

External Auditor Tender Process

5. Appointment External Auditor
 - (a) Appointment EY Accountants B.V. as external auditor of the Financial Statements as of Financial Year 2026 until and including Financial Year 2028 (voting point)
 - (b) Appointment EY Accountants B.V. to carry out the assurance of the sustainability reporting as of Financial Year 2026 until and including Financial Year 2028 (voting point)

Appointment of external auditor - Explanation of nomination and selection process

The below explanation sets out the audit tender process followed by Akzo Nobel N.V. (the “Company” or “AkzoNobel”). The process was designed in line with industry best practice and is consistent with AkzoNobel’s corporate governance principles.

Introduction

According to European and Dutch legislation, the engagement period for an audit firm should not exceed 10 years, followed by a four-year cooling-off period. The financial year 2025 will be the last financial year for which AkzoNobel’s current external auditor, PricewaterhouseCoopers Accountants N.V. , will perform the audit of the Company’s annual financial statements.

As an outcome of the selection process, and following the recommendation by the Audit Committee, the Supervisory Board proposes to the Annual General Meeting of Shareholders on April 25, 2025, to appoint EY Accountants B.V. (“EY”) as the external auditor of AkzoNobel for financial years 2026 up to and including 2028.

Scope

The audit assignment includes the audit of the Company’s annual financial statements and the assurance of its sustainability reporting as required pursuant to the European Corporate Sustainability Directive (“CSRD”). Further, the scope also includes all mandatory statutory audits of group companies, excluding 1) statutory audits of legal entities to which article 2:403 lid 1 sub f of the Dutch Civil Code applies, 2) statutory audits which cannot be transferred (yet) due to legal or other restrictions and 3) statutory audits of certain joint ventures.

Governance

Under the responsibility of the Audit Committee, the following governance was established to facilitate the assessment of the participating firms and prepare the Audit Committee’s nomination proposal to the Supervisory Board:

- A project team, consisting of team members from Finance, Procurement, Sustainability, Legal, IT and HR (the “Project Team”). Key responsibilities included preparing the plan, making available relevant information and documentation, carrying out the pre-selection of suitable audit firms, reviewing and overseeing timelines, and ensuring proper and timely execution of the audit tender process.
- A steering committee, consisting of the Chair of the Audit Committee, the CFO, the Group Controller, the Head of Internal Audit, the Head of Consolidation and Technical Accounting, the Director of Sustainability, the Director of Legal Corporate and M&A, and the Global Sourcing Director (the “Steering Committee”). Key responsibilities included approving the audit tender process and overseeing the execution thereof, deciding on the plan and project deliverables, participating in proposing selection criteria, approving the Request for Proposal document, attending proposal presentations and workshops, evaluating proposals submitted by audit firms, and participating in selecting preferred audit firms.

- A selection committee, consisting of the Chair of the Audit Committee, one Audit Committee Member, the CFO, the Group Controller, the Head of Internal Audit, and the Head of Consolidation and Technical Accounting (the “Selection Committee”). Key responsibilities included approving the selection criteria, attending proposal presentations, deciding on selected audit firms, reviewing the Steering Committee’s evaluation, and reviewing the report on the conclusions of the selection process.

Where necessary, the Selection Committee was supported by expertise recommendations of the Director of Sustainability, the Director of Legal Corporate and M&A, and the Global Sourcing Director.

Pre-selection Process

The Project Team carried out a pre-selection of suitable audit firm candidates based on three criteria:

1. PIE-license: audit firms authorized by the Dutch authority for the financial markets (AFM), licensed to audit public interest entities (PIE or ‘OOB’ in Dutch) in the Netherlands.
2. Reputation: objective assessment of the reputation of the (potentially) participating audit firms.
3. Knowledge, experience and global coverage: assessment of the knowledge, experience and global coverage of the (potentially) participating audit firms, to perform both the group and statutory audits.

The Project Team concluded there that only a limited number of accounting firms in the Netherlands meet the requirements. The pre-selection was discussed by the Project Team with the CFO and the Chair of the Audit Committee. Subsequently, an invitation to tender was sent to BDO Accountancy Tax & Legal B.V. (“BDO”), Deloitte Accountants B.V. (“Deloitte”), KPMG Accountants N.V. (“KPMG”) and EY. Deloitte, KPMG and EY accepted the invitation to participate in the tender process.

