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**Agenda for the Annual General Meeting of Shareholders of Akzo Nobel N.V. to be held at the Hilton Hotel, Apollolaan 138, Amsterdam, the Netherlands, on Monday, April 27, 2009, starting at 2:00 p.m. (CET)**

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1. Opening
2. Report of the Board of Management for the fiscal year 2008
3. Financial Statements, result allocation and dividend
  - (a) Adoption of the 2008 Financial Statements of the Company (voting point)
  - (b) Allocation of loss (voting point)
  - (c) Discussion on the dividend policy
  - (d) Adoption of the dividend proposal (voting point)
4. Discharge
  - (a) Discharge from liability of the members of the Board of Management for the performance of their duties in 2008 (voting point)
  - (b) Discharge from liability of the members of the Supervisory Board for the performance of their duties in 2008 (voting point)
5. Board of Management
  - (a) Increase in the number of members of the Board of Management from four to five members (voting point)
  - (b) Appointment to the Board of Management of Mr. L.W. Gunning (voting point)
6. Reduction in the number of members of the Supervisory Board (voting point)
7. Amendments to the Remuneration Policy
  - (a) Amendments to the short term incentive program for the Board of Management (voting point)
  - (b) Amendments to the long term incentive program for the Board of Management (voting point)
8. Authorization for the Board of Management
  - (a) to issue shares (voting point)
  - (b) to restrict or exclude the pre-emptive rights of shareholders (voting point)
9. Authorization for the Board of Management to acquire common shares in the share capital of the Company on behalf of the Company (voting point)
10. Any other business

## Notes to the agenda<sup>1</sup>

### Re item 3a

It is proposed to adopt the Company's 2008 Financial Statements.

### Re item 3b

As a result of the impairment incurred over 2008, the financial year 2008 has resulted in a loss of EUR 1,086 million. It is proposed that the loss will be charged against other reserves.

### Re item 3d

It is proposed to adopt the dividend for the fiscal year 2008 at EUR 1.80 per common share. This represents a pay out ratio of 48% relative to the net income before incidentals and fair value adjustments for the ICI acquisition. Taking into account the interim dividend of EUR 0.40 paid in October 2008, a dividend payment of EUR 1.40 will follow on May 7, 2009. As the dividend can not be drawn from a profit of the company, the dividend will be distributed from other reserves.

### Re item 4a

It is proposed to discharge members of the Board of Management from liability in relation to the exercise of their duties in the fiscal year 2008, to the extent that such exercise is apparent from the 2008 Financial Statements or has been otherwise disclosed to the General Meeting of Shareholders.

### Re item 4b

It is proposed to discharge members of the Supervisory Board from liability in relation to the exercise of their duties in the fiscal year 2008, to the extent that such exercise is apparent from the 2008 Financial Statements or has been otherwise disclosed to the General Meeting of Shareholders.

### Re item 5a

In view of the appointment proposed under item 5b, the Supervisory Board proposes an increase in the number of members of the Board of Management from four to five as of May 1, 2009.

### Re item 5b

Nominated for appointment to the Board of Management for a four year term as of May 1, 2009 (non binding nomination): Mr. L.W. Gunning

### Re item 6

Following the resignation of Mr. van den Bergh as Chairman and member of the Supervisory Board, a vacancy has arisen in the Supervisory Board. The Supervisory Board is considering the present situation. It is therefore proposed to reduce the number of Supervisory Board members to eight.

### Re item 7

The Company aims to maintain a remuneration policy which attracts, retains and motivates the members of the Board of Management. The policy is under continuous scrutiny.

The Remuneration Committee has recommended a number of changes to the remuneration policy. The changes constitute an improvement to the existing policy, in part a consequence of a change in circumstances as explained below, and are in line with the provisions on

<sup>1</sup> *The agenda with notes, the 2008 Annual Report and a list of personal data for Mr. L.W. Gunning, are available for inspection at the head office of the Company, Strawinskylaan 2555, Amsterdam, the Netherlands. These documents can also be found on our website: [www.akzonobel.com](http://www.akzonobel.com).*

remuneration of the revised Dutch Corporate Governance Code.

The remuneration package of the Board of Management consists of the base salary, the performance related short term incentive, the performance related shares and the pension provisions. The changes relate to the base salary, the performance related short term incentive and the performance related shares. Certain changes require the approval of the Annual General Meeting of Shareholders.

**Base salary** - The Supervisory Board has approved changes to the peer group for the base salary of the members of the Board of Management. The changes are a consequence of the delisting of certain companies in the peer group. Reference is made to the Annual Report 2008 for details on the changes.

**Performance share plan** - The Supervisory Board has approved amendments to the TSR peer group. Reference is made to the Annual Report 2008 for details on these changes. The performance incentive zones have been amended accordingly so that it has not become easier for the Board of Management to achieve its performance targets.

