would likely lead to significant future indemnification obligations. We cannot determine with certainty the potential amount of future payments under the indemnification arrangements until events arise that would trigger a liability under the arrangements.

As part of our technology licensing contracts, we give indemnifications to our licensees for liabilities arising from possible patent infringement claims with respect to certain proprietary licensed technologies. Such indemnifications have a stated maximum amount and generally cover a period of five to ten years.

Commitments

*Purchase commitments—*We have various purchase commitments for materials, supplies and services incident to the ordinary conduct of business, generally for quantities required for our businesses and at prevailing market prices. These commitments are designed to assure sources of supply and are not expected to be in excess of normal requirements. Our capital expenditure commitments at 31 December 2015 were in the normal course of business.

*Financial Assurance Instruments—*We have obtained letters of credit, performance and surety bonds and have issued financial and performance guarantees to support trade payables, potential liabilities and other obligations. Considering the frequency of claims made against the financial instruments we use to support our obligations, and the magnitude of those financial instruments in light of our current financial position, management does not expect that any claims against or draws on these instruments would have a material adverse effect on our Consolidated

Financial Statements. We have not experienced any unmanageable difficulty in obtaining the required financial assurance instruments for our current operations.

Operating Leases—We lease office facilities, railcars, vehicles, and other equipment under operating leases. Some leases contain renewal provisions, purchase options and escalation clauses.

The operating lease expense for 2015 and 2014 totaled $422 million and $412 million, respectively.

The aggregate future estimated purchase obligations and minimum lease payments under non-cancellable operating leases are as follows:

	2015			
	Purchase Obligations			
Millions of U.S. Dollars	**Associates**	**Joint Ventures**	**Consolidated Entities**	**Operating Leases**
No later than 1 year	$ - -	$ 957	$ 4,801	$ 372
Later than 1 year and no later than 5 years	- -	2,871	9,664	936
Later than 5 years	- -	- -	3,345	491
Total	$ - -	$ 3,828	$ 17,810	$ 1,799

31 Related Parties

The Company has related party transactions with one of our major shareholders, Access Industries ("Access") and with the Company's associates and joint ventures.

Access—In December 2010, we entered into a tax cooperation agreement with Access which terminated on 31 December 2014. The tax cooperation agreement allowed either party to provide the other with information and support in connection with tax return preparation and audits on a time and materials basis through 2014. No payments were received from or paid to Access under this agreement during 2014.

In December 2010, one of our subsidiaries received demand letters from affiliates of Access demanding (i) indemnity for losses, including attorney's fees and expenses, arising out of a pending lawsuit and (ii) payment of (a) $100 million in management fees under a 2007 management agreement between an Access affiliate and the predecessor of LyondellBasell AF and (b) other unspecified amounts related to advice purportedly given in connection with financing and other strategic transactions. For additional information related to this matter, see Note 30.

Associates and Joint Ventures—The Company has related party transactions with its associates and joint ventures. These related party transactions include the sales and purchases of goods in the normal course of business as well as certain financing arrangements and are at arm's length basis. In addition, under contractual arrangements with certain of the Company's equity investees, we receive certain services, utilities and materials at some of our manufacturing sites and we provide certain services to our associates and joint ventures.

We have guaranteed €21 million ($23 million) of the indebtedness of one of our joint ventures as of 31 December 2015. In 2015, we received a payment totaling $19 million related to a loan made to our joint venture, Al-Waha Petrochemicals Ltd., in 2010.

The related party transactions are summarized as follows:

Millions of U.S. Dollars	**31 December 2015**	**31 December 2014**
The Company billed related parties for:		
Sale of products –		
Joint Ventures	$ 8	$ 12
Associates	33	37
Shared services agreements –		
Joint Ventures	3	5
Associates	14	13
Related parties billed the Company for:		
Sale of products –		
Joint Ventures	$ 763	$ 993
Associates	605	807
Shared services agreements –		
Joint Ventures	- -	1
Associates	72	84
Year-end balances with related parties:		
Receivable from Joint Ventures	$ 2	$ 1
Receivable from Associates	11	8
Loans to Associates and Joint Ventures	8	8
Loans from Associates and Joint Ventures	4	6
Payables to Joint Ventures	221	287
Payables to Associates	49	122

32 Segment and Related Information

Our operations are managed through five operating segments, as shown below. Each of the operating segments is separately managed by a senior executive reporting directly to our Chief Executive Officer, the chief operating decision-maker. Discrete financial information is available for each of the segments, and our Chief Executive Officer uses the operating results of each of the operating segments for performance evaluation and resource allocation. The activities of each of our segments from which they earn revenues and incur expenses are described below:

- Olefins and Polyolefins–Americas ("O&P–Americas"). Our O&P–Americas segment produces and markets olefins, including ethylene and ethylene co-products, and polyolefins.

- Olefins and Polyolefins–Europe, Asia, and International ("O&P–EAI"). Our O&P–EAI segment produces and markets olefins, including ethylene and ethylene co-products, polyolefins and specialty products, including polybutene-1 and polypropylene compounds.

- Intermediates and Derivatives ("I&D"). Our I&D segment produces and markets propylene oxide and its co-products and derivatives, acetyls, including methanol, ethylene oxide and its derivatives, ethanol and oxygenated fuels, or oxyfuels.

- Refining. Our Refining segment refines heavy, high-sulfur crude oils and other crude oils of varied types and sources available on the U.S. Gulf Coast.

- Technology. Our Technology segment develops and licenses chemical and polyolefin process technologies and manufactures and sells polyolefin catalysts.

