Minutes of the proceedings of the Annual General Meeting of Shareholders of Royal DSM N.V., registered in Heerlen, held on Wednesday 8 May 2019 at 14:00 CEST at the company's headquarters, Het Overloon 1 in Heerlen, the Netherlands.

Chairman: R.J. Routs, chairman of the Supervisory Board.
Secretary: L.I. van den Broek, company secretary.

1. Opening

The chairman welcomes all those present. The chairman reports that the entire Supervisory Board and the entire Managing Board are present, as well as Ms. Erica Mann, whose appointment as a member of the Supervisory Board is on the agenda under agenda item 7.b. He also indicates that employees of the Corporate Control, Accounting, Legal, Investor Relations and Sustainability departments are present, as well as Ms. Wiese, Mr. Eykerman and Mr. Van Leen as members of the Executive Committee.

The chairman notes that the agenda with its explanatory notes and the other documents were made available to the shareholders on 26 March 2019, including by publication on the DSM website, that the registration date for the meeting was 10 April 2019, and that the meeting is authorized to adopt legally valid resolutions.

The chairman mentions that Mr. Weusten from KPMG, being DSM's external auditor, is present to answer any questions on the audit opinion regarding the financial statements for 2018. This is in line with the Dutch Corporate Governance Code. Mr. Weusten will provide an explanation under agenda item 4.

The chairman also reports that there was an option to give a proxy and voting instructions to civil-law notary J.J.C.A. Leemrijse for the meeting as an independent third party. She is also present to ensure that the meeting proceeds with due attention to legal and statutory regulations. After receiving the attendance data later on in the meeting, the chairman, at the request of the civil-law notary, reports that 3,058 shareholders are present or represented. They represent a total capital stock of 152,878,420 shares, being 69.24% of the voting capital. For the various resolutions, the civil-law notary has received proxies and voting instructions for a total of 152,653,286 shares or 99.85% of the capital present at the meeting.

The chairman also makes a number of announcements.

The chairman then asks for a moment's silence for Mr. José Armani Gomez de Freitas, who lost his life as a result of a tragic accident while working as a contractor for DSM in Pécem, Brazil.

After a brief moment of silence, the chairman moves on to agenda item 2.

2. Annual Report for 2018 by the Managing Board

The chairman congratulates Mr. Sijbesma, his team and all the staff at DSM on the results for 2018 and the first period in 2019. He also refers to the completion of the successful strategy period 2016-2018, which has created a strong foundation for further growth at DSM. He notes that DSM is recognized as one of the world's most sustainable companies, combining sound social and environmental decisions with business excellence. Innovation plays a crucial role in this, with projects such as Clean Cow, Veramaris, Stevia and Niaga. The chairman therefore thanks Mr. Van Leen, who is leaving DSM in the near future, for his work in relation to innovation, technology and science. He wishes his successor, Ms. Malarkey, every success in the future. The chairman then gives the floor to Mr. Sijbesma for an explanation of the annual report by the Managing Board.

Mr. Sijbesma welcomes those present. Before his presentation, he shows a video focusing on the development and transformation of DSM and its product portfolio. Mr. Sijbesma then gives a presentation about the state of affairs at DSM and, in particular, the results achieved in 2018. This presentation can be downloaded from the Annual General Meeting 2019 webpage.

Mr. Sijbesma starts his presentation with a statistical overview of DSM in 2018 (*Introduction - attractive portfolio*). He discusses these sections in more detail in the follow-up to his presentation. Of the sales, approximately 45% are generated in the emerging economies and 55% in the rest of the world. Approximately 20% of the sales originate from innovation; these are sales that are generated through products and solutions which have been introduced in the last five years. In the last five years, an average of approximately 5% of sales have been invested in research and development (R&D). He also indicates that DSM's strategy is in line with the UN Sustainable Development Goals (SDGs) and global trends. Worth mentioning in relation to sustainability is that DSM has entered into a credit agreement where the interest is linked to performance in terms of greenhouse gas emissions, that DSM uses *science-based* targets (SBTs) based on the goals from the Paris Agreement, that DSM greenhouse gas emissions have fallen by 8%, that DSM obtains 41% of the electricity it purchases from renewable sources, and that DSM is transparent about how climate affects business operations (the actions as part of the Task Force on Climate-related Financial Disclosures). In addition, 62% of sales are generated by products that have significantly less environmental impact or significantly benefit society compared with similar products from competitors; referred to as 'Brighter Living Solutions'.

Mr. Sijbesma also indicates that DSM developed from a coal mining company into a chemical company and has now developed into a science-based company which stands for 'Bright Science'. Two thirds of DSM's portfolio currently consists of Nutrition (food ingredients for people and animals) and one third of Materials (high-quality materials). He uses an overview to show that, as a result, DSM operates in a range of different end markets.

He moves on to discuss the strong global position of Nutrition. DSM's Nutrition products are produced for global distribution (global products). These products are frequently processed further at a local level and sold as customized pre-mixes (local solutions). DSM distinguishes itself from its competitors by offering both ingredients and semi-finished products (solutions).

Mr. Sijbesma then discusses the results of Materials. With products in Improved Health & Living, Green Products & Applications and New Mobility & Connectivity, Materials focuses on important trends in growth markets where DSM is able to add value.

Mr. Sijbesma continues with the second part of his presentation (*2018 - Highlights of another successful year*), starting with the financial results. He notes that sales were €9.276 million and, corrected for the temporary vitamin benefit caused by disruptions at a competitor's factory, €8.852 million. The gross earnings (Adj. EBITDA) were €1.822 million and, corrected for the vitamin effect: €1.532 million (Adj. EBITDA). The return on capital employed (ROCE) rose again, increasing to 16.8% and, corrected for the vitamin effect, 13.3%. The net debt also fell to €113 million.

Mr. Sijbesma discusses the results of Nutrition and Materials in turn. He states that sales for Nutrition and Materials have grown organically by 7% and 5% respectively, with both figures well above the rate of market growth. The gross earnings (*Adj. EBITDA*) also grew by 6% and 5% respectively. These figures are corrected for the vitamin effect.

Mr. Sijbesma then focuses on DSM staff. DSM has 23,000 highly motivated employees. This year, the employee engagement score has risen to 76% and a lot of progress has been made in relation to diversity, both in gender and nationality ratios. To give an example, 43% of members of the Executive Committee and - if this meeting approves the (re)appointments - half of members of the

Supervisory Board are female. Finally, he states that DSM is continuing to work on increasing safety, with safety measures being tightened up at the end of 2018 and start of 2019. This is the subject of ongoing attention.

Mr. Sijbesma finishes this part of his presentation by saying that DSM is proud of the awards it has won for its sustainability policy, as well as for the external recognition for this that is expressed in a range of sustainability indexes, including the Fortune's Change the World List.

In the third part of his presentation (*Strategy 2018 – successfully delivered*), Mr. Sijbesma addresses the strategy and goals for the completed strategy period 2016-2018 and the corresponding results. He shows that the gross earnings (Adj. EBITDA) in that period each year have grown by an average of 13%, and that the return on capital employed (ROCE) in the same period has almost doubled. In addition, sales for Nutrition and Materials have grown by an average of 5-7% per year, which is well above the rate of market growth. In the first quarter of 2019, this growth is still noticeable for Nutrition, but economic market conditions mean this is no longer the case for Materials. Finally, he indicates that the annual dividend has risen in line with the dividend policy since 2011 from €1.45 to €2.30 per share, and that the share price has also risen sharply in the last three years.