#### **Re item 7a**

**Performance related short term incentive** - The Supervisory Board proposes linking the performance related short term incentive to the EBITDA of the Company in addition to EVA and the individual and qualitative personal targets of the members of the Board of Management. The proposed breakdown would be that 35% of the bonus is linked to EBITDA, 35% is linked to EVA and 30% remains linked to individual and qualitative personal targets. This is meant to ensure that bonus measures are better aligned with achieving the Company's stated EBITDA goals. EVA and EBITDA will be based on the financials of the Company in constant currencies.

#### **Re item 7b**

**Performance related long term incentives** - The Supervisory Board proposes two changes to the long term incentives program.

The Supervisory Board proposes to link the conditional grant of shares in the context of the long term incentive program for 50% to the ranking of the Company in the Dow Jones Sustainability index (DJSI). The remaining 50% would remain linked to the relative TSR performance of the Company compared to its peer group. Sustainability is considered key to the long term future of the company. Linking part of the performance share plan to the DJSI is therefore considered a logical next step in positioning sustainability at the core of the Company's business.

At its inception the following vesting schedule would apply. Based on the average position of the company in the relevant DJSI over a three year period, the percentages of the at target conditional grant would vest: 150% for a number 1 position, 125% for a number 2 position, 100% for a number 3 position, 75% for a number 4 - 6 position, 50% for a number 7 - 10 position, 25% for a number 11 - 15 position and 0% for a position lower than 15<sup>th</sup>.

As is the case for the TSR vesting schedule, all future changes in the vesting schedule will be adopted by the Supervisory Board to allow for adaption to prevailing circumstances, provided that changes to the schedule do not make it easier or more difficult to achieve the targets.

The Supervisory Board further proposes to align the rules of the performance share plan for the retired members of the Board of Management and the retired senior executives of the Company.

At present shares are conditionally granted to senior executives in the year of retirement (through age, death or incapacity), but not to members of the Board of Management. It is

proposed to correct this anomaly and to conditionally grant members of the Board of Management a number of shares for the year of their retirement (through age, death or incapacity) in proportion to the number of months that the Board member is employed by the Company during that year.

Likewise it is proposed to bring the policy for the Board of Management in line with the policy for retired senior executives of the Company in that where shares have been conditionally granted prior to the year of retirement, the number of shares to vest will no longer be pro rated for the part of the vesting period that the Board members remained in office. In other words at the end of the vesting period the retired Board member enjoys the full conditional grant awarded prior to retirement. For good order's sake, this is seen by the Supervisory Board as a correction of mistakes unintentionally made when the plan was introduced in 2004 (which correction was already made in the plan for executives when it was made and approved by the shareholders in 2005) and it does not alter the criteria for vesting.

After approval of the amendments to the remuneration policy by the Company's shareholders, the amended remuneration policy will take effect retrospectively as from January 1, 2009.

#### **Re item 8**

This proposal concerns the extension of the authorization of the Board of Management as per April 27, 2009 for a period of 18 months or until the date on which the General Meeting of Shareholders extends the authorization, if earlier:

- (a) to issue - and grant subscription rights to - shares up to a maximum of 10% and, in the event of a merger or an acquisition, to increase this authorization with a maximum of 10%, of the total number of shares outstanding as per April 27, 2009, at the Board of Management's discretion to be issued as common shares and/or preferred shares;
- (b) to restrict or exclude the pre-emptive rights allowed to shareholders by virtue of the law in respect of the issue of shares or the granting of subscription rights in conformity with (a), but only regarding shares issued pursuant to a decision of the Board of Management.

Resolutions of the Board of Management to issue – and grant subscription rights to – shares and to restrict or exclude pre-emptive rights are subject to the approval of the Supervisory Board.

#### **Re item 9**

This proposal concerns the extension of the authorization of the Board of Management from April 27, 2009 for a period of 18 months or until the date on which the General Meeting of Shareholders extends the authorization, if earlier, to acquire common shares in the Company's share capital at any time during this period. The purpose of this proposal is to have flexibility with respect to the repurchase of shares in the Company for e.g. the return of cash to shareholders or for hedging the Company's share and option plans for employees.

The number of common shares to be acquired is limited to the maximum number of shares in the Company's share capital – as permitted within the limits of the law and the Articles of Association – that the Company may at any time hold in its own share capital. The maximum number of shares that the Company will hold in its own share capital at any one time shall, in principle, not exceed 10% of its issued share capital. Resolutions of the Board of Management to acquire shares in the Company's share capital are subject to the approval of the Supervisory Board.

Common shares may be acquired through the stock market or otherwise, at a price between par value and the market price of the share (as quoted on Euronext Amsterdam on the day of the acquisition by or on behalf of the Company) provided that such market price shall not exceed the opening stock price on the day of the acquisition by or on behalf

of the Company plus 10%.