Our chief operating decision maker uses EBITDA as the primary measure for reviewing our segments' profitability and therefore, we have presented EBITDA for all segments. We define EBITDA as earnings before interest, taxes and depreciation and amortization. All periods have been adjusted to reflect this change.

Intersegment eliminations and items that are not directly related or allocated to business operations are included in "Other." Sales between segments are made primarily at prices approximating prevailing market prices. Accounting policies for internal reporting are based on U.S. GAAP and are materially similar to those described in Summary of Significant Accounting Policies (see Note 2), except for:

Discontinued Operations—The Financial Accounting Standards Board ("FASB"), in April 2014, issued Accounting Standards Update ("ASU") ASU 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*, which amended Accounting Standards Codification ("ASC") Topic 205, *Presentation of Financial Statements* ("ASC 205"). Under this new guidance, only disposals representing a strategic shift in operations that have or will have a major effect on a company's operations should be presented as discontinued operations. In 2014, we adopted this amendment prospectively.

Prior to the issuance of ASU 2014-8, under U.S. GAAP, the results of operations of a component of an entity was be reported in the discontinued operations if both of the following conditions were met: (a) the operations and cash flows of the component have been (or will be) eliminated from the ongoing operations of the entity as a result of the disposal transaction and (b) the entity will not have any significant continuing involvement in the operations of the component after the disposal transaction. The suspension of the Berre Refinery operations met these criteria and was treated as discontinued operations under U.S. GAAP. Under IFRS and in this financial report, the suspension of the

Berre Refinery operations has been accounted for under IFRS 5, *Non-current assets held for sale and discontinued operations* ("IFRS 5"). IFRS 5 defines a discontinued operation as a component of an entity that either has been disposed of or is classified as held for sale, and represents a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. For IFRS, the Berre Refinery did not meet the definition of a separate major line of business because the Company has not exited the refining business, and thus did not qualify for discontinued operations.

Inventories—The Group measures its inventories in accordance with the Last In, First Out ("LIFO") method, which is permitted under U.S. GAAP. According to IAS 2, *Inventories,* the LIFO method is prohibited under IFRS. Therefore, the inventories are measured using the First In, First Out ("FIFO") method for the Consolidated Financial Statements. This inventory measurement difference between the reportable segments and the consolidated information results in different costs of sale and net profit for the period.

Employee Benefits—Under U.S. GAAP, ASC Topic 715, *Compensation–Retirement Benefits* ("ASC 715") requires the interest expense component of pension expense to be calculated as the product of the defined benefit liability and the discount rate. Such interest expense is netted against interest income resulting from the expected rate of return on plan assets applied to the market value of assets. The expected rate of return on plan assets is a longer term rate, and is expected to change less frequently that the discount rate, reflecting long-term market expectations, rather than current fluctuations in market conditions. Under IFRS, in accordance with *IAS 19, Employee Benefits,* the Company recognizes a net interest expense (income), which is the product of the net defined benefit liability (asset) and the discount rate, as a component of its pension expense on defined benefit plans.

Under ASC 715, past service cost and actual return on plan assets in excess of expected return are initially recorded in other comprehensive income and subsequently recognized in earnings over the average remaining service period of the participants to the extent it exceeds the "corridor". The corridor is defined as the greater of 10 percent of the accumulated projected benefit obligation or the fair value of the plan assets as of the beginning of the year. Under IFRS, the Company recognizes immediately past service cost and net interest expense (income) as discussed above in the Consolidated Statement of Income. Actual return of plan assets in excess of recognized interest income is permanently recorded in other comprehensive income.

Other—Amongst others, there are minor differences between IFRS and U.S. GAAP with respect to the adoption of IFRS 11, *Joint Arrangements* as well as the subsequent measurement of asset retirement obligations, capitalization of development costs related to Research and development and amortization of debt issuance costs. If material, these differences are separately disclosed in the Consolidated Financial Statements reconciliation.

Summarized financial information concerning reportable segments is shown in the following table for the periods presented:

Millions of U.S. Dollars	O&P – Americas	O&P – EAI	I&D	Refining	Technology	Other	Total
	Year Ended 31 December 2015						
Sales and other operating revenues:							
Customers	$ 7,344	$ 11,371	$ 7,596	$ 6,059	$ 365	$ - -	$ 32,735
Intersegment	2,620	205	176	498	100	(3,599)	- -
	9,964	11,576	7,772	6,557	465	(3,599)	32,735
Depreciation and amortization expense	353	219	233	196	46	- -	1,047
Other income, net	10	14	4	2	- -	(5)	25
Income from equity investments	42	283	14	- -	- -	- -	339
Capital expenditures	668	186	441	108	24	13	1,440
EBITDA	3,661	1,825	1,475	342	243	(13)	7,533

Millions of U.S. Dollars	O&P – Americas	O&P – EAI	I&D	Refining	Technology	Other	Total
	Year Ended 31 December 2014						
Sales and other operating revenues:							
Customers	$ 9,608	$ 14,861	$ 9,985	$ 10,768	$ 385	$ 1	$ 45,608
Intersegment	4,340	342	145	942	112	(5,881)	- -
	13,948	15,203	10,130	11,710	497	(5,880)	45,608
Depreciation and amortization expense	316	248	225	169	61	- -	1,019
Other income (expense), net	2	5	7	2	- -	22	38
Income from equity investments	21	229	7	- -	- -	- -	257
Capital expenditures	912	191	241	123	25	7	1,499
EBITDA	3,911	1,366	1,459	65	232	17	7,050

The difference between sales reported and the IFRS income statement and the difference between capital expenditures reported and the IFRS statement of cash flows are caused by the difference in accounting for joint arrangements under IFRS and US GAAP as explained in this note.

