AkzoNobel

REMUNERATION POLICY FOR THE BOARD OF MANAGEMENT AS OF 2025

This Remuneration Policy for the Board of Management (the "Policy") will, after adoption at the Annual General Meeting of Shareholders (the "AGM") to be held on April 25, 2025, become effective from January 1, 2025 (retro-actively). The Policy will remain effective until a new Policy is adopted, which will be proposed to the shareholders no later than at the AGM in 2029.

STRATEGIC CONTEXT OF THE POLICY

AkzoNobel is shaping its future with a legacy of over 200 years, guided by its core values of safety, integrity and sustainability, and a steadfast commitment to its enduring. The Company has a clear strategic focus to deliver profitable growth by developing innovative, high-performance and sustainable products that create value for our customers, shareholders, employees and society in general. We strive to outperform our competitors, to deliver a solid return to our shareholders and to achieve sustainable value creation over the long term for all our stakeholders.

We operate a global portfolio of Paints and Coatings businesses. Our strategic approach is therefore focused on the specific requirements of different markets and customers, which results in distinct and effective strategies to outperform in the areas where we're active.

We've established the following overarching strategic pillars across our portfolio of businesses:

- Sustainability-driven innovation
- Growth in focus segments and markets
- Industrial excellence and simplifying our execution model
- Active portfolio management

The Supervisory Board closely monitors the implementation of the strategy, engages in regular discussions with the Board of Management to assess progress, and exercises judgment when necessary. Any deviations from this Policy will be thoroughly justified and transparently addressed.

REMUNERATION OBJECTIVES

As a major international company, it is essential that the composition of the Board of Management will be constituted in a balanced manner to reflect the nature, variety and international spread of the Company's businesses.

To this end, the remuneration offered should be highly competitive within the Company's talent pool and within a broader European context, while also reflecting the unique remuneration landscape and societal environment in which the Company operates.

To realize our strategy and the sustainable, long-term value we aim for, the Policy is designed to attract, motivate, and retain high caliber Board of Management members, by:

a) Linking a part of the remuneration to achieving our strategic objectives through the criteria and targets included in the short-term and long-term incentives. Incentivizing the Board of Management to achieve the Company's objectives and strategic priorities, while balancing the perspectives of shareholders and other key stakeholders;

b) Providing market-competitive compensation aligned with a peer group of industry competitors and companies vying for Board of Management talent;

c) Stimulating share ownership to create alignment with shareholder value and the Company's sustainable long-term value creation.

The remuneration principles that apply to the Board of Management are aligned with those applying more broadly in the Company. This provides a shared sense of purpose and direction at the different management levels and a shared reward when success is achieved.

CONSIDERATIONS IN DRAFTING THIS POLICY

The Supervisory Board has considered:

- The interest of all stakeholders
- The identity, vision and values of AkzoNobel
- The experience with and evaluation of the Policy that was last adopted at the AGM in 2021 and subsequently amended in 2022 and 2024
- Feedback on the current and proposed Policy and its implementation received in shareholder consultations and advisory votes on previous Remuneration Reports
- Guidelines of major institutional shareholder advisory bodies
- The pay ratios within the Company
- The pay and employment conditions of employees of the Company, seeking alignment in remuneration levels, instruments and arrangements
- The principles and best practices of the Dutch Corporate Governance Code 2022 and the revised EU Directive to encourage long-term shareholder engagement (SRD II).

The Supervisory Board follows closely the public debate on executive remuneration and has incorporated broadly shared insights in the revision of the Policy. The Supervisory Board has sought independent external advice on a fitting remuneration level within the European context. Following shareholder consultations, the Supervisory Board took feedback into account and made a number of changes to the proposed Policy.

CHANGES IN POLICY

The changes compared to the previous policy can be summarized as follows:

1. The Supervisory Board has reviewed the performance metrics for long-term incentives and proposes to adjust their weighting to better align with the Company's strategic priorities. As part of this adjustment, the weight of the financial metrics is proposed to be increased from 33% to 40%, while the weight of the ESG metrics is proposed to be reduced from 34% to 20%.

2. Inclusion of additional malus and claw-back triggers related to risk management, individual misconduct and reasonableness and fairness.

