LyondellBasell Industries N.V.
Form PRE 14A
March 30, 2018
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

LyondellBasell Industries N.V.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

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

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

Table of Contents

NOTICE OF AND AGENDA FOR 2018 ANNUAL GENERAL MEETING OF SHAREHOLDERS

DATE AND TIME

Friday, June 1, 2018 at 8:30 a.m. local time

PLACE

Sheraton Hotel, Schiphol Airport, located at Schiphol Blvd. 101, 1118 BG, Amsterdam, the Netherlands

ITEMS OF BUSINESS

Discuss our corporate governance, dividend policy, and executive compensation program;

Adopt certain amendments to our Articles of Association, including those implementing a single, unitary Board of Directors of the Company;

If the amendments to our Articles of Association are adopted, elect 12 members to the unitary Board, including 11 non-executive directors and one executive director;

For the short period following this meeting until the unitary Board is formally implemented, or in the event the amendments to our Articles of Association are not adopted, re-elect 11 members of the Supervisory Board and 5 members of the Management Board;

Adopt our 2017 Dutch statutory annual accounts;

Discharge the members of our Management Board and Supervisory Board from liability in connection with the exercise of their duties during the year ended December 31, 2017;

Ratify the appointment of our independent registered public accounting firm and appoint the external auditor for our 2018 Dutch statutory annual accounts;

Approve the interim dividends declared and paid out of our 2017 Dutch statutory annual accounts;

Provide an advisory vote on our executive compensation (say-on-pay);

Authorize the repurchase of up to 10% of our issued share capital;

Authorize the cancellation of all or a portion of the shares held in our treasury account; and

Approve an amendment to the LyondellBasell Employee Stock Purchase Plan to extend the term for an additional three years.

HOW TO VOTE

Your vote is important. You are eligible to vote if you are a shareholder of record at the close of business on May 4, 2018.

Online	By Phone	By Mail	In Person

If you are a registered shareholder, you may vote online at www.proxyvote.com, by telephone, or by mailing a proxy card. If you hold your shares through a bank, broker, or other institution, you may vote your shares through the method specified on the voting instruction form provided to you. You may also attend the annual general meeting in person. If you intend to attend the meeting, notice must be given to the Company no later than May 25, 2018.

Important Notice Regarding Availability of Proxy Materials for the 2018 Annual General Meeting

This proxy statement and our 2017 annual report to shareholders are available on our website at www.LyondellBasell.com.

April [ ], 2018

By order of the Supervisory Board,

Jeffrey A. Kaplan

Corporate Secretary

Table of Contents

Table of Contents **Page**

Table of Contents

PROXY STATEMENT

for the

ANNUAL GENERAL MEETING OF SHAREHOLDERS

to be held on June 1, 2018

Frequently Asked Questions About the Annual General Meeting

Who is soliciting my vote?

The Supervisory Board of Directors of LyondellBasell Industries N.V. (LyondellBasell or the Company) is soliciting your vote on matters submitted for approval at the Company s 2018 Annual General Meeting of Shareholders (the Annual Meeting).

Why are these matters being submitted for voting?

In accordance with Dutch law and the rules and regulations of the New York Stock Exchange (the NYSE) and the U.S. Securities and Exchange Commission (the SEC), we are required to submit certain items for the approval of our shareholders. Several matters that are within the authority of a company s board of directors under most U.S. state corporate laws require shareholder approval under Dutch law. Additionally, in accordance with Dutch corporate governance guidelines, we provide for the discussion at our Annual Meeting of certain topics that are not subject to a shareholder vote, including our governance practices and our dividend policy.

The adoption of our annual accounts, the discharge from liability of members of our Management Board and Supervisory Board, the appointment of the auditor for our 2018 Dutch statutory annual accounts, the approval of dividends, the authorization to repurchase shares, and the cancellation of treasury shares are all items that we are required to submit to shareholders due to our incorporation in the Netherlands.

How does the Supervisory Board recommend that I vote my shares?

The Supervisory Board recommends that you vote FOR each of the items presented in this proxy statement.

Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote in favor of each of the items in accordance with the recommendation of the Supervisory Board.

Who is entitled to vote?

You may vote your LyondellBasell shares at the Annual Meeting if you are the record owner of such shares as of the close of business on May 4, 2018 (the Record Date). You are entitled to one vote for each share of LyondellBasell common stock that you own. As of April [ ], 2018, there were [ ] shares of LyondellBasell common stock outstanding and entitled to vote at the Annual Meeting.

How many votes must be present to hold the meeting?

Your shares are counted as present at the Annual Meeting if you held such shares as of the Record Date and (i) properly notify us of your intention to attend the Annual Meeting, attend the meeting, and vote in person or (ii) properly return a proxy by Internet, telephone, or mail. There are no quorum requirements under Dutch law and, as a result, we may hold our meeting regardless of the number of shares that are present in person or by proxy.

Table of Contents

How many votes are needed to approve each of the proposals?

The number of votes required to approve the matters presented in this proxy statement varies by proposal:

Pursuant to the Dutch Civil Code and our Articles of Association, the nomination of a candidate to our Supervisory Board or single, unitary Board of Directors (Item 2) is binding on shareholders unless 2/3 of the votes cast at the Annual Meeting, representing at least 50% of the Company s issued share capital (which for this purpose includes only our outstanding shares), vote against the nominee. This means that a nominee will be elected unless the votes against him or her constitute 2/3 of the votes cast and represent at least 50% of our issued share capital.

Under Dutch law, the cancellation of shares held in our treasury account (Item 12) requires the affirmative vote of a majority of the votes cast at the Annual Meeting. If, however, less than 50% of the Company s issued share capital (which for this purpose includes only our outstanding shares) is represented at the Annual Meeting, the proposal will require the affirmative vote of at least 2/3 of the votes cast.

Each other proposal set forth in this proxy statement, including the proposal to amend our Articles of Association, requires the affirmative vote of a majority of the votes cast by shareholders in order to be approved.

How do I vote?

You can vote either in person at the meeting or by proxy without attending the meeting. To vote by proxy, you must vote over the Internet, by telephone, or by mail. Instructions for each method of voting are included on the proxy card.

If you hold your LyondellBasell shares in a brokerage account (that is, you hold your shares in street name), your ability to vote by telephone or over the Internet depends on your broker s voting process. Please follow the directions on your proxy card or voter instruction form.

Even if you plan to attend the Annual Meeting, we encourage you to vote your shares by proxy in advance. If you plan to vote in person at the Annual Meeting and you hold your LyondellBasell shares in street name, you must obtain a proxy from your broker and bring that proxy to the meeting.

Can I change my vote?

Yes. You can change or revoke your vote at any time before the polls close at the Annual Meeting. You can do this by:

Entering a new vote by telephone or over the Internet prior to 12:00 p.m. Eastern Time on May 31, 2018;

Signing another proxy card with a later date and returning it to us by a method that allows us to receive the proxy prior to the Annual Meeting;

Sending us a written document revoking your earlier proxy; or

Attending the Annual Meeting and voting your shares in person (attendance at the Annual Meeting will not, by itself, revoke a proxy previously given by you).

Who counts the votes?

We have hired Broadridge Financial Solutions, Inc. to count the votes represented by proxies and cast by ballot at the Annual Meeting.

Table of Contents

Will my shares be voted if I do not provide my proxy and do not attend the Annual Meeting?

If you do not provide a proxy or vote your shares in person, the shares held in your name will not be voted.

If you hold your shares in street name, your broker may be able to vote your shares for certain routine matters even if you do not provide the broker with voting instructions. We believe that, pursuant to NYSE rules, only the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the 2017 fiscal year (Item 8) is considered a routine matter. Therefore, without instructions from you, your broker may not vote your shares with respect to any other proposals. It is therefore important that you act to ensure your shares are voted.

What is a broker non-vote?

If a broker does not have discretion to vote shares held in street name on a particular proposal and does not receive instructions from the beneficial owner on how to vote those shares, the broker may return the proxy card without voting on that proposal. This is known as a broker non-vote. Broker non-votes will have no effect on the vote for any matter properly introduced at the meeting.

What if I return my proxy but don t vote for some of the matters listed on my proxy card?

If you return a signed proxy card without indicating your vote on all matters listed, your shares will be voted FOR each of the matters for which you did not vote.

How are votes counted?

For all proposals other than the election of nominees to our single, unitary Board of Directors, Supervisory Board, or Management Board, you may vote FOR, AGAINST, or ABSTAIN. For the proposals for the election of nominees (Items 2 and 3), you may vote FOR, AGAINST, or WITHHOLD with respect to each nominee. A vote to abstain or withhold does not count as a vote cast, and therefore will not have any effect on the outcome of any matter to be voted on at the Annual Meeting.

Could other matters be decided at the Annual Meeting?

No. Any matters to be decided at the Annual Meeting must be included in the agenda for the meeting as described in this proxy statement.

Who can attend the Annual Meeting?

The Annual Meeting is open to all LyondellBasell shareholders who hold shares as of the close of business on May 4, 2018, the Record Date. If you would like to attend the Annual Meeting, you must inform us in writing of your intention to do so prior to May 25, 2018, one week prior to the date of the meeting. The notice may be emailed to *investors@lyondellbasell.com.* Admittance of shareholders will be governed by Dutch law.

