

Procedure for complaints on practices violating Business Principles, HRM-, HSE- and Security Policy Statements and Corporate Directives

Approved by the Supervisory Board of Akzo Nobel N.V. on December 16, 2003 and amended on March 4, 2008

Introduction

AkzoNobel promotes a culture of openness, integrity, and reliability. These values have been incorporated in the AkzoNobel Business Principles, which state the Company's commitment to ethical behavior and to compliance with all laws and regulations in force in the countries in which AkzoNobel companies operate.

AkzoNobel is also committed to internal values, policy statements, and guidelines as laid down in the AkzoNobel Corporate Directives, including all applicable accounting standards, accounting controls and audit practices.

The AkzoNobel Business Principles and Corporate Directives are published on the Intranet.

The AkzoNobel Business Principles and, if applicable, also country codes of conduct expanding on the AkzoNobel Business principles, encourage the AkzoNobel employees to report violations of the Business Principles and Codes of Conduct. In order to ensure a confidential and reliable procedure for the handling of such reports, AkzoNobel has established this Complaints Procedure, which should be followed by AkzoNobel employees in those instances, where country codes of conducts do not provide for a country specific reporting procedure.

Reporting within hierarchical lines

Openness, integrity, and reliability foster open two-way communication between employee and superior on all aspects of the working environment. In principle, all employees are encouraged to discuss such matters with their direct supervisor or, when communication with the direct supervisor is constrained, with the direct supervisor's boss.

Reporting outside hierarchical lines

In certain cases, reporting by an employee of alleged violations of company policies and directives through the employee's hierarchical line may not be a viable option in his sincere option. In such a case, the employee may report to the Office of the General Counsel of Akzo Nobel N.V. by letter, e-mail, fax message or by telephone. Complaints on accounting, accounting controls and audit matters may also be copied to the Chairman of the Audit Committee, via the Secretary to the Supervisory Board, ASBM.

Subject matter of the Report

A report of violation of Business Principles, HRM-, HSE- and Security Policy Statements and Corporate Directives should be based on serious factual grounds. The subject of the report should be of substance and related to an issue falling under one of the following categories:

- a (threat of a) violation of one of the Business principles, Policy Statements or Corporate Directives
- a (threat of a) criminal act/violation of the law
- a (potentially) dangerous health, safety or environment situation
- purposeful misinformation of public authorities
- holding back, shredding or manipulating information on such matters
- theft or fraud against the Company
- violation of the applicable accounting principles or accounting controls
- risk to security of people or property

Handling of the Report and investigation by the General Counsel

Any report received by the General Counsel will be handled as strictly confidential information.

The General Counsel will arrange for the correct and confidential recording and handling of the report.

In general, within one week after the receipt of a report, the employee will receive confirmation thereof by fax or telephone. If requested by the employee the confirmation will be sent to his/her private address.

As a first step the General Counsel, or his assistant, will discuss the report with the employee who filed it.

Depending upon the outcome of this discussion and other relevant factors, a decision will be taken by the General Counsel as to how to proceed. In general, one of the following 4 options will be pursued.

1. The report will be further investigated by the Office of the General Counsel,
2. The report will not be further investigated by the General Counsel because initial review makes such investigation unnecessary,
3. The complainant decides to withdraw the complaint, or
4. After a full investigation the employee may decide to withdraw the report.

In any of the foregoing, the reporting employee shall be advised of the General Counsel's decision provided, of course, that his/her identity is known.

The General Counsel may decide to involve those officers as he deems necessary or fit for the purpose of the investigation (e.g. members of the Legal Department or of Internal Audit), but always under strict confidentiality. The reporting employee will be furnished with a report of the final outcome of the investigation. Such reports shall be made within a reasonable period, in principle not exceeding 4 to 6 weeks.

Person(s) mentioned in the report and alleged as having violated the relevant principles or rules shall not be informed of the report unless and until it shall be necessary for purposes of the investigation. Unless otherwise agreed with the reporting employee, his/her identity shall not be disclosed to anyone during a pending investigation. It is possible, that a person's identity may become public in the event that a report leads to a criminal prosecution or a civil action.

No disciplinary measures on account of good faith reports

It is AkzoNobel policy that the good faith filing of the report as such shall not lead to any adverse consequences for the employee.

Reporting confidential matters to any third parties, including the media, will normally be unacceptable, if: (i) the matter should have been dealt with through this Complaints Procedure; or (ii) the matter is being handled properly by the Company. After the filing of a report, the employee should contact the Office of the General Counsel to receive a progress report before taking any other action.

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