# Minutes Extraordinary General Meeting of Shareholders Akzo Nobel N.V.

Amsterdam, November 13, 2018

**AGENDA**

**1. Capital repayment and share consolidation (voting point)**

(a) Proposal to amend the Articles of Association to increase the par value of the common shares

(b) Proposal to amend the Articles of Association to execute the share consolidation

(c) Proposal to amend the Articles of Association to decrease the par value of the common shares, including a reduction of capital

(d) Proposal to grant the authority to execute the notarial deeds of amendment of the Articles of Association

**Minutes Extraordinary General Meeting of Shareholders**
**Akzo Nobel N.V., held on Wednesday, November 13, 2018, starting at 3 pm, (the Company) at the Hilton Amsterdam Hotel, Apollolaan 138, 1077 BG, Amsterdam**

Chairman: Mr. N. Andersen, Chairman Supervisory Board Akzo Nobel N.V.

Secretary: Mrs. M.M. Bijleveld-De Kooning, Corporate Secretary Akzo Nobel N.V.

**1.Capital repayment and share consolidation (voting point)**

a. **Proposal to amend the Articles of Association to increase the par value of the common shares**
b. **Proposal to amend the Articles of Association to execute the share consolidation**
c. **Proposal to amend the Articles of Association to decrease the par value of the common shares, including a reduction of capital**
d. **Proposal to grant the authority to execute the notarial deeds of amendment of the Articles of Association**

The Chairman opens the extraordinary general meeting of shareholders at 3.00 pm and welcomes everyone present. He explains that the Meeting will be held in the English language and that a simultaneous translation from English into Dutch is available through headphones.

On October 1, 2018 the sale of Specialty Chemicals to the Carlyle Group and GIC was completed. This extraordinary general meeting is convened to resolve on the proposal to approve the capital repayment and share consolidation of EUR 2 billion. A special cash dividend of EUR 1 billion and share buyback of EUR 2.5 billion will follow the capital repayment and share consolidation.

The Chairman notes that questions could be posed either in English or in Dutch. In order to ensure an efficient meeting and to allow everybody to speak, the Chairman requests everyone to limit their questions to two per person and to switch off mobile phones.

The Chairman gives the floor to Mr. Vanlancker.

Mr. Vanlancker starts by addressing the events happening outside of the Hilton Hotel where a number of AkzoNobel employees decided to gather in parallel to the meeting. This relates to the ongoing discussions with respect to the collective labour agreement ('**CLA**') in the Netherlands, which is a local matter and is not related to the proposal on the agenda. AkzoNobel provided a good final offer but the unions choose to have the pension discussion as a condition to look at AkzoNobel's offer. As explained during the AGM in April 2018, AkzoNobel cannot make a financial contribution to the Dutch AkzoNobel Pension Fund without jeopardizing the Company's financial position and strength and consequently, the current employees. AkzoNobel hopes that the discussions with the unions can be resolved and to conclude the CLA as soon as possible, which would be in the best interest of the employees in the Netherlands.

Mr. Vanlancker continues his presentation by highlighting some key achievements in the "Winning together 15 by 10 Strategy". Strong and solid progress in becoming a focused, high-performing paints and coatings company was made. During the third quarter of 2018, profitability increased as a result of pricing initiatives and cost savings programs.

Mr. Vanlancker continues his presentation by highlighting the continued progress on the implementation of integrated business planning, cost savings and the transformation of AkzoNobel into a focused paints and coatings company. He concludes by noting that AkzoNobel just announced an innovation start-up challenge called Paint the Future, an initiative to collaborate with forward-thinking partners and to accelerate innovation in all areas of AkzoNobel's paints and coatings activities.

The Chairman asks Mr. De Vries to provide an explanation of the technicalities of the capital repayment and share consolidation.

