

## Rules

7.12.1 Share Dealing			
Source Directive		Directive 7.12 Inside Information	
Content Owner		AkzoNobel Legal Group	
Signed off by	Date	Executive Committee	July 19, 2016
Effective Date		July 19, 2016	
Purpose			
<p>These Rules clarify and express the legal requirements concerning Inside Information and the unlawful use of such information.</p>			
Scope and definitions			
<p>The first chapter of this document applies to all employees and managers. The second chapter applies to all Executive Committee members, Supervisory Board members, Standing Insiders and Incidental Insiders. The third chapter applies only to Executive Committee members and Supervisory Board members.</p> <p>Definitions can be found in Annex 1.</p>			
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Rules			
Introduction			
<p>Akzo Nobel N.V. (“AkzoNobel”) as a company registered and listed in the Netherlands is required by law to adopt regulations containing rules with regard to the ownership of and transactions in its shares and other listed securities, or in financial instruments whose value partly depends on the value of those securities, by the group’s employees, the members of the Executive Committee (“ExCo”) and Supervisory Board (“SB”), and persons connected with such members. These AkzoNobel Share Dealing Rules (“Rules”) contains the regulations as required.</p>			

Insider dealing in principle constitutes a crime and carries a penalty of imprisonment, community service and/or a fine under Dutch criminal law and the laws of most other jurisdictions, while additional penalties or measures can be imposed. Failure to comply with these Rules may also lead to internal disciplinary measures, including (without limitation) dismissal. A description of the market abuse prohibitions under the European Market Abuse Regulation ((EU) No 596/2014) and related maximum sanctions can be found on:

<https://akzonobel.sharepoint.com/teams/SC00013/T00272/T00320/T00330/Pages/default.aspx>

Clearly, it is imperative for you to be very careful with any inside information you may possess, and to make sure not to engage in transactions in AkzoNobel Securities when you are in the possession of inside information in relation to AkzoNobel.

The prohibitions and obligations are stated in Chapters I, II and III of these Rules:

- Chapter I applies to all Employees.
- Chapter II contains additional requirements (including notification obligations) for ExCo Members, SB Members, Standing Insiders and Incidental Insiders.
- Chapter III contains the reporting requirements for ExCo Members and SB Members (and their Closely Associated Persons) only.

These Rules shall be governed by Netherlands law.

### **Chapter I. Prohibitions for all Employees**

The purpose of this Chapter is to give guidance to all Employees (including, for the avoidance of doubt, ExCo Members, SB Members, Standing Insiders and Incidental Insiders) on dealing in AkzoNobel Securities.

1. You must not deal or try to deal in any AkzoNobel Securities at any time when you have Inside Information, even if the transaction is not to your benefit or may result in a loss.

This prohibition does not apply if you deal in discharge of an obligation that has become due in good faith (and not to circumvent the insider dealing prohibition or for any other illegitimate reason) and where (a) the obligation results from an order placed or an agreement concluded, or (b) the transaction is carried out to satisfy a legal or regulatory obligation that arose, before you possessed Inside Information.

2. You must not:
  - a) Pass Inside Information to any other person inside or outside the AkzoNobel Group unless strictly on a need to know basis as part of your regular duty or function **and** the recipient of the Inside Information is under an obligation of confidentiality, and provided further that the other person is on the appropriate insider list (as described in Chapter I.4).
  - b) Encourage someone else to deal in AkzoNobel Securities at a time when you possess Inside Information, even if you do not enjoy any benefit from the arrangement.
  - c) Deal or try to deal in the securities of any other listed company at any time when you have price sensitive information in relation to those securities, even if the transaction is

not to your benefit or may result in a loss.

- d) Pass price sensitive information relating to the securities of any other listed company to someone else or encourage someone else to deal in such securities at such a time.

These prohibitions apply even in countries where these actions are not a criminal offence under local law.

### 3. Compliance Officer

The ExCo may designate a Compliance Officer and may revoke that designation at any time.

The Compliance Officer is authorized to hold or effect an inquiry into transactions conducted by or for an AkzoNobel employee. The Compliance Officer is also authorized to report in writing on the outcome of the inquiry to the ExCo and/or the SB, as well as the AFM or other regulatory or governmental authorities.

The Compliance Officer may in consultation with the ExCo designate one or more deputies who may be residing inside or outside the Netherlands and who may exercise such duties and powers as the Compliance Officer shall determine in consultation with the ExCo. The Compliance Officer may in consultation with the ExCo designate persons to replace him or her during absence.

### 4. Insider Lists; Projects that involve Inside Information

The Corporate Secretary keeps a mandatory register of all Standing Insiders and of all Incidental Insiders, the "Standing Insider List" and the "Incidental Insider List".

