

Minutes Extraordinary General Meeting of Shareholders Akzo Nobel N.V.

September 6, 2022

AGENDA

1. Opening
2. Board of Management
 - (a) Appointment of Mr. G. Poux-Guillaume (voting point)
3. Closing

MINUTES

Summary of the deliberations at the Extraordinary General Meeting of Shareholders (EGM) Akzo Nobel N.V., held virtually on September 6, 2022, starting at 2:00 pm (CET)

Chairman: Mr. N. Andersen, Chairman Supervisory Board Akzo Nobel N.V.

Secretary: Mrs. H. Schneider, General Counsel & Corporate Secretary Akzo Nobel N.V.

1. Opening

The Chairman opens the extraordinary general meeting of shareholders and welcomes all attendees. The Chairman explains that it was decided to hold this EGM virtually, similar to the last three Annual General Meetings (AGMs). Shareholders were offered to submit questions regarding the agenda items prior to the start of the meeting. The Chairman explains that these questions will be answered during the meeting. In addition, questions can be submitted using the chat box on the online voting platform. The Chairman notes that the meeting will be held in English.

The Chairman invites Mrs. Schneider to explain the voting procedure. Mrs. Schneider refers to the instructions on virtual voting and explains that the voting has been open since the start of the meeting. Shareholders may cast their votes on the voting item during the entire meeting.

The Chairman notes that approximately EUR 66.9 million of the issued share capital is represented at the meeting, which means that approximately 134 million votes may be cast. The level of attendance is approximately 76.8%.

2. Board of Management

2a. Appointment of Mr. G. Poux-Guillaume (voting item)

The Chairman notes that the Supervisory Board proposes to appoint Mr. Grégoire Poux-Guillaume, as member to the Board of Management as per November 1, 2022, until AkzoNobel's AGM in 2027. If appointed, Mr. Poux-Guillaume will be designated as CEO as per the same date.

The Chairman refers to a short resume as well as a summary of the main elements of Mr. Poux-Guillaume's contract as published on the company website. It is noted that the holder of the priority shares resolved not to make use of its binding nomination right.

The Chairman introduces Mr. Poux-Guillaume and provides a summary of his resume and background. Subsequently Mr. Poux-Guillaume briefly introduces himself to the EGM.

The Chairman hands over to Mr. Sluimers, Chairman of the Remuneration Committee. Mr. Sluimers explains the main elements of the management agreement for Mr. Poux-Guillaume and notes that the remuneration components for Mr. Poux-Guillaume are in line with AkzoNobel's remuneration policy for the Board of Management.

The Chairman asks Mrs. Schneider to read out the questions received regarding this agenda item.¹

3. Closing

The Chairman asks the meeting to check whether all votes were submitted and pauses for one minute before closing the vote.

The Chairman concludes that agenda item 2 (a), the appointment of Mr. Poux-Guillaume, has been adopted with a majority of more than 99 percent of the issued votes and closes the meeting.

¹ The questions and answers related are included in Annex I.

Annex I

AkzoNobel received several questions before and during the meeting. Below are the answers to the questions as discussed live during the Extraordinary General Meeting on Tuesday, September 6, 2022.

Agenda Item 2 Board of Management Appointment of Mr. G. Poux-Guillaume

Question European Investors-VEB

VEB asks whether the Supervisory Board considered a reappointment of Mr. Vanlancker for a new term of office.

Answer

Answered by Chairman of the EGM Nils Andersen

It was not considered to extend Mr. Vanlancker's term of office beyond the AGM in 2023. As the Supervisory Board selected a successor who was available earlier, it was agreed with Mr. Vanlancker that he would step down as per November 1, 2022.

Question European Investors-VEB

VEB notes that the proposed change in leadership marks an important moment for AkzoNobel. The VEB asks the Supervisory Board to discuss the search process, including the timing, profile used and whether both internal and external candidates were considered.

Answer

Answered by Chairman of the EGM Nils Andersen

The Supervisory Board started a diligent search process in September 2021. After meeting several reputable executive search firms, a firm was selected and various meetings were held to discuss and agree on the profile and the search process. The Supervisory Board looked for an experienced CEO with B2B knowledge who played a pivotal role in listed companies and with global experience. Together with external advisors, a wide range of diverse candidates, including internal candidates, was considered. Following extensive review, the long list of candidates was shortened, and several interviews by the Nomination Committee and the other members of the Supervisory Board were held. In accordance with the recommendation by the Nomination Committee, the Supervisory Board feels that Mr. Poux-Guillaume is the right candidate for the job. As noted in the earlier introduction, Mr. Poux-Guillaume has a strong track record of successfully managing profitable businesses in challenging environments.

Question European Investors-VEB

VEB asks to elaborate on Mr. Poux-Guillaume's priorities as newly appointed CEO.

