

**2009 ~~LYONDELL CHAPTER 11~~ NORTEL ENTITIES**  
**UNIFORM CDS ~~AND LCDS~~ SETTLEMENT AGREEMENT**

This 2009 ~~Lyondell Chapter 11~~ Nortel Entities Uniform CDS ~~and LCDS~~ Settlement Agreement (this "**Agreement**") is entered into on January ~~12, 20~~ 20, 2009 between the entities specified in Schedule 2 hereto (each, a "**Party**").

**WHEREAS** the Parties hereto wish to facilitate the orderly settlement of any Covered Transaction (as defined below) referencing any of the entities listed on Schedule 1 to this Agreement (each, a "**Lyondell Chapter 11** Nortel Entity") to which they are respectively a party by agreeing that Credit Event Notices and Notices of Publicly Available Information in respect of such Covered Transactions will be deemed to have been effectively delivered on the Notice Date (as defined below) without requiring the actual delivery of such notices.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Interpretation**

As used in this Agreement, (a) "**Confirmation**", "**Credit Support Document**" and "**Transaction**" each has the respective meaning given to that term in the related Governing Master Agreement and (b) "**Credit Derivative Transaction**" has the meaning given to that term in (i) the 2003 ISDA Credit Derivatives Definitions, as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions, each as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") (the "**2003 Definitions**") in respect of a Transaction documented by a Confirmation that incorporates the 2003 Definitions or (ii) the 1999 ISDA Credit Derivatives Definitions, as published by ISDA (the "**1999 Definitions**") in respect of a Transaction documented by a Confirmation that incorporates the 1999 Definitions, as applicable. Each other capitalized term used in this Agreement but not defined herein has the meaning given to that term in the related Documentation (as defined below), as applicable.

**1.2 Definitions**

"**Affected CDX Index**" means each of the CDX indices of CDS IndexCo LLC containing a ~~Lyondell Chapter 11~~ Entity, if any. "~~Affected LCDX Index~~" means each of the ~~LCDX~~ indices of CDS IndexCo LLC containing a ~~Lyondell Chapter 11~~ Nortel Entity, if any.

"**Bespoke Portfolio Transaction**" means any Bespoke Untranch Portfolio Transaction and any Bespoke Tranch Portfolio Transaction.

"**Bespoke Tranch Portfolio Transaction**" means a tranch Credit Derivative Transaction that references more than one Reference Entity but ~~which that~~ is not a Covered Index Transaction and is not any type of Covered Non-Index Transaction other than a Bespoke Portfolio Transaction.

**"Bespoke Untranching Portfolio Transaction"** means an untranching Credit Derivative Transaction that references more than one Reference Entity but ~~which~~that is not a Covered Index Transaction and is not any type of Covered Non-Index Transaction other than a Bespoke Portfolio Transaction.

**"Business Day"** means, for purposes of this Agreement, a day on which commercial banks and foreign exchange markets are generally open to settle payments in New York.

**"Constant Maturity Swap Transaction"** means any Portfolio Constant Maturity Swap Transaction and any Single Name Constant Maturity Swap Transaction.

**"Covered CDX Tranching Transaction"** means a tranching Credit Derivative Transaction that references an Affected CDX Index and is governed by relevant Index Documentation.

**"Covered CDX Untranching Transaction"** means a Credit Derivative Transaction that is not a Covered CDX Tranching Transaction but that references an Affected CDX Index and is governed by relevant Index Documentation.

**"Covered Index Transaction"** means a Covered CDX Untranching Transaction, or a Covered CDX Tranching Transaction, ~~an LCDX Covered Untranching Transaction or an LCDX Covered Tranching Transaction~~ for which:

- (a) the Effective Date is on or prior to the Default Date;
- (b) the Trade Date is on or prior to the date that is 30 calendar days after the Default Date;
- (c) the Scheduled Termination Date is on or after the Default Date; and
- (d) any portion thereof attributable to a ~~Lyondell-Chapter 11~~Nortel Entity is still outstanding as of the Notice Date.