What is the cost of this proxy solicitation?

The Company will pay the cost of soliciting proxies for the Annual Meeting. Our Supervisory Directors, officers, and employees may solicit proxies by mail, by email, by telephone, or in person for no additional compensation. In addition, we have retained Alliance Advisors, LLC to assist in the solicitation of proxies for a fee of $15,000, plus reimbursement of reasonable expenses.

Why did my household receive a single set of proxy materials?

SEC rules permit us to deliver a single copy of our annual report and proxy statement to any household at which two or more shareholders reside, if we believe the shareholders are members of the same family.

If you prefer to receive your own copy of the proxy statement now or in future years, please request a duplicate set by phone at (800) 579-1639, through the Internet at *www.proxyvote.com*, or by email to *sendmaterial@proxyvote.com*. If you hold your shares in street name and you received more than one set of proxy materials at your address, you may need to contact your broker or nominee directly if you wish to discontinue duplicate mailings to your household.

Why did I receive a notice of internet availability of proxy materials but no proxy materials?

We distribute our proxy materials to certain shareholders via the Internet using the Notice and Access approach permitted by rules of the SEC. This approach conserves natural resources and reduces our distribution costs, while providing our shareholders with a timely and convenient method of accessing the materials and voting. On or before April [ ], 2018, we mailed a Notice of Internet Availability of Proxy Materials to participating shareholders, containing instructions on how to access the proxy materials on the Internet.

Can I submit a proposal for the 2019 shareholder meeting?

Under SEC rules, if a shareholder wishes to include a proposal in our proxy materials for presentation at our 2019 annual general meeting, the proposal must be received at our offices at 1221 McKinney Street, Suite 300, Houston, Texas 77010, Attention: Corporate Secretary, by December [ ], 2018. All proposals must comply with Rule 14a-8 under the Securities Exchange Act of 1934, as amended.

Table of Contents

Item 1 Amendment of Our Articles of Association

Our Management Board and Supervisory Board propose to amend our Articles of Association to (i) provide for a single, unitary board of directors (the Board); (ii) reflect the shareholders annual appointment of directors to the Board; (iii) conform with changes in Dutch law; and (iv) make minor wording changes to clarify certain language.

Adoption of a Unitary Board Model

Since its incorporation, LyondellBasell has had a dual board structure, which is common for Dutch companies. Under the dual board structure, there is a Supervisory Board and a Management Board. Supervisory Board members are non-executives and Management Board members are executives of the Company. Our Management Board has been responsible for the management of the Company, while the Supervisory Board has been responsible for supervising the Management Board and the overall course of our business and strategy.

In 2013, the Dutch Civil Code was amended as part of an effort to simplify Dutch corporate law. Among other changes, the amended Civil Code introduced the possibility for a Dutch company to be governed under a unitary, rather than dual, board model with a single board of directors including both non-executive and executive members. Our Supervisory Board, upon the recommendation of its Nominating and Governance Committee, has determined that a unitary board structure is in the best interests of the Company and its stakeholders, as it streamlines the Company s decision-making process and is a familiar construct for much of the Company s shareholder base.

Accordingly, we are seeking to amend Articles 12 and 13 of our Articles of Association to provide that the Company will have a unitary Board consisting of a majority of non-executive Board members and at least one executive Board member who is the Chief Executive Officer. Changes have been made throughout the Articles of Association to remove references to separate Supervisory and Management Boards and related language that is not necessary in a unitary board structure. The allocation of responsibilities and authorities between the Supervisory and Management Boards has also been changed to reflect the allocation between the non-executive and executive members of the Board. This allocation will be further detailed in the Company s Rules of the Board of Directors, which will replace the existing Rules of the Supervisory Board and Rules of the Management Board and be effective and available on the Company s website when and if the amendment of the Articles of Association is effected. In general, and except as required by law, matters that have in the past been the responsibility of the Management Board will be delegated to our Chief Executive Officer, who will initially be the sole executive Board member, and matters that have historically been retained for decision of the Supervisory Board will remain subject to approval of the full Board or the non-executive Board members.

Currently, our Articles of Association authorize our Supervisory Board to fill up to one-third of the seats on the Supervisory Board through direct appointments. However, Dutch law does not provide this same right to a unitary board of directors. To ensure that the Board can continue to address vacancies among its membership as they may arise, a new Article 15 of the Articles of Association has been added to permit the Board to make a temporary appointment to fill an opening that arises due to a vacancy or the inability of a Board member to act.

Effective upon the amendment of the Articles of Association, if approved, it is proposed that (i) Mr. Bob Patel, our Chief Executive Officer, be designated as the sole executive member of the Board and (ii) our 11 current Supervisory Board members be designated as non-executive members of the Board. Information about these 12 nominees can be found under Item 2 Election of Members of the Board 2018 Nominees to the Board.

Declassification of the Board

From the time of the Company s incorporation until the annual general meeting of shareholders in 2017, our Supervisory Board was divided into three classes, with directors in each class serving for three-year terms. After a review of our governance practices and recognizing that annual elections give shareholders a greater voice in

Table of Contents

expressing their views, the Supervisory Board in 2017 recommended that all directors should be elected annually. Although the amendment of our Articles of Association is not required, to be more transparent, we now propose to amend Article 12.4 of the Articles of Association to reflect our current practice and provide that each member of the Board will be elected annually and appointed for a one-year term going forward.

Changes to Align with Dutch Law & Administrative Changes

The Dutch Civil Code currently limits the right of a corporation s shareholders to withdraw the assignment of the annual audit of the Company s Dutch Annual Accounts to the Company s accountant to circumstances where there is good reason for the withdrawal. As a result, we propose removing language in Article 20.3 of the Articles of Association, which currently states that shareholders have broad authority to withdraw the assignment at any time.

In addition, we propose to amend Articles 4 and 5 of the Articles of Association to reflect that the initial designation of our Supervisory Board as the body authorized to issue shares has expired and shareholder approval will be required for any future issuance.

We are also proposing a limited number of additional changes intended to clarify and modernize the language of our existing Articles of Association.

A copy of our Articles of Association, marked to show the proposed changes, is attached as Appendix A to this proxy statement.

Our Management Board and Supervisory Board recommend that you vote FOR the proposal to adopt the proposed amendments to our Articles of Association (Proposal 1).

Item 2 Election of Members of the Board

As described above under Item 1 Amendment of Our Articles of Association, our Management Board and Supervisory Board recommend that shareholders adopt amendments to our Articles of Association that would move the Company to a unitary board system under which the Company is managed by a single governing body referred to as the Board of Directors. If the amendments are adopted, the Supervisory Board recommends that, effective as of the implementation of the unitary board, each of the 11 current members of the Supervisory Board be elected to our Board of Directors as non-executive members and our CEO, Mr. Bob Patel, be elected to our Board of Directors as the sole executive member, in each case for a term ending at our 2019 annual general meeting. For the short period following this Annual Meeting until the unitary Board of Directors is formally implemented, which we anticipate to be less than 30 days, or in the event the amendments to our Articles of Association are not adopted, the Supervisory Board recommends that each of the current members of the Supervisory Board be re-elected to the Supervisory Board and each of the current members of the Management Board be re-elected to the Management Board. For more information regarding the nominees to our Management Board, see Item 3 Election of Members of the Management Board.

Unless otherwise specified, references to the Board in this proxy statement refer to our Supervisory Board for periods prior to the implementation of a unitary board structure and, if the amendments to our Articles of Association are adopted and the unitary board structure is implemented, to the single Board of Directors thereafter.

Identifying Director Candidates

Our Nominating and Governance Committee focuses on Board succession planning and refreshment on a regular basis. The Committee is responsible for recruiting and recommending nominees to the full Board for election. The goal is to achieve a Board that provides effective oversight of the Company through the appropriate balance of diversity of experience, expertise, skills, specialized knowledge, and other qualifications and attributes.

Table of Contents

The Board has adopted a profile that is meant to guide the membership of the Board. The profile includes a list of elements that the Board believes must be sufficiently represented by its members, either individually or collectively. A copy of the profile is included below and can also be found on the Company s website at *www.LyondellBasell.com*.

In addition to the characteristics set forth in its profile, the Board seeks candidates who are willing and able to devote the time and attention necessary to engage in relevant, informed discussion and decision-making. Our Board also views diversity as a priority and seeks representation across a range of attributes. These efforts are embodied in our current Board composition and by our Director nominees.

Although our Nominating and Governance Committee is responsible for recommending candidates to the Board for nomination, candidates may also be proposed by other Board members, management, and our shareholders.

Any shareholder wishing to recommend a director candidate for nomination should submit a written recommendation to the Company s Corporate Secretary at LyondellBasell Industries, 1221 McKinney Street, Suite 300, Houston, Texas 77010. The recommendation must include the name of the nominated individual, relevant biographical information, and the individual s consent to nomination. For our 2019 annual general meeting of shareholders, recommendations must be received by December [ ], 2018 to be considered.