Mr. Sijbesma follows this with the fourth part of his presentation (*Strategy 2021 Growth & Value – Purpose led, Performance driven*) where he explains DSM's activities in more detail and emphasizes the importance of sustainable value creation. He indicates that sustainability and financial results are increasingly going hand-in-hand, and demonstrates this using a graph contrasting greenhouse gas emissions and the share price for DSM for 2007 up to 2019. This graph shows the greenhouse gas emissions have almost halved, while the share price has almost tripled.

He moves on to explain the strategy for the 2019-2021 period. The goal is to operate in three focus domains and the areas where the three intersect: Nutrition & Health, Climate & Energy and Resources & Circularity. The last two are also referred to as Sustainable Living. The strategy for 2019-2021 has to produce even more sustainability, even more employee engagement and thus ultimately more growth. For the 2019-2021 period, this strategy translates to two financial targets: an annual increase of the gross earnings (Adj. EBITDA) by a high single digit percentage and an annual average growth of the Adj. Net Operating Free Cash Flow of approximately 10%. Several ambitions have been formulated to underpin these two financial targets. Referring to the information in his presentation, he indicates that these ambitions relate to sales, the gross earnings margin (Adj. EBITDA margin), the working capital, the investment expenditure (capex), the return on capital employed (ROCE), and the net earnings per share (Adj. earnings per share).

Mr. Sijbesma then takes the opportunity to emphasize the importance of innovation programs and to talk about several larger projects. Veramaris (previously called Green Ocean) is a joint venture with Evonik that is working to produce fish oil from natural algae that can be used to feed farmed fish. He then talks about Clean Cow that is currently in the testing and registration phase. Using a particular ingredient in cattle feed can reduce methane production in cows by approximately 30%. Mr. Sijbesma then explains about Avansya; a joint venture with Cargill to produce natural sweeteners (stevia) through fermentation. Finally, he talks about the Niaga project, which is developing the technology to make a 100% recyclable carpet using up to 90% less energy.

Mr. Sijbesma rounds off his presentation with a look back at DSM's results in the first quarter of 2019 (*First quarter 2019 – A good start to the year*). DSM made a good start to 2019 with a growth in sales of 3% and a growth in earnings of 10% (see Mr. Sijbesma's presentation for details about these percentages in relation to 2018). Nutrition did particularly well, and Materials demonstrated its resilience and durability despite the difficult economic situation. Operational cash flow and gross earnings (Adj. EBITDA) have increased. Based on these figures and the positive expectations for the rest of the year, DSM has increased the outlook for 2019 as a whole. He concludes with a word of thanks to the shareholders for their support.

The chairman thanks Mr. Sijbesma for his presentation and gives the shareholders the opportunity to ask questions on agenda item 2.

Mr. Koster (Dutch Investors' Association) has three questions. Firstly, he asks whether the target for the gross earnings margin (Adj. EBITDA margin) for Nutrition as presented in the strategy update in 2018 is not too low, as this target has already nearly been achieved. If this is examined critically, which target ought to be set instead? Secondly, he states that an organic growth of 5% is expected for Materials. He asks whether the 5% organic growth is actually realistic, given that Materials depends on demand from end users such as the automotive industry. Thirdly, he asks if the strategy update looked at splitting Nutrition and Materials because there is little synergy between the two divisions and there is only enough budget for Materials to make replacement investments and there is no merger and takeover budget available. He therefore asks why DSM is not investing in Materials if this division is not split off and, if no investments are being made in Materials, whether this is not the right time to sell Materials in view of the current economic cycle.

Mr. Sijbesma believes that a gross earnings margin (Adj. EBITDA margin) (the percentage produced by dividing gross earnings by sales) of just over 20% is the right ambition to achieve the financial targets that have been set. Infinite growth of the gross earnings margin (Adj. EBITDA margin) is not a goal in itself.

Ms. Matchett clarifies that growth of the earnings margin (Adj. EBITDA) is one of the targets. The earlier slide shows the underlying ambitions to achieve the targets that have been set. Ultimately, innovation, growth and dividend are all based on sales. Improving the gross earnings margin (Adj. EBITDA margin) is relatively easy without this producing the right type of growth.

Mr. Sijbesma then states that the Managing Board has to be judged on the growth of the gross earnings (Adj. EBITDA) in absolute terms, because this is ultimately linked to the share price. He repeats that the underlying ambitions, such as an increased gross earnings margin (Adj. EBITDA margin) and a specific cost level, are the elements to achieve that primary goal. In relation to the second question, he responds that a target has been set for Materials of 5% organic growth, or organic growth well above market level. Mr. Sijbesma explains that this target was set in June 2018 when the market situation looked rather different. One consequence of that is also that Materials failed to achieve its target in the first quarter of 2019. At this moment, sales for Materials also fell by approximately 5%, although Materials is still performing better than the market. Mr. Sijbesma indicates that, despite changing market conditions, the targets that have been set for a longer period will not be amended and that these targets will be retained for the time being, with increasing absolute earnings being the primary objective.

Mr. De Vreeze adds that the existing markets for Materials have a specific level of growth, which now appears to have been affected for several quarters by stock reductions. DSM needs to look beyond this. The Managing Board also believes that Materials can grow faster than the market by focusing on new, faster-growing market segments. Examples of this are the paint market, where the market for water-based paint is growing faster than that for paint containing solvents, and the automotive market, where lightweight parts and replacing metal are important issues.

Mr. Sijbesma responds to Mr. Koster's final question by saying that, although the end markets for Nutrition and Materials are definitely different, that does not mean that there is no synergy between the two divisions. He refers to an overview presented earlier showing how the different technological competencies within DSM, in both Nutrition and Materials, enhance each other, and how these technologies complement each other. In addition, this gives DSM the scope and critical mass in several markets to spread costs, and training people in different areas of expertise supports cross-fertilization. As long as DSM can keep adding value to Materials, and as long as DSM can keep growing faster than the market, then DSM is a good business owner. He also notes that DSM is making solid investments in Materials, in research and development (R&D), in innovation programs, and in takeovers. DSM has already indicated that the majority of takeovers will be in Nutrition, because this is the largest business and is felt to have more opportunities for takeover. However, Mr. Sijbesma does not rule out takeovers for Materials. He concludes by stating that the Materials portfolio as a whole is moving ahead, and that the issues playing a part in that also overlap with the issues playing a part in Nutrition. Moving the Materials portfolio ahead brings it closer to Nutrition.

Mr. Vreeken (We Connect You, Public Affairs & Investor Relations) mentions that, despite Mr. Sijbesma's enormous efforts, one million plants and animals worldwide are in danger of disappearing. He asks whether there is anything more that DSM can do to prevent this. He briefly refers to the WakaWaka, to the use of heated seats, and to recirculating showers. Finally, he asks Mr. Sijbesma about the cross-fertilization effect of his position as a member of the Supervisory Board at Unilever as well as of the Managing Board at DSM.

Mr. Sijbesma recognizes the importance of biodiversity and thinks that Mr. Vreeken is right to highlight it. It is also a priority for DSM, and DSM is trying to address this on a wide global scale. Secondly, Mr. Sijbesma mentions he has found that heated seats actually work properly. He recalls that Mr. Vreeken is an advocate of alternative ways of people keeping warm rather than simply turning up the heating. He also indicates he is familiar with the concept of recirculating showers, but that this is not DSM's core business. Finally, he responds that he is also a member of the supervisory board at Unilever, and that Unilever is a relatively small customer of DSM. His involvement at Unilever makes him aware of DSM's end markets, which can provide useful background information.