**"Covered Non-Index Transaction"** means any Credit Derivative Transaction that (i) is not a Covered Index Transaction, (ii) is not an Excluded Non-Index Transaction, (iii) is a Single Name CDS Transaction, a Constant Maturity Swap Transaction, a Principal Only Transaction, an Interest Only Transaction, a First to Default Transaction, an Nth to Default Transaction, a Recovery Lock Transaction, a Bespoke Portfolio Transaction, a Single Name Swaption or a Portfolio Swaption and (iv) for which:

- (a) a ~~Lyondell-Chapter 11~~Nortel Entity is a Reference Entity;
- (b) the Effective Date is on or prior to the Default Date;
- (c) the Trade Date is on or prior to the date that is 30 calendar days after the Default Date;
- (d) the Scheduled Termination Date is on or after the Default Date; and
- (e) any portion thereof attributable to a ~~Lyondell-Chapter 11~~Nortel Entity is still outstanding as of the Notice Date.

**"Covered Transaction"** means a Covered Index Transaction or a Covered Non-Index Transaction, as applicable.

**"Default Date"** means January ~~6,~~14, 2009.

**"Documentation"** means Index Documentation or Non-Index Documentation, as applicable.

**"Excluded Non-Index Transaction"** means (a) any Bespoke Portfolio Transaction that references a portfolio of Reference Entities that is also the relevant portfolio for any series of credit-linked notes, trust certificates or other similar securities and for which the parties thereto intend settlement to be consistent with the settlement terms applicable to such securities, (b) any Reference Obligation Only Transaction, (c) any Loan Only Transaction, ~~(d) any~~ Fixed Recovery Transaction and ~~(e)~~ any First to Default Transaction or Nth to Default Transaction for which ~~any two or more Lyondell Chapter 11~~ both Nortel Entities are Reference Entities.

**"First to Default Transaction"** means a Credit Derivative Transaction that references more than one Reference Entity pursuant to which Cash Settlement Amounts or Physical Settlement Amounts, as applicable, will only be paid to the Buyer after the Conditions to Settlement have been satisfied for the first time in respect of any of the relevant Reference Entities.

**"Fixed Recovery Transaction"** means a Credit Derivative Transaction in respect of which the Final Price is pre-determined and specified in the relevant Documentation.

**"Governing Master Agreement"** means, in respect of a Covered Transaction, the master agreement governing such Covered Transaction, whether executed by the parties thereto or incorporated by reference in the Confirmation relating to such Covered Transaction.

**"Index Documentation"** means the Governing Master Agreement and (i) in the case of a Covered CDX Untranching Transaction, a Confirmation (including a master confirmation) based on the CDS IndexCo LLC forms published in October 2003, September 2004, March 2007, March 2008, or July 2008 with such modifications to which the parties thereto have agreed; or (ii) in the case of a Covered CDX Tranching Transaction, a Confirmation (including a master confirmation and irrespective of whether such Confirmation or master confirmation incorporates the standard terms) based on the CDS IndexCo LLC forms published in July 2004, March 2005, June 2005, March 2006, March 2007, March 2008, or July 2008 with such modifications to which the parties thereto have agreed; ~~(iii) in the case of an LCDX Covered Untranching Transaction, a Confirmation (including a master confirmation) based on the LCDX Untranching Transactions Standard Terms Supplement published by ISDA and CDS IndexCo LLC on May 22, 2007 (the "LCDX Untranching Terms") and that requires that such LCDS Transaction be settled by reference to any Final Price determined pursuant to the relevant LCDS Auction Settlement Terms or (iv) in the case of an LCDX Covered Tranche Transaction, a Confirmation (including a master confirmation and irrespective of whether such Confirmation or master confirmation incorporates the standard terms) based on the LCDX Tranche Transactions Standard Terms Supplement dated September 25, 2007 or any predecessor draft thereof (the "LCDX Tranche Terms") and that requires that such LCDS Transaction be settled by reference to any Final Price determined pursuant to the relevant LCDS Auction Settlement Terms.~~

**"Interest Only Transaction"** means a Credit Derivative Transaction that references more than one Reference Entity under which (a) the Seller pays to the Buyer either ~~(a)~~ an upfront amount or ~~(b)~~ a floating interest rate, (b) neither party pays Cash Settlement Amounts during the term of the Credit Derivative Transaction and (c) the Buyer pays Fixed Amounts to the Seller during the term of the Credit Derivative Transaction (which ~~amounts~~ Fixed Amounts are reduced due to Credit Events).

