

## **Rules of Procedure**

### **Board of Management Akzo Nobel N.V. and Executive Committee Akzo Nobel N.V.**

*Adopted by the Board of Management and the Executive Committee on September 3, 2021 and approved by the Supervisory Board on September 6, 2021.*

#### **1. Responsibilities**

- 1.1. The Board of Management of Akzo Nobel N.V. (the “Board of Management”) is entrusted with the management of Akzo Nobel of N.V. (the “Company”).
- 1.2. The responsibilities of the Board of Management shall include:
  - a) realization of the Company’s objectives;
  - b) corporate strategy including long-term value creation;
  - c) financing of the company;
  - d) the general state of affairs in and the results of the Company;
  - e) identification and management of the risks connected to the business activities;
  - f) effective internal risk management and control systems;
  - g) maintenance and preparation of the financial reporting process;
  - h) establishing and maintaining procedures which safeguard that all relevant information, including financial information, is communicated to it and the Supervisory Board in a timely fashion;
  - i) compliance with applicable laws and regulations;
  - j) compliance with and maintaining the corporate governance structure of the Company;
  - k) publication of the corporate structure of the Company and any other information required by applicable law and regulations, through the annual report, the Company’s website and otherwise;
  - l) preparation of the annual accounts, the annual budget and important capital investments of the Company;
  - m) corporate social responsibility issues that are relevant to the enterprise;
  - n) advice in connection with the nomination of the external accountant of the Company.
- 1.3. The Company has appointed senior managers to manage the Company together with the Board of Management. The collective of the Board of Management and these senior managers is known as the Executive Committee. The Board of Management is responsible for ensuring its expertise and responsibilities are safeguarded in the context of the operation of the Executive Committee.

- 1.4. Submission of the following matters to the Supervisory Board for approval shall be reserved for decision by the Board of Management:
- a) Financial and non-financial reporting;
  - b) Annual budget;
  - c) Dividend policy, interim dividend and recommendation of final dividend;
  - d) Adoption of significant changes in accounting policies or practices;
  - e) Adoption of significant changes in treasury and foreign currency policy;
  - f) Changes relating to the capital structure;
  - g) All circulars and prospectuses to shareholders;
  - h) Convening general meetings;
  - i) Recommending the approval of amendments to the Articles of Association;
  - j) Strategic plans;
  - k) Significant changes to the Group's activities to include, significant acquisitions or divestments.

In addition, the Board of Management shall retain responsibility, together with the Supervisory Board, for the relationship with shareholders.

- 1.5. In discharging its duties, the Board of Management and the Executive Committee shall be guided by the interests of the Company and its affiliated enterprise, taking into consideration the interests of the Company's stakeholders.
- 1.6. Notwithstanding the foregoing, the rights and obligations of the Board of Management under Dutch law, the Articles of Association and the Dutch Corporate Governance Code, remain in full force and effect. The Board of Management shall therefore remain accountable for the actions and decisions of the Executive Committee and have ultimate responsibility for the Company's external reporting and reporting to the shareholders of the Company, including providing the General Meeting with information. The members of the Board of Management have been identified as the persons responsible within the Company for providing the statements referred to in Article 5:25c section 2c and Article 5:25d section 2c of the Dutch Financial Supervision Act (Wet op het financieel toezicht).
- 1.7. Members of the Executive Committee who are not a member of the Board of Management shall have no advisory vote in the Company's General Meeting.

## **2. Composition**

- 2.1. The Board of Management consists of such number of members as fixed by the Supervisory Board, in accordance with the Articles of Association. The members of the Board of Management are appointed and dismissed by the General Meeting. The other members of the Executive Committee are appointed and dismissed by the CEO, following prior consultation with the Supervisory Board.

- 2.2. With the approval of the Supervisory Board, the Board of Management shall divide its tasks among its members. Following consultation with the Supervisory Board, the Board of Management shall further divide tasks among the Executive Committee. The Supervisory Board shall appoint one of the members of the Board of Management as chairman of the Executive Committee (the “Chairman”), who may also be referred to as the Chief Executive Officer or CEO). The Supervisory Board (or, with the approval of the Supervisory Board, the Chairman) may appoint one or more members of the Board of Management, as Deputy Chairman. With the approval of the Supervisory Board, the Board of Management shall appoint one of the members of the Board of Management (and who may be referred to as the Chief Financial Officer or CFO), to specifically overlook the Company's financial affairs.
- 2.3. If one or more members of the Executive Committee are prevented from acting or unavailable, the other members shall be temporarily responsible for the conduct of the Company's affair. In such case valid decisions can only be taken if at least one member of the Board of Management has participated in the decision making and the majority of the members of the Board of Management then present has voted in favor of the decision.
- 2.4. If all the members of the Board of Management are prevented from acting or unavailable, the Supervisory Board shall be responsible for the conduct of the Company's affairs; in that event the Supervisory Board may also provide for temporary replacements or elect to delegate such responsibility for the conduct of the Company's affairs to one or more of its members.
- 2.5. The Executive Committee may delegate certain authorities wholly or partly to one or more members of the Executive Committee, without this having effect on the authorities of the Executive Committee. The Executive Committee has also delegated certain authorities to the Pensions Committee, comprising the CFO, the General Counsel and the Executive Committee member responsible for HR.
- 2.6. Delegation referred to under 2.5 shall from time to time be laid down in the Authority Rules of the Company and may be included in other related documents. The Executive Committee shall approve any changes to the Authority Rules. The Executive Committee and the Board of Management can at all times deviate from the Authority Rules and other related documents.
- 2.7. A member of the Executive Committee may hold a maximum of two supervisory board memberships or non-executive directorships with other companies of which one with a listed company. A member of the Executive Committee may not be chairman of a supervisory board of another listed company.
- 2.8. A member of the Board of Management shall not accept a supervisory or non-executive directorship without the prior approval of the Supervisory Board. The other members of the Executive Committee shall not accept a supervisory or