Ms. Van Lamoen (Robeco, also on behalf of Achmea Investment Management, Menzis, NN Investment Partners and MN) starts by complimenting DSM on its performance last year and then asks three questions. Firstly, she comments that sustainability is a driving force for DSM. DSM defines five SDGs as being most relevant to the organization. Numerical targets are set for the three environment-related SDGs, but not for the other two. Ms. Van Lamoen asks how the impact is measured for SDG2 (*Zero Hunger)* and SDG3 (*Good Health and Wellbeing*) and which objectives are applied there. She also calls on DSM to provide more insight into these issues in the upcoming report. Secondly, Ms. Van Lamoen has confirmed that DSM's strong financial performances has created space on the balance sheet, which is why a share repurchase program of 2.6 million shares was started on 1 April 2019. She asks whether DSM can state the priorities for the balance sheet after the end of the share repurchase program, and what the priority relationship is between organic growth, M&A and further share repurchase programs. Thirdly, Ms. Van Lamoen asks if DSM can explain the ambition to reduce working capital. She understands that the objective is to reduce this by 50 basis points to 16%.

Mr. Sijbesma responds that DSM has set the objective of integrating corporate social responsibility into the mainstream business and does not view this as a separate activity. The mainstream business has been configured accordingly. DSM has chosen five key SDGs; the company is focusing on them and they will be put into numbers wherever possible. SDG2 (*Zero Hunger)* and SDG3 (*Good Health and Wellbeing)* do not have numerical objectives but results can be used to measure the impact. He illustrates this using the 32 million people who rely on the World Food Programme for food aid every year (fortified with DSM food ingredients), and using the 'Africa Improved Foods' project in Kigali, Rwanda, where DSM is a partner. The facility in this project processes local products for the local population to help people become self-sufficient. This project started with nine thousand farmers (this number has since risen to 25 thousand) and will benefit 1.5 million people in total. Overall, he concludes that, although there are no numerical objectives, there are figures that can be used to assess the policy's success.

Ms. Matchett explains that the objective in the previous strategic period was to bring the working capital/sales ratio below 20%. This objective was achieved with a ratio of 19%. The ambition for the future is to make further improvements in efficiency to reduce this figure even further to 16%. To put the share repurchase program in context, Ms. Matchett explains that DSM wants to remain ‘investment grade’. Taking into account DSM’s financial health, the growth that DSM believes it can generate, and the growth margins that have been achieved, DSM is able to generate financial returns and liquidity and, at the same time, to maintain flexibility for innovation projects and takeovers. Ms. Matchett discusses that DSM has enough room for maneuver to return some liquid assets to shareholders, which is why a share repurchase program was started in April for a total of €1 billion.

Mr. Stevense (Stichting Rechtsbescherming Beleggers) also has three questions. Firstly, he asks about the plans to split DSM into Nutrition and Materials. Secondly, he states that DSM has put a lot of effort into R&D in recent years. He wants to know whether that will continue in the future, or whether the focus will shift away from R&D and towards using the developed products to earn money. Finally, he asks what the objectives are in relation to the takeovers recently carried out by DSM.

Mr. Sijbesma responds that, as long as DSM can add value to the Materials business, and can grow faster than the underlying markets where Materials operates, that is a good thing. He also repeats that there is more synergy between Nutrition and Materials than is apparent based on the end markets; for example, in relation to climate, health, biomedical applications, green energy and biotechnology knowledge. He also states that the Materials portfolio has shifted steadily towards the high-value segment, and thus towards products that have greater synergy with Nutrition. DSM will also continue to optimize the Materials portfolio in the future.

Mr. Sijbesma then states that DSM must continue to invest in the future and there is no intention of scaling back R&D. Some innovation programs take too long, so continuing to invest is important. Once these products have been developed, they need to be launched on the market. He reports that DSM has several large innovation programs that have now developed to a stage where they can be launched on the market in the next few years, so they can make a commercial contribution to DSM’s results. These programs include Clean Cow, Veramaris, Stevia and Niaga.

Finally, Mr. Sijbesma explains that DSM develops new products and also obtains licenses on technology developed by third parties. This often involves technology that is not yet fully developed, which is then done by DSM. As DSM also occasionally gets involved on a small scale in startups, it operates a venture fund that takes stakes in smaller businesses, often related to technology. This is a focused approach in line with company strategy and does not replace R&D. He concludes by reporting that any such licenses and stakes must have a link to DSM’s mainstream activities.

Ms. Laskewitz (Dutch Association of Investors for Sustainable Development - VBDO) praises DSM for its results and then asks three questions about sustainability. Firstly, she emphasizes her appreciation that DSM has approved *science-based* targets, where DSM commits itself to reducing CO2 in line with the goals from the Paris Agreement. DSM is also leading the way with the ‘Task Force on Climate-related Financial Disclosures’ (TCFD). Ms. Laskewitz asks what the intentions are for the coming year. She also asks whether DSM will soon be able to commit to a living wage for all DSM staff and supply chain. Finally, Ms. Laskewitz asks whether, with regards to SDG12 (Sustainable Production and Consumption), DSM will also be 100% circular in the near future or by a specific date.

Ms. Matchett responds that DSM is working hard to be one of the first companies to publish figures in relation to TCFD within the next three years. Ms. Matchett indicates that it is difficult to give figures for TCFD in relation to the future, for example to determine what will happen if the temperature rises by 2%, and what this will mean for DSM and the markets in which it operates. Because collaboration is important, the World Business Council for Sustainable Development (WBCSD) has been tasked with helping certain sectors to embrace transparency, and DSM is active in one of those sectors. That is why DSM is working with several organizations to develop a strategy in this area. Ms. Matchett also indicates that she chairs the CFO Leadership Group for Sustainability that is involved in a collaboration to work towards the correct consequences. Reports on sustainability have now also become a requirement, which ensures greater discussion of the issue. However, there is still much work to be done to assess what the impact of climate change for companies will be.

Mr. Sijbesma also responds that it is DSM policy to pay a living wage at all locations worldwide, regardless of the country in question and the local customs that apply. He explains that many countries are not familiar with the concept of a minimum wage. DSM is currently working to analyze global data so it can ensure that DSM actually does pay a global living wage. The results of this analysis are expected to be available by the start of next year at the latest. Ms. Wiese (Chief HR Officer, DSM) confirms that this analysis is currently in progress, so that DSM's external auditor KPMG will be able to verify the 'living wage' in 2020 as part of its assessment of DSM's sustainability performance (referred to as the reasonable assurance that KPMG has given this year for the first time).

In relation to SDG12 (Sustainable Production and Consumption), Mr. Sijbesma explains that through design change almost all products can finally be developed and produced in a way that allows circular usage of raw materials. DSM is working with the WBCSD to achieve this and is already running several projects itself in this area, such as recyclable carpets and second-generation biofuels. Mr. Sijbesma concludes by stating that DSM will continue work towards ensuring that production is as sustainable as possible.

Mr. Spanjer has learned that DSM has lost a legal procedure in relation to patent number 808 and has been ordered to pay €546,597 in legal costs, and to send a letter of apology. Mr. Spanjer would like to know what role was played by the Supervisory Board and what damage this has done to DSM's reputation. Secondly, Mr. Spanjer quotes that the annual report states: *"This enabled us to invest in the future – for example via new nutrition facilities in Poland and India."* He notes that the food and consumer product authorities in Poland and India may not be as well-developed as in the Netherlands. He asks how DSM can guarantee that products from Poland and India are safe. Finally, he repeats from the annual report that DSM will continue to invest in future. Mr. Spanjer asks where DSM is planning to invest.

