

Minutes Annual General Meeting of Shareholders Akzo Nobel N.V.

April 22, 2022

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MINUTES

Summary of the deliberations at the Annual General Meeting of Shareholders Akzo Nobel N.V. (the Company), held virtually on April 22, 2022, starting at 2:00 pm (CET)

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

Secretary: Mrs. H. Schneider, General Counsel & Corporate Secretary Akzo Nobel N.V.

1. Opening

The Chairman opens the annual general meeting of shareholders and welcomes all attendees. The Chairman explains that it was decided to hold this year's AGM virtually, similar to the last two years. Shareholders were offered to submit questions regarding the agenda items prior to the start of the meeting. The Chairman explains that these questions will be answered during the meeting. In addition, questions can be submitted using the chat box on the online voting platform. The Chairman notes that the meeting will be held in English.

The Chairman expresses AkzoNobel's sympathies and worries for the conflict in Ukraine. The highest priority of AkzoNobel is the safety and well-being of employees and offering as much support as possible to all those affected, to keep them and their families safe.

The Chairman reflects on the COVID-19 pandemic which created unpredictability, volatility, challenges and opportunities to various degrees across industries. 2021 was the first year that AkzoNobel could fully focus on its Grow & Deliver strategy in 2021. The biggest challenge in 2021 came from the almost unprecedented increases in costs and transportation which has put margins and profitability under severe pressure. The Supervisory Board has been impressed with the way of responding on these challenges by AkzoNobel in a professional and timely manner. Together with the strong implementation of strategic and operational initiatives AkzoNobel was able to deliver a significant increase in turnover, driven by both higher prices and increasing volumes.

The Supervisory Board was also pleased to see the evolution of People. Planet. Paint. taking on far greater prominence. Initially introduced to explain AkzoNobel's approach to sustainable business, it has now come to truly represent everything AkzoNobel stands for. Together with the collaborative innovation ecosystem Paint the Future, the Chairman noted that the company is well positioned to continue being a frontrunner in both innovation and sustainability.

The Chairman invites Mrs. Schneider to explain the voting procedure. Mrs. Schneider refers to the instructions on virtual voting and explains that the voting has been open since the start of the meeting. Shareholders may cast their votes on all voting items during the entire meeting.

The Chairman notes that approximately EUR 68.4 million of the issued share capital is represented at the meeting, which means that approximately 136.8 million votes may be cast. The level of attendance is approximately 77.4%.

2. Financial year 2021

2a. Report of the Board of Management for the financial year 2021

The Chairman gives the floor to Mr. Vanlancker.

Mr. Vanlancker reflects on the transformation journey that started in 2018 to double the profit of AkzoNobel

from an adjusted EBITDA of EUR 1 billion. The Winning Together: 15 by 20 ambition created a strong foundation by improving internal systems, processes, driving the mandates per respective businesses and creating discipline on what and where to invest. This enabled AkzoNobel to be well prepared for the challenges during the COVID-19 pandemic and industry-wide supply constraints and inflation. Mr. Vanlancker presents an overview showing the progress made on the Grow & Deliver strategy, with an adjusted EBITDA of EUR 1.44 billion and ROS of 11.4% in 2021. He further elaborates on the two main building blocks of the strategy, Grow, which is about profitable growth and margin expansion, and Deliver, which is about AkzoNobel's systems and processes, and noted the progress made in 2021.

Mr. Vanlancker notes that in response to raw material and freight inflation, strong pricing initiatives were implemented with an overall pricing of 7% for 2021 and 12.5% in the fourth quarter. The quick and strong response on pricing by AkzoNobel was not sufficient to fully offset the inflation which had a negative impact of around EUR 150 million. Mr. Vanlancker adds that having delivered 17% pricing in Q1 2022, AkzoNobel had been able to fully offset raw material and freight inflation in Q1 2022.

Mr. Vanlancker comments on the capital allocation priorities and announces that the acquisition of Grupo Orbis has been completed on the day of the AGM. He discusses the geographical spread, portfolio, and key figures of Grupo Orbis.

Mr. Vanlancker comments on the modular share buyback approach and notes that the share buyback program of EUR 1 billion was completed in January 2022 and a new EUR 500 million share buyback program was started in March 2022.

Mr. Vanlancker explains AkzoNobel's' dividend policy and highlights a 5% increase in earnings per share compared to the previous year.

Mr. Vanlancker concludes his presentation by giving an update on People. Planet. Paint and notes the various sustainability ambitions and the progress made in 2021. One of the year's most significant developments was gaining official validation for the science-based sustainability targets from Science Based Targets initiative (SBTi). AkzoNobel was the first company in its industry to receive SBTi approval for its carbon reduction targets that includes Scope 3. Mr. Vanlancker refers to the collaborative ecosystem approach of AkzoNobel's Paint the Future which is focused on engaging with suppliers and customers around the world to collectively find solutions to reduce Scope 3 emissions. The position of AkzoNobel as a sustainability leader in the industry has been recognized by a range of independent auditors and external rating agencies during several consecutive years.