3. For new members of the Board of Management from outside the Company, the wording of the 'sign-on' is adjusted to 'buy-out' to reflect the practice to merely (partially) compensate new members of the Board of Management for forfeited variable pay at their previous employers.

SETTING REMUNERATION LEVELS

An external reference point is found in a labor market peer group that includes industry peers and a range of companies that are of similar scale, complexity and geographic reach to AkzoNobel. To reflect local pay practices, only companies headquartered in Europe are included. The reference point for a competitive remuneration package that will attract and retain high caliber members of the Board of Management is set at a total compensation level between the median and third quartile of this reference group.

The labor market peer group against which remuneration levels are compared consists of the following companies:

- Air Liquide
- Arkema
- ASML
- Clariant
- DSM-Firmenich
- Evonik Industries
- Givaudan
- Henkel
- Lafarge Holcim
- Philips
- Randstad
- RELX
- Signify
- Sika
- Solvay
- Wolters Kluwer

When developments in the market or at peer companies distort proper representation, e.g. due to (de)mergers or acquisitions, the Supervisory Board may adjust the composition of the labor market peer group with approval from the General Meeting of Shareholders.

When setting and reviewing remuneration levels, internal consistency is also considered. Base salary and variable remuneration should rise in line with increasing responsibility. A consistent build-up of remuneration from layer to layer supports talent development and a solid succession pipeline within the Company.

COMPOSITION REMUNERATION PACKAGE

Members of the Board of Management can receive a remuneration package consisting of:

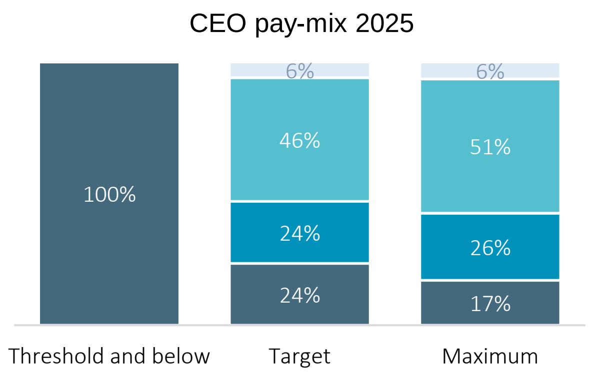
- Base salary
- Variable remuneration consisting of:
    - Performance-related short-term incentives, delivered in cash and with the ability to award matching shares
    - Share matching plan, awarded in the form of shares
    - Performance-related long-term incentives, awarded in the form of shares
- Post-contract benefits
- Other benefits

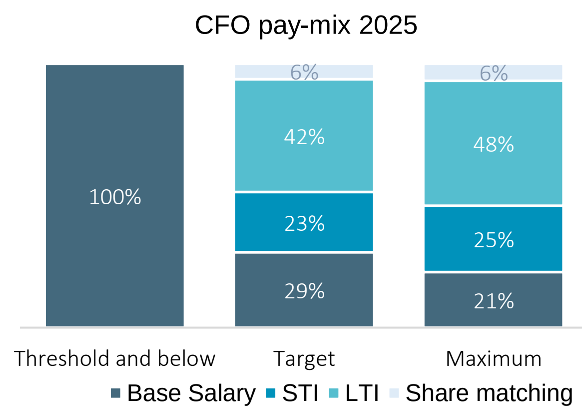
Mix of remuneration elements

The Policy is designed to put a high portion of the Board of Management 's package "at risk" in the form of variable pay, i.e. derived through incentive plans. The total value of remuneration that can be earned increases with the level of performance that is delivered. Consequently, the relative proportion of the fixed-pay package is reduced as higher performance is delivered.

The charts below show how performance may affect the structure and relative value of the Board of Management's remuneration elements under various performance scenarios. At target opportunity, approximately, 71-76% of compensation is variable. At maximum opportunity, approximately 79-83% of compensation is variable.

The possible financial outcomes including share-price movements have been tested in scenario analyses and have been found equitable.