Mr. Sijbesma responds that DSM has had a dispute with Novozymes over patent number 808, and that DSM has eventually lost that process and was required to pay the lawyers' fees. In terms of the damage to reputation, he notes that this is difficult to express in figures. In order to emphasize the reputation in relation to patents, he explains that DSM is respected in terms of technology and patents and is frequently the second largest submitter of patents in the Netherlands that are subsequently granted. In Europe, DSM is in the top 20. With regard to the nutrition facilities in Poland and India, Mr. Sijbesma notes that DSM produces a lot of products for the local market in the first instance, and in accordance with the local regulations that apply. There are no significant risks involved in export because DSM applies the same high standards globally for all its facilities.

Mr. De Vreeze responds to the third question that an extra UD line will be added at Dyneema Heerlen and Greenville, USA.

Mr. Collignon asks the following questions. Firstly, he notes that he requested a hard copy of the annual report three weeks previously, but only received it the day before. He asks whether the annual report can be sent out earlier next time. Mr. Collignon then asks about the distribution of DSM's production facilities worldwide.

Mr. Sijbesma promises to try to send out hard copies of the annual report more quickly in future. He adds that the annual report has also been available on the DSM website since March. In addition, he responds that factories are spread around the world and DSM has more than 200 different sites. The overview of 'Sales by Origin' in the annual report shows the factory locations and an overview of the distribution of the factories is available on the website.

Mr. Koster refers to the order of priority for the cash allocation policy as given in the strategy update from 2018, where returning capital to shareholders is bottom of the list of priorities. He asks whether the Managing Board can envisage any opportunities to make larger acquisitions. He also notes that many analysts' profit targets are below the current price, and therefore asks whether DSM may be buying its share at a price that is too high. Mr. Koster also asks whether a super dividend has been considered, or whether DSM will still opt to purchase own shares. He also wishes to know what method is being used to estimate whether share repurchasing will create value. Finally, he asks what the reason is for the stock increase in Nutrition.

Ms. Matchett responds that DSM's order of priority puts the emphasis on autonomous growth, safeguarding the dividend policy, mergers and takeovers and, finally, repaying capital to shareholders. When the available options were analyzed at the end of 2018, the Managing Board felt it was possible to combine repaying capital to shareholders with the other three options. This is not a question of achieving just one of the options; all the options are open, which requires maintaining a good level of flexibility for both autonomous and non-autonomous growth. She also responds that DSM is careful when assessing potential takeover candidates. Any takeovers have to create value and DSM intends to take a very disciplined approach here. This means putting in a lot of effort and carrying out a lot of research to ensure that any takeovers will benefit both DSM and the shareholders. In terms of repurchasing shares, Ms. Matchett notes that this is based on the strength of the company, taking into account the return on capital employed (ROCE) and retaining the flexibility to be able to invest in innovation and autonomous growth. The Managing Board is convinced that repurchasing shares is the right approach, even in view of the current share price. It makes no judgments on an appropriate share price; that is something that it leaves to the shareholders.

In relation to the third question, Ms. Matchett responds that 2018 was an unusual year for Nutrition because of the temporary vitamin benefit. The resulting sales movements meant higher stock levels. She concludes by stating that the intention is to lower the ratio between working capital and sales.

Mr. Sijbesma adds that share repurchase programs are definitely not the most preferable option, which is why they are priority number four. At the same time, he indicates that the fact that DSM has achieved this fourth priority is a sign of strength and confidence.

The chairman notes that there are no further questions and continues with agenda item 3.

3.a. Implementation of the Remuneration Policy for the Managing Board in 2018
3.b. Amendment of the Remuneration Policy for the Managing Board
3.c. Amendment of the Remuneration of the Supervisory Board

The chairman gives the floor to Ms. Van der Meer Mohr, chair of the Supervisory Board's Remuneration Committee, for a brief explanation of the implementation of the remuneration policy for the Managing Board in 2018, and of the proposed changes to the remuneration policy for the Managing Board and the proposed changes to the remuneration policy and the remuneration of the Supervisory Board.

Ms. Van der Meer Mohr reports that the remuneration of the Managing Board in 2018 is carried out in accordance with the remuneration policy as approved by the Annual General Meeting in 2013.

She reports that the basic salary of the members of the Managing Board was adjusted by 2.4% for the chairman and 2.9% for the other two members in July 2018, in line with salary increases in the reference group in other companies and the salary increases for DSM executives in the Netherlands. The short-term incentive (STI) for 2018 has been established. With regard to the long-term incentive (LTI), 95% of the shares conditionally allocated in 2015 were also definitively allocated in 2018.

Each of the three members of the Managing Board have converted the maximum 50% of their gross STI for 2018 into shares that will be kept for a longer term. Ms. Van der Meer Mohr concludes that the Supervisory Board is satisfied that all the members of the Managing Board are substantially investing in DSM shares using their own funds and by converting part of the STI into shares that are then kept for a longer term. As a result of this, the long-term interests of the shareholders and the members of the Managing Board are brought in line. Ms. Van der Meer Mohr refers to the integrated annual report for more information.

Ms. Van der Meer Mohr continues that the Supervisory Board's Remuneration Committee has revised the remuneration policy with the aim of examining potential options to further simplify the remuneration policy and make it more transparent, in order to maintain and – where possible – to strengthen the link between the remuneration policy for the Managing Board and the interests of all DSM stakeholders, in the context of working towards creating value in the long term and of being able to attract and retain talent for management of the company.

The Supervisory Board is only proposing a number of minor changes to the policy under agenda item 3.b., as the current remuneration policy for the Managing Board already meets the aforementioned objectives. Ms. Van der Meer Mohr continues with a brief discussion of the current policy and the elements that remain the same. She then explains the proposed changes to the remuneration policy for the Managing Board. The first proposal is to simplify the system for determining the goals and the mutual weighting of STI and LTI components, so they can always be aligned with DSM's strategic objectives. Secondly, the aim is to maximize transparency when providing insight into how the goals are determined and achieved, taking sensitive business information into consideration. The third proposal is to bring the period for which shares have to be kept into line with the market practice to a total of five years. The fourth proposal is to increase the standard for share ownership for members of the Managing Board other than the CEO and, with regard to all members of the Managing Board, to bring the period in which ownership can be accrued into line with their appointment period. The final proposal is to agree a non-compete clause when a new member is appointed to the Managing Board. Ms. Van der Meer Mohr refers to the notes to the agenda for more information.

Ms. Van der Meer Mohr also indicates that, under agenda item 3.c., the proposal is to amend the remuneration of members of the Supervisory Board to reflect the increasing complexity and the internationalization of DSM and the associated increased length of the time commitment of the members of the Supervisory Board. Ms. Van der Meer Mohr also refers to the notes to the agenda for more information.

The chairman gives the shareholders the opportunity to ask questions about agenda items 3.a., 3.b. and 3.c.

Ms. Van Lamoen expresses her satisfaction about the retention of the principles of the existing policy, the intention to simplify it, and the proposed amendment to increase the standard for share ownership of the Managing Board. She indicates that the Supervisory Board is asking for the flexibility to be able to amend the benchmarks for the short-term bonus and for the long-term bonus, provided that this is in line with DSM's strategic objectives and long-term value creation. Ms. Van Lamoen asks whether the Supervisory Board will want to give a clear report on the chosen benchmarks, objectives and performance in the annual remuneration report. She also asks about the sustainability criteria for the long-term bonus. With regard to 'greenhouse gas efficiency improvement' and 'energy efficiency improvement', the score is significantly better than the previous year, resulting in a maximum payout. Ms. Van Lamoen asks whether this is a trend or whether this is referred to as a one-off outlier, and whether the Supervisory Board can explain how the objectives are determined for these benchmarks.