The Chairman asks Mrs. Schneider to read out the questions received regarding this agenda item.¹

3. Financial Statements, results and dividend

3a. Adoption of the 2021 Financial Statements of the Company (voting item)

The Chairman asks the Mrs. Schneider to read out the questions received regarding this agenda item. The Chairman then gives the floor to Mr. Izeboud, the lead partner from PricewaterhouseCoopers (PwC), to comment on the audits with respect to the 2021 Financial Statements. Mr. Izeboud elaborates on the scope of the audit, the impact of the COVID-19 pandemic and addresses the three key audit matters and discusses them briefly. PwC has concluded that the information included in the report of the Board of Management is consistent with the 2021 Financial Statements and does not contain material misstatements based on PwC's audit on the 2021 Financial Statement and knowledge of AkzoNobel.

¹ The questions and answers related to this agenda item are included in Annex I.

Mr. Izeboud addresses the questions raised.²

The Chairman asks Mrs. Schneider to read out any further questions received regarding this agenda item.³

The Chairman reminds the meeting that votes may be cast on all voting items during the entire meeting.

3b. Discussion on the dividend policy

The Chairman explains that the dividend policy of the Company is to pay a stable to rising dividend. The dividend will be paid in cash.

The Chairman asks Mrs. Schneider whether any questions are received for this submitted and concludes that there are no questions.

3c. Profit allocation and adoption of dividend proposal (voting item)

A cash dividend of EUR 1.54 per share is proposed, which together with the interim dividend of EUR 0.44 would equal a total dividend for 2021 of EUR 1.98 per share, compared to EUR 1.95 paid in 2020.

The Chairman asks Mrs. Schneider whether any questions are received for this agenda item and concludes that there are no questions.

3d. Remuneration Report 2021 (advisory vote)

The Chairman asks Mr. Sluimers, Chairman of the Remuneration Committee, to give a presentation on the Remuneration Report 2021.

Mr. Sluimers explains that last year, the Remuneration Report 2020 received less than 50% of favorable votes at the AGM and that investors and other stakeholders requested further disclosure on the Board of Management's remuneration. Therefore, this year's report is much more transparent on the objectives relating to the short-term and long-term incentives.

Mr. Sluimers explained that despite these improvements, the Remuneration Committee again received critical feedback on the Remuneration Report 2021. Mr. Sluimers will address the two main reasons for the criticism later.

Mr. Sluimers shows a slide including in the main elements of remuneration for the Board of Management, Mr. Vanlancker and Mr. de Vries, in 2021. Following the approval of the remuneration policy in the AMG 2021 the annual base salary was set at EUR 1,150,000 for Mr. Vanlancker and EUR 710,000 for Mr. de Vries in 2021.

The remainder of their compensation packages largely comprise performance-related components. These incentivize the achievement of stretching financial and strategic targets which are assessed over a one year and a three-year period.

Mr. Sluimers explains that the STI bonuses of the Board of Management are based on group performance alongside their individual contributions, which are measured annually. The Adjusted OPI and OCF targets that the Board had set at the start of 2021 were stretching. The performance on OCF was below threshold last year, whilst performance on adjusted OPI was close to target (EUR 1,092 million vs. EUR 1,100 million). Together with an above target performance on the non-financial elements, for amongst others

² The questions and answers related to this agenda item are included in Annex I.

³ The questions and answers related to this agenda item are included in Annex I.

successfully anticipating on the increased prices for raw materials, successfully implementing the new strategy and realizing further improvement in the Organizational Health Index-score, this resulted in bonus pay-outs below target for both executives.

The LTI incentivizes company performance over a period of three financial years. Mr. Sluimers notes that until 2020, the plan promoted the creation of shareholder value by assessing share price performance via relative TSR and profit performance via ROI. AkzoNobel's TSR performance during the performance period, resulted in the 7th position within the ranking of the peer group companies. This ranking resulted in a vesting of 25% of this part of the long-term incentive.

Mr. Sluimers noted that last year, the Supervisory Board used its discretionary power to evaluate ROI performance against the 2020 ROI pay-out curve linked with to the Grow and Deliver strategy with an ambition of 20% (excluding unallocated cost). This was explained by the Supervisory Board by stating that the ROI target as set in 2018 proved to be over-ambitious compared to the industry and could be detrimental to the Supervisory Board's desire to see AkzoNobel investing in innovation, commercial and plant modernization to enable it grow faster than the industry as a whole.