Reconciliation of EBITDA for reportable segments to the Company's Consolidated Statement of Income is summarized in the following table:

	31 December	
Millions of U.S. Dollars	**2015**	**2014**
EBITDA:		
Total segment EBITDA	$ 7,546	$ 7,033
Other EBITDA	(13)	17
	7,533	7,050
Less:		
Depreciation and amortization expense	(1,047)	(1,019)
Other income (expense), net	(25)	(38)
Income from equity investments	(339)	(257)
U.S. GAAP operating income	6,122	5,736
Measurement difference:		
Inventory valuation	(337)	(252)
Pension expense	(49)	(50)
Depreciation	- -	- -
Classification difference:		
Impact of Berre refinery closure	(16)	(17)
Other income (expense), net	338	61
Fair value changes on warrants	(2)	6
Adoption of IFRS 11, *Joint Arrangements*	90	78
Total Company's operating profit	$ 6,146	$ 5,562

The following geographic data for revenues are based upon the delivery location of the product and for long lived assets, the location of the assets:

	Revenue	
Millions of U.S. Dollars	**2015**	**2014**
The Netherlands	$ 856	$ 1,206
United States	16,101	23,574
Germany	2,697	4,231
France	1,201	1,591
Italy	1,349	1,617
Mexico	951	1,361
Other	9,679	12,165
Total revenue	$ 32,834	$ 45,745

Millions of U.S. Dollars	Long-Lived Assets 2015	Long-Lived Assets 2014
United States	$ 7,089	$ 6,657
Germany	1,379	1,566
The Netherlands	669	709
France	491	521
Italy	354	415
Mexico	153	161
Other	1,533	1,595
Total	$ 11,668	$ 11,624

Long-lived assets include Property, plant and equipment, Intangible assets excluding goodwill and Investments in associates and joint ventures.

33 Subsequent Events

On 5 February 2016, we received proceeds of $184 million from the sale of our wholly owned subsidiary, Petroken Petroquimica Ensenada S.A.

On 2 March 2016, LYB International Finance II B.V., a direct, 100% owned finance subsidiary of LyondellBasell Industries, N.V. issued €750 million ($826 million) of 1.875% Guaranteed Notes due 2022 at a discounted price of 99.607% . The notes are fully and unconditionally guaranteed by LyondellBasell N.V.

On 17 February 2016 the Supervisory Board authorized the company's Management Board to declare an interim dividend of $0.78 per share. The interim dividend will be paid 14 March 2016 to shareholders of record as of 29 February 2016.

Appendix - A

Entity Name	Jurisdiction of Formation
Subsidiaries	
Basell (Thailand) Holdings B.V.	Netherlands
Basell Advanced Polyolefins (Suzhou) Co. Ltd.	China
Basell Advanced Polyolefins (Thailand) Company Ltd.	Thailand
Basell Arabie Investissements SAS	France
Basell Asia Pacific Consulting (Shanghai) Co., Ltd.	China
Basell Asia Pacific Limited	Hong Kong
Basell Bayreuth Chemie GmbH	Germany
Basell Benelux B.V.	Netherlands
Basell Canada Inc.	Ontario
Basell Cayman Corporation	Cayman
Basell Chemie Köln GmbH	Germany
Basell Deutschland GmbH	Germany
Basell Europe Holdings B.V.	Netherlands
Basell France S.A.S.	France
Basell Germany Holdings GmbH	Germany
Basell Holdings Middle East GmbH	Germany
Basell Ibérica Poliolefinas Holdings S.L.	Spain
Basell International Holdings B.V.	Netherlands
Basell International Trading FZE	United Arab Emirates
Basell Italia S.r.l	Italy
Basell Mexico, S. de R.L. de C.V.	Mexico
Basell Moyen Orient Investissements SAS	France
Basell North America Inc.	Delaware
Basell Poliolefinas Comercial Espagnola S.L.	Spain
Basell Poliolefinas Iberica S.L.	Spain
Basell Poliolefinas Ltda.	Brazil
Basell Poliolefinas, S. de R.L. de C.V.	Mexico
Basell Poliolefine Italia S.r.l.	Italy
Basell Polyolefin Istanbul Ticaret Limited Sirketi	Turkey
Basell Polyolefine GmbH	Germany
Basell Polyolefines France S.A.S.	France
Basell Polyolefins Company BVBA	Belgium
Basell Polyolefins India Private Limited	India
Basell Polyolefins Korea Ltd.	Korea
Basell Polyolefins UK Limited	United Kingdom
Basell Sales & Marketing Company B.V.	Netherlands
Basell Service Company B.V.	Netherlands
Basell Slovakia s.r.o.	Slovakia
Basell Trading (Shanghai) Co. Ltd.	Shanghai
Basell UK Holdings Limited	United Kingdom
Basell UK Ltd.	United Kingdom

LyondellBasell Industries N.V.