Ms. Van de Meer Mohr acknowledges the importance of transparent reporting about the chosen benchmarks, objectives and performance, and states that these will continue to be reported. With regard to the sustainability criteria for the long-term bonus, Ms. Van de Meer Mohr responds that she is satisfied with the achieved objectives, and that the fact that the objectives were achieved does not mean that they were not challenging. She emphasizes that setting the correct objectives remains a point requiring ongoing attention. The organization puts a lot of time and energy into setting the correct objectives in consultation with the business and sustainability experts.

Mr. Spanjer states that he has a problem with the proposed change to the remuneration of the members of the Supervisory Board. He does so by comparing the percentage increases in the remuneration of members of the Supervisory Board and the members of the Managing Board.

Ms. Van der Meer Mohr explains that the increase in the remuneration of the members of the Supervisory Board is not an annual increase, but a change to the remuneration that will take place once every three years. This remuneration has not been adjusted in the past years. With regard to the actual changes, Ms. Van der Meer Mohr clarifies that the remuneration of members of supervisory boards in comparable companies was examined, together with the international composition of the Supervisory Board. In order to continue to retain members of the Supervisory Board, it is important that DSM remunerate them at a level that is comparable with other companies. Ms. Van der Meer Mohr closes by announcing that the remuneration of members of the Supervisory Board has not yet reached the median of the reference group consisting of Dutch AEX funds, and that the increase is therefore relatively modest in comparison with the reference group.

With regard to the remuneration of the Managing Board, Mr. Sijbesma adds that the members of the Managing Board are satisfied with their remuneration and the proposed increase. He also notes that the Managing Board and DSM benefit from a strong Supervisory Board, and that he hopes that the Supervisory Board will be remunerated at a level that ensures that DSM retains a strong Supervisory Board.

Ms. Van Haastrecht notes that she does not see an increase in the amount of work as a reason to increase the remuneration of the Supervisory Board. She observes that society is changing and everyone is being assigned more workload and tasks.

Mr. Koster asks why there is a proposal to reduce the holding period for shares from eight to five years. He feels that this does not fit with DSM and the aspiration of sustainability and creating long-term value.

Ms. Wiese explains that the current method of calculating the five-year holding period is different to the method used by the rest of the market. The market applies a three-year vesting period plus a two-year holding period, which adds up to five years. DSM currently does not include the vesting period in the calculation and applies a five-year holding period after the end of a three-year vesting period. The proposal is to apply a total period of five years from this point on, just like other companies. This will also allow DSM to reinforce the link between results and the corresponding remuneration.

Mr. Sijbesma thanks Judith Wiese for her explanation and adds that he has not sold any shares since he became CEO of DSM, and currently has no intention of doing so.

The chairman notes that there are no further questions and suggests putting the motions to the vote. The secretary explains the voting procedure.

The chairman proceeds with the vote for agenda item 3.b., the amendment of the remuneration policy for the Managing Board. The secretary opens the voting for item 3.b.

The secretary notes that 97.48% has voted in favor of the motion and 2.52% against, and the motion is therefore adopted. The chairman observes that the remuneration policy for the Managing Board has been changed in accordance with the motion.

The chairman proceeds with the vote for agenda item 3.c., the amendment of the remuneration of the Supervisory Board. The secretary opens the voting for item 3.c.

The secretary notes that 98.45% has voted in favor of the motion and 1.55% against, and the motion is therefore adopted. The chairman observes that the remuneration policy and remuneration for the Supervisory Board has been changed in accordance with the motion.

The chairman explains that agenda items 4., 5. and 6. will be addressed as a cluster and that any questions will be answered afterwards.

4. Financial statements for 2018

The chairman reports that the financial statements for 2018 will be submitted to the Annual General Meetingf or adoption. The financial statements for 2018 were approved by the Supervisory Board on Thursday, March 7, 2019. The financial statements for 2018 were audited by the auditor, whose opinion is included on pages 230 through 234 of the integrated annual report.

Mr. Weusten provides an explanation of the auditing work and the opinion from KPMG. Mr. Weusten indicates that KPMG has audited the separate and consolidated financial statements of DSM and has performed work with regard to the sustainability report. He explains that the audit results in the audit opinion as a final product and that an unqualified opinion was issued. Mr. Weusten explains that this means that the financial statements provide a reliable picture, that they are in line with IFRS and Title 9 of Book 2 of the Dutch Civil Code, that the annual report and other information is compatible with the financial statements and does not contain any material errors. Mr. Weusten also notes that this is the first year that an opinion of 'reasonable assurance' was given with the sustainability information. This was previously 'limited assurance'.

Mr. Weusten explains that a number of elements are important in the context of audits performed by KPMG. First of all, KPMG prepares a risk analysis during the audit, aimed at the areas in the financial statements where the risk of errors is at its highest. These are mostly the items with large numbers that require assessments to be made by the management. An explanation of how the audit approaches the risk of fraud is a new addition to the opinion. This explains the risk analysis, the risks of fraud that have been identified, and the work that has been carried out on those risks. In addition, materiality is important when determining the nature, scale and depth of the auditing work. For DSM, the materiality threshold of the financial statements for 2018 was €40 million. KPMG reports errors exceeding €1.5 million to the Managing Board and the Supervisory Board.

From an efficiency viewpoint, KPMG chooses which activities it does centrally and locally. In particular, the auditor tries to handle goodwill, takeovers, divestments, tax, legal proceedings and exceptional items centrally as much as possible. The choice of the local DSM entities to be audited is based on the scope of and risk assessment for these entities. In 2018, this resulted in the audit covering 73% of sales and 80% of DSM's total assets, roughly the same as 2017. The remaining

27% of the sales and 20% of the assets consists of a large number of small entities; KPMG has performed statistical analyses in order to establish that there is no risk of material errors in these entities.

In a number of countries selected by KPMG, local KPMG auditors perform work for purposes of group auditing. In addition, there are mandatory statutory audits in most countries, which are partly performed by KPMG firms and partly by other firms. The foreign auditors who report for group purposes and work under strict instructions from KPMG in the Netherlands are assessed in terms of their independence and competencies, and they are contacted very frequently about their findings and their reports. Key foreign auditors and DSM organizations are visited by KPMG's central team. Last year, as was also stated in the declaration, those were entities in the United States, Switzerland, China, Brazil, and the shared service center in India. For complex subjects KPMG engages specialists, for example in the field of appraisals, computing, tax and pensions.

KPMG audits DSM throughout the year and periodically discusses its findings with Ms. Matchett and Mr. Sijbesma; it attended all the Audit Committee meetings and one meeting of the Supervisory Board. Mr. Weusten has also been in regular contact with the chairman of the Audit Committee, Mr. Ramsay. The key points in the audit opinion are included, given their financial importance, the complexity and the level of opinion forming on which they are based. Just like last year, the valuation of the goodwill has been a key point in the audit. The sale of DSM Sinochem Pharmaceuticals was included as a new key point this year, given the scope of the transaction and its financial importance in the financial statements. The valuation of the interest in POET-DSM and the sold interest in Patheon are no longer included as key points.

The chairman thanks Mr. Weusten for his explanation and states that there will be an opportunity to ask questions after agenda item 6.