As the ROI ambition of 20% applies to the entire three-year strategy cycle for Grow and Deliver, the Supervisory Board did not reduce the target on ROI, but (consistent with the 2020 approach) used its discretionary power this year again and assess 2021 ROI performance against the 2020 pay-out curve for ROI.

Mr. Sluimers explains that the use of its discretionary powers by the Supervisory Board to review ROI performance for 2021 against the ROI ambitions under Grow & Deliver is one of the reasons for the criticism on the 2021 Remuneration Report. The Supervisory Board is of the opinion that this approach is consistent with last year's decision.

Mr. Sluimers notes the conditional shares that were granted in 2021 to the members of the Board of Management. These shares will only be released to them in 2024 if the plan's three-year targets on Adjusted EBITDA, ROI (incl. unallocated costs), relative revenue growth and ESG are achieved and will also be subject to a further two-year holding period.

Mr. Sluimers explains that following the AGM 2018, the Share Matching Plan was (temporarily) suspended in connection with the Company's Winning Together: 15 by 20 ambition. With the successful delivery of '15by20', the Share Matching Plan is again one of the components of the Remuneration Policy as of 2021. Last year, Mr. Vanlancker received the 1,720 matching shares that were conditionally granted to him in 2018, prior to the launch of the '15by20' Performance Incentive Plan.

Mr. Sluimers continues by noting the second reason for the critical feedback on the Remuneration Report which is the one-off share grant Mr. Vanlancker received in connection with his re-appointment in 2021. The Supervisory Board wants to re-emphasize that this additional one-off share grant was part of Mr. Vanlancker's reappointment at the AGM of 2021 and represents 70% of 'at target' incentive compensation foregone, taking into consideration to the two-year term (since no performance conditions are linked to this additional share grant).

The Supervisory Board will take the received feedback into consideration and will intensify its engagement with shareholders to address their concerns

Mr. Sluimers notes that following the approval of the Remuneration Policy for the Supervisory Board by the AGM in 2021, members of the Supervisory Board receive a fixed remuneration based on the roles and

responsibilities. In accordance with the Code, members are not remunerated in shares. Travel expenses and facilities are borne by the company and reviewed by the Audit Committee. A slide was shown reflecting the remuneration of each of the Supervisory Board members in 2021.

The Chairman asks Mrs. Schneider to read out the questions received regarding this agenda item.⁴

4. Discharge

4a. Discharge from liability of members of the Board of Management in office in 2021 for the performance of their duties in 2021 (voting item)

The Chairman asks Mrs. Schneider whether any questions are received for this agenda item and concludes that there are no questions.

4b. Discharge from liability of members of the Supervisory Board in office in 2021 for the performance of their duties in 2021 (voting item)

The Chairman asks Mrs. Schneider whether any questions are received for this agenda item and concludes that there are no questions.

5. Remuneration

5a. Amendment Remuneration Policy for the Board of Management (voting item)

The Chairman hands over to Mr. Sluimers, Chairman of the Remuneration Committee.

Mr. Sluimers explains that at the AGM last year, the Supervisory Board proposed a new Remuneration Policy for the Management Board as well as the Supervisory Board to support AkzoNobel's strategic focus to become the reference in the paints and coatings industry.

The Supervisory Board concluded in 2021 that the Remuneration Policy for the Board of Management aligns with the objectives of the company. Mr. Sluimers noted that Operating Cash Flow ('OCF') is one of the two financial metrics (the other being Adjusted OPI) that determines the pay-out under the short-term incentive for the members of the Board of Management. The Supervisory Board now proposes to replace OCF by Free Cash Flow ('FCF'). Mr. Sluimers explains that OCF is an internal metric which is not externally published, and focuses only on Adjusted EBITDA, Capex and Working Capital.

Mr. Sluimers explains that therefore, OCF is viewed as what the Board of Management can "operationally control directly". Additionally, feedback was received from shareholders who favor FCF over OCF, as FCF is a metric that is published externally and well recognized by investors. Ultimately, the Board of Management is expected to steer on FCF as it also includes elements like interest, tax and cash out from provisions.

Mr. Sluimers states that at this moment no other amendments to the Remuneration Policy for the Management Board are being proposed.

The Chairman asks Mrs. Schneider to read out the questions received regarding these agenda items.⁵

6. Board of Management

⁴ The questions and answers related to this agenda item are included in Annex I.

⁵ The questions and answers related to this agenda item are included in Annex I.

6a. Re-appointment of Mr. M.J. de Vries (voting item)

The Chairman refers to a short resume as well as a summary of the main elements of Mr. de Vries' contract as published on the company website. It is noted that the holders of the priority shares resolved not to make use of their binding nomination right.