The Corporate Secretary will also keep a register with lists containing the names of all individuals who are aware of Inside Information in connection with a specific project. If you are not a Standing Insider and your name has been put on such a project list, then you are deemed to be an Incidental Insider and Chapter II applies to you.

The personal data in the lists described above shall only be processed for the purposes specified in these Rules and in accordance with the Privacy Rules. AkzoNobel may, if necessary, provide any such lists to the AFM or any other regulatory or governmental authority to which such lists must be provided.

## **Chapter II. Rules only for ExCo Members, SB Members, Standing Insiders and Incidental Insiders**

### **1. Key Restrictions**

In addition to the restrictions of Chapter I, if you are an ExCo Member, SB Member, Standing Insider or Incidental Insider, you are prohibited from:

- a) Dealing in AkzoNobel Securities during a Closed Period, irrespective of whether you thereby use Inside Information.
- b) Dealing in AkzoNobel Securities or in third party securities during a period in which you have been prohibited you from doing so, even if it is during an Open Period.

**NB:**

The exception described in paragraph I.1 equally applies to the key restrictions under a) and b) above.

- c) Selling or buying options on AkzoNobel Securities.
- d) Dealing in AkzoNobel Securities based on short-term considerations. Generally, AkzoNobel Securities should not be sold within 6 months of purchase and purchases should not be made within 6 months of any sale, except in respect of shares obtained under an AkzoNobel Participation Plan.

**2. Continuation of key restrictions**

The prohibitions contained in paragraph II.1 shall continue to apply during a period of 6 months after you have ceased to be an ExCo Member, SB Member, Standing Insider or Incidental Insider. The Compliance Officer, at your request, has the right to set a shorter period in case the Compliance Officer has been duly satisfied that you do not have Inside Information.

**3. Arrangements with Independent Portfolio Managers**

You must inform the Corporate Secretary of the existence of your arrangement with an Independent Portfolio Manager and when any change in such Independent Portfolio Manager's mandate is made.

**4. Acknowledgement**

You must acknowledge in writing that you are aware of your duties as set forth in these Rules, as well as the applicable sanctions referred to in the Introduction, using the format prescribed by AkzoNobel.

**Chapter III. Rules only for ExCo Members and SB Members (including, where applicable, their Closely Associated Persons)****A. Prior Authorization**

- 1. Except as provided in Chapter I.1, ExCo members and SB Members will seek permission from the General Counsel prior to carrying out any transaction in respect of AkzoNobel Securities, even in Open Periods. The General Counsel will endeavor to respond within 24 hours.

**B. Notification requirements****1. Internal Notification Requirements**

If you are an ExCo Member or SB Member, you must notify any dealings in AkzoNobel Securities to the Corporate Secretary, immediately (and ultimately within one business day) upon execution of the transaction. The same applies to dealings in AkzoNobel Securities by any of your Closely Associated Persons<sup>1</sup>.

<sup>1</sup> Typical examples of Closely Associated Persons are your wife/husband/partner and any minor child or a child that is living at your home. It also includes companies controlled and/or managed by you or by

## 2. External Reporting Requirements

- (i) If you are a BoM Member or SB Member:
- a) You must notify the AFM without delay (and ultimately within one business day) of any change in the number of AkzoNobel Securities held by you. In this context, “AkzoNobel Securities” means AkzoNobel’s ordinary shares, ADRs and rights to obtain shares such as options. For the avoidance of doubt, this includes shares obtained under an AkzoNobel Participation Plan.
  - b) You must within two weeks of your appointment as BoM Member or SB Member notify the AFM of the number of AkzoNobel Securities held by you. In this context, “AkzoNobel Securities” means AkzoNobel’s ordinary shares, ADRs and voting rights, and “appointment” means the date on which the appointment has become effective.
  - c) You must notify the AFM without delay (and ultimately on the third business day after the date of the transaction) if you have dealt for your own account in AkzoNobel Securities. In this context, “AkzoNobel Securities” means shares or debt instruments of AkzoNobel or derivatives or other financial instruments linked thereto. To the extent permitted by law, this notification may be combined with a notification for the same transaction according to paragraph a) above.  
The same applies to such transactions carried out by your Closely Associated Persons<sup>1</sup>, but please note that Closely Associated Persons do not make a notification according to paragraph a) above, so transactions carried out by your Closely Associated Persons must always be notified to the AFM according to this paragraph c). However, the notification according to this paragraph c) may be deferred until the moment that the transactions executed in the relevant calendar year by you for your own account, together with the transactions carried out by your Closely Associated Persons for their own account, have reached an aggregate amount of EUR 5,000.  
A non-exhaustive list of transactions that must be notified under this paragraph c) is included in Annex 2.
- (ii) If you are an ExCo Member but not a BoM member you must notify the AFM without delay (and ultimately on the third business day after the date of the transaction) if you have dealt for your own account in AkzoNobel Securities. In this context, “AkzoNobel Securities” means shares or debt instruments of AkzoNobel or derivatives or other financial instruments linked thereto. The same applies to such transactions carried out by your Closely Associated Persons<sup>1</sup>. However, such notification may be deferred until the moment that the transactions executed in the relevant calendar year by you for your own account, together with the transactions carried out by your Closely Associated Persons for their own account, have reached an aggregate amount of EUR 5,000.  
A non-exhaustive list of transactions that must be notified under this paragraph (ii) is included in Annex 2.