Base salary

Upon a recommendation by the Remuneration Committee, salaries are set by the Supervisory Board at market median level. Salary levels are usually reviewed annually, without any commitment to increase. When reviewing the salary, the Remuneration Committee considers factors such as personal and Company performance, the internal consistency (for example salary increases throughout the Company) and external competitiveness referenced against the labor market peer group.

Variable remuneration

Upon a recommendation by the Remuneration Committee, the Supervisory Board annually sets performance targets on a level it considers both realistic and sufficiently stretching. As these target levels are considered competition-sensitive they are not disclosed ex-ante, but they will be fully disclosed and accounted for ex-post.

The variable remuneration structure promotes long-term share ownership of members of the Board of Management, by granting long-term incentives in shares, by inviting them to invest in the share matching plan and by setting specific shareholding requirements.

Short-term incentive (STI)

The STI is designed to focus on a range of strategically important annual objectives derived from our operational plans that are collectively vital to creating value in the long term, without incentivizing undue risk taking or other behaviors which are contrary to the Company's interests.

The target STI is set at market median and is 100% of base salary for the CEO and 80% of base salary for the CFO. The short-term performance is measured for 70% on financial objectives that reflect the profitable growth the Company aims for and for 30% on quantifiable non-financial objectives, including elements such as - indicative list- operational, industrial, people, productivity, portfolio, product development targets, which are vital preconditions to achieving our strategic aims. Performance is incentivized through the following metrics, which are measured over a one-year period:

Performance Metric	Weight
Adjusted operating income	40%
Free cash flow	30%
Non-financial objectives	30%
Total	**100%**

The applied metrics are as used or defined in our annual report, subject to minor adjustments if required, in order to provide an appropriate indicator of management's performance.

For each metric, the Supervisory Board, upon the recommendation of the Remuneration Committee, sets performance targets and ranges each year. These performance ranges determine: (i) The threshold level at which 0% of target is paid out and below which no payouts are made; (ii) The performance level at which 100% of target payout is made; and (iii) The performance level at which the maximum payout of 150% of target payout is made. In aggregate, STI awards will not exceed 150% of base salary for the CEO and 120% of base salary for the CFO.

STI awards are paid in cash when performance over the previous year has been assessed.

Share Matching Plan (SMP)

To further promote share ownership and the alignment with the Company and its shareholders that it fosters, a Share Matching Plan is in place. The Plan awards shares to members for shares they have invested in from their STI-proceeds and held over a three-year period.

Board of Management members are required to invest 25% of their STI proceeds (net after tax and other deductions) in AkzoNobel shares and may invest a second 25% of their STI proceeds. When they retain these shares for three years, the Company will match such shares one on one, subject to continued employment. The matching shares must be retained for a further two years as long as the minimum shareholding requirement has not been fulfilled.

Long-term incentive (LTI)

The Policy's LTI is designed to give focus to the strategic priorities that will contribute to building sustainable long-term value creation and is set between market median and third quartile. By making awards in equity of the Company, alignment over the long term is created between the Board of Management, the Company and its shareholders.

The vehicle through which long-term performance is incentivized is the performance-related share plan. Under this plan, shares are conditionally granted to the members of the Board of Management on an annual basis, following approval from the Supervisory Board upon the recommendation of the Remuneration Committee. The grant level is 200% of base salary for the CEO and 150% of base salary for the CFO.

Performance is incentivized through the metrics per the table below, which are measured over a three-year period.

Performance Metric	Weight
Adjusted EBITDA[1]	40%
ROI[2]	40%
Environmental, Social & Governance (ESG)	20%
Total	**100%**

The Supervisory Board, upon a recommendation of the Remuneration Committee, determines the targets and target ranges that comprise each metric. At target level of performance will vest

[1] Excludes impact of acquisitions individually representing more than 2% AkzoNobel revenue

[2] Excludes impact of acquisitions individually representing more than 2% AkzoNobel revenue

100% of the target number of shares conditionally granted. Maximum vesting is 150% of the conditional share grant. No shares will vest if the minimum level of performance is not achieved. The targets and target ranges applicable to the ESG performance metrics will be disclosed ex-ante in the remuneration report.