The Chairman asks Mrs. Schneider whether any questions are received for this agenda item and concludes that there are no questions.

7. Supervisory Board

7a. Appointment of Mrs. E. Baiget (voting item)

The Chairman introduces Mrs. Baiget and provides a summary of her resume and background. Subsequently Mrs. Baiget briefly introduces herself to the AGM.

7b. Appointment of Mr. H. van Bylen (voting item)

The Chairman introduces Mr. Bylen and provides a summary of his resume and background. Subsequently Mr. Bylen briefly introduces himself to the AGM.

7c. Re-appointment of Mr. N.S. Andersen (voting item)

The Chairman asks Mr. Sluimers to comment on agenda item 7 (c) and 7 (d). Mr. Sluimers provides a summary of Mr. Andersen's background.

7d. Re-appointment of Mr. B.E. Grote (voting item)

Mr. Sluimers provides a summary of Mr. Grote's background.

The Chairman asks Mrs. Schneider to read out the questions received regarding these agenda items.⁶

8. Authorization of the Board of Management:

8a. to issue shares (voting item)

The Chairman asks Mrs. Schneider whether any questions are received for this agenda item and concludes that there are no questions.

8b. to restrict or exclude pre-emptive rights of shareholders (voting item)

The Chairman asks Mrs. Schneider whether any questions are received for this agenda item and concludes that there are no questions.

9. Authorization for the Board of Management to acquire common shares in the share capital of the Company on behalf of the Company (voting item)

The Chairman asks Mrs. Schneider whether any questions are received for this submitted and concludes that there are no questions.

10. Cancellation of common shares held or acquired by the Company (voting item)

The Chairman asks Mrs. Schneider whether any questions are received for this agenda item and concludes that there are no questions.

⁶ The questions and answers related to this agenda item are included in Annex I.

11. Closing

The Chairman asks Mrs. Schneider to read out the questions that were received during the meeting but not yet discussed.⁷

The Chairman asks the meeting to check whether all votes were submitted and pauses for one minute before closing the vote.

Four slides with the voting results per voting item are shown on the screen and the Chairman notes that agenda item 3 (d), the Remuneration Report 2021, received a negative advisory vote. This feedback shall be taken into consideration by reaching out to the stakeholders to intensify the engagement and discuss their concerns.

The Chairman concludes that each of the other voting items as included on today's agenda have been adopted by the Annual General Meeting of Shareholders and closes the meeting.

⁷ The questions and answers related are included in Annex I under the relevant agenda items.

Annex I

AkzoNobel received several questions before and during the meeting. Below are the answers to the questions as discussed live during the Annual General Meeting on Friday, April 22, 2022.

Agenda Item 2

Financial year 2021

(a) Report of the Board of Management for the financial year 2021

Question VBDO

VBDO congratulates AkzoNobel with receiving the Terra Carta Seal and notes to be pleased with AkzoNobel's course of action regarding climate mitigation, such as the company SBTi approved carbon reduction target. VBDO wants to know if AkzoNobel can commit to report on its sustainable products methodology and how it will keep raising the bar in the industry in the 2022 annual report.

Answer

Answered by CEO Thierry Vanlancker

Sustainable solutions are indeed a key element of our strategy and we continue to report on this percentage in our annual report. Our SPPA methodology is explained quite extensively in our reporting principles and we will continue to do so. In short, a sustainable solution is a product that outperforms the mainstream solutions at least one of the criteria and does not adversely affect any other of the criteria we defined, for example "less waste" and "reduced carbon and energy". The extensive methodology of our reporting principles is available on our website.

Question VBDO

VBDO asks whether the target discussed in the previous question will be included in the executive compensation in the coming years.

Answer

Answered by Chairman of the Remuneration Committee Dick Sluimers

Last year, the Remuneration Policy for the Board of Management was updated and approved at the 2021 AGM. The update included 20% ESG-linked component for the LTI. The current ESG metrics, as disclosed in our annual report, are related to safety, energy, renewable electricity, and waste. For now, we are very happy with the current set-up of the ESG component of the LTI, although we continue to monitor relevant developments and consult with relevant stakeholders when we are updating our policy.

Question VBDO

VBDO's second question concerns biodiversity loss. VBDO appreciates that AkzoNobel recognizes the importance of this topic for society even though it is not identified as material in the materiality matrix, and that AkzoNobel discloses metrics related to biodiversity. VBDO notes that AkzoNobel purchases and produces chemicals with potential harmful emissions across all life cycle. VBDO asks how AkzoNobel maps the company's impact on biodiversity upstream and downstream the supply chain. VBDO also wants to know what the progress of the company's position statements is and if a new biodiversity policy, based on salient risks and impacts, may be expected in 2022.