Entity Name	Jurisdiction of Formation
Compagnie de Distribution des Hydrocarbures SAS	France
Compagnie Petrochimique de Berre SAS	France
Complejo Industrial Taqsa A.I.E.	Spain
Equistar Bayport, LLC	Delaware
Equistar Chemicals, LP	Delaware
Equistar GP, LLC	Delaware
Equistar LP, LLC	Delaware
Equistar Mont Belvieu Corporation	Delaware
Equistar Olefins G.P., LLC	Delaware
Equistar Olefins Offtake G.P., LLC	Delaware
Equistar Olefins Offtake LP	Delaware
GuangZhou Basell Advanced Polyolefins Co., Ltd.	China
Hisane A.I.E.	Spain
Houston Refining LP	Delaware
Industriepark Münchsmünster GmbH & Co. KG	Germany
Industriepark Münchsmünster Verwaltungsgesellschaft mbH	Germany
LaPorte Methanol Company, L.P.	Delaware
Limited Liability Company "LyondellBasell Polyolefins"	Tolyatti, Samara Region
LYB Americas Finance Company	Delaware
LYB Americas Finance Holdings B.V.	Netherlands
LYB Bermuda Ltd.	Bermuda
LYB Equistar Holdings LLC	Delaware
LYB Finance Company B.V.	Netherlands
LYB Financial Services LP	Delaware
LYB International Finance B.V.	Netherlands
LYB Ireland Limited	Ireland
LYB Luxembourg II S.à .r.l.	Luxembourg
LYB Luxembourg S.à r.l.	Luxembourg
LYB Receivables LLC	Delaware
LYB Trading Company B.V.	Netherlands
Lyondell Asia Holdings Limited	Hong Kong
Lyondell Asia Pacific, Ltd.	Delaware
Lyondell Centennial Corp.	Delaware
Lyondell Chemical Company	Delaware
Lyondell Chemical Espana Co.	Delaware
Lyondell Chemical Europe, Inc.	Delaware
Lyondell Chemical International Company	Delaware
Lyondell Chemical Overseas Services, Inc.	Delaware
Lyondell Chemical Pan America, Inc.	Delaware
Lyondell Chemical Products Europe LLC	Delaware
Lyondell Chemical Properties, L.P.	Delaware
Lyondell Chemical Technology 1 Inc.	Delaware
Lyondell Chemical Technology Management, Inc.	Delaware
Lyondell Chemical Technology, L.P.	Delaware

LyondellBasell Industries N.V.

Entity Name	Jurisdiction of Formation
Lyondell Chemie (PO-11) B.V.	Netherlands
Lyondell Chemie (POSM) B.V.	Netherlands
Lyondell Chemie Nederland B.V.	Netherlands
Lyondell Chimie France LLC	Delaware
Lyondell Chimie France SAS	France
Lyondell China Holdings Limited	Hong Kong
Lyondell Europe Holdings Inc.	Delaware
Lyondell France Holdings SAS	France
Lyondell Greater China Holdings Limited	Hong Kong
Lyondell Greater China Trading Limited	China
Lyondell Greater China, Ltd.	Delaware
Lyondell Japan, Inc.	Japan
Lyondell PO-11 C.V.	Netherlands
Lyondell POJVGP, LLC	Delaware
Lyondell POJVLP, LLC	Delaware
Lyondell POTechGP, Inc.	Delaware
Lyondell POTechLP, Inc.	Delaware
Lyondell Quimica do Brasil Ltda.	Brazil
Lyondell Refining Company LLC	Delaware
Lyondell Refining I LLC	Delaware
Lyondell South Asia Pte Ltd	Singapore
LyondellBasell Acetyls Holdco, LLC	Delaware
LyondellBasell Acetyls, LLC	Delaware
LyondellBasell Advanced Polyolefins Mexico, S.A. de C.V.	Mexico
LyondellBasell Australia (Holdings) Pty Ltd	Australia
LyondellBasell Australia Pty Ltd	Australia
LyondellBasell China Holdings B.V.	Netherlands
LyondellBasell F&F Holdco, LLC	Delaware
LyondellBasell Finance Company	Delaware
LyondellBasell Holdings France SAS	France
LyondellBasell Industries Holdings B.V.	Netherlands
LyondellBasell Investment LLC	Delaware
LyondellBasell Methanol GP, Inc.	Delaware
LyondellBasell Methanol LP, Inc.	Delaware
LyondellBasell Services France S.A.S.	France
LyondellBasell Subholdings B.V.	Netherlands
LyondellBasell Syrma SAS	France
OE Insurance Ltd	Bermuda
Olefins JV, LP	Delaware
Petroken Petroquimica Ensenada SA	Argentina
PO JV, LP	Delaware
PO Offtake, LP	Delaware
POSM II Limited Partnership, L.P.	Delaware
POSM II Properties Partnership LLC	Delaware

LyondellBasell Industries N.V.

Entity Name	Jurisdiction of Formation
Société du Noir d'Acétylene de l'Aubette SAS	France
Technology JV, LP	Delaware
TRV Thermische Rückstandsverwertung GmbH & Co. KG	Germany
TRV Thermische Rückstandsverwertung Verwaltungs-GmbH	Germany
Investments in Associates and Joint Ventures	
Basell Orlen Polyolefins Sp. Z.o.o.	Poland
PolyPacific Pty. Ltd.	Australia
SunAllomer Ltd.	Japan
Saudi Polyolefins Company	Kingdom of Saudi Arabia
Saudi Ethylene & Polyethylene Company Ltd.	Kingdom of Saudi Arabia
Al-Waha Petrochemicals Ltd.	Kingdom of Saudi Arabia
PolyMirae Co. Ltd.	South Korea
HMC Polymers Company Ltd.	Thailand
Indelpro S.A. de C.V.	Mexico
Ningbo ZRCC Lyondell Chemical Co. Ltd.	China
Ningbo ZRCC Lyondell Chemical Marketing Co.	China
NOC Asia Ltd.	Hong Kong
Geosel	France

Corporate Financial Statements

LyondellBasell Industries N.V.

CORPORATE STATEMENT OF INCOME

	Year Ended 31 December	
Millions of U.S. Dollars	**2015**	**2014**
Income from Group companies after tax	$ 3,882	$ 3,741
Other income (expense), net of tax	329	196
Profit attributable to the equity holders	$ 4,211	$ 3,937

LyondellBasell Industries N.V.