Profile of Desired Experience, Knowledge, and Background
Knowledge of corporate strategy and strategic planning
Executive management experience with a company of comparable size and international scope of activities
Knowledge of corporate governance issues applicable to companies listed on the NYSE
Understanding of the specific markets (product and geography) of the Company
Experience with and understanding of the chemicals and refining industries
Understanding of the management of human resources in a large international company, including compensation matters
Awareness of corporate social responsibility issues, including those related to the environment, sustainability, communities, and values

Relevant legal experience, particularly in Dutch corporate law, U.S. securities laws, environmental law, or mergers & acquisitions

Financial expertise, including audit, internal control, and risk management

Experience with international banking, tax, and corporate finance

2018 Nominees to the Board

Our Supervisory Board, on the recommendation of our Nominating and Governance Committee, has nominated our 11 current Supervisory Directors and our Chief Executive Officer for election to the unitary Board, when and if implemented, based on their high caliber and diverse array of expertise, experience, and leadership skills. For the short period following this Annual Meeting until the unitary Board is formally implemented, or in the event the amendments to our Articles of Association are not adopted, the Supervisory Board, on the recommendation of our Nominating and Governance Committee, recommends our 11 current Supervisory Directors for re-election to the Supervisory Board.

Our Supervisory Board recommends a vote FOR the election of each of these nominees to our unitary Board and, with respect to each nominee other than Mr. Patel, to our Supervisory Board for the period following this Annual Meeting until the unitary Board is formally implemented (or in the event the amendments to our Articles of Association are not adopted) (Proposal 2).

Table of Contents

Set forth below is each nominee s name, age as of the date of this proxy statement, nationality, principal occupation, and business and public company experience during the last five years.

Bhavesh (Bob) Patel

CEO and Chairman of the Management Board of LyondellBasell since 2015 (American, 51)

Nominee to the Unitary Board of Directors

POSITION, PRINCIPAL OCCUPATION, AND BUSINESS EXPERIENCE: Mr. Patel has served as our CEO and Chairman of the Management Board since January 2015. From joining the Company in March 2010 until he was named as CEO in January 2015, Mr. Patel served as Senior Vice President, Olefins and Polyolefins Americas and then as Executive Vice President, Olefins and Polyolefins Europe, Asia, International & Technology, with additional responsibility for all manufacturing operations outside of the Americas and the Company s Polypropylene Compounding business. Since July 2017, Mr. Patel has served as a director of Union Pacific Corporation.

KEY ATTRIBUTES, EXPERIENCE, AND SKILLS: Mr. Patel s nearly eight years with LyondellBasell (including three as CEO) and, prior to that, more than 20 years with Chevron Corp. and Chevron Phillips Chemical Company, have afforded him extensive leadership experience on a global basis and a detailed understanding of the chemical, plastics, and refining industries and the Company s operations in particular.

Robert Gwin

Director since 2011; Chairman of the Board since 2013 (American, 54)

POSITION, PRINCIPAL OCCUPATION, AND BUSINESS EXPERIENCE: Mr. Gwin has served as Executive Vice President, Finance and Chief Financial Officer of Anadarko Petroleum Corporation, an oil and gas exploration and production company, since 2009. He has also served as Chairman of Western Gas Holdings, LLC (Western Gas), the general partner of Western Gas Partners, LP, an owner, operator, and developer of midstream energy assets, since 2009; as a director of Western Gas since 2007; and as Chairman of Western Gas Equity Holdings, LLC, the general partner of Western Gas Equity Partners, LP, since 2012.

KEY ATTRIBUTES, EXPERIENCE, AND SKILLS: As a seasoned executive and chairman of two publicly traded master limited partnerships, Mr. Gwin brings with him extensive knowledge and experience in all areas of executive management and board service. He also has experience in finance, strategy, capital markets, governance, and publicly traded company matters, as well as knowledge of the upstream and midstream oil businesses, which are integral to the petrochemical industry s feedstock supply chain.

Table of Contents

Jacques Aigrain

Director since 2011 (French-Swiss, 63)

POSITION, PRINCIPAL OCCUPATION, AND BUSINESS EXPERIENCE:
Mr. Aigrain was a Partner of Warburg Pincus, a global private equity firm, from 2013 to 2016 and has since continued with Warburg Pincus as a Senior Advisor. Mr. Aigrain has also served as a director of The London Stock Exchange Group plc, a diversified international stock exchange, and of WPP plc, a multinational advertising and public relations company, in each case since 2013. In prior years, he served as a director of Lufthansa German Airlines from 2007 to 2015; as Chairman of LCH Clearnet Group, Limited, a clearinghouse group, from 2010 to 2015; and as a director of Resolution Ltd., a financial services company, from 2010 to 2013.

KEY ATTRIBUTES, EXPERIENCE, AND SKILLS: Mr. Aigrain has extensive experience as an executive and board member of several multinational companies, including as the Chief Executive Officer of Swiss Re, a publicly traded reinsurance company. His background provides him with expertise in all areas of strategy, mergers and acquisitions, finance, and capital markets. Additionally, he brings with him substantial knowledge of board- and governance-related matters.

Lincoln Benet

Director since 2015 (American-British, 54)

POSITION, PRINCIPAL OCCUPATION, AND BUSINESS EXPERIENCE:
Mr. Benet has served as Chief Executive Officer of Access Industries, a privately held industrial group, since 2006.

KEY ATTRIBUTES, EXPERIENCE, AND SKILLS: As CEO of an industrial group with world-wide holdings, Mr. Benet has knowledge of all aspects of executive management. Mr. Benet also currently serves, and previously has served, on the boards of several privately held companies, including those in the investment, music and publishing, oil and gas pipes and tubing, telecommunications, management services, and petrochemicals industries. He brings with him experience in global markets, mergers and acquisitions, strategic planning, and corporate strategy, as well as experience with international finance matters, including corporate finance matters such as treasury, insurance, and tax.

5

Table of Contents

Jagjeet (Jeet) Bindra

Director since 2011 (American, 70)

POSITION, PRINCIPAL OCCUPATION, AND BUSINESS EXPERIENCE:
Mr. Bindra serves as a director of HPCL-Mittal Energy Limited, a crude oil refinery operator in India. Previously, Mr. Bindra served as a director of Edison International, a generator and distributor of electric power, and its subsidiary, Southern California Edison Co., an electric utility company, from 2010 to 2017 and as a director of WorleyParsons, a global provider of project delivery and consulting services to the resources and energy sectors and complex process industries, from 2015 to 2017. Mr. Bindra also served as a director of Transocean Ltd., an offshore drilling contractor and the provider of drilling management services, from 2011 to 2014.

KEY ATTRIBUTES, EXPERIENCE, AND SKILLS: Mr. Bindra previously led worldwide manufacturing operations as a senior executive of Chevron, a multinational energy corporation. This background provides him with extensive knowledge of global manufacturing, capital projects, health, safety and environmental, and operations matters. Additionally, Mr. Bindra has knowledge of board and governance matters through his service as a board member of several publicly traded companies.

Robin Buchanan

Director since 2011 (British, 66)

POSITION, PRINCIPAL OCCUPATION, AND BUSINESS EXPERIENCE:
Mr. Buchanan has served as a director of Schroders plc, a global asset management firm, since 2010, as a director of CICAP Limited, a private equity investor, since 2017, and as Senior Advisor to Bain & Company Inc., a global business consulting firm, since 2007. Mr. Buchanan previously served as Chairman of PageGroup plc, a global specialist recruitment company, from 2011 to 2015.

KEY ATTRIBUTES, EXPERIENCE, AND SKILLS: Mr. Buchanan s background includes a long career in the United States and Europe with Bain & Company, where he was a member of the worldwide board of directors and the UK Senior Partner. He has deep experience in strategy, leadership, board effectiveness, business development, and acquisitions, as well as considerable involvement with chemicals and energy in Europe. As a current and former board member of several publicly traded, private, and charitable companies and the former Dean of the London Business School, he brings with him a wealth of experience in board and governance matters, particularly of multi-national companies.

Table of Contents

Stephen Cooper

Director since 2010 (American, 71)

POSITION, PRINCIPAL OCCUPATION, AND BUSINESS EXPERIENCE:
Mr. Cooper has served as Chief Executive Officer and Director of Warner Music Group Corp., a recorded music and music publishing business, since 2011. He has also been a Managing Partner of Cooper Investment Partners, a private equity firm specializing in underperforming companies, since 2008.

KEY ATTRIBUTES, EXPERIENCE, AND SKILLS: With a long career as a corporate turnaround specialist, Mr. Cooper has served as the top executive of several publicly traded companies, providing him with expansive knowledge and experience relating to all matters of executive management as well as finance and strategy. Mr. Cooper brings with him additional experience from his role as a sitting CEO and board member.

Nance Dicciani

Director since 2013 (American, 70)

POSITION, PRINCIPAL OCCUPATION, AND BUSINESS EXPERIENCE:
Ms. Dicciani has served as a director of Halliburton, an oilfield services company, since 2009; as a director of Praxair, an industrial gases company, since 2008; and as a director of AgroFresh Solutions, Inc., a horticultural technology company, since 2015. Previously, Ms. Dicciani served as a director of Rockwood Holdings, a specialty chemicals and advanced materials company, from 2008 until 2014.

KEY ATTRIBUTES, EXPERIENCE, AND SKILLS: Ms. Dicciani previously served as a senior executive of Honeywell Specialty Materials and Rohm and Haas, both specialty chemicals manufacturers, providing her with specific industry knowledge and an understanding of manufacturing, health, safety, and environmental matters and the competitive landscape relevant to our industry. She also has a wealth of experience in all areas of executive management. Through her service on the boards of other publicly traded companies, Ms. Dicciani has extensive experience in board and governance matters.