Answer

Answered by CEO Thierry Vanlancker

We will indeed provide a biodiversity position statement in the upcoming period. We increased our disclosure around this topic and reiterated that biodiversity and land use are currently not considered to be key material topics to AkzoNobel given the limited impact from our operations on biodiversity. We do however continue to report on a number of metrics related to biodiversity, such as NOx, SOx and COD. Our key focus areas are related to climate and water use, for which we have set clear KPIs as published in our annual report, including a 50% reduction in carbon emissions for our full value chain and 100% of our water intensive sites reuse water. We also endorse the CEO water mandate and have clear internal procedures for sustainable water usage. Currently, we map the up and downstream impact mostly through carbon emissions emitted in application and end of life which we disclose in our annual report.

Question VBDO

VBDO notes that the European Parliament recently adopted a proposal for a due diligence directive that requires companies to identify, address and remedy their impact on human rights and the environment in the value chain. AkzoNobel reported that suppliers' sustainability practices are improved using programs provided by Together for Sustainability but VBDO did not find evidence of the outcomes of these programs. The new directive requires companies to openly report on how the impact on human rights is remedied. VBDO asks what actions AkzoNobel is taking in 2022 to prepare for this new directive.

Answer

Answered by CEO Thierry Vanlancker

AkzoNobel has implemented the UN Guiding Principles on Business and Human Rights in its policies, processes and practices. Our Codes of Conduct, for our employees and for our Business Partners, are based on these international guidelines. We're currently assessing the initial impact of the proposed due diligence directive for AkzoNobel. We are specifically looking at our supply chain through our Supplier Sustainability Framework which includes programs and KPIs to monitor the developments. Our supplier performance is monitored through the EcoVadis self-assessments and on-site third-party audits that we carry out via the Together for Sustainability initiative. The assessments and audits are based on established global principles, such as the UN Global Compact principles and the Responsible Care Charter. To drive improvement, we lowered the spend threshold to include more suppliers in the assessment, resulting in a 9 percent point increase on suppliers assessed. Through these assessments and audits, we also see an increase in supplier performance of 6 percent point with 57% of suppliers assessed meeting our expectations, compared to 51% in 2020.

Question VBDO

VBDO notes that the European Union is working towards a gender-equal Europe in 2025, and that the gender pay gap is a key objective in the EU Gender Equality Strategy. AkzoNobel has assessed the gender pay gap for the company's United Kingdom division. VBDO notes not to have found evidence that AkzoNobel conducted pay gap analyses for the remainder of the company. VBDO would like to know more about AkzoNobel's plans regarding conducting pay gap analyses beyond the UK and whether a global assessment can be expected this year.

Answer

Answered by CEO Thierry Vanlancker

I'd like to note that following the mandatory gender pay gap analysis in the UK, AkzoNobel has also conducted a high-level analysis for its largest five countries in 2021. As this was a high-level analysis, the outcomes did not give sufficient insight whether a pay gap exists. Therefore, AkzoNobel will conduct a detailed statistical analysis in 2022 (facilitated by an external party) to identify a possible pay gap and to determine if such a pay gap is due to a gender bias or could be explained by other factors than gender.

Question European Investors-VEB

VEB notes that AkzoNobel aims for achieving market leadership in those parts where markets are growing. VEB would like to know where AkzoNobel could have performed better.

Answer

Answered by CEO Thierry Vanlancker

The past two years since the announcement of the Grow & Deliver strategy were extremely challenging. In this difficult operating environment, we delivered revenue growth 1% above the market with around 13% organic revenue growth which is in line with our ambition to grow at or above our relevant markets. In 2021, we saw significant disruptions across our supply chains and shortages of key raw materials that caused unprecedented cost inflation. Our commercial teams responded in a quick and agile way to implement pricing initiatives with the aim to offset inflation. For the full year, raw material cost inflation totaled around 770 million euro and despite this massive headwind, we were able to safeguard our profitability, maintaining EBITDA of 1.44 billion euro.

Question European Investors-VEB

VEB also would like to know the current status and progress to date regarding the IT landscape rationalization as referred to in the annual report 2021.

Answer

Answered by CFO Maarten de Vries

In the past years, we have laid strong foundation that enables our Grow and Deliver strategy including our systems and processes. We are now at 95% of our revenues on four main SAP platforms, with our PRISM platform covering 70% of our revenues. Our ambition is to consolidate all transactions on our PRISM SAP platform over time. We have just completed the planned PRISM roll-out in Asia. This project has already been instrumental in increasing the transparency of data. We have significantly improved our forecasting capabilities to support our pricing initiatives, and as a result, we have caught up with the significant raw material and freight inflation this past first quarter.