non-executive directorship without the prior approval of Chairman. Important additional directorships and positions shall be reported to the Chairman and to the Supervisory Board.

- 2.9. Supervisory board memberships or non-executive directorship positions in excess of the maximum as permitted under these Rules of Procedure require the prior approval by the Supervisory Board if it concerns a member of the Board of Management, or the prior approval by the Chairman if it concerns one of the other members of the Executive Committee. Notwithstanding the foregoing, a member of the Executive Committee shall ensure, in all circumstances, that the number of (supervisory board and or non-executive) positions he or she holds elsewhere will not exceed the maximum number set by law and generally accepted governance principles.

### **3. Meetings and resolutions**

#### *Executive Committee*

- 3.1. In principle, the Executive Committee shall hold one meeting per month and further whenever the Chairman (or, in his or her absence, a Deputy Chairman) convenes a meeting. The meetings shall generally be held at the offices of the Company but may also take place elsewhere. In addition, one or more members may participate by telephone, videoconference or other electronic forms of direct communication.
- 3.2. The Chairman, and in his or her absence a Deputy Chairman, shall chair the meeting. If both are absent, the meeting shall appoint one of the members of the Board of Management then present as chairman of the meeting. The Chairman, and in his or her absence a Deputy Chairman, shall determine the agenda of each meeting. Other members of the Executive Committee may submit items to the Chairman to be discussed in the meeting.
- 3.3. Resolutions of the Executive Committee are adopted by an absolute majority of the votes cast. However, resolutions can only be adopted if such majority includes the majority of the members of the Board of Management. Therefore, resolutions validly adopted by the Executive Committee in accordance with these Rules of Procedure shall be deemed resolutions adopted by the Board of Management. Blank votes shall be regarded as not having been cast. In oral voting, abstention shall be considered equivalent to a blank vote.
- 3.4. If more than two members of the Board of Management are in office, the Chairman (or in his or her absence the Deputy Chairman) shall cast the deciding vote in the event of a tie (either at the level of the Executive Committee or of the Board of Management, or both). Subject to the previous sentence, each member of the Executive Committee shall have one vote. In the event of a tie when only two members of the Board of Management are in office, the General Counsel shall first be requested to provide advice to the Board of Management. Should a tie remain after the General Counsel's advice, the matter shall be submitted to the Chairman of the Supervisory Board who shall cast the deciding vote.

- 3.5. If a member of the Executive Committee cannot attend a meeting, they can give a proxy to the Chairman or a Deputy Chairman.
- 3.6. Resolutions may be passed outside an Executive Committee meeting if the proposal has been submitted to all members of the Executive Committee in writing or in some other legible and reproducible form, and the majority of the members of the Executive Committee, including all members of the Board of Management, has given its written vote in favor of the proposal.
- 3.7. The Board of Management retains the authority to, at all times and in all circumstances, adopt resolutions without the participation of the other members of the Executive Committee, provided that the Board of Management will not do so structurally without consulting with the Supervisory Board in advance.
- 3.8. The minutes of an Executive Committee meeting or a Board of Management meeting, as the case may be, shall be adopted in a subsequent meeting of the Executive Committee or the Board of Management, respectively. Adopted minutes shall be evidence of the proceedings. Extracts of minutes can be sent to the relevant business units, functions and employees.
- 3.9. The Board of Management shall appoint one or more Secretaries, who may but need not be members of the Executive Committee. A Secretary may also be Secretary to the Supervisory Board.
- 3.10. The Secretary of the Board of Management and Executive Committee keeps on record minutes of meetings of the Board of Management and of the Executive Committee for as long as determined by the Board of Management and Executive Committee from time to time while observing the minimum statutory period.

*Executive Committee Member Responsible*

- 3.11. Executive Committee Members may take decisions delegated to them under the Authority Rules in meetings and in writing. The Secretary shall ensure that decisions of the Executive Committee Members are recorded and shall inform the members of the Business Review Meeting and the Executive Committee of these decisions.