Table of Contents

Claire Farley

Director since 2014 (American, 59)

POSITION, PRINCIPAL OCCUPATION, AND BUSINESS EXPERIENCE:
Ms. Farley has served as a director of Technip FMC since the combination of FMC Technologies, Inc., a global provider of technology solutions for the energy industry, and Technip S.A., a project management, engineering, and construction company, in 2017 and as a director of Anadarko Petroleum since 2017. Previously, Ms. Farley served as a director of FMC from 2009 to 2017 and as a director of Encana Corporation, a North American energy provider, from 2008 through 2014.
Ms. Farley has also served in several roles with KKR Energy Group, including as Vice Chair of KKR Energy Group from 2016 to 2017 and as a member of KKR Management LLC, the general partner of KKR & Co. L.P., a global investment firm, from 2013 to 2015, and continues to provide advisory services to the group.

KEY ATTRIBUTES, EXPERIENCE, AND SKILLS: As a former executive in the oil and gas exploration and production industry, Ms. Farley brings with her experience in business development, mergers, acquisitions, and divestitures, as well as knowledge of the chemical industry s feedstocks and their markets. She also has experience in all matters of executive management and, as a current and former board member of several publicly traded companies, she brings with her an understanding of public company and governance matters.

Isabella (Bella) Goren

Director since 2014 (American, 57)

POSITION, PRINCIPAL OCCUPATION, AND BUSINESS EXPERIENCE:
Ms. Goren has served as a director of MassMutual Financial Group, a mutual life insurance company whose major affiliates include Oppenheimer Funds, Inc. and Barings LLC, since 2014 and as a director of Gap Inc., a global retail company with a portfolio of brands, since August 2011. From 2010 to 2013, Ms. Goren served as Senior Vice President and Chief Financial Officer of AMR Corporation, the parent holding company of several airlines, including American Airlines, Inc., where she also served as Senior Vice President and Chief Financial Officer.*

KEY ATTRIBUTES, EXPERIENCE, AND SKILLS: Ms. Goren has held a wide range of executive roles in capital intensive and highly competitive global businesses. Her experience and expertise cover areas that include strategic planning, management of complex international operations, business development, asset management, and corporate finance. As a board member of major multinational companies, she also brings with her knowledge and experience in corporate governance.

8

Table of Contents

Bruce Smith

Director since 2010 (American, 74)

POSITION, PRINCIPAL OCCUPATION, AND BUSINESS EXPERIENCE: Mr. Smith is the Chief Executive Officer of One Cypress Energy LLC, a crude petroleum products logistics provider, a position he has held since 2011. Previously, Mr. Smith served as a director of GEVO, Inc., a renewable chemicals and advanced biofuels company, from 2010 to 2015.

KEY ATTRIBUTES, EXPERIENCE, AND SKILLS: As the former chairman and chief executive officer of Tesoro Corporation (now known as Andeavor), Mr. Smith has extensive expertise in executive management and publicly traded company matters, as well as a robust knowledge of manufacturing, capital projects, health, safety, and environmental and operations matters, and the refining industry generally. He also has experience in all areas of finance, having served in corporate treasury and chief financial roles.

Rudy van der Meer

Director since 2010 (Dutch,73)

POSITION, PRINCIPAL OCCUPATION, AND BUSINESS EXPERIENCE: Mr. van der Meer has served as a Supervisory Director of James Hardie Industries S.E., an industrial fiber cement products and systems manufacturer, since 2007. Previously, Mr. van der Meer served as Chairman of the Supervisory Board of Coöperatie VGZ U.A., a health insurer, from 2011 to 2017 and as Chairman of the Supervisory Board of Royal Imtech N.V., a technical services provider, from 2005 to 2013.

KEY ATTRIBUTES, EXPERIENCE, AND SKILLS: Mr. van der Meer s background includes a long career with AkzoNobel N.V., a multinational paints, coatings, and specialty chemicals producer, including as a senior executive. He has extensive industry experience, including with manufacturing, health, safety, and environmental and operations matters. Mr. Van der Meer has also served on the boards of several Dutch multinational companies, providing him with knowledge and an understanding of public company governance matters.

* AMR Corporation and American Airlines, Inc. successfully completed a reorganization under Chapter 11 in 2013, for which a voluntary petition was filed in 2011.

Table of Contents

Corporate Governance

Since its incorporation in 2010, LyondellBasell has been managed under a dual board structure, consisting of a Supervisory Board and a Management Board. Members of the Supervisory Board are non-executives and members of the Management Board are executive officers of LyondellBasell. Members of both boards are nominated by the Supervisory Board and elected by the general meeting of shareholders. The primary responsibilities of each board are shown below.

The Supervisory Board

Our Supervisory Board is responsible for supervising the Management Board and the overall course of our business and strategy, including:

management s identification, measurement, monitoring, and control of our Company s material risks, including operational, credit, market, liquidity, compliance, strategic, and reputational risks;

the Company s maintenance of high ethical standards and effective policies and practices to protect our reputation, assets, and business;

management s development and implementation of an annual financial operating plan and a multi-year strategic business plan, and our execution of these financial and strategic plans;

the Company s corporate audit function, our independent registered public accounting firm, and the integrity of our consolidated financial statements; and

The Management Board

Our Management Board is responsible for the management of the Company, including, among other things:

setting and achieving the Company s objectives;

the Company s strategy, policies, the ensuing delivery of results, the risks inherent in the Company s business activities, and the financing of the Company;

the structure and operation of the Company s internal risk management and control systems;

the Company s financial reporting process and the establishment and maintenance of internal controls over financial reporting;

the disclosure of information to shareholders;

compliancewith legislation and regulations;

- the establishment, maintenance, and administration of appropriately designed compensation programs and plans.
- the relations between the Company and its stakeholders, including shareholders;
- the corporate social responsibilities of the Company; and
- the Company s corporate structure.

If the proposed amendments to our Articles of Association are adopted, and following their effectiveness, our Company will be governed under a unitary board structure and managed by a Board of Directors consisting of non-executive directors and at least one executive director, including our Chief Executive Officer. In this unitary system, our Board will generally be responsible for each of the matters currently overseen by the Supervisory Board and Management Board but will delegate many of the responsibilities traditionally assigned to the Management Board to its executive directors. Mr. Patel, as the initial sole executive director, will accordingly be responsible for managing the day-to-day affairs of the Company, and our non-executive directors will be responsible for the supervision of Mr. Patel s and management s performance and the general course of affairs of the Company.

Director Independence

Our Board has adopted categorical standards that are used to assist its determinations of director independence. The categorical standards meet and, in some instances, exceed the requirements of the NYSE. To qualify as independent under our categorical standards, a Board member must be determined to have no material relationship with LyondellBasell other than as a Board member. The categorical standards include strict

Table of Contents

guidelines for non-executive Board members and their immediate families regarding employment or affiliation with LyondellBasell and its independent registered public accounting firm. Our categorical standards are included in our Corporate Governance Guidelines and can be found on our website at *www.LyondellBasell.com*.

The Board has determined that mployed by the Company or one of its subsidiaries on each such date.

The SARs granted reflect the assessment of management as to each NEO s contribution to the attainment of corporate goals, his level of success in meeting individual performance expectations and competitive levels of total compensation.

Other Benefits. We provide limited types of perquisites and other personal benefits to our NEOs which we believe are reasonable, consistent with our overall compensation program to enable the Company to attract and retain superior employees for key positions and comparable with perquisite packages offered by our competitors to their senior executives. Pursuant to Company policy and the terms of their respective employment agreements described above, NEOs are generally entitled to participate in the various benefit plans, programs or arrangements established and maintained by the Company from time to time and applicable to its senior executives including medical benefits, dental benefits, life insurance, long-term disability insurance, qualified and supplemental defined contribution and defined benefit plans, and to receive all fringe benefits made available to senior executives of the Company, including reimbursement for club memberships, annual physical exams and for preparation of personal income tax returns. Each NEO s entitlement to such benefits is subject to the terms and conditions of the Company s policies with regard to them, as adjusted by the Company from time to time in its discretion. NEOs are not eligible for paid time off under the Company s paid time off policy, any vacation or other work leave time being in each case subject to the approval of the Chairman of the Board and Chief Executive Officer. Severance and other benefits available to NEOs upon termination of employment are determined in accordance with the terms of their respective employment contracts, which are summarized above.

The Compensation Committee reviews and approves the compensation for the NEOs, those being Messrs. Lilienthal, Fusco, Kantor, Lewis, and Mense. The Chairman of the Board and Chief Executive Officer reviews the compensation for all NEOs other than himself. The Compensation Committee and the Chairman are assisted in developing and evaluating the overall competitiveness of the compensation program by the Company s Human Resources staff, which uses market data provided by several executive compensation consulting firms. Comparative compensation information regarding the Company s peer group of companies is evaluated each year. The competitor group includes the following companies within the insurance industry:

American International Group, Inc.

The Allstate Corporation

The Chubb Corporation

CIGNA Corporation

The Hartford Financial Services Group, Inc.