Question European Investors-VEB

VEB asks what the rationale is for setting up Regional Accounting Centers and how the implementation of these centers impacted AkzoNobel's processes and controls during the year.

Answer

Answered by CFO Maarten de Vries

From a process's perspective, our Global Business Services network was another important pillar of building a strong foundation for growth. In 2017, there was just 350 people within in this part of the organization. Today, we have six GBS hubs operational with 3,000 colleagues executing our transactional processes. And that covers, for instance, invoice to cash, purchase to pay, record to report and also master data. Our first goal was to centralize our end-to-end processes in order to increase transparency and reliability and then standardize and automate our end-to-end processes to increase cost productivity. Now we have much more insights and much more transparency, therefore resulting in high quality analytics. This enables our DELIVER initiatives across the end-to-end supply chain and product management.

Question European Investors-VEB

VEB noted that CEO Thierry Vanlancker has three external mandates, having added a new position last year with Etex NV. Furthermore, he is appointed chairman of the board of Aliaxis S.A. effective May 24, 2022. VEB asks the Supervisory Board to share its considerations for allowing Mr. Vanlancker a new external mandate. The VEB further wants to know how a third position is justified as AkzoNobel's Rules of Procedure for the Board of Management and the Executive Committee allow a maximum of two supervisory board positions and whether it is wise for a CEO to assume multiple non-executive roles while AkzoNobel is still in the middle of a transformation.

Answer

Answered by Chairman of the AGM Nils Andersen

Etex N.V. is a sister company of Aliaxis S.A. at which company Thierry was already a non-executive board member. Aliaxis and Etex actually used to be 1 company called Eternit and joining the board of Etex simplified Thierry's role at Aliaxis. To accommodate the Etex meetings, Thierry stepped down of the Aliaxis Audit Committee and is not joining one of the other committees. As both Aliaxis as Etex are non-listed companies, the maximum positions allowed per the Rules of Procedure that were applicable at the time did not apply. After accepting the position with Etex, the Rules of Procedure were slightly changed but still allow for exemptions provided that these are allowed by law. Thierry has been and is very engaged and committed in fulfilling his duties as the CEO of AkzoNobel. Give the foregoing and in accordance with the Rules of Procedure, the Supervisory Board approved the non-executive position with Etex. In addition, Thierry is not considered to have too many supervisory board positions under Dutch corporate law and the Dutch Corporate Governance Code.

Agenda Item 3

Financial statements, result and dividend

(a) Adoption of the 2021 Financial Statements of the Company

Questions European Investors-VEB

VEB noted that in previous years, from 2018 to 2020, the 'Transformation to deliver towards the "Winning together: 15 by 20 strategy"' was a key audit matter. This year, PwC identified 'Ongoing transformation of the organization, systems, processes and controls' as a key audit matter. VEB wants to know how the audit procedures performed for the 2021 financial statements differed from previous years' procedures.

VEB further asks how the implementation of the Regional Accounting Centers impacted PwC audit procedures.

Answers

Answered by lead partner PwC Fernand Izeboud

To address the question from the VEB how this change impacts our audit compared to prior year, I would respond that on the whole, the nature of our procedures has not significantly changed compared to prior year.

On the VEB's second question, relating to the audit impact of the Regional Accounting Centers, I would point towards the key audit matter where we refer to the business service hubs. Over the past few years, the company has been transitioning towards their new target operating model, including the set-up of such hubs including Regional Accounting Centers, which are key to the financial reporting process. This impacts our audit as it determines the set-up of processes and controls that might cause changes to our audit approach. On a practical level, it drives which audit work should be performed centrally at these centers and which in the various operating companies and how we organise, supervise, and review this work as a group team.

Question European Investors-VEB

What were PwC's findings (observations/conclusions) regarding the fraud risk identified?

Answer

Answered by lead partner PwC Fernand Izeboud

As can be found in our audit opinion, we have included an extended paragraph on exactly this question. This paragraph describes how we look at the fraud risks and what our approach and conclusions were. We performed in-depth procedures to look at how the Company performs its risk assessments, we did our own risk assessment, we looked at the procedures performed by the Company, we followed up on matters reported via the SpeakUp procedure and overall, we concluded that there were no frauds material to the financial statements as a whole.

Question European Investors-VEB

VEB notes that Mr. Izeboud said that there were 'no significant change' in their audit procedures and wants to know whether there were any specific new accents.

Answer

Answered by lead partner PwC Fernand Izeboud

Giving the ongoing process transformations, there were indeed some accent changes. Referring to my earlier comment on the regional accounting centers becoming more mature, PwC will place more reliance on these centers and that is an accent change. Furthermore, a new strategy comes with new KPI's and goals and that of course also means that we will look at those and the impact thereof on our audit strategy.