Key selection criteria

To meet the objective of the audit tender process the following key selection criteria were defined:

- Quality of proposal and presentations
- Understanding our business
- Organizational and cultural fit / way of working
- Audit approach
- IT audit and use of technology in the audit
- Approach to ESG audit
- Transition approach
- Audit quality and continuous improvement
- Audit fee
- Firm and team experience and references

These key selection criteria have been consistently communicated and applied during the selection process. The key selection criteria were also part of the scorecards to assess the audit firms.

Request for Proposal

Interviews were held with each firm to identify the lead partner, before the Request for Proposal (the “RfP”) was sent to Deloitte, KPMG and EY. The purpose of the RfP was to communicate the scope, process guidelines, conditions, objectives, timelines, requirements and expectations regarding the proposal to be provided by the participating audit firms. The RfP included the key selection criteria.

Guidelines to ensure the integrity of the process were communicated both internally and to the participating audit firms. Participating audit firms were prohibited from contacting any AkzoNobel personnel, except those specifically mentioned under the RfP. Additionally, participating audit firms were asked to refrain from discussing any related information during meetings for other existing engagements.

Preparation

A secured virtual data room was made available for the participating audit firms with relevant information about AkzoNobel. During this period, a structured Q&A process was available within an online platform, where responses to requests for clarification were shared. To maintain fairness and transparency, questions and answers were anonymized and shared with all participating audit firms.

All participating audit firms held interviews with various employees from relevant functions within AkzoNobel. Based on the information obtained from the interviews, Q&A, and the virtual data room, the audit firms submitted their written proposals.

Round One – Presentations and evaluation

The audit firms presented their (AkzoNobel specific) views on the prescribed topics of 'Centralized, IT driven audit', 'ESG assurance' and 'Smooth transition' to members of the Steering Committee and the Selection Committee. During and after the presentations, the Selection Committee members completed scorecards based on the objective pre-defined key selection criteria and individually indicated a preference. All audit firms received feedback.

After Round One, the Steering Committee and Selection Committee concluded that the proposals and presentations of EY and KPMG best matched the criteria of AkzoNobel. Important elements in this decision were the approach and ability to audit through IT systems, the approach and experiences relating to the assurance work on the ESG statements, the strength and in-depth knowledge of the audit teams and the competitive fee level.

Round Two - Presentations and evaluation

EY and KPMG incorporated feedback received after Round One in their final presentations. During and after the presentations, the Selection Committee members completed scorecards based on the objective pre-defined key selection criteria and individually indicated a preference. The proposals submitted by EY and KPMG both were compliant with all requirements defined, and both teams showed the required skills and enthusiasm. The Selection Committee concluded that EY was the preferred new audit firm for AkzoNobel starting from the financial year 2026. Decisive in this respect were, amongst others, the overall strength of the proposed team, including the expertise and skills of the ESG team, and the proven experience on centralized IT driven auditing in the Dutch environment.

AkzoNobel held a feedback session with KPMG to explain the decision and to express gratitude for the time, effort, enthusiasm and commitment which was displayed throughout the process.

Recommendation

The Audit Committee, having considered the conclusions of the Selection Committee, has recommended to the Supervisory Board that either EY or KPMG be proposed by the Supervisory Board to the AGM, with a preference for EY. The recommendation by the Audit Committee has been done free from influence by a third party and no clause of the kind referred to in Article 16(6) of the EU Regulation (537/2014) on specific requirements regarding the statutory audit of public-interest entities has been imposed upon it. The Supervisory Board decided, on June 25, 2024, to follow the Audit Committee's recommendation. If EY is appointed as future external auditor, Mr. F.J. Blenderman RA will be the lead partner. The Audit Committee confirms that its recommendation is free from influence by a third party and that no clause of a contract as referred to in article 16(6) of the EU regulation no. 537/2014 restricts the resolution of the General Meeting of Shareholders.

Based on this assessment, it is proposed to the General Meeting of Shareholders to appoint EY as AkzoNobel's external auditor for the financial years 2026 through 2028.

AkzoNobel is satisfied that appropriate safeguards are in place to ensure the required independence of EY and to appropriately manage any potential conflicts of interest.