CORPORATE STATEMENT OF FINANCIAL POSITION

Before appropriation of profit

Millions of U.S. Dollars	**Note**	**31 December 2015**	**31 December 2014**
Non-current assets			
Goodwill	2	$ 319	$ 327
Investments in Group companies	2	11,670	10,962
Long-term loans to Group companies	6	11,460	11,460
Other assets		20	3
Total non-current assets		23,469	22,752
Current assets			
Receivables from Group companies		52	55
Prepaid expense and other current assets		10	2
Cash and cash equivalents	3	234	- -
Total current assets		296	57
Total assets		**$ 23,765**	**$ 22,809**
Equity	4		
Share capital		$ 31	$ 31
Share premium		10,007	10,304
Legal reserves		(748)	(323)
Retained earnings		4,262	1,652
Profit for the year		4,211	3,937
Treasury shares		(12,086)	(7,853)
Total equity attributable to equity holders		5,677	7,748
Non-current liabilities			
Deferred tax liability		9	4
Long-term debt	5	4,894	3,954
Other long-term liabilities		6	- -
Deferred income	7	6,517	8,607
Current liabilities			
Bank overdraft		5	359
Short-term loans from Group companies	6	6,532	2,000
Other liabilities		125	137
Total equity and liabilities		**$ 23,765**	**$ 22,809**

Notes to the Corporate Financial Statements

1 General

LyondellBasell Industries N.V. (the "Company" or "LyondellBasell N.V."), together with its consolidated subsidiaries (collectively, the "Group") applies the option provided in Section 2:362 (8) of the Dutch Civil Code for the principles applicable to the recognition and measurement of assets and liabilities and the determination of results for its Corporate Financial Statements. Accordingly, the principles for recognition and measurement of assets and liabilities and determination of results (hereinafter referred to as "accounting policies") of the Company's Corporate Statement of Financial Position are the same as those applied for the Consolidated Financial Statements under International Financial Reporting Standards ("IFRS"), as adopted by the European Union, for the periods ended 31 December 2015 and 2014, except as noted below:

- Investments in subsidiaries and other companies in which the Company has control are measured at net asset value, which is based on the net book value of assets, provisions and liabilities, in accordance with the accounting policies applied in the Consolidated Financial Statements.

- Goodwill presented in the Corporate Statement of Financial Position reflects the goodwill of subsidiaries directly acquired by the Company and is measured in accordance with the accounting policies of the Consolidated Financial Statements. Goodwill of subsidiaries indirectly owned (via intermediate subsidiaries) is recognized as part of the net asset value of such intermediate subsidiary.

At 31 December 2015 and 2014, the Company had thirteen and respectively fourteen full-time employees all located outside of The Netherlands.

2 Goodwill and Investments

Millions of U.S. Dollars	Goodwill	Investments
Balance at 1 January 2014	$ 337	$ 15,108
Income from investments, net of tax	- -	3,017
Equity settled transactions	- -	38
Equity contribution	- -	10
Dividends received	- -	(6,203)
Other	- -	(9)
Additions to other reserves	(10)	(999)
Balance at 31 December 2014	**$ 327**	**$ 10,962**
Balance at 1 January 2015	$ 327	$ 10,962
Income from investments, net of tax	- -	1,792
Equity settled transactions	- -	15
Dividends received	- -	(744)
Additions to other reserves	(8)	(355)
Balance at 31 December 2015	$ 319	$ 11,670

Equity settled transactions—Equity settled transactions represent share-based compensation granted to directors and employees.

Dividends received—The Company received a cash dividend of $330 million from LyondellBasell Subholdings B.V. in the second quarter of 2015.

During 2015, the Company received a $118 million 2014 final dividend and $296 million 2015 interim dividends from LyondellBasell Luxemburg II S.a.r.l.

Additions to other reserves—Primarily represents movements for Currency translation differences and remeasurements of post-employment benefits obligations, which are non-distributable.

3 Cash and Cash Equivalents

The Company's cash and cash equivalents are held by its in-house banking unit, LYB Finance Company B.V. The interest rate on the account with LYB Finance Company B.V. is subject to a floating interest rate, based on current market rates. At 31 December 2015, the lending rates were 0.09% and less than one basis point for the U.S. dollar and euro accounts, respectively, and the borrowing rates were 1.49% and 1.25% for the U.S. dollar and euro accounts, respectively. At 31 December 2014, the lending rates were 0.01% and less than one basis point for the U.S. dollar and euro accounts, respectively, and the borrowing rates were 1.41% and 1.26% for the U.S. dollar and euro accounts, respectively.

4 Equity Attributable to Equity Holders

For a breakdown of Equity attributable to equity holders, reference is made to the Consolidated Statement of Changes in Group Equity and the notes thereto.

Share capital—Share capital is converted from euro to U.S. dollar with the month-end rate of euro 0.92 at 31 December 2015.

Legal reserves—Movements in legal reserves (net of tax), which cannot be distributed freely, are presented below:

Millions of U.S. Dollars	Currency Translation Differences	Group Companies	Total
Balance at 1 January 2014	$ 230	$ 415	$ 645
Net current period change	(721)	(247)	(968)
Balance at 31 December 2014	$ (491)	$ 168	$ (323)
Balance at 1 January 2015	$ (491)	$ 168	$ (323)
Net current period change	(390)	(35)	(425)
Balance at 31 December 2015	$ (881)	$ 133	$ (748)

The item "Group Companies" relates to the "*Wettelijke reserve deelnemingen,*" which is required by Dutch Law. This reserve relates to any legal or economic restrictions on the ability of group companies to transfer funds to the parent in the form of dividends.

