



AkzoNobel

Tomorrow's Answers Today

Questions and Answers in respect of items on the agenda for Akzo Nobel NV's annual meeting of shareholders of 27 April 2009, related to the Company's remuneration policy

- Q:** In the information regarding the appointment of Mr. Tex Gunning it is mentioned that "Mr. Gunning will receive an additional bonus of no more than 100% of his base salary for the successful integration of the Decorative Paints businesses of AkzoNobel and the former ICI to be measured over a three year period and subject to achieving specific targets". Do you have any additional information about this special bonus and the performance targets? More specifically, will the bonus be cash or in shares (with additional holding requirements), what exactly are the performance criteria, and to what extent would Mr. Gunning's performance in this respect go beyond the responsibilities as a management board member?
- A:** In 2008, prior to his envisaged appointment as board member as of 1 May 2009, Mr. Gunning became an employee of the company and Managing Director of the Decorative Paints businesses, reporting to Mr. Wijers who remained responsible within the Board of Management for these businesses. The prime task of Mr. Gunning as Managing Director became the integration and restructuring of the Decorative Paints businesses of AkzoNobel and ICI, following AkzoNobel's acquisition of ICI. It is obvious that a successful and swift integration of these businesses, with a total revenue in 2008 of over 5 bln euro, is key for AkzoNobel. Mr. Gunning's employment started well before his appointment as board member which gave him the opportunity to fully concentrate on the integration and restructuring process. The integration and restructuring process is described in some more detail in the AkzoNobel 2008 Report. Whether an integration and restructuring process has been truly successful can only be judged after a number of years. Therefore, although the pay-out of the one-off bonus (if any) will be made when Mr. Gunning is a board member, it is primarily a reward for the work done as an employee before becoming a board member. Specifics regarding the performance criteria will not be disclosed because they contain commercially sensitive information. The Remuneration Committee will decide in 2012 if and to what extent the performance criteria have been met. In accordance with best practice provision II.2.12 of the Dutch Corporate Governance Code (II.2.15 of the "Frijns" code), any payment in respect of this special bonus shall be accounted for and explained in the remuneration report over the year of payment. The bonus (if any) will be in cash. It should be noted that Mr. Gunning did not receive a sign-on bonus. Mr. Gunning's remuneration as board member will be as described in the company's remuneration policy.

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- Q:** It is proposed that the conditional grant of shares in the context of the long term incentive program for members of the Board of Management will be based for 50% on the ranking of the company in the Dow Jones Sustainability index (DJSI). There seem to be a number of different DJSI's, however. Please advise (1) which DJSI you are referring to, (2) how many companies are on this index, and (3) what has been the past ranking of AkzoNobel on this index?

- A:** We are referring to the Dow Jones Sustainability World Index (DJSI World), sector Chemicals (a subset of DJSI World). In 2008, some 90 companies were ranked in the Chemicals index. Akzo Nobel was ranked 7th, 2nd, 1st and 2nd in 2005, 2006, 2007 and 2008 respectively.

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- Q:** You have announced that, as is the case for the TSR vesting schedule in respect of the current Performance Share Plan for members of the Board of Management, all future changes in the

vesting schedule regarding the DJSI ranking will be adopted by the Supervisory Board to allow for adaptation to prevailing circumstances, provided that changes to the schedule do not make it easier or more difficult to achieve the targets. Does this mean that the Supervisory Board can decide to increase the maximum pay-out at the number 1 position from 150% to, e.g., 200%?

A: No, as before the Supervisory Board does not have the authority to go beyond the maximum pay-out level as approved by the company's shareholders.

Q: You have proposed certain amendments to the company's Remuneration Policy. Can you confirm that the target pay-out levels and maximum pay-out levels (as percentage of base salary) remain unchanged?

A: Yes, this is confirmed. The target pay-out levels and maximum pay-out levels as percentage of base salary remain as published (see i.a. page 129 of the AkzoNobel 2008 Report).