Agenda Item 3 **Financial statements, result and divided**
(d) Remuneration report 2021

Question European Investors-VEB

The Supervisory Board applied its discretionary power to assess performance on the ROI-target for the LTI. In VEB's view, the remuneration report could benefit from an additional explanation on how exactly the Supervisory Board applied its discretionary power and asks the Supervisory Board to elaborate on this.

Answer

Answered by Chairman of the Remuneration Committee Dick Sluimers

The Supervisory Board applied its discretionary power to evaluate actual ROI performance against the ROI target as defined in light of the Grow & Deliver strategy that was formally introduced in 2021, but already announced to the market before the end of 2020. Under the Grow & Deliver strategy, AkzoNobel updated its ROI ambition from 25% to 20% to consider lower revenue growth and the impact of IFRS 16 (-0.7% impact from IFRS16). Last year, the Supervisory Board therefore recognized that the initial ROI target was not fully in line with the company's new strategy and in the view of the Supervisory Board this is still the case as the strategy is the same. The Supervisory Board therefore decided not to adjust the target, but to apply their discretionary power and to evaluate performance against the ROI target as defined and communicated at the beginning of 2020. AkzoNobel shows solid ROI performance, also in comparison to peers, and it was felt by the Supervisory Board that measuring performance against the ROI target under the Grow & Deliver strategy was still appropriate. As a result, this resulted in a vesting of 91.67% for this specific part of the long-term incentive.

Question European Investors-VEB

For the STI, management achieved 'above target' performance on 'pricing strategy'. The VEB asked the Supervisory Board to comment on what specific achievements were taken into consideration.

Answer

Answered by Chairman of the Remuneration Committee Dick Sluimers

As included in the annual report, that part is responsible for 1/6th of the personal target matrix. The Remuneration Committee and Supervisory Board assess to what extent the Board of Management had been able to cope with the increase of raw material prices in 2021 and to quickly respond with an appropriate pricing strategy. The Board of Management had been quite successful in doing so and have demonstrated a quick response and for that reason performance on this metric was considered above target.

Question European Investors-VEB

VEB noted that it is unusual that shareholders give critical feedback on the remuneration report two years in a row. VEB asks the Supervisory Board to comment on this.

Answer

Answered by Chairman of the Remuneration Committee Dick Sluimers

The Supervisory Board very much regrets to receive a second negative vote and it will continue the conversations with shareholders on this topic. We understand that a second negative vote on the remuneration report is not an optimal outcome. In its decision making in the 2020 remuneration, the Supervisory Board recognized that the initial ROI target was not fully in line with the company's new strategy and in the view of the Supervisory Board this is still the case in 2021 as the strategy is the same. Consistent with the approach as taken in 2020, the Supervisory Board therefore decided not to adjust the target, but to apply their discretionary power and to evaluate performance against the ROI target as defined and communicated at the beginning of 2020.

Question European Investors-VEB

VEB wants to know how the Supervisory Board will intensify its dialog with shareholders and whether that will change the vote next year.

Answer

Answered by Chairman of the Remuneration Committee Dick Sluimers

In our continuous dialogue with shareholders, we will discuss their concerns and take these into consideration going forward. We will do our utmost best to improve the outcome of the vote on the remuneration report.

Agenda Item 5**Remuneration**

(a) Amendment Remuneration Policy for the Board of Management

Question European Investors-VEB

European Investors-VEB noted that this proposal marks the third amendment of the remuneration policy for the board of management in three years. The Supervisory Board now proposes to replace the operating cash flow (OCF) performance metric for the STI by free cash flow (FCF). AkzoNobel defines OCF as operating income excluding D&A, adjusted for the change in operating working capital and capex. According to the explanatory notes FCF also includes tax, interest and cash out from provisions. VEB wants to know why FCF would serve as a better proxy for company performance.

Answer

Answered by Chairman of the Remuneration Committee Dick Sluimers

The reason for this change is that OCF is an internal metric focusing only on Adjusted EBITDA, Capex and Working Capital. As it is not externally published, it is also a less recognized metric for shareholders. Free Cash Flow also includes elements like interest, tax and cash out from provisions and is also published externally and therefore recognizable for shareholders. Ultimately the Board of Management is expected to steer on FCF. By making this amendment there will be more alignment with shareholder interests.

Question European Investors-VEB

VEB wants to know why Operational Cash Flow was included as a metric in the Remuneration Policy for the Board of Management put to a vote in the 2020 AGM and further asks what the added value of a Free Cash Flow metric is

Answer

Answered by Chairman of the Remuneration Committee Dick Sluimers

As explained in my presentation, the Supervisory Board believes that the Board of Management is expected to steer on Free Cash Flow. Following its continuous review of the Remuneration Policy, the Remuneration Committee and the Supervisory Board concluded that by making this amendment, there will be more alignment with the shareholder's interests. That is the reason for this amendment.

