

PERSONNEL OPTION RIGHTS

MANAGEMENT SHARE OPTIONS

Senior managers at DSM are granted management share options or stock appreciation rights (SARs). The regulations governing the granting of these options are the same as those that apply to the Managing Board for the option series up to and including 2004 (see page 45).

According to the share option granting procedure, the Supervisory Board makes a decision in December as to whether or not any options will be granted. The Dutch Authority on Financial Markets (AFM) is informed in good time about the proposed granting of management options.

The exercise of options is regulated. The members of the Managing Board and a number of senior officers may exercise their options only in the two weeks following the publication of quarterly and annual reports and in the two weeks following the Annual General Meeting, and of course only if they do not have insider knowledge at the time of exercise. In addition, members of this group must obtain the approval of an officer ranking one level higher in the organization. Senior officers who are not part of this group may exercise their option rights without restrictions outside the usual embargo periods, provided they do not have insider knowledge at the time of exercise. For certain individuals or groups the Compliance Officer can define special embargo periods during which they are not allowed to trade in DSM securities.



Optical fibres and cables

OVERVIEW OF MANAGEMENT OPTION RIGHTS

	outstanding on 31 Dec. 2003	in 2004				outstanding on 31 Dec. 2004	exercise price (in €)	exercise period
		granted	converted (a/b)	exercised	expired			
Options:								
– unconditional								
1999	275,500			-78,750		196,750	26.01	until 14.01.2007
2000	411,000			-28,500		382,500	36.48	until 31.03.2008
2001	132,500		946,875	-59,750		1,019,625	39.98	until 30.03.2009
2002	103,650		135,900	0		239,550	47.01	until 04.04.2010
2003	25,500		50,500	-6,000		70,000	36.39	until 04.04.2011
(c) 2003	0		8,475	-2,825		5,650	39.54	until 03.11.2011
2004	0		5,250	-2,250		3,000	35.79	until 02.04.2012
– conditional								
2001	999,375		-961,125		-38,250	0	39.98	from 30.03.2004 until 30.03.2009
2002	1,098,750		-135,900		-61,875	900,975	47.01	from 04.04.2005 until 04.04.2010
2003	1,170,563		-50,500		-71,000	1,049,063	36.39	from 04.04.2006 until 04.04.2011
(c) 2003	114,225		-8,475		-9,725	96,025	39.54	from 03.11.2006 until 03.11.2011
2004	0	1,341,913	-5,250		-19,625	1,317,038	35.79	from 02.04.2007 until 02.04.2012
Stock appreciation rights:								
– unconditional								
1999	36,000					36,000	26.01	until 14.01.2007
2000	36,000					36,000	36.48	until 31.03.2008
2001	0		15,750			15,750	39.98	until 30.03.2009
2002	0		9,000			9,000	47.01	until 04.04.2010
2003	0		4,000			4,000	36.39	until 04.04.2011
(c) 2003	0		500			500	39.54	until 03.11.2011
2004	0		4,000			4,000	35.79	until 02.04.2012
– conditional								
2001	1,500		-1,500			0	39.98	from 30.03.2004 until 30.03.2009
2002	132,375		-9,000		-10,500	112,875	47.01	from 04.04.2005 until 04.04.2010
2003	154,875		-4,000		-18,500	132,375	36.39	from 04.04.2006 until 04.04.2011
(c) 2003	175,500		-500		-3,900	171,100	39.54	from 03.11.2006 until 03.11.2011
2004	0	328,950	-4,000		-8,000	316,950	35.79	from 02.04.2007 until 03.11.2011
total	4,867,313	1,670,863	0	-178,075	-241,375	6,118,726		

(a) Options / SARs can be exercised immediately upon termination of employment in connection with (early) retirement.

(b) In a number of cases (un)conditional options have been converted into (un)conditional SARs.

(c) On 3 November 2003 a select group of DSM Nutritional Products employees received options/SARs on a one-off basis.

OVERVIEW OF PERSONNEL OPTION RIGHTS

	outstanding on 31 Dec. 2004	in 2004			outstanding on 31 Dec. 2004	exercise price (in €)	exercise period
		granted	exercised	expired			
relating to 1999	184,938	-	-37,060	-3,035	144,843	39.60	until Feb 2006
relating to 2000	304,880	-	-60,731	-5,440	238,709	39.98	until Mar 2006
relating to 2001	212,852	-	-2,170	-5,515	205,167	46.23	until Apr 2007
relating to 2002	176,500	-	-36,315	-1,054	139,131	36.39	until Apr 2008
total	879,170	-	-136,276	-15,044	727,850		

Based on the result in 2003, no personnel option rights were granted in 2004.