Retained earnings—Movements in retained earnings are as follows:

Millions of U.S. Dollars	**31 December 2015**	**31 December 2014**
Opening balance	$ 1,652	$ (716)
Dividend distribution	(1,410)	(1,403)
Previous year results	3,937	3,784
Additions to legal reserves	72	(41)
Tax credits related to share-based awards	12	28
Other	(1)	- -
Closing balance	$ 4,262	$ 1,652

Pursuant to Dutch Law, limitations exist relating to the distribution of share capital of $31 million and Legal reserves of ($748) million at 31 December 2015 (($323) million in 2014).

In general, gains related to currency translation differences cannot be distributed as part of shareholders' equity as they form part of the legal reserves protected under Dutch Law. By their nature, losses related to currency translation differences and "group companies" reduce shareholders' equity and thereby distributable amounts.

The reconciliation of the Company's retained earnings to those of the Group reflected in the Group's Consolidated Statement of Financial Position is as follows:

Millions of U.S. Dollars	**31 December 2015**	**31 December 2014**
Retained earnings as per Consolidated Statement of Financial Position	$ 8,894	$ 6,081
Non-distributable reserves of Group companies	(420)	(492)
Profit for the year	(4,211)	(3,937)
Other	(1)	--
Retained earnings as per Corporate Statement of Financial Position	$ 4,262	$ 1,652

5 Long-term Debt

Senior Notes due 2055—In March 2015, we issued $1,000 million of 4.625% Notes due 2055 at a discounted price of 98.353%.

*Senior Revolving Credit Facility—*In June 2015, we entered into an agreement to extend the maturity of our senior revolving credit facility to June 2020. This facility, which may be used for dollar and euro denominated borrowings, has a sublimit for dollar and euro denominated letters of credit and supports our commercial paper program. By agreement in September 2015, the letters of credit sublimit was reduced to $500 million. The aggregate balance of outstanding borrowings and letters of credit under the facility may not exceed $2,000 million at any given time. Borrowings under the facility bear interest at a Base Rate or LIBOR, plus an applicable margin. Additional fees are incurred for the average daily unused commitments.

At 31 December 2015, availability under this facility, which backs our $2,000 million commercial paper program discussed below, was $1,631 million. Availability under this facility is reduced by outstanding borrowings, outstanding letters of credit provided under the facility and notes issued under our $2,000 million commercial paper program. A small portion of our availability under this facility is impacted by changes in the euro/U.S. dollar exchange rate. There were no outstanding letters of credit and no outstanding borrowings under the facility.

5% and 5.75% Senior Notes—In April 2012, the Company issued $2,000 million aggregate principal amount of 5% senior notes due 2019 and $1,000 million aggregate principal amount of 5.75% senior notes due 2024, each at an issue price of 100%.

6% Senior Notes—In November 2011, the Company issued $1,000 million of 6% senior notes due 2021. These notes, which mature on 15 November 2021, bear interest at 6% annum.

6 Group Company Loans

The following table summarizes the maturities for the next five years and thereafter of our Long-term loans receivable to Group companies and Short-term loans payable from Group companies as of 31 December 2015:

Millions of U.S. Dollars	Total	2016	2017	2018	2019	2020	Thereafter
Non-current receivables:							
Senior note receivable due July 2017, $1,000 million	$ 1,000	$ - -	$ 1,000	$ - -	$ - -	$ - -	$ - -
Senior note receivable due July 2018, $2,000 million	2,000	- -	- -	2,000	- -	- -	- -
Senior note receivable due July 2020, $2,000 million	2,000	- -	- -	- -	- -	2,000	- -
Senior note receivable due July 2025, $2,000 million	2,000	- -	- -	- -	- -	- -	2,000
Senior note receivable due July 2026, $500 million	500	- -	- -	- -	- -	- -	500
Note receivable due April 2019, $1,974 million	1,974	- -	- -	- -	1,974	- -	- -
Note receivable due April 2024, $986 million	986	- -	- -	- -	- -	- -	986
Note receivable due November 2021, $1,000 million	1,000	- -	- -	- -	- -	- -	1,000
Total non-current receivables	$ 11,460	$ - -	$ 1,000	$ 2,000	$ 1,974	$ 2,000	$ 4,486
Current payables:							
Loan payable due October 2018, $2,000 million	$ 1,346	$ 1,346	$ - -	$ - -	$ - -	$ - -	$ - -
Loan payable due February 2017, $5,000 million	3,184	3,184	- -	- -	- -	- -	- -
Loan payable due July 2016, $2,000 million	2,000	2,000	- -	- -	- -	- -	- -
Other	2	2	- -	- -	- -	- -	- -
Total current payables	$ 6,532	$ 6,532	$ - -	$ - -	$ - -	$ - -	$ - -

Long-Term Loan Receivable from our Subsidiary—In July 2014, we and our wholly owned subsidiary, LyondellBasell Finance Company, entered into five separate notes with an aggregate principal amount of $7,500 million in lieu of a $7,500 million inter-company dividend. These notes consist of a $1,000 million 3.09% senior note due 1 July 2017; a $2,000 million 3.75% senior note due 1 July 2018; a $2,000 million 4.63% senior note due 1 July 2020; a $2,000 million 6.14% senior note due 1 July 2025 and a $500 million 6.30% senior note due 1 July 2026.

In April 2012, we and our indirectly wholly owned subsidiary, Lyondell Chemical Company ("Lyondell Chemical"), entered into a $1,974 million note receivable. The note bears per annum interest at 5.47% and matures on 15 April 2019. Interest is due semi-annually on 15 April and 15 October. In July 2012, we amended the terms of the note to include early prepayment restrictions and reduce the applicable interest. Lyondell Chemical may prepay all or part of the note at a specified redemption premium plus accrued and unpaid interest on the redemption date. At 31 December 2015 and 2014, the outstanding balance was $1,974 million.