## 3. Role of the Corporate Secretary

- a) A copy of the above notifications to the AFM must be sent to the Corporate Secretary,

another Closely Associated Person. See Annex 1 (Definitions).

simultaneously with the notification.

- b) You and your Closely Associated Persons are personally responsible for notifying transactions as set out above to the AFM. However, the Corporate Secretary is authorized to notify the AFM on your (and their) behalf. By default, unless instructed otherwise, the Corporate Secretary will, as soon as possible, notify the AFM of such transactions by you and your Closely Associated Persons if such transactions are notified to him, provided that the notification of the transaction to the Corporate Secretary includes all information required to be provided to the AFM and has been made promptly after the transaction has been carried out.

#### **4. Additional requirements regarding Closely Associated Persons**

- a) If you are an ExCo Member or SB Member, you must notify all your Closely Associated Persons in writing (using the template provided by the Corporate Secretary) of their obligations hereunder. You must keep a copy of this notification for your own files and send one copy to the Corporate Secretary.

Furthermore you are required to inform the Corporate Secretary in writing of the identity of your Closely Associated Persons and, without delay, of any changes thereto if they occur (using the template provided by the Corporate Secretary).

- b) In case you are prevented yourself from carrying out a transaction in AkzoNobel Securities due to the fact that you have Inside Information, you might wish to prevent an Closely Associated Person from carrying out a transaction in order to avoid negative consequences, such as reputation damage or even prosecution, even though the Closely Associated Person may not have Inside Information. However, this might conflict with your secrecy obligations. Therefore, you may only seek to prevent dealings by any of your Closely Associated Persons where this would require you to disclose the fact that you are in possession of Inside Information if:
  - (i) you have been explicitly permitted to do so by the General Counsel;
  - (ii) you can ensure that such Closely Associated Person will not disclose the Inside Information;
  - (iii) the name and other relevant details of such Closely Associated Person are put on an insider list as described in Chapter I.4.

It is further recommended that, to the extent reasonably possible, in such event you first consult with the chairman of the ExCo (for ExCo members) and the chairman of the SB (for SB Members), respectively.

## Annex 1 - Definitions

“**AFM**” means the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*).

“**AkzoNobel Group**” means AkzoNobel and its group companies from time to time.

“**AkzoNobel Participation Plan**” means the AkzoNobel Performance Share Plan for ExCo Members and certain of the AkzoNobel Group’s executives, the AkzoNobel Share Matching Plan for ExCo members, and any other stock option or share scheme pursuant to which certain Employees are eligible for acquiring or obtaining AkzoNobel Securities provided that a consistent course of action is followed with regard to the conditions and periodicity of the plan.

“**AkzoNobel Securities**” means shares, ADRs, debt instruments (including bonds) and (to the extent applicable) other financial instruments as defined in point (15) of Article 4(1) of Directive 2014/65/EU\* issued by or relating to AkzoNobel and its affiliates. AkzoNobel Securities

\* Financial instruments as defined in point (15) of Article 4(1) of Directive 2014/65/EU may, for example, include options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures. In case of doubt, please consult the Corporate Secretary.

“**BoM**” means the Board of Management of AkzoNobel; and “**BoM Member**” means a member of the Board of Management.

“**Closed Period**” means:

- Any period in a calendar year other than an Open Period.
- Any other period that will be deemed a Closed Period, as announced by the ExCo.

“**Closely Associated Person**” means:

- (a) a spouse, or a partner considered to be equivalent to a spouse in accordance with national law, of an ExCo Member or an SB Member;
- (b) a dependent child, in accordance with national law, of an ExCo Member or an SB Member;
- (c) a relative who has shared the same household with an ExCo Member or an SB Member for at least one year on the date of the transaction concerned; or
- (d) a legal person, trust or partnership, the managerial responsibilities of which are discharged by an ExCo Member or an SB Member or by a person referred to in point (a), (b) or (c), which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

“**Compliance Officer**” means the person appointed by the ExCo in accordance with paragraph I.3.

“**Corporate Secretary**” means the officer of AkzoNobel holding that position.

“**Dealing**” and “**transaction**” are broadly interpreted by the relevant authorities. It explicitly includes a cancellation or amendment of an order. In case of doubt, please consult the Corporate Secretary.