Agenda Item 7

Supervisory Board

Question European Investors-VEB

European Investors-VEB notes that two Supervisory Board members stepped down last year after their first term and wants to know what made the Supervisory Board decide to bring the number of Supervisory Board members to eight again. VEB further notes that Mr. Hans van Bylen is the chairman of the Belgian listed company of Ontex N.V. which recently stated that the company's ongoing transformation requires a significant further time-spend, in addition to the chair's general tasks. VEB wants to know how the Supervisory Board ensures that Mr. Van Bylen dedicates enough time and energy to AkzoNobel.

Answer

Answered by Chairman of the AGM Nils Andersen

On the number of Supervisory Board members, I'd like to note that the Nomination Committee and the Supervisory Board continuously review the composition of the Supervisory Board and its committees to optimize their fit for future and to ensure appropriate succession planning. With the appointment of Ester and Hans, the members of the Nomination Committee concluded that the required expertise is sufficiently reflected in the Supervisory Board. Regarding VEB's second question regarding Hans other board positions, I can confirm that the Supervisory Board is convinced that Mr. Van Bylen is very engaged and committed to contribute the adequate time to AkzoNobel's Supervisory Board. As mentioned earlier, Mr. Van Bylen is highly experienced in both executive as non-executive roles and is well aware of time commitment required to properly fulfil his duties as Supervisory Board members. Finally, I would like to note that Mr. Van Bylen is not considered to have too many supervisory board positions under Dutch corporate law and the Dutch Corporate Governance Code.

Annex II

Voting results of the Annual General Meeting of Akzo Nobel N.V., held virtually on April 22, 2022

Voting No	Description	For	Against	Abstain	No vote	Total ⁱ
1	3a. Adoption of the 2021 Financial Statements	136.113.672	37.589	882.690	0	137.033.951
	Percentage	99,97%	0,03%			
2	3c. Profit allocation and adoption of dividend proposal	136.833.103	195.399	5.449	0	137.033.951
	Percentage	99,86%	0,14%			
3	3d Remuneration Report 2020 (advisory vote)	58.560.719	78.461.784	11.448	0	137.033.951
	Percentage	42,74%	57,26%			
4	4a. Discharge of the members of the BoM	130.143.585	4.303.151	2.587.215	0	137.033.951
	Percentage	96,80%	3,20%			
5	4b. Discharge of the members of the SB	129.870.551	4.576.198	2.587.202	0	137.033.951
	Percentage	96,60%	3,40%			
6	5a. Amendment Remuneration Policy for the BoM	124.960.797	10.958.847	1.114.307	0	137.033.951
	Percentage	91,94%	8,06%			
7	6a. Re-appointment of Mr. M.J. de Vries	136.423.319	58.057	552.575	0	137.033.951
	Percentage	99,96%	0,04%			
8	7a. Appointment of Mrs. E. Baiget	135.340.812	1.684.462	8.677	0	137.033.951
	Percentage	98,77%	1,23%			
9	7b. Appointment of Mr. H. van Bylen	111.515.139	25.510.872	7.940	0	137.033.951
	Percentage	81,38%	18,62%			
10.	7c. Re-appointment Mr. N.S. Andersen	108.417.723	27.843.909	772.319	0	137.033.951
	Percentage	79,57%	20,43%			
11.	7d. Re-appointment Mr. B.E. Grote	129.070.122	7.957.337	6.492	0	137.033.951
	Percentage	94,19	5,81			

12	8a. Authorization for the BoM to issue shares	135.880.705	1.146.773	6.473	0	137.033.951
	Percentage	99,16%	0,84%			
13	8b. Authorization for the BoM to restrict or exclude pre-emptive rights	132.295.249	4.732.997	5.705	0	137.033.951
	Percentage	96,55%	3,45%			
14	9. Acquisition of common shares in the share capital of the Company	136.289.336	474.529	270.086	0	137.033.951
	Percentage	99,65%	0,35%			
15	10. Cancellation of common shares held or acquired by the Company	136.934.942	88.125	10.884	0	137.033.951
	Percentage	99,94%	0,06%			

As on March 25, 2022 (record date):

Total number of issued share capital: 181,813,376 common shares of which 4,743,214 were held in treasury and 48 priority shares.

The total number of voting rights: 177,070,162 voting rights on the common shares and 38,400 voting rights on the priority shares.

Percentage of voting rights registered: 77,37%

ⁱ Total votes that could be cast based on attendance.