Lincoln National Corporation

The Progressive Corporation

Safeco Corporation

The Travelers Companies, Inc.

These companies, as well as other companies within the insurance, financial services and certain other industries, represent the organizations against which CNA competes for key executives. This comparative compensation information, in conjunction with performance assessments as to past and expected future contributions of the individual, is used to develop annual compensation levels. It is our goal to set total compensation opportunities for the NEOs at levels generally comparable with those available to similarly placed executives at the Company s competitor group.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

We have reviewed and discussed the Compensation Discussion and Analysis set forth above with the management of the Company, and, based on such review and discussion, have approved inclusion of the Compensation Discussion and Analysis in this Proxy Statement.

By the Compensation Committee:

Don M. Randel and Marvin Zonis (Chairperson)

COMPENSATION OF EXECUTIVE OFFICERS

The following table summarizes compensation paid by the Company and its subsidiaries for services rendered in all capacities for our Chief Executive Officer, Chief Financial Officer and other NEOs as of December 31, 2006:

Name and Principal Position	Year	Salary (a) ($)	Bonus ($)	Stock Awards (c) ($)	Option/ SARs Awards (d) ($)	Non-Equity Incentive Plan Compensation (e) ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (f) ($)	All Other Compensation (g) ($)	Total (h) ($)
Stephen W. Lilienthal Chairman & CEO CNA Financial Corporation	2006	$ 950,000	$ 0	$ 0	$ 547,764	$ 3,256,250	$ 0	$ 520,731	$ 5,274,745
D. Craig Mense Executive Vice President & Chief Financial Officer CNA Financial Corporation	2006	$ 625,000	$ 0	$ 130,661	$ 152,226	$ 1,437,500	$ 0	$ 184,204	$ 2,529,591
Michael Fusco Executive Vice President, Chief Actuary & Chief Risk Officer CNA Insurance Companies	2006	$ 500,000	$ 0	$ 0	$ 153,240	$ 1,000,000	$ 0	$ 129,451	$ 1,782,691
Jonathan D. Kantor Executive Vice President, General Counsel & Secretary CNA Financial Corporation	2006	$ 750,000	$ 200,000 (b)	$ 0	$ 252,308	$ 1,837,500	$ 844,759	$ 31,500	$ 3,916,066
James R. Lewis President & CEO CNA Property & Casualty Operations CNA Insurance Companies	2006	$ 800,000	$ 0	$ 0	$ 261,892	$ 1,900,000	$ 0	$ 212,903	$ 3,174,795

(a) Base salary includes compensation deferred under the CNA S-CAP and SES-CAP.

(b) Represents special bonus in recognition of outstanding results in 2006.

(c) Represents the compensation cost recognized in 2006 related to restricted stock awards for financial statement reporting purposes for fiscal year ended December 31, 2006, in accordance with Statement of Financial Accounting Standards No. 123R and thus may include amounts for awards granted in and prior to 2006. For a discussion of assumptions used in calculation of these amounts, see Note J to our consolidated financial statements included in our Annual Report on Form 10-K for year ended December 31, 2006.

(d) Represents the compensation cost recognized in 2006 related to stock option/SAR awards for financial statement reporting purposes for fiscal year ended December 31, 2006, excluding forfeitures, in accordance with Statement of Financial Accounting Standards No. 123R and thus may include amounts for awards granted in and prior to 2006. For a discussion of assumptions used in calculation of these amounts, see Note J to our consolidated financial statements included in our Annual Report on Form 10-K for year ended December 31, 2006.

(e) Amounts disclosed are annual incentive cash awards and long-term cash awards in 2006 under the Incentive Compensation Plan. Annual incentive awards are typically paid in the first quarter of the following year unless deferred. Long-term cash awards are granted annually and are earned based on net operating income targets over a three-year performance period. Long-term cash awards included in this column represent amounts earned in 2006 for 2004-2006, 2005-2007, and 2006-2008 cycles.

(f) The amount shown for the NEOs is attributable to the change in actuarial present value of the accumulated benefit under defined benefit plans at December 31, 2006 as compared to December 31, 2005. There can be no assurance that the amounts shown will ever be realized by the NEOs.

(g) The amounts disclosed are attributable to the following:

- Mr. Lilienthal: Represents amounts for perquisites of club reimbursement, executive physical, tax service, parking, personal use of company aircraft ($169,414) which represents the aggregate incremental cost to the Company, as defined below and amounts contributed or accrued under the S-CAP and SES-CAP ($330,980).

- Mr. Mense: Represents amounts for perquisites of tax service, family travel, parking, club reimbursement ($7,435), executive physical ($8,751), personal use of company aircraft ($31,455) which represents the aggregate incremental cost to the Company, as defined below and amounts contributed or accrued under the S-CAP and SES-CAP ($131,625).

- Mr. Fusco: Represents amounts for perquisites of club reimbursement ($7,700), executive physical ($8,751), tax service ($2,500), and amounts contributed or accrued under the S-CAP and SES-CAP ($110,500).

- Mr. Kantor: Represents $31,500 contributed or accrued under the S-CAP and SES-CAP.

- Mr. Lewis: Represents amounts for perquisites of tax service, parking, club reimbursement ($8,250), executive physical ($8,373), personal use of company aircraft ($22,330) which represents the aggregate incremental cost to the Company, as defined below, and amounts contributed or accrued under the S-CAP and SES-CAP ($169,650).

The aggregate incremental cost calculation includes variable costs associated with the personal use of company aircraft and includes but is not limited to the following: fuel, landing fees, air routing fees, flight based operator fees (i.e. hangar and terminal fees), multi-service fees (i.e. ground repairs and maintenance), catering, and ground transportation.

(h) The amounts shown in the Total compensation column for each NEO represents the sum of all columns in the Summary Compensation Table.

The following table provides additional information on stock options/SARs awards and non-equity incentive plan awards granted to each of the NEOs during the year ended December 31, 2006.

GRANTS OF PLAN BASED AWARDS

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards							
ame	Grant Date	Number of Non-Equity Incentive Plan Units Granted (#)	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option/ SARs Awards: Number of Securities Underlying Options (a) (#)	Exercise or Base Price of Option/ SARs Awards (b) ($ / sh)	Closing Price on Grant Date ($ / sh)	Grant Date Fai Value o Stock an Option/ SARs Awards (c)
tephen W. Lilienthal	2/8/06									75,000	$ 30.98	$ 31.10	$ 804,38
			$ 118,750	$ 237,500	$ 475,000 (d)								
			$ 1,450,000	$ 1,450,000	$ 2,900,000 (e)								
. Craig Mense	2/8/06									25,000	$ 30.98	$ 31.10	$ 268,12
			$ 62,500	$ 125,000	$ 250,000 (d)								
				$ 625,000	$ 1,250,000 (e)								
ichael Fusco	2/8/06									20,000	$ 30.98	$ 31.10	$ 214,50
			$ 50,000	$ 100,000	$ 200,000 (d)								
				$ 500,000	$ 1,000,000 (e)								
onathan D. Kantor	2/8/06									30,000	$ 30.98	$ 31.10	$ 321,75

		$ 112,500	$ 225,000	$ 450,000 (d)				
				$ 1,500,000 (e)				
ames R. Lewis	2/8/06				30,000	$ 30.98	$ 31.10	$ 321,75
		$ 100,000	$ 200,000	$ 400,000 (d)				
		$ 160,000	$ 800,000	$ 1,600,000 (e)				

(a) Option/SAR awards vest in installments of 25% on each anniversary of the date of grant, such that the option/SARs are fully exercisable on or after four years from the date of grant.

18

(b) The exercise price shown for individual optionees is the fair market value of the Company s Common Stock on the date of grant (calculated as the average of its high and low sales prices on that date reported on the NYSE Composite Tape).

(c) Represents full grant date fair value of 2006 awards calculated in accordance with Financial Accounting Standards No. 123R. For a discussion of assumptions, see Note J to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2006. There can be no assurance that amounts shown under Grant Date Fair Value of Stock and Options/SARs will ever be realized by the NEOs.

(d) These amounts represent long-term incentive cash awards made under the Incentive Compensation Plan and are administered by the Compensation Committee. The long-term incentive cash awards are granted annually and are earned based on NOI targets over a three-year performance period and will become payable only to the extent that specified NOI goals are achieved. The payouts can vary from 0% to 200% of original target based on the attainment of performance goals. Only awards related to the 2006-2008 performance cycle are included in this table. Please refer to the Incentive Compensation Awards section of the Compensation Discussion and Analysis section for more information concerning these awards.

(e) These amounts represent annual incentive cash awards granted under the Incentive Compensation Plan. The award for Mr. Lilienthal is subject to threshold and maximum levels based on company NOI achievement, as established by the Compensation Committee. The awards for Messrs. Mense, Fusco, and Kantor consist of an amount equal to a portion of that percentage of NOI established by the Compensation Committee as the annual performance goal, subject to maximum amounts. The award for Mr. Lewis is subject to threshold, target and maximum levels of Company NOI, as established by the Compensation Committee. The actual 2006 annual incentive cash award achievements were determined and approved by the Compensation Committee in February 2007 and are reflected in the Summary Compensation Table under the Non-Equity Incentive Plan Compensation column. Please refer to the Incentive Compensation Awards section of the Compensation Discussion and Analysis section for more information concerning these awards.