5. a. Reserve policy and dividend policy
b. Adoption of the dividend on ordinary shares for 2018

The chairman indicates that this agenda item consists of two parts. Agenda item 5.a. states that the reserve policy and dividend policy has remained unchanged from last year. The reserve policy is closely related to the dividend policy. The dividend paid by DSM depends on the conditions in which the company finds itself, the financial performance of the company and other relevant factors. DSM's aim is to provide a stable and preferably rising dividend. With approval from the Supervisory Board, the Managing Board can propose to pay out the dividend either in cash or in the form of DSM ordinary shares, to be chosen by the shareholder.

Agenda item 5.b. explains the proposed dividend for 2018. The financial statements for 2018 show that for 2018 net earnings of € 1,077 million were achieved. Based on the Articles of Association, the Managing Board determines what part of the earnings is to be reserved, with approval from the Supervisory Board. For 2018, it has been decided that an amount of €665 million will be reserved. The remainder of the earnings will first be used to pay out the dividend on the cumulative preference shares A. This payment will be €8 million. The remaining part of the earnings will be at the disposal of the Annual General Meeting.

With approval from the Supervisory Board, the Managing Board proposes to the general meeting to pay an amount of € 2.30 per ordinary share as dividend for 2018. Taking into account the interim dividend of €0.77 per ordinary share paid in August 2018, the final dividend will be €1.53 per ordinary share.

The shareholder will choose whether that final dividend is paid in cash or in the form of DSM ordinary shares. This year again a maximum of 40% of the overall dividend will be paid in the form of shares, to avoid additional tax charges for DSM. Should shareholders jointly indicate that they would like to receive more than 40% of the overall dividend in shares, these shareholders will receive a dividend in shares pro rata and the rest in cash. The dividend will be made payable from Monday, June 3, 2019.

6. a. Release from liability of the members of the Managing Board
b. Release from liability of the members of the Supervisory Board

The chairman announces that agenda item 6. also consists of two parts, namely the release from liability of the members of the Managing Board and the release from liability of the members of the Supervisory Board. The Annual General Meeting may discuss these separately. The release from liability relates to all data apparent from the financial statements or announced to the Annual General Meeting by other means before the financial statements were adopted.

The chairman then gives the shareholders the opportunity to ask questions about agenda items 4., 5. and 6.

Mr. Spanjer asks whether the auditor consulted a patent expert when valuing the patents.

Mr. Weusten answers that a company's own patents normally are not valued, and that there was therefore no need to consult a patent expert. Valuation specialists were consulted for fixed assets that were valued; this depended on the type of assets. Mr. Weusten adds that the patents from takeovers were valued as intangible assets, but that is different for patents developed by DSM itself.

Mr. Sijbesma also adds that DSM has only assigned a minor value to patents on the balance sheet.

Ms. Van Lamoen notes that 73% of sales and 80% of assets fall outside the scope of the audit, and that these are relatively low percentages compared with other listed companies. She asks whether Mr. Weusten can explain whether sufficient security has been obtained about the reliability of the remaining 27% of sales and 20% of total assets.

Mr. Weusten explains that the scope that is used depends on the type of company. He reports that several large entities within the DSM group contribute to the first 73%. The remaining percentage contains smaller entities where, in principle, no material errors can occur. However, to ensure that the figures are still audited, KPMG audits the figures for those smaller entities at a central level. Questions are put to the management where necessary, or a local auditor is brought in. He gives an example from two years ago, where questions were asked about an item of indirect taxation for an entity that did not fall within the scope of the audit. He concludes by announcing that KPMG has sufficient insight into what is happening in the remaining entities. The responsibility for the audits and the opinion from KPMG relates to DSM as a whole, although a complete audit is only carried out on part of the company.

Mr. Koster asks what the management letter to the Supervisory Board means by '*to take the pillar internal control-framework to a higher level of maturity*'.

Mr. Weusten explains that DSM uses an audit framework that consists of various pillars, which are listed on page 110 of the annual report. The statement relates to the 'Internal Control Framework' pillar and is a recommendation to improve how the audits that are carried out are recorded, so that they can subsequently be verified by the management and the auditor. Mr. Weusten indicates that this does not relate to the type of audits, as those were carried out perfectly.

Mr. Koster also refers to the 'What still went wrong' section of the annual report, which leads him to believe that CEO fraud took place in the DSM Innovation Center. Mr. Koster wishes to know how much was involved, and whether there is sufficient awareness of this problem within the organization.

Mr. Sijbesma responds to this that awareness is high, and that regular tests are carried out to draw employees' attention to the characteristics of this type of fraud. Although DSM was not at all happy about what happened, the incident at the DSM Innovation Center did not involve a large amount.

Mr. Stevense notes that DSM has a significant number of shareholdings, and that the interests in these shareholdings are sometimes increased to majority shareholdings and sometimes reduced to minority shareholdings. He wishes to know whether DSM does this to reduce the goodwill on the balance sheet.

Ms. Matchett responds that this is never anything to do with goodwill. The reason for reducing or expanding an interest in a shareholding varies on a case-by-case basis. For example, DSM has a significant number of smaller investments closely linked to innovation because this is a good way to gain access to new developments in science or innovations.

Mr. Stevense asks whether Mr. Weusten can explain the report relating to IFRS 16 and why the auditor's opinion does not refer to this.

Mr. Weusten responds that IFRS 16 relates to the display of lease and rent on the balance sheet, and that DSM will adopt the new IFRS 16 standard with effect from 1 January 2019. DSM has analyzed the impact of introducing IFRS 16 and KPMG has audited this analysis. It is to be expected that assets will increase by approximately € 200 million. Mr. Weusten has not included this in the opinion because of the limited nature of the level of subjectivity and opinion forming on which they are based.

The chairman notes that there are no further questions and suggests putting the motions to the vote.

Voting for agenda items 4., 5.b., 6.a. and 6.b.

The chairman proceeds with the vote for agenda item 4., the adoption of the financial statements for 2018. The secretary opens the voting for agenda item 4.

The secretary notes that 99.49% has voted in favor of the motion and 0.51% against, and the motion is therefore adopted. The chairman observes that the Annual General Meeting has unanimously adopted the financial statements for 2018.

The chairman proceeds with the vote for agenda item 5.b., the adoption of the dividend on ordinary shares for 2018, in accordance with the Managing Board's motion. The secretary opens the voting for agenda item 5.b.

The secretary notes that 99.60% has voted in favor of the motion and 0.40% against, and the motion is therefore adopted. The chairman observes that the dividend on ordinary shares for 2018 has been set in accordance with the motion.

This is followed by the vote on item 6.a., the release from liability of the members of the Managing Board. The secretary opens the voting for agenda item 6.a.

The secretary notes that 98.78% has voted in favor of the motion and 1.22% against, and the motion is therefore adopted. The chairman observes that the members of the Managing Board have been released from liability.

This is followed by the vote on item 6.b., the release from liability of the members of the Supervisory Board. The secretary opens the voting for agenda item 6.b.

The secretary notes that 98.78% has voted in favor of the motion and 1.22% against, and the motion is therefore adopted. The chairman observes that the members of the Supervisory Board have been released from liability.