“**Employee**” means an employee, director or officer of a company within the AkzoNobel Group, including an independent contractor, temporary worker and other person performing tasks for a

company within the AkzoNobel Group (such as adviser, accountant or credit rating agency) through which such person has access to Inside Information.

“**ExCo**” means the Executive Committee of AkzoNobel; and “**ExCo Member**” means a member of the Executive Committee.

“**General Counsel**” means the officer of AkzoNobel holding that position.

“**Incidental Insider**” means an Employee, not being an ExCo Member, SB Member or Standing Insider, who has or may have incidental access to Inside Information and who has been designated as such pursuant to these Rules (note: in general, Incidental Insiders are persons who due to their involvement in for example a specific project have or may be exposed to Inside Information).

“**Independent Portfolio Manager**” means a financial firm permitted under applicable Netherlands or EU law to manage private securities portfolios pursuant to a written mandate which provides that the principal may not exercise any influence on transactions executed by such financial firm for or on behalf of the principal.

“**Inside Information**” (in general, inside information is often also referred to as price sensitive information) is specific information about AkzoNobel that has not been made public and, if it were made public, could have a significant effect on the price or value of any of the AkzoNobel Securities. “Significant effect on the price” is understood to mean that a reasonably acting investor will probably use this information as a partial basis for his or her investment decisions. Inside Information can relate to a variety of issues. Some examples can be found in the Rules on Disclosure Control. Further guidance is available from the Corporate Secretary.

“**Insider**” means a Standing Insider and/or Incidental Insider, as the case may be.

“**Open Period**” means the period that starts on the day of the first official public announcement of the results of any quarter of AkzoNobel in any year (but not before the actual making, of such announcement) and that ends on the last day of the second calendar month of the quarter in which the announcement has been made. By way of example, if the Q1 results are announced on April 20, then the open period starts on April 20 (immediately after the announcement) and ends close of day on May 31.

“**SB**” means the Supervisory Board of AkzoNobel; and “**SB Member**” means a member of the Supervisory Board.

“**Standing Insider**” means an Employee, not being an ExCo Member or SB Member, who has or may have regular access to Inside Information and who has been designated as such pursuant to these Rules (note: in general, Standing Insiders are persons who due to their function frequently have or may be exposed to Inside Information).



## **Annex 2: Non-exhaustive list of transactions that must be notified by ExCo Members and SB Members (PDMRs) and their Closely Associated Persons**

Transactions in AkzoNobel Securities which need to be notified to the AFM and the company under Article 19 of the European Market Abuse Regulation ((EU) No 596/2014), include the following:

- a) acquisitions or disposals;
- b) transactions undertaken by persons professionally arranging or executing transactions or by another person on behalf of a PDMR or Closely Associated Person, including where discretion is exercised (e.g. under an individual portfolio or asset management mandate);
- c) gifts and donations made or received, and inheritance received;
- d) acceptance or exercise of a stock option, including of a stock option granted to managers or employees as part of their remuneration package, and the disposal of shares stemming from the exercise of a stock option;
- e) subscription to a capital increase or debt instrument issuance;
- f) conditional transactions upon the occurrence of the conditions and actual execution of the transactions;
- g) automatic or non-automatic conversion of a financial instrument into another financial instrument, including the exchange of convertible bonds to shares;
- h) pledging (or a similar security interest), borrowing or lending by or on behalf of a PDMR or Closely Associated Person;
- i) short sale, subscription or exchange;
- j) entering into or exercise of equity swaps;
- k) transactions in or related to derivatives, including cash-settled transactions;
- l) entering into a contract for difference on an AkzoNobel Share or on emission allowances or auction products based thereon;
- m) acquisition, disposal or exercise of rights, including put and call options, and warrants;
- n) transactions in derivatives and financial instruments linked to a debt instrument of the company, including credit default swaps;
- o) transactions executed in index-related products, baskets and derivatives, insofar as required by Article 19 of Regulation (EU) No 596/2014;
- p) transactions executed in shares or units of investment funds, including alternative investment funds (AIFs) referred to in Article 1 of Directive 2011/61/EU of the European Parliament and of the Council, insofar as required by Article 19 of Regulation (EU) No 596/2014;
- q) transactions executed by manager of an AIF in which the PDMR or Closely Associated Person have invested, insofar as required by Article 19 of Regulation (EU) No 596/2014; and
- r) transactions made under a life insurance policy, where the investment risk is borne by the PDMR or Closely Associated Person and he/she has the power or discretion to make investment decisions regarding specific instruments in that life insurance policy or to execute transactions regarding specific instruments for that life insurance policy.

### **Related documents**

[Directive 7.12 Inside Information](#)

[7.12.2 Rules on Disclosure Control](#)