The following table summarizes equity awards made to the NEOs which were outstanding as of the year ended December 31, 2006.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

		Option/SARs Awards					Stock Awards			
Name	Date of Grant	Number of Securities Underlying Unexercised Options/ SARs (#) Exercisable	Number of Securities Underlying Unexercised Options/ SARs (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options/ SARs (#)	Option/ SARs Exercise Price (a) ($)	Option/SARs Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Stephen W. Lilienthal	8/31/2001	75,000	-0-		27.83	8/31/2011				
	5/8/2002	40,000	-0-		29.15	5/8/2012				
	8/8/2002	15,000	-0-		25.55	8/8/2012				
	5/7/2003	41,250	13,750 (b)		24.69	5/7/2013				
	4/28/2004	27,500	27,500 (c)		26.27	4/28/2014				
	2/9/2005	16,250	48,750 (d)		27.27	2/9/2015				
	2/8/2006	-0-	75,000 (e)		30.98	2/8/2016				
D. Craig Mense	11/29/2004	12,500	12,500 (f)		26.15	11/29/2014	10,000 (f)	$ 403,200 (g)		
	2/9/2005	6,250	18,750 (d)		27.27	2/9/2015				
	2/8/2006	-0-	25,000 (e)		30.98	2/8/2016				
Michael Fusco	11/13/2000	10,000	-0-		35.38	11/13/2010				
	5/2/2001	10,000	-0-		35.35	5/2/2011				
	5/8/2002	5,000	-0-		29.15	5/8/2012				
	5/7/2003	11,250	3,750 (b)		24.69	5/7/2013				
	4/28/2004	10,000	10,000 (c)		26.27	4/28/2014				
	2/9/2005	5,000	15,000 (d)		27.27	2/9/2015				
	2/8/2006	-0-	20,000 (e)		30.98	2/8/2016				
Jonathan D. Kantor	8/5/1999	12,000	-0-		35.09	8/5/2009				
	5/12/2000	12,000	-0-		32.03	5/12/2010				
	5/2/2001	20,000	-0-		35.35	5/2/2011				
	5/8/2002	20,000	-0-		29.15	5/8/2012				
	5/7/2003	22,500	7,500 (b)		24.69	5/7/2013				
	4/28/2004	15,000	15,000 (c)		26.27	4/28/2014				
	2/9/2005	7,500	22,500 (d)		27.27	2/9/2015				
	2/8/2006	-0-	30,000 (e)		30.98	2/8/2016				
James R. Lewis	9/21/2001	35,000	-0-		23.98	9/21/2011				
	5/8/2002	25,000	-0-		29.15	5/8/2012				
	11/27/2002	5,000	-0-		24.14	11/27/2012				
	5/7/2003	22,500	7,500 (b)		24.69	5/7/2013				
	4/28/2004	15,000	15,000 (c)		26.27	4/28/2014				
	2/9/2005	7,500	22,500 (d)		27.27	2/9/2015				
	2/8/2006	-0-	30,000 (e)		30.98	2/8/2016				

(a) The exercise price shown for individual optionees is the fair market value of the Company s Common Stock on the date of grant (calculated as the average of its high and low sales prices on that date reported on the NYSE Composite Tape).

(b)

Options vest annually in installments of 25% beginning 5/7/2004, such that the options are fully exercisable on or after four years from the date of grant.

(c) Options vest annually in installments of 25% beginning 4/28/2005, such that the options are fully exercisable on or after four years from the date of grant.

(d) Options vest annually in installments of 25% beginning 2/9/2006, such that the options are fully exercisable on or after four years from the date of grant.

(e) SARs vest annually in installments of 25% beginning 2/8/2007, such that the SARs are fully exercisable on or after four years from the date of grant.

(f) Options and restricted stock vest annually in installments of 25% beginning 11/29/2005, such that the options and restricted stock are fully exercisable on or after four years from the date of grant.

(g) Value is based on the closing price of Company Common Stock on December 29, 2006.

The following table provides additional information about the value realized by the NEOs on stock option/SARs exercises and stock award vesting during the year ended December 31, 2006.

20

OPTION EXERCISES AND STOCK VESTED

	Option/SARs Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Stephen W. Lilienthal	-0-	$ 0	-0-	$ 0
D. Craig Mense	-0-	$ 0	5,000 (a)	$ 193,600 (b)
Michael Fusco	-0-	$ 0	-0-	$ 0
Jonathan D. Kantor	-0-	$ 0	-0-	$ 0
James R. Lewis	-0-	$ 0	-0-	$ 0

(a) Represents 25% installment vesting of restricted stock award granted on November 29, 2004. Number of shares includes 1,473 shares withheld by the Company at the election of Mr. Mense to pay for minimum withholding tax due upon the vesting of restricted stock on November 29, 2006.

(b) Value is based on the average of the high and low price of Company Common Stock on November 29, 2006 vest date.

The following table provides the present value of accumulated benefits payable to each of the NEOs under the qualified and non-qualified pension plans. Please refer to the Retirement Plans section for more information regarding our pension benefits.

PENSION BENEFITS

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
Stephen W. Lilienthal		-0-	$ 0	$ 0
D. Craig Mense		-0-	$ 0	$ 0
Michael Fusco		-0-	$ 0	$ 0
Jonathan D. Kantor	CNA Retirement Plan	12.75	$ 298,480	$ 0
	CNA SERP	12.75	$ 3,338,430	$ 0
James R. Lewis		-0-	$ 0	$ 0

The following table provides information on executive contributions, earnings and account balances for the NEOs in the CNA SES-CAP, a non-qualified, unfunded and unsecured deferred compensation plan. Please refer to the Retirement Plans section for more information regarding compensation deferred under the CNA SES-CAP.

NONQUALIFIED DEFERRED COMPENSATION

Name	Executive Contributions in Last Fiscal Year ($) (a)	Registrant Contributions in Last Fiscal Year ($) (b)	Aggregate Earnings in Last Fiscal Year ($)	Aggregate Withdrawals / Distributions ($)	Aggregate Balance at Last Fiscal Year-End ($)
Stephen W. Lilienthal	$ 232,000	$ 262,193	$ 113,839	$ 0	$ 2,251,963
D. Craig Mense	$ 47,500	$ 78,478 (c)	$ 7,849	$ 0	$ 209,505 (c)
Michael Fusco	$ 85,000	$ 70,853	$ 24,989	$ 0	$ 542,453
Jonathan D. Kantor	$ 31,800	$ 22,260	$ 29,618	$ 0	$ 588,656
James R. Lewis	$ 105,000	$ 120,345	$ 50,170	$ 0	$ 1,042,370

(a) Reflects amounts that have been reported as either Salary or Non-Equity Incentive Plan Awards in the 2006 Summary Compensation Table.

(b) Includes Company performance and additional Company matching contributions, as defined in the Retirement Plans section, credited to the NEOs account in 2006 calendar year for 2005 performance. Company performance and additional Company matching contributions for 2006 performance will be credited to the NEOs account in the first quarter of 2007 and are not reflected in this table. For information regarding Company contributions, please refer to the Retirement Plans section.

(c) Mr. Mense is 40% vested in amount shown under Registrant Contributions in Last Fiscal Year. Mr. Mense s vested Aggregate Balance at Last Fiscal Year-End is equal to $104,219.

The following tables reflect estimated amounts payable to each of the NEOs in the event of termination of such executive s employment. The amounts shown assume that such termination was effective as of December 31, 2006 and thus are estimates of the amounts which would be paid out to the executives upon their termination. The actual amounts to be paid out can only be determined at the time of such executive s separation from the Company. Furthermore, in the event of termination, each of the NEOs remain subject to certain confidentiality, non-competition, non-solicitation, non-interference and claims assistance covenants. Please refer to the Employment Agreements section above for more information regarding employment agreements for each of the NEOs.

POTENTIAL PAYMENTS UPON TERMINATION

STEPHEN W. LILIENTHAL

Benefit (a)	Termination w/o Cause or for Good Reason	Non-Renewal of Contract	Voluntary Termination/For Cause Termination	Retirement	Death	Disability
Annual and LTI Cash Plan	$ 1,687,500	$ 1,687,500	$ 0	$ 0	$ 1,687,500	$ 1,687,500
Options/Restricted Stock (b)	$ 4,729,785	$ 1,937,975	$ 0	$ 0	$ 4,729,785	$ 4,729,785
Severance Payments	$ 11,550,000	$ 11,550,000	$ 0	$ 0	$ 11,550,000	$ 10,350,012
Benefits and Perquisites	$ 19,998	$ 19,998	$ 0	$ 0	$ 10,267	$ 19,998
Excise Tax and Gross-Up (c)	$ 7,867,389	$ 6,490,412	$ 0	$ 0	$ 7,862,589	$ 7,275,530

(a) Please refer to the Pension Benefits table above for estimated payments to Mr. Lilienthal under the CNA defined benefit plans. Please refer to the Non-Qualified Deferred Compensation table above for estimated payments to Mr. Lilienthal under the CNA SES-CAP.