7.a. Reappointment of Pauline van der Meer Mohr as a member of the Supervisory Board
7.b. Appointment of Erica Mann as a member of the Supervisory Board

The chairman announces that agenda item 7. consists of two parts. The chairman announces that, under agenda item 7.a., the Supervisory Board suggests reappointing Ms. Pauline van der Meer Mohr as a member of the Supervisory Board. The Supervisory Board nominates her on the basis of her broad human resources management, corporate governance and international business experience, as well as her extensive experience and qualities as a Supervisory Board member as demonstrated during her past period as a member of the Supervisory Board and as its deputy chair. With the nomination of Ms. Van der Meer Mohr, the Supervisory Board specifically maintains its profile in the fields of general management, people & organization as well as corporate governance, compliance and legal affairs. Ms. Van der Meer Mohr is an independent member of the Supervisory Board within the meaning of the Dutch Corporate Governance Code and the Supervisory Board Regulations. The reappointment will be for a period of two years, ending at the closure of the 2021 annual meeting, in accordance with the Dutch Corporate Governance Code.

The chairman then states that, under agenda item 7.b, the Supervisory Board suggests appointing Ms. Erica Mann as a member of the Supervisory Board. The Supervisory Board nominates her on the basis of her long experience in (infant) nutrition, CPG/FMCG and pharma in science-based businesses, as well as her international experience, including her experience with emerging markets. With the nomination of Ms. Mann, the Supervisory Board specifically strengthens its profile in the fields of general management, strategy, marketing/sales, emerging economies and DSM's Nutrition business. Ms. Mann is an independent member of the Supervisory Board within the meaning of the Dutch Corporate Governance Code and the Supervisory Board Regulations. The appointment will be for a period of four years, ending at the closure of the 2023 annual meeting.

The chairman gives the floor to Ms. Mann so she can introduce herself to the meeting.

Ms. Mann thanks the chairman for the opportunity to introduce herself, and also for the nomination as a member of the Supervisory Board. Ms. Mann explains that she is attracted to DSM because of the emphasis that it places on people, innovation and sustainability, and that DSM's motivation to improve people's quality of life aligns with her personal motivation. She has 30 years of experience in a range of industrial sectors, including the pharmaceutical industry, infant nutrition and generic medicines. She has held management positions in companies around the world and has experience in emerging economies including Africa, Russia and Brazil. She has also helped to develop companies in order to enable them to succeed in gaining a share of the market. Finally, Ms. Mann indicates that she is interested in the digital era and how that affects consumers and how they interact with companies.

The chairman thanks Ms. Mann and gives the meeting the opportunity to ask questions about agenda item 7.

Mr. Koster has noted that Ms. Van der Meer Mohr holds several senior positions with other organizations. He asks Ms. Van der Meer Mohr whether she has enough time to fulfill her duties as a member of the Supervisory Board.

Ms. Van der Meer Mohr answers that she has enough time for this.

Mr. Stevense asks why Ms. Van der Meer Mohr wants to be reappointed, and how her reappointment for a period of two years fits with the rotation schedule for resignation. Four of the eight members of the Supervisory Board are due to resign next year, with another three the following year.

Mr. Routs responds that this is why Ms. Mann is being proposed as a new member of the Supervisory Board. Furthermore, the Nomination Committee of the Supervisory Board is also aware of this issue. Finally, he notes that the fact that a member of the Supervisory Board resigns initially does not preclude them from being available for reappointment.

Ms. Van der Meer Mohr also adds that her reappointment period of two years relates to the Dutch Corporate Governance Code, which states that, once a member of the Supervisory Board has been in office for eight years, they can only be reappointed for a maximum of two further two-year periods. Finally, Ms. Van der Meer Mohr responds to the question about her motivation by saying that she thinks DSM is the best company in the Netherlands, if not the world.

The chairman notes that there are no further questions and suggests putting the motions to the vote.

Voting for agenda items 7.a. and 7.b.

The chairman proceeds with the vote for agenda item 7.a., the reappointment of Ms. Van der Meer Mohr as a member of the Supervisory Board. The secretary opens the voting for item 7.a.

The secretary notes that 99.90% has voted in favor of the motion and 0.10% against, and the motion is therefore adopted. The chairman notes that Ms. Van der Meer Mohr has been reappointed as a member of the Supervisory Board and congratulates her on her reappointment.

The chairman proceeds with the vote for agenda item 7.b., the appointment of Ms. Mann as a member of the Supervisory Board. The secretary opens the voting for item 7.b.

The secretary notes that 99.90% has voted in favor of the motion and 0.10% against, and the motion is therefore adopted. The chairman notes that Ms. Mann has been appointed as a member of the Supervisory Board and also congratulates her on her appointment.

8. Reappointment of the External Auditor

The chairman indicates that, during the 2014 Annual General Meeting, KPMG Accountants N.V. was appointed as auditor for an initial period of three years, namely for 2015, 2016 and 2017. During the 2017 and 2018 Annual General Meetings, KPMG Accountants N.V. was reappointed for 2018 and 2019 respectively. The Audit Committee evaluated the external auditor this year in accordance with the DSM policy and in line with the Dutch Corporate Governance Code. This evaluation was positive and indicated that KPMG applies a robust auditing process.

Based on the recommendation from the Supervisory Board’s Audit Committee and the Managing Board, the Supervisory Board proposes reappointing KPMG Accountants N.V. as auditor and commissioning them to perform the audit for 2020.

The chairman gives the meeting the opportunity to ask questions.

Ms. Van Lamoen asks whether the Supervisory Board can explain the most important evaluation criteria and the findings of the evaluation process.

Mr. Ramsay (chairman of the Audit Committee) explains that the evaluation is carried out in two phases. Every three years, an in-depth evaluation is carried out involving an extensive group of DSM employees who are involved in the audit. In the other years, an evaluation is carried out at management level. The most important criteria are efficiency, effectiveness, the level to which the auditor understands the issues at DSM, the level to which the auditor is able to evaluate the internal audit mechanisms and checks and balances, and the extent to which the auditor maintains contact with the DSM employees to identify improvements that are required. KPMG has demonstrated that it carries out an effective audit, which is why it has received this positive evaluation.

The chairman notes that there are no further questions and suggests putting the motion to the vote.

Voting for agenda item 8.

The chairman proceeds with the vote for agenda item 8., the reappointment of the External Auditor. The secretary opens the voting for item 8.

The secretary notes that 99.76% has voted in favor of the motion and 0.24% against, and the motion is therefore adopted. The chairman concludes that the meeting has agreed to the reappointment of the external auditor.

9.a. Authorization of the Managing Board to issue up to 10% ordinary shares and to exclude pre-emptive rights

The chairman indicates that agenda items 9.a., 9.b., 10. and 11. are of a more technical nature and will be addressed as a cluster. Any questions will then be answered.

The proposal is to authorize the Managing Board to (i) issue ordinary shares, including granting rights to accept shares, as set out in article 10 of the Articles of Association, on the understanding that this authority of the Managing Board is limited to a nominal amount of shares equal to 10% of the issued capital at the time of issuance, and (ii) in relation to this, to limit or exclude the pre-emptive right when issuing ordinary shares or the granting of rights to accept ordinary shares, as set out in article 11 of the Articles of Association, to a time 18 months from the date of this annual meeting (i.e. until 8 November 2020).

9.b. Authorization of the Managing Board to issue an additional 10% ordinary shares in connection with a rights issue

The proposal is to authorize the Managing Board to (i) issue ordinary shares, as set out in article 10 of the Articles of Association, in connection with a rights issue, on the understanding that this authority of the Managing Board is limited to a nominal amount of shares equal to 10% of the issued capital at the time of issuance, and (ii) in relation to this, to limit or exclude the legal pre-emptive right of existing shareholders when issuing ordinary shares, as set out in article 11 of the Articles of Association, provided that the Managing Board deems any such limitation or exclusion or other regulation to be necessary or expedient in connection with a rights issue, but where existing shareholders who are eligible for this are assigned contractual pre-emptive rights to new shares in proportion to the shares that they hold, this in accordance with the existing practice for rights issues, to a time 18 months from the date of this annual meeting (i.e. until 8 November 2020).