~~**"LCDS Auction Settlement Terms"** means, in respect of a Lyondell Chapter 11 Entity, the version of the LCDS Auction Settlement Terms, if any, to be published in connection with such Lyondell Chapter 11 Entity pursuant to the LCDS Auction Rules published by ISDA and CDS IndexCo LLC on May 22, 2007.~~

~~"LCDX Covered Tranche Transaction" means a tranching Credit Derivative Transaction that references an Affected LCDX Index and is governed by the relevant Index Documentation.~~

~~"LCDX Covered Untranching Transaction" means a Credit Derivative Transaction that is not an LCDX Covered Tranche Transaction but that references an Affected LCDX Index and is governed by the relevant Index Documentation.~~ "LCDX Loan Only Transaction" means a Credit Derivative Transaction in respect of which "Loan" is specified as the only Deliverable Obligation Category.

"Non-Index Documentation" means the Governing Master Agreement and Confirmation (including a master confirmation) relating to a Covered Non-Index Transaction.

"Notice Date" means January ~~7~~, 14, 2009.

"Nth to Default Transaction" means a Credit Derivative Transaction that references more than one Reference Entity pursuant to which Cash Settlement Amounts or Physical Settlement Amounts, as applicable, will only be paid to the Buyer after the Conditions to Settlement have been satisfied in respect of any of the relevant Reference Entities that is the nth Reference Entity in respect of which an Event Determination Date has occurred, where "n" is a number specified for such purpose in the Documentation in respect of the relevant Credit Derivative Transaction.

"Portfolio Constant Maturity Swap Transaction" means a Credit Derivative Transaction that references a portfolio of Reference Entities in respect of which the Fixed Rate is reset at the end of each Fixed Rate Payer Calculation Period to the then-current market rate for the relevant Credit Derivative Transaction.

"Portfolio Swaption" means any unexercised option to enter into a Covered Transaction (other than another Portfolio Swaption) that references more than one Reference Entity.

"Principal Only Transaction" means a Credit Derivative Transaction that references more than one Reference Entity under which (a) the Seller pays an upfront amount to the Buyer, (b) neither party pays any Fixed Amounts or Cash Settlement Amounts during the term of the Credit Derivative Transaction and (c), upon termination of the Credit Derivative Transaction, the Buyer pays to the Seller an amount equal to (i) the notional amount of the Credit Derivative Transaction, minus (ii) aggregate Cash Settlement Amounts.

"Recovery Lock Transaction" means a Credit Derivative Transaction in respect of which the Reference Price is specified in the relevant Documentation as a price less than 100 ~~per cent~~, percent and for which either the Buyer or the Seller can deliver a Notice of Physical Settlement.

"Reference Obligation Only Transaction" means a Credit Derivative Transaction in respect of which "Reference Obligation Only" is specified as the Deliverable Obligation Category.

"Single Name CDS Transaction" means a Credit Derivative Transaction that references not more than one Reference Entity that is not a Single Name Constant Maturity Swap Transaction.

"Single Name Constant Maturity Swap Transaction" means a Credit Derivative Transaction that references not more than one Reference Entity for which the Fixed Rate is reset at the end of each Fixed Rate Payer Calculation Period to the then-current market rate for the relevant Credit Derivative Transaction.

"Single Name Swaption" means any unexercised option to enter into a Covered Transaction (other than another Single Name Swaption) that references not more than one Reference Entity.

## 2. SETTLEMENT AGREEMENT EFFECTIVE DATE

The Parties hereby agree that the agreements set forth in Section 3 of this Agreement will be deemed to take effect from the Notice Date.