Mr. De Vries explains that another EUR 5.5 billion would be returned to shareholders in addition to the EUR 1 billion advance proceeds, which were distributed by means of a special cash dividend paid on December 7, 2017. The additional EUR 5.5 billion proceeds will be distributed using a capital repayment and share consolidation of EUR 2 billion, a special cash dividend of EUR 1 billion and a share buyback program of EUR 2.5 billion.

The proposal on the agenda is to approve the amendments to the Company's Articles of Association which are required to conduct a capital repayment and share consolidation, consisting of three steps:

1) Fiscally recognised reserves are converted into par capital, increasing the nominal value per share;
2) A share consolidation to eliminate the effect of the capital repayment on the share price by decreasing the number of outstanding shares; and
3) Finally, the par value per share is decreased and part of the amount by which the par value is decreased, approximately EUR 2 billion in aggregate, will be repaid to the shareholders.

A creditors opposition period of two months applies to the capital repayment and share consolidation and is therefore expected to be completed in the second half of January 2019. Mr. De Vries continues his presentation by providing an illustrative example of the capital repayment and share consolidation.

The Chairman gives the meeting the opportunity to ask questions or share observations.

Mr. Stevense, Stichting Rechtsbescherming Beleggers, asks why it was decided to return part of the proceeds by means of a share buyback program rather than doing a higher capital repayment and share consolidation. Mr. De Vries explains that AkzoNobel consulted many of its shareholders to receive their input on the optimal way to return the vast majority of the net proceeds. Based on the feedback received the proceeds will be returned in a combination of a capital repayment, a special dividend and a share buyback program.

Mr. Stevense then asks if the feedback received from Anglo-Saxon shareholders was decisive in determining the ways of distributing the proceeds. Mr. Vanlancker answers that, although the majority of AkzoNobel's shareholder base is Anglo-Saxon, their feedback was not decisive. The feedback received from the large European shareholders was fairly consistent with the feedback received from the Anglo-Saxon shareholders.

One of the shareholders asks when the capital repayment and share consolidation would be completed. Mr. De Vries explains that following the lapse of the two-month creditors opposition period, the Board of Management determines the consolidation ratio, the record date and the payment date which will be announced by the end of January 2019.

Mr. Tse asks if the creditors opposition period is expected to delay completion of the capital repayment and share consolidation. Mr. De Vries answers that the creditors opposition period is a legal requirement and is not expected to cause a delay.

Mr. De Vries, member of the board of the trade union FNV Procesindustrie, asks why AkzoNobel is not willing to discuss a contribution to the Dutch AkzoNobel Pension Fund as part of the CLA negotiations. He notes that Nouryon is willing to discuss the pension situation as part of the CLA negotiations. Mr. Vanlancker explains that AkzoNobel cannot make a financial contribution to the Dutch AkzoNobel Pension Fund as this conflicts with the collective defined contribution pension scheme and would have far-reaching consequences for AkzoNobel's financial position and strength, which would not be in the interest of the employees. Mr. Vanlancker continues by saying that Nouryon is not part of AkzoNobel. AkzoNobel has been transparent on this subject from the start.

The Chairman concludes that there are no further questions and proposes to proceed with the voting on the proposed resolution on the agenda.

The Chairman reports that the registration of shareholders closed at 3.15 pm and that the attendance list was checked. A capital of EUR 380,294,132 is represented at the meeting and 190,124,560 votes can be cast. The represented share capital amounts to 74.20%. Before opening the vote, the Chairman asks Ms. Bijleveld, Corporate Secretary, to explain the voting procedure. After closing the vote, the Chairman concludes that the proposal is adopted with a majority of 100% (rounded) of the votes cast.

The Chairman asks if there are any other questions.

Mr. Reijnen notes that the shareholders of Brunel were invited to attend the Volvo Ocean Race and that he would have appreciated receiving an invite from AkzoNobel. The Chairman thanks Mr. Reijnen for his input and concludes that there are no further questions.

The Chairman closes the meeting at 3.45 pm.