

KONINKLIJKE DSM N.V.  
CHARTER  
REMUNERATION COMMITTEE

Adopted by the Supervisory Board on June 12, 2008

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**0. INTRODUCTION**

0.1 This Charter has been drawn up by the Supervisory Board pursuant to clause 5 of the Regulations of the Supervisory Board.

0.2 The Remuneration Committee is a standing committee of the Supervisory Board.

0.3 Certain capitalised or uncapitalised terms used but not defined in this Charter have the meanings given to them in the Regulations of the Supervisory Board and the List of Definitions attached to these Regulations as Annex 1.

**1. COMPOSITION**

1.1 The Remuneration Committee shall consist of 3 members. All members of the Remuneration Committee must also be members of the Supervisory Board. All members of the Remuneration Committee shall be independent within the meaning of clause 1.4 of the Regulations of the Supervisory Board, with the exception of no more than one member. <sup>1</sup> No more than one member of the Remuneration Committee shall be a member of the Managing Board of another Dutch listed company. <sup>2</sup>

1.2 The Chairman of the Supervisory Board is a member in his capacity as such, and Chairman of the Remuneration Committee. The other members of the Remuneration Committee shall be appointed and may be replaced at any time by the Supervisory Board.

1.3 The term of office of a member of the Remuneration Committee will generally not be set beforehand. It will, inter alia, depend on the composition of the Supervisory Board as a whole and that of other committees from time to time.

1.4 The Director Corporate Human Resources shall act as Secretary to the Remuneration Committee. He may delegate his duties, or parts thereof, under this Charter, to a deputy appointed by him in consultation with the Chairman of the Remuneration Committee.

**2. DUTIES AND POWERS**

2.1 The Remuneration Committee has the following duties:

- (a) to draft proposals to the Supervisory Board for the remuneration policy to be pursued for members of the Managing Board, which policy, as well as any material changes thereto, shall be submitted to the General Meeting of Shareholders for adoption; <sup>3</sup>
- (b) to draft proposals for the remuneration of the individual members of the Managing Board; such proposals shall, in any event, deal with: <sup>4</sup>
  - (i) the remuneration structure; and

<sup>1</sup> Dutch Corporate Governance Code, best practice provision III.5.1.

<sup>2</sup> Dutch Corporate Governance Code, best practice provision III.5.12.

<sup>3</sup> Dutch Corporate Governance Code, Principle II.2 (4th section) and best practice provision III.5.10, paragraph a; see also Section 2:135 BW.

<sup>4</sup> Dutch Corporate Governance Code, best practice provision III.5.10, paragraph b.

- (ii) the amount of the fixed remuneration, shares and/or options to be granted and/or other variable remuneration components, pension rights, redundancy pay and other forms of compensation awarded, as well as the performance criteria and their application, and, if there are reasons therefore, to make proposals for changes or additions to the remuneration of individual members of the Managing Board, which remuneration and possible changes and/or additions shall be submitted for adoption to the Supervisory Board (without prejudice to the power of the Supervisory Board to delegate the final adoption to the Remuneration Committee, within the framework set by the Supervisory Board);
  - (c) to prepare the Remuneration Report referred to in clause 12.1 of the Regulations of the Supervisory Board;<sup>5</sup> and
  - (d) to make proposals to the Supervisory Board for the remuneration of the individual members of the Supervisory Board, which remuneration will be submitted to the General Meeting of Shareholders for adoption.
- 2.2 The Remuneration Committee may only exercise such powers as are explicitly attributed or delegated to it by the Supervisory Board and may never exercise powers beyond those exercisable by the Supervisory Board as a whole.
- 3. MEETINGS**
- 3.1 The Remuneration Committee shall meet as often as required for a proper functioning of the Remuneration Committee. The Remuneration Committee shall meet if this is deemed necessary by the Chairman of the Remuneration Committee, or by two other members of the Remuneration Committee.
- 3.2 Meetings of the Remuneration Committee are in principle called by the Secretary of the Remuneration Committee in consultation with the Chairman of the Remuneration Committee. Save in urgent cases, to be determined by the Chairman of the Remuneration Committee, the agenda for the meeting shall be sent at least five working days before the meeting to all members of the Remuneration Committee. To the extent possible, written explanations and/or other related documents will be enclosed for each item on the agenda.
- 3.3 The Remuneration Committee shall decide if and when the Chairman of the Managing Board should attend its meetings. The Chairman of the Managing Board shall not attend meetings of the Remuneration Committee where his own remuneration is discussed. In addition, independent experts may be invited to attend meetings of the Remuneration Committee. Each member of the Supervisory Board may attend meetings of the Remuneration Committee.
- 3.4 The Secretary of the Remuneration Committee or any other person designated for such purpose by the chairman of the meeting shall draw up minutes of the meeting of the Remuneration Committee.
- 3.5 The Remuneration Committee shall exercise utmost discretion when making written records of its deliberations and recommendations.

<sup>5</sup> Dutch Corporate Governance Code, best practice provision III.5.10, paragraph c.

**4. REPORTING TO THE SUPERVISORY BOARD**

- 4.1 The Remuneration Committee must inform the Supervisory Board in a clear and timely manner about the way it has used delegated powers and of major developments in the area of its responsibilities.
- 4.2 The Supervisory Board shall receive from the Remuneration Committee a report of its deliberations and findings.<sup>6</sup> The reports of the meetings of the Remuneration shall be circulated as soon as possible after the meeting among all members of the Supervisory Board.
- 4.3 If requested, the Chairman of the Remuneration Committee shall at meetings of the Supervisory Board provide the Supervisory Board with further information on the outcome of the discussions of the Remuneration Committee.
- 4.4 Every Supervisory Board member shall have unrestricted access to all records of the Remuneration Committee.

**5. MISCELLANEOUS**

- 5.1 The Chairman of the Remuneration Committee (or one of the other Remuneration Committee members) shall be available to answer questions regarding the Remuneration Committee's activities at the annual General Meeting of Shareholders.
- 5.2 The Supervisory Board may occasionally decide not to comply with this Charter, subject to applicable law and regulations.
- 5.3 The Remuneration Committee shall review and reassess the adequacy of this Charter annually, report its assessment to the Supervisory Board and recommend, where appropriate, any proposed changes to the Supervisory Board.
- 5.4 The Supervisory Board can at all times amend this Charter and/or revoke any powers granted by it to the Remuneration Committee.
- 5.5 Clauses 24.4 to 24.7 inclusive of the Regulations of the Supervisory Board apply by analogy to the Remuneration Committee, while for the application of this Charter the power of the Supervisory Board or the Chairman of the Supervisory Board referred to in these Clauses is considered a power of the Supervisory Board or the Chairman of the Supervisory Board.
- 5.6 The annual report of the Supervisory Board as referred to in clause 9.2 of the Regulations of the Supervisory Board shall state the composition of the Remuneration Committee, the number of meetings held by the Remuneration Committee and the main issues dealt with at these meetings.<sup>7</sup>
- 5.7 This Charter and the composition of the Remuneration Committee are posted on the Company's website.<sup>8</sup>

<sup>6</sup> Dutch Corporate Governance Code, best practice provision III.5.3.

<sup>7</sup> Dutch Corporate Governance Code, best practice provision III.5.2.

<sup>8</sup> Dutch Corporate Governance Code, best practice provision III.5.1.