(b) Represents estimated value of unvested accelerated stock options/SARs and estimated value of cash equivalent payment for stock options/SARs Mr. Lilienthal would have received had employment continued through term of the agreement. Estimated value of stock options/SARs is calculated by multiplying the number of accelerated stock options/SARs by the difference between the exercise price and the closing price of our common stock on December 29, 2006. Estimated cash equivalent payment is calculated in accordance with the terms specified in Mr. Lilienthal s employment agreement and is based on the closing price of our common stock on December 29, 2006.

(c) In the event of a change in control of the Company, Mr. Lilienthal may be subject to certain excise taxes pursuant to Section 4999 of the Internal Revenue Code of 1986, as amended. Amounts represent potential reimbursements for any excise and income taxes that may be imposed on Mr. Lilienthal under Section 4999.

D. CRAIG MENSE

Benefit (a)	Termination w/o Cause or for Good Reason	Non-Renewal of Contract	Voluntary Termination/For Cause Termination	Retirement	Death	Disability
Annual and LTI Cash Plan	$ 750,000	$ 0	$ 0	$ 0	$ 750,000	$ 750,000
Options/Restricted Stock (b)	$ 580,325	$ 580,325	$ 0	$ 0	$ 0	$ 0
Severance Payments	$ 1,250,000	$ 0	$ 0	$ 0	$ 0	$ 0
Benefits and Perquisites	$ 9,100	$ 0	$ 0	$ 0	$ 0	$ 0
Excise Tax and Gross-Up	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

(a) Please refer to the Pension Benefits table above for estimated payments to Mr. Mense under the CNA defined benefit plans. Please refer to the Non-Qualified Deferred Compensation table above for estimated payments to Mr. Mense under the CNA SES-CAP.

(b) Represents estimated value of unvested accelerated stock option and restricted stock grants. Estimated value of stock option is calculated by multiplying the number of accelerated stock options by the difference between the exercise price and the closing price of our common stock on December 29, 2006. Estimated value of restricted stock is calculated by multiplying the number of accelerated shares of restricted stock by the closing price of our common stock on December 29, 2006.

MICHAEL FUSCO

Benefit (a)	Termination w/o Cause or for Good Reason	Non-Renewal of Contract	Voluntary Termination/For Cause Termination	Retirement	Death	Disability
Annual and LTI Cash Plan	$ 600,000	$ 0	$ 0	$ 0	$ 600,000	$ 600,000
Options/Restricted Stock	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Severance Payments	$ 1,000,000	$ 0	$ 0	$ 0	$ 0	$ 0
Benefits and Perquisites	$ 4,848	$ 0	$ 0	$ 0	$ 0	$ 0
Excise Tax and Gross-Up	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

(a) Please refer to the Pension Benefits table above for estimated payments to Mr. Fusco under the CNA defined benefit plans. Please refer to the Non-Qualified Deferred Compensation table above for estimated payments to Mr. Fusco under the CNA SES-CAP.

JONATHAN D. KANTOR

Benefit (a)	Termination w/o Cause or for Good Reason	Non-Renewal of Contract	Voluntary Termination/For Cause Termination	Retirement	Death	Disability
Annual and LTI Cash Plan	$ 0	$ 0	$ 0	$ 0	$ 975,000	$ 975,000
Options/Restricted Stock	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Severance Payments	$ 3,450,000	$ 0	$ 0	$ 0	$ 0	$ 0
Benefits and Perquisites	$ 10,920	$ 0	$ 0	$ 0	$ 0	$ 0
Excise Tax and Gross-Up	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

(a) Please refer to the Pension Benefits table above for estimated payments to Mr. Kantor under the CNA defined benefit plans. Please refer to the Non-Qualified Deferred Compensation table above for estimated payments to Mr. Kantor under the CNA SES-CAP.

JAMES R. LEWIS

Benefit (a)	Termination w/o Cause or for Good Reason	Non-Renewal of Contract	Voluntary Termination/For Cause Termination	Retirement	Death	Disability
Annual and LTI Cash Plan	$ 1,000,000	$ 1,000,000	$ 0	$ 0	$ 1,000,000	$ 1,000,000
Options/Restricted Stock (b)	$ 901,800	$ 0	$ 0	$ 0	$ 2,018,524	$ 2,018,524
Severance Payments	$ 3,200,000	$ 1,600,000	$ 0	$ 0	$ 0	$ 0
Benefits and Perquisites	$ 12,726	$ 5,454	$ 0	$ 0	$ 0	$ 0
Excise Tax and Gross-Up	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

(a) Please refer to the Pension Benefits table above for estimated payments to Mr. Lewis under the CNA defined benefit plans. Please refer to the Non-Qualified Deferred Compensation table above for estimated payments to Mr. Lewis under the CNA SES-CAP.

(b) Represents estimated value of unvested accelerated stock options/SARs and estimated value of cash equivalent payment for stock options/SARs Mr. Lewis would have received had employment continued through term of the agreement. Estimated value of stock options/SARs is calculated by multiplying the number of accelerated stock options/SARs by the difference between the exercise price and the closing price of our common stock on December 29, 2006. Estimated cash equivalent payment is calculated in accordance with the terms specified in Mr. Lewis employment agreement and is based on the closing price of our common stock on December 29, 2006.

RELATED TRANSACTIONS

It is our policy that any transaction involving the Company or any of our subsidiaries in which any of our directors, executive officers, principal shareholders has had or will have a direct or indirect material interest be submitted to our General Counsel for review and reported to our Audit Committee for its consideration, without the participation of any Committee member who may be involved in the transaction. In each case, the Audit Committee will consider, in light of all of the facts and circumstances it deems relevant, whether the transaction is fair and reasonable to us and our shareholders, including our minority shareholders.

Loews makes available to CNA the services of certain officers and executives of Loews. In February 1975, CNA entered into a management services agreement (the Services Agreement) with Loews which provides that Loews will make available to CNA these services, together with general corporate services, including financial, administrative and management consulting services. Loews is reimbursed on the basis of an allocation of a portion of the salaries and related payroll taxes and benefits of the officers and executives performing the services, in addition to travel and similar expenses incurred. The allocation may be adjusted in the event of any substantial change in the services performed and the Services Agreement may be terminated by CNA or Loews on the last day of any month. The Services Agreement has been reviewed each year since 1975 by CNA s Audit Committee. The last such review took place in February 2006 and the Audit

Committee recommended renewal of the Services Agreement for the ensuing fiscal year, calling for a reimbursement allocation of approximately $295,000 per month, which recommendation was accepted by the Board of Directors. Under the Services Agreement, CNA reimbursed Loews $3,540,000 for services performed during 2006, and $135,473 for travel and similar expenses incurred during 2006. Also during 2006, Loews or its subsidiaries paid premiums on insurance and administrative services to the CNA insurance companies at standard rates aggregating approximately $187,835.

The Loews ownership of the voting securities of CNA has exceeded 80% since 1980 requiring the inclusion of CNA and its eligible subsidiaries in the consolidated federal income tax returns filed by Loews. Accordingly, following approval by CNA s Audit Committee and Board of Directors, CNA and Loews entered into a tax allocation agreement that provides that CNA will (i) be paid by Loews the amount, if any, by which the Loews consolidated federal income tax liability is reduced by virtue of the inclusion of CNA and its subsidiaries in the Loews consolidated federal income tax return, or (ii) pay to Loews an amount, if any, equal to the federal income tax that would have been payable by CNA, if CNA and its subsidiaries had filed a separate consolidated return. In the event that Loews should have a net operating loss in the future computed on the basis of filing a separate consolidated tax return without CNA and its eligible subsidiaries, CNA may be required to repay tax recoveries previously received from Loews. This agreement may be cancelled by CNA or Loews upon thirty days prior written notice. In 2006, the inclusion of CNA and its eligible subsidiaries in the consolidated federal income tax return of Loews resulted in an increase in the federal income tax liability for Loews. Accordingly, CNA has paid or will pay approximately $400,000,000 to Loews for 2006 under the tax allocation agreement.

The Company and Loews have entered into an Investment Facilities and Services Agreement (the Investment Services Agreement). Under the terms of the Investment Services Agreement, Loews provides to the Company and its subsidiaries certain investment facilities and services. The Company pays directly or reimburses Loews for all reasonable costs, expenses and disbursements incurred by Loews in providing the services. The Audit Committee of our Company approved the Investment Services Agreement at a meeting held on April 26, 2006. The Company has reimbursed to Loews or paid directly approximately $23,779,200 for expenses (consisting primarily of salaries and benefits and other out-of-pocket costs) incurred or owed by Loews during 2006 in maintaining investment facilities and services for our Company.

In 2003 the Company entered into a credit agreement with a large national contractor that undertakes projects for the construction of government and private facilities to provide a credit facility with a current total credit limit of $126.4 million. CNA Surety Corporation, of which the Company s subsidiaries own 63% of its outstanding common stock, has provided significant surety bond protection for projects by this contractor through surety bonds underwritten by affiliates of the Company. Loews purchased a participation interest in one-third of the loans and commitments under the credit facility on a dollar-for-dollar basis. Although Loews does not have rights against the contractor directly under the participation agreement, it shares recoveries under the facility proportionally with the Company. Under the participation agreement between Loews and the Company, Loews also receives twenty-five percent of a closing fee from the contractor in the amount of $900,000, half of which was paid at closing and half of which is due to be paid when the credit facility matures. In 2004 the participation agreement was amended and restated to include a one-third participation by Loews in additional borrowings under expansion of the credit facility, up to the current total credit limit.