**4. Independence and Conflict of interest**

- 4.1. The Executive Committee shall function independently from any instructions by third parties outside the Company. Each member of the Executive Committee shall act in accordance with the Company's Code of Conduct and other ethical rules, and in accordance with best practice provision 2.7.1 of the Corporate Governance Code.

- 4.2. A member of the Executive Committee shall not participate in the consultations or vote regarding a subject or transaction in relation to which he or she has a conflict of interest with the Company. Such transaction, if approved, must be concluded on terms at least customary in the sector concerned and be approved by the Supervisory Board. The chairman of the Supervisory Board shall ensure that where such a transaction involves a member of the Board of Management, details will be published in the Company's annual report, with reference to the conflict of interest and a declaration that this article 4.2 has been complied with.
- 4.3. A member of the Executive Committee shall in any event have a conflict of interest ("conflict of interest") if:
- a) he personally has a material financial interest in a company with which the Company intends to enter into a transaction;
  - b) he has a family law relationship (familierechtelijke verhouding) with a member of the board of management of a company with which the Company intends to enter into a transaction;
  - c) he is a member of the managing or supervisory board of, or holds similar office with, a company with which the Company intends to enter into a transaction;
  - d) under applicable law, including the rules of any exchange or other trading platform on which the Company's shares (or depositary receipts thereof) are listed, such conflict of interest exists or is deemed to exist;
  - e) the chairman of the Supervisory Board has ruled that such conflict of interest exists or is deemed to exist.
- 4.4. Each member of the Executive Committee shall immediately report any actual or potential conflict of interest to the Chairman (or, in the case of the CEO, to the chairman of the Supervisory Board). In the event that the conflict of interest involves a member of the Board of Management, the Chairman will report such conflict to the chairman of the Supervisory Board. A member of the Executive Committee with such (potential) conflict of interest must provide the Chairman (and, if applicable, the chairman of the Supervisory Board) with all information relevant to the conflict, including information relating to the persons with whom he or she has a family law relationship (familierechtelijke verhouding).

## **5. Relationship with the Supervisory Board**

- 5.1. The Chairman is the primary point of liaison with the Supervisory Board.
- 5.2. The Board of Management and the Executive Committee shall timely provide the Supervisory Board with information (if possible, in writing) on all facts and developments concerning the Company which the Supervisory Board may need to function as required and to properly carry out its duties.
- 5.3. Each year the Board of Management and the Executive Committee shall provide the Supervisory Board with a budget for the following year, an up-to-date version of its long-term plans, the main features of the strategic policy, an update on the general and financial risks and the management and control

systems of the Company.

## **6. Share Dealing Rules**

Members of the Executive Committee are subject to the AkzoNobel Share Dealing Rules and Rules on Disclosure Control.

## **7. Diversity policy**

- 7.1. Each member of the Board of Management and Executive Committee shall have the expertise required for the fulfillment of his or her duties.
- 7.2. The Board of Management and Executive Committee shall be constituted so as to incorporate a diverse set of personal attributes among its members including amongst others; intellect demonstrated through academic or business achievement, critical assessment and sound business and ethical judgment, the courage and willingness to constructively challenge the views of others, demonstration of the highest standards of openness and integrity and demonstrated ability to build and forge relationships, and to formulate and implement strategy.
- 7.3. It is aimed to have at least 30% female and 30% male Board of Management members and at the Executive Committee.
- 7.4. Age shall not be a determining factor for membership of the Board of Management and the Executive Committee, however, members of the Board of Management and the Executive Committee should demonstrate extensive experience of (international) business, commerce, finance, economic, scientific, environmental, social or public policy and management.
- 7.5. At least one of the members of the Board of Management shall be a financial expert with in-depth experience and knowledge of financial statements, international accounting principles, and internal controls and procedures for financial reporting. All other members of the Board of Management shall demonstrate an understanding and familiarity with financial matters.
- 7.6. This Diversity Policy shall be explained in the corporate governance statements of the annual report of the Company addressing the objectives of the Diversity Policy, how the Diversity Policy has been implemented, the results of the Diversity Policy in the previous financial year, the extent to which the composition of either the Board of Management or the Executive Committee differs from the situation envisaged in the Diversity Policy, the measures being taken to address such difference(s) and the likely timeline for the implementation of those measures.

## **8. Legal framework**

- 8.1. These Rules of Procedure have been adopted by the Board of Management pursuant article 35.5 of the Articles of Association of the Company and have been approved by the Supervisory Board in accordance with article 35.5 and

35.6 of the Articles of Association of the Company. In case of a conflict between these Rules of Procedure and the Articles of Association, the latter shall prevail.

- 8.2. These Rules of Procedure may be amended by the Board of Management, subject to the approval by the Supervisory Board.
- 8.3. Save as otherwise provided in the Articles of Association of the Company or by law, the Board of Management may in exceptional cases, as the circumstances may require, at its discretion decide to deviate from these Rules of Procedure.

**9. Communication**

The Board of Management will ensure that these Rules of Procedure are available on the Company's website.