In April 2012, we and Lyondell Chemical entered into another $986 million note receivable. The note bears per annum interest at 6.14% and matures on 15 April 2024. Interest is due semi-annually on 15 April and 15 October. In July 2012, we amended the terms of the note to include early prepayment restrictions and reduce the applicable interest. Lyondell Chemical may prepay all or part of the note at a specified redemption premium plus accrued and unpaid interest on the redemption date. At 31 December 2015 and 2014, the outstanding balance was $986 million.

In November 2011, we and Lyondell Chemical entered into a $1,000 million note receivable. The note bears interest at 6.45% per annum and matures on 15 November 2021. Interest is due semi-annually on 15 May and 15 November. In July 2012, the terms of the note were amended to include early prepayment restrictions. Lyondell Chemical may prepay all or part of the note at a specified redemption premium plus accrued and unpaid interest on the redemption date. At 31 December 2015 and 2014, the outstanding balance was $1,000 million.

Loans Payable to our Subsidiaries— In October 2015, we and our indirect, wholly owned subsidiary, LYB Treasury Services Ltd., entered into a $2,000 million loan, which matures on 6 October 2018. The loan is repayable on demand. The loan bears interest at a variable rate, which is set for a period of 3 months, using the U.S. LIBOR rate, plus 125 basis points. During 2015, we borrowed $1,346 million under the loan. At 31 December 2015, the outstanding balance was $1,346 million.

In February 2015, we and our indirect, wholly owned subsidiary, LYB Americas Finance Company, entered into a $5,000 million loan, which matures on 1 February 2017. The loan is repayable on demand. The interest rate is equal to the Federal short-term rate determined under section 1274(d) of the Internal Revenue Code. During 2015, we borrowed $3,184 million under the loan. At 31 December 2015, the outstanding balance was $3,184 million.

In July 2014, we and our indirect, wholly owned subsidiary, LYB Americas Finance Company, entered into a $2,000 million loan, which matures on 31 July 2016. The loan is repayable on demand. The interest rate is equal to the Federal short-term rate determined under section 1274(d) of the Internal Revenue Code. At 31 December 2015, the outstanding balance was $2,000 million.

In March 2014, we and our indirect, wholly owned subsidiary, LYB Americas Finance Company, entered into a $2,500 million loan, which matured on 31 January 2015. The interest rate was equal to the Federal short-term rate determined under section 1274(d) of the Internal Revenue Code. During 2014, we borrowed $580 million under the loan which was fully repaid in July 2014.

In September 2013, we and our indirect, wholly owned subsidiary, LYB America Finance Company, entered into a $3,000 million loan, which matured on 30 September 2014. The interest rate was equal to the Federal short-term rate determined under section 1274(d) of the Internal Revenue Code. In July 2014, the outstanding balance of $3,000 million was repaid.

In August 2012, we and our indirect, wholly owned subsidiary, LYB America Finance Company, entered into a $1,500 million unsecured loan, which matured on 31 July 2014. In December 2012, we amended the loan facility to, among other things, (i) increase the size of the facility to $2,000 million; and (ii) extend the maturity date to 30 November 2014. In July 2014, the outstanding balance of $2,000 million was repaid.

In October 2011, we and our indirect, wholly owned subsidiary, LYB Finance Company B.V., entered into a $2,100 million unsecured loan, which matures on 3 October 2016. The loan bears interest at a variable rate, which is set for a period of 3 months, using the U.S. LIBOR rate, plus 300 basis points. In May 2013, LyondellBasell Subholdings B.V., a wholly owned subsidiary, assumed the $1,925 million outstanding balance of our $2,100 million unsecured loan in lieu of a $1,925 million inter-company dividend which was paid as a return of capital. At 31 December 2015, there was no outstanding balance.

Movements in Group company loans are presented below:

Millions of U.S. Dollars	Group Companies Loans			
	Receivables		Payables	
Balance at 1 January 2014	$	3,960	$	3,430
Borrowings		7,500		2,000
Discharge and assignments		- -		(3,430)
Balance at 31 December 2014	$	11,460	$	2,000
Of which:				
Non-current	$	11,460	$	- -
Current		--		2,000
Balance at 31 December 2014	$	11,460	$	2,000
Balance at 1 January 2015	$	11,460	$	2,000
Borrowings		- -		4,532
Discharge and assignments		- -		- -
Balance at 31 December 2015	$	11,460	$	6,532
Of which:				
Non-current	$	11,460	$	- -
Current		--		6,532
Balance at 31 December 2015	$	11,460	$	6,532

7 Deferred Income

Deferred income represents the excess dividend paid by LBFC over its net asset value. This amount is reduced as the Company recognizes its share of LBFC's income. After the Deferred income is fully recognized, we will record our earnings from LBFC as additions to Investments in Group companies.

The movement in Deferred income, summarized below, represents our share of LBFC profit.

Millions of U.S. Dollars	2015	
Balance at 1 January 2015	$	8,607
Income from Group Companies, net of tax		(2,090)
Balance at 31 December 2015	$	6,517

8 Commitments and Contingencies not included in the Balance Sheet

The Company has entered into guarantee agreements with counterparties on behalf of some of its subsidiaries for the supply of raw materials. At 31 December 2015 and 2014, the total guaranteed amount was $16.6 billion and $16.3 billion, respectively.

The Company receives an annual fee of 0.13% for guarantees of aggregate USD 7 billion and an annual fee of 0.17% for all other outstanding guarantees as of 31 December 2015. Same fee levels applied in 2014.