Once the performance period has ended, the Remuneration Committee will assess the extent to which the targets have been met. The number of shares to vest is adjusted for dividends that were paid to shareholders over the three-year performance period. In total, the performance share plan covers at least five financial years, as any vested shares must be retained by the Board of Management member for a further two financial years and beyond, in case the minimum shareholding requirement has not been fulfilled.

Shareholding requirements

Share ownership promotes alignment to the long-term interests of the Company and its shareholders. Members of the Board of Management are required to hold shares in the Company for the duration of their tenure in that capacity. The shares must be accumulated over five years from the date of their appointment to the Board of Management. The holding requirements are expressed as a percentage of the annual gross base salary as follows:

- CEO 3x
- CFO 1.5x

Value adjustment and claw back

As AkzoNobel operates in an industry that is subject to volatility, the Supervisory Board has a duty to review the fairness of variable compensation payout in view of performance delivered. If and when the result as calculated under the Policy is not reasonable or fair under the prevailing circumstances, the Supervisory Board will use its discretionary authority to adjust payouts up- or downward. The discretionary authority will never be used to retroactively adjust targets. Neither will a performance outcome below target be adjusted to arrive at a pay-out above target and vice versa.

The Supervisory Board can reclaim in whole or in part any variable remuneration that has been unconditionally granted or vested or has been paid out on the basis of incorrect information on the underlying performance achievement, objectives and/or conditions underlying the award or regarding the circumstances on which the award was dependent (claw back).

Claw back may also be applied in case of individual misconduct or breach of compliance manuals or Code of Conduct applicable in the Company, or material failure of risk management or breach of risk management policies.

Any value adjustment or claw back is at the discretion of the Supervisory Board. It will be accounted for in the remuneration report that will be submitted to the shareholders at the relevant AGM.

In the event of a change in control in the Company when performance can no longer be measured according to the pre-set targets, the vesting of awards made under the performance share plan will be 100% of all shares conditionally granted.

Post-contract and other benefits

Members of the Board of Management receive a contribution towards pension and similar retirement benefits, as determined by the Supervisory Board, understanding market practice and relevant legal or tax considerations. The same applies for other benefits such as a monthly transportation allowance.

TERM OF OFFICE AND SERVICE CONTRACTS

Each of the members of the Board of Management enters into a – in principle four-year – service contract with the Company, the terms of which are disclosed in the explanatory notice for the AGM at which the Board of Management member is appointed. Service contracts may be terminated by the Company with a notice period of six months and by the member of Board of Management with a notice period of six months. The service contract will terminate in any event when the applicable statutory pension age is reached.

For new members of the Board of Management from outside the Company, the Supervisory Board may in its discretion decide to offer a cash or share-based buy-out to compensate for actual remuneration rights the new member foregoes by resigning from his previous position.

Depending on the date of appointment or date of hire, the Supervisory Board may determine on a case-by-case basis pro rata short-term targets and amount and/or a pro rata long-term incentive grant.

Any such arrangements and the conditions attached will be submitted to the shareholders at the relevant AGM on approval of the appointment.

Severance arrangements

The Supervisory Board will determine the appropriate severance payment for members of the Board of Management. The severance payment will not exceed a sum equivalent to one-time annual base salary. This also applies in a situation of severance due to a change in control.

Loans

The Company does not grant loans, advance payments or guarantees to its Board members.

DECISION-MAKING PROCESS

This Policy may only be amended by the General Meeting of Shareholders, upon a proposal of the Supervisory Board following the recommendation of the Remuneration Committee. In case of a revision of the Policy, a description and explanation are presented of all significant changes, including the rationale for those revisions and other aspects as required by law. If the General Meeting of Shareholders does not approve the proposed amendments to the Policy, the Company shall continue to remunerate in accordance with the existing adopted Policy and shall submit a revised Policy for approval at the next AGM.

DEROGATION OF THE POLICY

In the exceptional circumstances and to assure the viability of the Company or to serve its long-term interests and sustainability, the Supervisory Board may derogate temporarily from the Policy on base salary, variable remuneration and post-contract benefits as set out above. In this event the Supervisory Board will present the derogation and propose a new Policy to the General Meeting of Shareholders at the next AGM.