Answer

Answered by Chairman of the EGM Nils Andersen

It is noted that shareholders are asked to approve Mr. Poux-Guillaume's nomination as member of the Board of Management and CEO. If approved, Mr. Poux-Guillaume will join AkzoNobel on October 1 to ensure a smooth transition as per November 1. Mr. Poux-Guillaume will engage with the financial market around the 2022 full-year results and will then comment on his views and priorities.

Question European Investors-VEB

VEB notes that recent CEO's of AkzoNobel were outsiders and that the same holds true for Mr. Poux-Guillaume. VEB asks what this signals about AkzoNobel's management development program.

Answer

Answered by Chairman of the EGM Nils Andersen

Internal candidates were considered, however it was concluded that at this time the right decision was for an external candidate to be selected. This is not a signal that there would be no ambition to develop the pool of internal candidates.

Question European Investors-VEB

VEB asks if the Supervisory Board considers the fact that no internal candidate was available to be a point of concern and whether this is a special point of attention for the Supervisory Board.

Answer

Answered by Chairman of the EGM Nils Andersen

Internal candidates were in fact available, however it was concluded that at this time the right decision was for an external candidate to be selected. AkzoNobel is conscious of the importance of developing the pool of internal candidates and will be further strengthening this area going forward.

Question European Investors-VEB

VEB asks what assignment the Supervisory Board did convey to Mr. Poux-Guillaume.

Answer

Answered by Chairman of the EGM Nils Andersen

AkzoNobel has over the last years developed into a competitive and well performing company and therefor no guidance for drastic changes has been given. Positive development is to be continued and the performance of AkzoNobel is to be further improved. A big operational agenda lies ahead in a difficult environment whilst recent acquisitions are to be integrated.

Question European Investors-VEB

VEB asks whether Mr. Vanlancker will be eligible for a severance/termination payment and how the Supervisory Board will handle the shares that are conditionally granted to Mr. Vanlancker.

Answer

Answered by Chairman of the Remuneration Committee Dick Sluimers

The contract with Mr. Vanlancker and the main elements as presented at the AGM 2021 shall be executed in accordance with the contract and Dutch law. The variable elements (STI and LTI) are largely dependent on the results of the company and targets being met and will therefore not be known before the end of the financial year 2022. This shall be reported in the Remuneration Report that will be presented to the shareholders at the AGM 2023.

Question European Investors-VEB

VEB notes that the base salary for Mr. Poux-Guillaume is up EUR 100,000 compared to Mr. Vanlancker and that this implies that potential STI and LTI will also end up higher. VEB asks whether the Supervisory Board performed a new peer study to arrive at this higher base salary.

Answer

Answered by Chairman of the Remuneration Committee Dick Sluimers

No new peer study was performed. The base salary has been compared with the usual benchmark used at AkzoNobel, with a 4% increase having been applied to the base salary of new CEO.

Question European Investors-VEB

VEB has two questions on the half-year 2022 performance:

- According to the latest figures AkzoNobel has by now completed EUR 300 million of the EUR 500 million share buyback program that started in March. Question is whether it is sensible to continue this buyback considering current market trends (inflation, pressure on EBITDA, working capital and FCF).
- Leverage ratio ended at 3.2 as per June 2022, well above AkzoNobel's target of 1-2 times net debt/EBITDA by 2023. Question is what gives AkzoNobel the comfort that this target is still realistic. The cash-out for the Orbis acquisition is an incidental item, but pressure on EBITDA and working capital is likely to persist given current market dynamics.

Answer

Answered by Chairman of the EGM Nils Andersen

If and when AkzoNobel decides to reconsider the share buyback program or to change its nature, AkzoNobel will come out with a statement.

Question European Investors-VEB

VEB notes that AkzoNobel targets a 'strong investment credit rating' and that recently, Fitch downgraded AkzoNobel to a BBB status. VEB asks for AkzoNobel's reaction to this downgrade and whether it recognizes Fitch' concerns.

Answer

Answered by Chairman of the EGM Nils Andersen

The company's target is to have a strong rating, but it has also been previously indicated that a lower credit rating could be acceptable for shorter periods in case of interesting acquisition opportunities. Certain investment decisions have been made in respect to acquisitions over the last period.

Annex II

Voting results of the Extraordinary General Meeting of Akzo Nobel N.V., held virtually on September 6, 2022

Voting No	Description	For	Against	Abstain	No vote	Total ⁱ
1	2a. Appointment of Mr. G. Poux-Guillaume	132,976,973	849,676	62,372	0	133,889,021
	Percentage	99,37%	0,63%			

As on August 9, 2022 (record date):

Total number of issued share capital: 177,686,142 common shares of which 3,316,832 were held in treasury and 48 priority shares.

The total number of voting rights: 174,369,310 voting rights on the common shares and 38,400 voting rights on the priority shares.

Percentage of voting rights registered: 76.77%

ⁱ Total votes that could be cast based on attendance.