In connection with the referenced expansion of the credit facility and a planned reduction in the physical assets and scope of operations of the national contractor, for the years ended December 31, 2005 and 2004, the Company recorded a pretax impairment charge of $34 million and $56 million, net of the participation by Loews, with respect to amounts loaned under the credit facility. In June 2005, ongoing monitoring of the status of the contractor s restructuring plan revealed deterioration in operations and cash flow. As a result, the Company determined that the contractor would likely be unable to meet its obligations under the surety bonds. In 2005 CNA Surety Corporation established $110 million of surety loss reserves in anticipation of future loss payments, $50 million of which was ceded to Continental Casualty Company pursuant to reinsurance obligations. During the second quarter of 2005 the Company took a pre-tax impairment charge of $21 million to write-off the remaining balance of the loan and put up $40 million in reserves in anticipation of future loss payments. An additional $70 million in reserves was added in the fourth quarter of 2005.

During the years ended December 31, 2006 and 2005, CNA Surety paid $34 million and $26 million related to surety losses of the contractor. The Company no longer provides additional liquidity to the contractor and has not recognized interest income related to the loans since June 30, 2005.

In 2006 CNA Surety, through a Quota Share Treaty with Continental Casualty Company, a subsidiary of the Company, assumed three bonds issued by an affiliate for Mexdrill, Offshore, S. DE R.L. DE C. V., a subsidiary of Diamond Offshore Inc. (Diamond Offshore). Loews owns 51% of Diamond Offshore s shares. Prior to CNA Surety s issuance of these bonds with penal sums of $24.9 million, $32 million, and $16.1 million respectively, the CNA Surety s audit committee approved issuance of the bonds on behalf of Diamond Offshore for up to $150.0 million in total bond exposure provided that the bonds meet the CNA Surety s normal underwriting standards, the rates charged are market rates and CNA Surety receives the indemnity of Diamond Offshore. The premium for the bonds was $0.9 million.

SECTION 16(a) BENEFICIAL OWNERSHIP COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 required our directors and executive officers, and persons who own more than 10% of a registered class of the Company s equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our Common Stock and other equity securities of the Company. Based upon review of the information provided to the Company, we believe that during the 2006 fiscal year all Section 16(a) filing requirements were complied with.

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED

PUBLIC ACCOUNTING FIRM

(Proposal No. 2)

Our Audit Committee of our Board of Directors has selected Deloitte & Touche LLP to serve as independent registered public accounting firm for 2007. Although it is not required to do so, our Board of Directors wishes to submit the selection of Deloitte & Touche LLP for ratification by the Company s Stockholders at the meeting. Even if this selection is ratified by Stockholders at the Annual Meeting, our Audit Committee may in its discretion change the appointment at any time during the year if it determines that such a change would be in the best interests of the Company and its Stockholders. If the Company s Stockholders do not ratify the selection of Deloitte & Touche LLP, the Audit Committee will reconsider its selection. Representatives of Deloitte & Touche LLP are expected to be at the Annual Meeting to answer appropriate questions and, if they choose to do so, to make a statement.

For the years ended December 31, 2006 and 2005, professional services were performed by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, Deloitte), which includes Deloitte Consulting.

Audit and audit-related fees aggregated $12.7 million and $14.1 million for the years ended December 31, 2006 and 2005, respectively and were composed of below-described categories:

Audit Fees

The aggregate fees billed for the audit of the Company s annual financial statements for the years ended December 31, 2006 and 2005 and for the reviews of the financial statements included in the Company s Quarterly Reports on Form 10-Q were $11.9 million and $13.7 million, respectively.

Audit-Related Fees

The aggregate fees billed for audit-related services for the years ended December 31, 2006 and 2005 were $0.8 million and $0.4 million, respectively. These fees generally include fees for consents and comfort letters, audits of the Company s employee benefit plans, accounting consultations and SEC related matters.

Tax Fees

The aggregate fees billed for tax services for the years ended December 31, 2006 and 2005 were $0 million and $0.1 million, respectively. These fees generally include fees for the preparation of expatriate tax returns.

All Other Fees

The aggregate fees for services not included above were $0 and $0 million, respectively, for the years ended December 31, 2006 and 2005. These fees generally include fees for human capital advisory services and other consulting services.

Our Audit Committee has established a pre-approval policy with regard to audit, audit-related and certain non-audit engagements by the Company of its independent registered public accountants. Under this policy, our Audit Committee annually pre-approves certain limited, specified recurring services which may be provided by Deloitte, subject to maximum dollar limitations. All other engagements for services to be performed by Deloitte must be separately pre-approved by the Audit Committee. The Audit Committee has also designated the Chairperson of the Committee as having authority to pre-approve such engagements as allowed by the policy, subject to reporting on such pre-approvals to the Committee at its next scheduled meeting.

26

All of the fees set forth above have been approved by the Audit Committee in accordance with its approval procedures.

The Board of Directors recommends that the Stockholders vote FOR Proposal No. 2.

OTHER MATTERS

The Company does not know of any other business to come before the meeting. However, if any other matters come before the meeting, the persons named in the proxies will act on behalf of the Stockholders they represent according to their best judgment.

The cost of this solicitation of proxies will be borne by the Company. Solicitation will be made primarily through use of the mails, but regular employees of the Company may solicit proxies personally, by telephone or facsimile. Such employees will receive no special compensation for such solicitation. Brokers and nominees will be requested to obtain voting instructions of beneficial owners of stock registered in their names and will be reimbursed for their out-of-pocket expenses and reasonable clerical expenses.

STOCKHOLDER COMMUNICATIONS TO THE BOARD OF DIRECTORS

OR THE INDEPENDENT DIRECTORS

The Company has a process by which Stockholders may communicate with our Board of Directors. Stockholders and other interested parties wishing to communicate directly to our Board of Directors may submit written communications addressed to the Board of Directors, c/o General Counsel, CNA Financial Corporation, 333 South Wabash Avenue, 43rd Floor, Chicago, Illinois 60604. All such communications from Stockholders will be forwarded to the members of the Board.

Any Stockholder of the Company wishing to communicate with our Independent Directors may do so in the following ways:

By submitting the communication in writing addressed to:
Presiding Director, Non-Management Directors of CNA Financial Corporation

c/o Senior Vice President, Internal Audit

CNA Financial Corporation

333 South Wabash Avenue

Chicago, Illinois 60604

By leaving a recorded message addressed to Presiding Director, Non-Management Directors of CNA Financial Corporation at the following telephone number: **1-888-679-9252**; or

By sending an email to the attention of the Presiding Director, Non-Management Directors of CNA Financial Corporation at: **corporateinvestigations@cna.com.**

STOCKHOLDER PROPOSALS FOR THE 2008 ANNUAL MEETING

Stockholder proposals for inclusion in proxy materials for the 2008 Annual Meeting should be addressed to the Company s Executive Vice President, General Counsel and Secretary, 333 South Wabash Avenue, 43rd Floor, Chicago, Illinois 60604, and must be received by November 22, 2007 in order to be included in the Company s proxy materials. Proxies solicited by the Company for the 2008 Annual Meeting may confer discretionary authority to vote on any proposals submitted after February 13, 2008 without a description of them in the proxy materials for that meeting.

By order of the Board of Directors,

JONATHAN D. KANTOR

Executive Vice President, General Counsel and Secretary

Chicago, Illinois

April 3, 2007

MR A SAMPLE
DESIGNATION (IF ANY)
ADD 1
ADD 2
ADD 3
ADD 4
ADD 5
ADD 6

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Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas. X

Annual Meeting Proxy Card

Ú PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. Ú

A Proposals The Board of Directors recommends a vote FOR all the nominees listed and FOR Proposal 2.

1. Election of Directors:	For	Withhold		For	Withhold		For	Withhold
01 - Stephen W. Lilienthal	..	..	02 - Paul J. Liska	..	..	03 - Jose O. Montemayor	..	..
04 - Don M. Randel	..	..	05 - Joseph Rosenberg	..	..	06 - Andrew H. Tisch	..	..
07 - James S. Tisch	..	..	08 - Marvin Zonis	..	..			

+

	For	Against	Abstain
2. Approval of Deloitte and Touche, LLP as the independent registered public accounting firm.	..	..	..

B Non-Voting Items

Change of Address Please print new address below.

C Authorized Signatures This section must be completed for your vote to be counted. Date and Sign Below

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) Please print date below.	Signature 1 Please keep signature within the box.	Signature 2 Please keep signature within the box.
/ /		

Ú PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. Ú

Proxy CNA Financial Corporation

333 South Wabash Ave. Chicago, IL

Proxy Solicited by Board of Directors for Annual Meeting - April 25, 2007 at 10:00 a.m.

S. W. Lilienthal, J. Rosenberg, J. S. Tisch (the Proxy Committee), or any of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Annual Meeting of Stockholders of CNA Financial Corporation to be held on April 25, 2007 or at any postponement or adjournment thereof.

Shares represented by this proxy will be voted by the stockholder. If no such directions are indicated, the Proxy Committee will have authority to vote FOR Election of Directors and FOR Proposal 2.

In their discretion, the Proxy Committee is authorized to vote upon such other business as may properly come before the meeting.

(Continued and to be voted on reverse side.)