## 3. AGREEMENT

With respect to each Covered Transaction:

- (a) a Credit Event Notice specifying Bankruptcy as the Credit Event and a Notice of Publicly Available Information shall be deemed to be effective on the Notice Date and the Notice Date shall be deemed to be the Event Determination Date for purposes of each portion of each Covered Transaction attributable to a ~~Lyondell Chapter 11~~[Nortel](#) Entity (and for the avoidance of doubt, such date shall be the Event Determination Date for all Covered Transactions even if any city other than New York is specified as the Calculation Agent City for any such Covered Transaction);
- (b) any Credit Event Notice or Notice of Publicly Available Information (other than a notice deemed to be given pursuant to this Agreement) delivered in respect of each portion of each Covered Transaction attributable to a ~~Lyondell Chapter 11~~[Nortel](#) Entity shall be deemed revoked, and neither Party shall have any obligations with respect to such revoked notice; and
- (c) each Party agrees not to deliver any other Credit Event Notice or Notice of Publicly Available Information (other than a notice deemed to be given pursuant to this Agreement) in respect of each portion of each Covered Transaction attributable to a ~~Lyondell Chapter 11~~[Nortel](#) Entity, and any such notice delivered shall be void and have no effect.

## 4. REPRESENTATIONS

Each Party represents (which representations will each be deemed to be a representation for purposes of Section 5(a)(iv) of the Governing Master Agreement) to each other Party with which it had any Covered Transaction outstanding on the Notice Date, in respect of each Covered Transaction between them, that:

- 4.1 **Status.** It (a) is, if relevant, duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing or (b) if it otherwise represents its status in or pursuant to the Governing Master Agreement, has such status.
- 4.2 **Powers.** It has the power to execute and deliver this Agreement and to perform its obligations under this Agreement and each Covered Transaction, in each case as amended by this Agreement, and has taken all necessary action to authorize such execution, delivery and performance.
- 4.3 **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.
- 4.4 **Consents.** All governmental and other consents that are required to have been obtained by it with respect to this Agreement and each Covered Transaction, in each case as amended by this Agreement, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

4.5 **Obligations Binding.** Its obligations under this Agreement and each Covered Transaction, in each case as amended by this Agreement, constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

4.6 **Credit Support.** This Agreement will not, in and of itself, adversely affect any obligations owed, whether by a Party or by any third party, under any Credit Support Document relating to a Covered Transaction.

## 5. MISCELLANEOUS

5.1 **Entire Agreement.** Notwithstanding Section 9(a) of the Governing Master Agreement, this Agreement constitutes the entire agreement and understanding of the Parties with respect to its subject matter.

5.2 **Non-reliance.** Each Party acknowledges that in agreeing to this Agreement it has not relied on any oral or written representation, warranty or other assurance, except as otherwise set forth in this Agreement, and waives all rights and remedies which might otherwise be available to it in respect thereof, except that nothing in this Agreement will limit or exclude any liability of a Party for fraud.

5.3 **No Waiver.** Except as explicitly stated in this Agreement, nothing herein shall constitute a waiver or release of any rights of any Party under the Documentation for the relevant Covered Transaction.

5.4 **Amendments.** An amendment, modification or waiver in respect of the matters contemplated by this Agreement will only be effective if made in accordance with the terms of the Governing Master Agreement and then only with effect between the parties to that Governing Master Agreement (and will only be effective to amend or override the provisions contained in Section 3 hereof if it expressly refers in writing to this Section 5.4 of this Agreement and would otherwise be effective in accordance with Section 9(b) of the Governing Master Agreement).

5.5 **Headings.** The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

5.6 **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine) and, as between two Parties and in respect of each Covered Transaction between them, the giving of notices deemed to occur under that Covered Transaction pursuant to this Agreement shall be governed by and construed in accordance with the law specified to govern that Covered Transaction and otherwise in accordance with applicable choice of law doctrine.

5.7 **Counterparts.** This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in any number of counterparts (including by facsimile transmission) and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS whereof the Parties have executed this Agreement on January ~~12~~20, 2009.



## SCHEDULE 1

### ~~Lyondell Chapter 11~~ Nortel Entities

Each of the following entities is a ~~Lyondell Chapter 11~~ Nortel Entity:

1. ~~Basell Finance USA Inc.~~<sup>†</sup> Nortel Networks Corporation
2. ~~Equistar Chemicals, LP~~ Nortel Networks Limited
3. ~~Lyondell Chemical Company~~
4. ~~Millennium America Inc.~~
5. ~~Millennium Chemicals Inc.~~

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<sup>†</sup> formerly known as Basell America Finance Corporation

**SCHEDULE 2**

The following entities are Parties to this Agreement:

<u>Name of Party</u>	<u>DTCC Account # (if any)</u>

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