The Company is jointly and severally liable, as intended in article 403, Book2, of the Dutch Civil Code for the following subsidiaries in the Consolidated Financial Statements:

- LyondellBasell Subholdings B.V.
- LYB Americas Finance Holdings B.V.
- Lyondell Chemie (POSM) B.V.
- LYB International Finance B.V.
- Basell International Holdings B.V.
- Basell Europe Holdings B.V.
- LyondellBasell Industries Holdings B.V.

9 Auditor's Fee

The fees listed below relate to the procedures applied to the Company and its consolidated group entities by PricewaterhouseCoopers Accountants N.V., The Netherlands, the external auditor as referred to in section 1(1) of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta), as well as by other Dutch and foreign-based PricewaterhouseCoopers individual partnerships and legal entities, including their tax services and advisory groups:

	Year Ended 31 December	
Millions of U.S. Dollars	**2015**	**2014**
Financial statements audit fees	$ 8.5	$ 8.7
Other assurance fees	0.2	0.2
All other fees	0.2	0.2
	$ 8.9	$ 9.1

The total fees of PricewaterhouseCoopers Accountants N.V, The Netherlands, charged to the Company and its consolidated group entities amounted to $2.0 million and $2.3 million, respectively, in 2015 and 2014.

The financial statements audit fees above include the aggregate fees billed for professional services rendered for the audit of LyondellBasell Industries N.V.'s annual financial statements, annual statutory financial statements of subsidiaries and services that are normally provided by the auditor in connection with these audits. This category also includes services such as comfort letters, statutory audits, attest services, consents and assistance with and review of documents.

The other assurance fees include the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Group's financial statements and are not reported under audit services. This category includes fees related to the performance of audits of benefit plans, agreed-upon or expanded audit procedures relating to accounting records required to respond to or comply with financial, accounting or regulatory reporting matters and consultations as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by regulatory or standard setting bodies.

Other fees relate to permitted services that are not included in the above categories.

10 Directors' Remuneration

Reference is made to Note 9, Key Management Remuneration, of the Consolidated Financial Statements.

London, 11 March 2016

Supervisory Board	**Management Board**
Robert Gwin	Bhavesh (Bob) V. Patel
Jacques Aigrain	Kevin W. Brown
Lincoln Benet	Jeffrey A. Kaplan
Jagjeet Bindra	
Robin Buchanan	
Milton Carroll	
Stephen F. Cooper	
Nance K. Dicciani	
Bruce A. Smith	
Rudy M.J. van der Meer	
Claire S. Farley	
Isabella D. Goren	

Other Information

Proposed Appropriation of Result

Profit remaining after the appropriation to reserves shall be at the disposal of the general meeting (article 22 sub 3 Articles of Association). The Board of Management, with the approval of the Supervisory Board, may also appropriate the complete profit to the reserves.

The Management Board, with the approval of the Supervisory Board, paid an aggregate of $3.04 per share from its 2015 annual accounts. This included an interim dividend of $0.70 per share paid to shareholders of record on 2 March 2015; and an interim dividend of $0.78 per share paid to shareholders of record on 1 June 2015, 25 August 2015 and 23 November 2015. These dividend payments, totaling $1,410 million, have been charged to retained earnings.

The Management Board and the Supervisory Board will propose that the general meeting approve the dividends already paid, as described above.

Subsequent Events

The Supervisory Board has authorized the company’s Management Board to declare an interim dividend of $0.78 per share. The interim dividend will be paid 14 March 2016 to shareholders of record as of 29 February 2016.

We have evaluated subsequent events through the date the financial statements were approved for issue.

Legal Structure

The list of our subsidiaries and associates is available at the Chamber of Commerce in Rotterdam, The Netherlands.

Independent auditor's report

To: the General Meeting of Shareholders of LyondellBasell Industries N.V.

Report on the financial statements 2015

Our opinion

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of LyondellBasell Industries N.V. as at 31 December 2015 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying company financial statements give a true and fair view of the financial position of LyondellBasell Industries N.V. as at 31 December 2015 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2015 of LyondellBasell Industries N.V., Rotterdam ('the company') as set out on pages 71 to 169. The financial statements include the consolidated financial statements of LyondellBasell Industries N.V. and its subsidiaries (together: 'the Group') and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2015;
- the following statements for 2015: the consolidated statement of income and the consolidated statements of comprehensive income, changes in equity and cash flows; and
- the notes, comprising a summary of significant accounting policies and other explanatory information.

The company financial statements comprise:

- the corporate statement of financial position as at 31 December 2015;
- the corporate statement of income for the year then ended;
- the notes, comprising a summary of the accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report.

We are independent of LyondellBasell Industries N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the management board and the supervisory board

The management board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Report of the Board of Management in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the management board is responsible for assessing the company's ability to continue as a going-concern. Based on the financial reporting frameworks mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The management board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going-concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A more detailed description of our responsibilities is set out in the appendix to our report.

Report on other legal and regulatory requirements

Our report on the Report of the Board of Management and the other information

Pursuant to the legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the Report of the Board of Management and the other information):

- We have no deficiencies to report as a result of our examination whether the Report of the Board of Management, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the Report of the Board of Management, to the extent we can assess, is consistent with the financial statements.

Utrecht, 11 March 2016
PricewaterhouseCoopers Accountants N.V.

A.C.M. van der Linden RA

Appendix to our auditor's report on the financial statements 2015 of LyondellBasell Industries N.V.

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among others of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Concluding on the appropriateness of the management board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the company's ability to continue as a going-concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company to cease to continue as a going-concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the company's consolidated financial statements we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.