10. Authorization of the Managing Board to have the company repurchase shares

The proposal is made to the Annual General Meeting to grant authorization to the Managing Board to have the company repurchase shares as referred to in Article 13 of the Articles of Association through purchase on a stock exchange or by other means for a period of 18 months, to be calculated from the date of this Annual General Meeting (i.e. until Sunday, November 8, 2020), up to a maximum of 10% of the issued capital as indicated in the financial statements for 2018, subject to the condition that the company shall not hold more shares than a maximum of 10% of the issued capital. The ordinary shares can be purchased at a price that lies between the nominal value and the opening price on the Euronext Amsterdam stock exchange on the purchase date, plus 10% and the cumulative preference shares A can be purchased at a price that lies between the nominal value and the calculation basis referred to in article 32(3) of the Articles of Association, plus 10%. The price range enables the company to purchase shares in a satisfactory manner even in very changeable market conditions.

The authorization granted to the Managing Board to have the company repurchase shares may be withdrawn by the Annual General Meeting.

The proposed authorization will replace the authorization granted on Wednesday, May 9, 2018.

11. Reduction of the issued capital by canceling shares

Taking into account the provisions of Article 14 of the Articles of Association and with the approval of the Supervisory Board, the Managing Board suggests that the Annual General Meeting resolve to reduce the issued capital by canceling its own shares up to a maximum of the number that has been or that will be purchased by the company. This enables the company to further optimize its capital structure.

The number of shares to be canceled on the basis of this resolution will be determined, in one or more installments, by the Managing Board and is limited to a maximum of 10% of the issued capital as indicated in the financial statements for 2018. The amount of the capital reduction will be determined in each case from the resolution to this effect by the Managing Board, which is filed with the Trade Register.

The capital reduction will take place taking into account the applicable laws and regulations and the Articles of Association.

The chairman gives the meeting the opportunity to ask questions about agenda items 9.a., 9.b., 10. and 11.

Mr. Spanjer asks whether the management, in relation to the proposed agenda item 9.b. to authorize the Managing Board to issue an additional 10% ordinary shares in connection with a rights issue, is also authorized to exclude pre-emptive rights.

Mr. Sijbesma responds that, under the proposed agenda item 9.b., the Managing Board is indeed authorized to exclude the legal pre-emptive rights in any such issue. At the same time, the existing shareholders who are eligible for this will receive contractual pre-emptive rights to new shares in proportion to the shares that they hold.

The chairman notes that there are no further questions and suggests putting the motions to the vote.

Voting for agenda items 9.a., 9.b., 10. and 11.

The chairman proceeds with the vote for agenda item 9.a., the authorization of the Managing Board to issue up to 10% ordinary shares and to exclude pre-emptive rights. The secretary opens the voting for agenda item 9.a.

The secretary notes that 86.32% has voted in favor of the motion and 13.68% against, and the motion is therefore adopted. The chairman concludes that the meeting has granted the Managing Board authorization to issue up to 10% ordinary shares and to exclude pre-emptive rights in accordance with the motion.

The chairman proceeds with the vote for agenda item 9.b., the authorization of the Managing Board to issue an additional 10% ordinary shares in connection with a rights issue. The secretary opens the voting for agenda item 9.b.

The secretary notes that 86.84% has voted in favor of the motion and 13.16% against, and the motion is therefore adopted. The chairman concludes that the meeting has granted the Managing Board authorization to issue an additional 10% ordinary shares in connection with a rights issue in accordance with the motion.

The chairman proceeds with the vote for agenda item 10., the authorization of the Managing Board to have the company repurchase shares. The secretary opens the voting for agenda item 10.

The secretary notes that 99.02% has voted in favor of the motion and 0.98% against, and the motion is therefore adopted. The chairman concludes that the meeting has granted the Managing Board authorization for acquiring the company's own shares in accordance with the motion.

The chairman proceeds with the vote for item 11., the reduction of the issued capital by canceling shares. The secretary opens the voting for agenda item 11.

The secretary notes that 99.16% has voted in favor of the motion and 0.84% against, and the motion is therefore adopted. The chairman notes that the meeting has decided to reduce the capital in accordance with the Managing Board's motion.

12. Any other business

The chairman gives the shareholders the opportunity to ask any other questions.

Mr. Koster asks Mr. Sijbesma about his intentions to remain CEO of DSM. He also asks the Supervisory Board what action it is taking to find a successor to Mr. Sijbesma.

Mr. Routs responds that finding a successor to Mr. Sijbesma is one of the Supervisory Board's most important duties. This issue is a permanent agenda item for the Supervisory Board's Nomination Committee. Mr. Sijbesma adds that he still gets a great deal of pleasure from his role as CEO of DSM.

Mr. Spanjer repeats his earlier question about whether the remuneration of the Supervisory Board should be put on the agenda every year to avoid a situation where, after several years have passed, a significant increase in the remuneration of the Supervisory Board appears on the agenda.

Mr. Routs responds that this not standard practice and that he does not intend to put the remuneration of the Supervisory Board on the agenda every year.

Following on from the statement about a successor to Mr. Sijbesma and the ongoing aging of the working population, Mr. Stevense asks for ongoing attention to be paid to older employees.

Mr. Sijbesma answers that sustainable employability of staff is one of HR's priorities, and DSM is therefore arranging regular checks with respect to the mental and physical health of its employees.

Mr. Duijvestein asks whether DSM intends to schedule the annual meeting for earlier in the year. He indicates that it is important that DSM's employees are focusing on the current financial year rather than the previous one, and that rapid completion of the financial accounts and an early annual meeting benefit everyone.

Mr. Sijbesma responds that scheduling the Annual General Meeting of shareholders has to take the applicable statutory timeframe into consideration and, in addition, that the financial statements and the corresponding documentation must be complete when the annual meeting is convened. Although this is not one of his top priorities, Mr. Sijbesma understands the argument that has been raised.

Ms. Van Haastrecht extends her thanks to everyone at DSM for their efforts and the results achieved in 2018, before asking several questions. Firstly, Ms. Van Haastrecht asks which salt replacements DSM is currently developing. Secondly, she asks what action DSM is taking to develop meat replacement products, and what research DSM has carried out into the disruption of biodiversity and the food chain in the Veramaris project. In conclusion, she asks what DSM is doing about digitalization.

Mr. Sijbesma answers the first question by saying that DSM already produces several salt replacement products that reduce the salt content in food, so that consumers can still enjoy the same salty taste, and that DSM is continuing to work on developing replacements for salt. Secondly, Mr. Sijbesma explains that DSM is also already working to develop meat replacement products, including those based on plant proteins, and that further announcements about them may be possible in the future. Thirdly, he repeats that biodiversity is a priority for the company. The Veramaris project uses fermentation to cultivate algae; a technique that definitely does not disrupt biodiversity or the food chain. Finally, he confirms that DSM is increasing its focus on digitalization.

Mr. Boom asks whether DSM is considering a share split due to the considerable increase in the stock price. Mr. Sijbesma replies that DSM regularly considers whether a share split is required.

13. Closure

If there are no further questions, the chairman will proceed with the closure of the meeting at 5:31 PM. He concludes with a number of administrative announcements, including the announcement that the 2020 Annual General Meeting will be held on Friday May 8.