Minutes of the proceedings at the General Meeting of Shareholders of Royal DSM N.V., based in Heerlen, held on Wednesday, March 31, 2010 at 14.00 hours at the head office, Het Overloon 1 in Heerlen

(The text is a translation of the Dutch minutes. In preparing this document, an attempt has been made to translate as literally as possible without jeopardizing the overall continuity of the text. Inevitably, however, differences may occur in translation, and if they do, the Dutch text will govern).

Chairman: C.A.J. Herkströter, Chairman of the Supervisory Board.
Secretary: F.C. Weijtens, Company Secretary.

1. Opening

The Chairman welcomed all those present and opened the meeting at approximately 14.00 hours. The Chairman announced that DSM's external auditor, in the persons of Mr. Jongstra and Mr. Spijker of Ernst & Young Accountants LLP, was present to answer questions about its report on the fair presentation of the annual accounts for 2009. The Chairman informed the meeting that the entire Managing Board was present and that of the Supervisory Board only Mr. C. Sonder was prevented from attending the meeting. The Chairman established that all formal requirements made of DSM pursuant to the law and its Articles of Association for holding general meetings of shareholders were fulfilled, so that resolutions could be passed in a legally valid manner. The Chairman designated Ms. F.C. Weijtens as the person who would keep the minutes of this meeting. He also stated that, in line with the content of best-practice provision IV.3.12 of the Dutch Corporate Governance Code, it had been possible prior to this meeting to issue voting proxies and voting instructions to an independent third party, the civil-law notary Mr. G.W.Ch. Visser, who was present at the meeting. Voting at the meeting would take place by means of electronic voting pads.

The Chairman indicated later in the meeting that approximately 800 shareholders with voting rights were present or represented at this meeting. In total, they represented a share capital of approximately 113,600,000 ordinary shares and cumulative preference shares A, which equaled 54.8% of the issued capital. A number of these shareholders had issued a proxy with voting instruction to the civil-law notary to vote on their behalf; this involved around 53,000,000 shares, being approximately 48% of the capital present and represented at the meeting.

Finally, the Chairman observed that the meeting would be recorded for a number of practical reasons.

2a. Annual report by the Managing Board and Triple P report for 2009

Mr. F. Sijbesma gave a presentation in which he discussed matters such as DSM’s operational performance in 2009. He indicated that 2009 had been a difficult year for DSM, perhaps one of the most difficult to date, albeit that the second half had been better than the first half. In his presentation, Mr. Sijbesma also outlined the status of the implementation of the Accelerated Vision 2010 strategy. Furthermore, Mr. Sijbesma talked in his presentation about the way in which DSM was dealing with the subject of sustainability, addressing among other things the Triple P report for 2009 regarding People, Planet and Profit. For the content of the presentation, reference is made to the
sheets presented, which after the presentation were placed on the website (http://www.dsm.com/en_US/downloads/governance/agm_2010_presentation.pdf).

2b. Corporate Governance

Mr. Sijbesma observed that DSM complied nearly in full with the Dutch Corporate Governance Code, as amended in December 2008 (the ‘Frijns’ Code). The new elements in that amended code, such as greater emphasis on corporate social responsibility and diversity in the composition of the Supervisory Board, had already received considerable attention from DSM. Thus, a Corporate Social Responsibility Committee had been created by and from DSM’s Supervisory Board. Mr. Sijbesma subsequently gave descriptions of DSM’s corporate governance framework (with the four clusters and subdivision into business groups, which are supported by corporate staffs, shared services and functional excellence departments) and of the risk management system based on COSO-ERM to which DSM devotes much attention: the risk analysis is carried out annually at corporate level, but also in the various business groups, which report on this to the Managing Board, which in turn reports three times a year to the Audit Committee.

The Chairman thanked Mr. Sijbesma for his presentation.

Mr. J.M. Slagter of the Dutch Investors’ Association (Vereniging van Effectenbezitters, VEB) stated that he represented 213 shareholders, together owning 154,954 shares; he established that DSM was fairly well on course, presenting reasonable profits despite the crisis. DSM was heading in the right direction also from a strategic perspective. The Managing Board should continue along these lines and would have to focus in particular on the Nutrition cluster, which was performing well. Mr. Slagter asked what DSM’s plans were with regard to Pharma, which was doing less well. He also asked about the sale of DSM Agro and DSM Melamine, announced the previous day, whereby he thought it was reported that employees would remain with DSM; he asked why this was so, how many employees were involved and what the costs would be.

Mr. Sijbesma thanked him for the compliments and replied that Pharma was indeed not performing well, which was due to a number of developments, including fewer approvals for new medicines and the consequences of a few mergers that had taken place in the pharmaceutical industry. DSM’s response to this had differed from one business to another. As regards antibiotics, the company would strive to enter into a partnership. For some time it had worked towards a partnership with NCPC. It had reported about this in the annual general meeting on a number of occasions. But, as the meeting was aware, the partnership with NCPC had fallen through amongst others due to Chinese regulations and interventions. The company kept looking for alternatives. With regard to pharmaceuticals, where the focus is on patented products, the company would have to work more closely with the pharmaceutical industry. An example of this was a contract that had been concluded with Shire the previous year. Furthermore, DSM saw opportunities in the area of biologics.

Mr. N. Gerardu answered Mr. Slagter’s question about the employees of Agro and Melamine who would stay with DSM; he indicated that this involved a limited number of employees (15 to 20). This had to do with the integration of management teams of the two business groups; the arrangement was that these employees would find a place within DSM. Accordingly, these employees would not be made redundant.

Mr. Slagter inferred from Mr. Sijbesma’s answer that DSM would not take now any drastic measures in respect of Pharma but would intensify current actions of which no immediate effects were to be expected in the near future. Mr. Sijbesma confirmed this, expressing the expectation that Pharma’s result for this year would be even slightly less than in 2009.
He indicated that cost reductions would go ahead, however and on top of that DSM would put all efforts into force to improve H2 Pharma results. Mr. S.B. Tanda stated that considerable cost reductions had already been achieved. The pipeline would have to be filled again, which would take time. Expectations were that the downward trend in Pharma's results would be reversed by 2011.

Mr. C.M. Gootjes of the Association of Investors for Sustainable Development (Vereniging van Beleggers voor Duurzame Ontwikkeling, VBDO), complimented DSM on its sustainability report and on the increased attention for sustainability within the Supervisory Board (as evidenced by the creation of the Corporate Social Responsibility Committee). The VBDO was also pleased that sustainability recurred in the Managing Board's remuneration policy. He asked whether DSM's new strategy (Vision 2010 ends this year) would contain changes in the area of sustainability, and whether multi-stakeholder dialogue would be integrated in the new policy. He also asked for a further clarification of the possible failure to meet the target regarding the reduction of NO\textsubscript{x} emissions and the effect on NO\textsubscript{x} emissions of a factory closure in 2009. With regard to diversity, Mr. Gootjes asked what DSM would do in order to meet the target for the ratio men-women in 2010.

Mr. Sijbesma observed that DSM was already doing well in the area of sustainability, but would continue introducing so-called ECO+ products. Such products are also in great demand in the market, which would enable DSM to combine 'Planet' with 'Profit'. Furthermore, DSM is in the process of implementing 'REACH', a new European regulation with the aim to protect man and the environment against the risks of chemical substances. DSM is doing more and more in the area of Life Cycle Assessments: analysis and quantification of the amount of emissions or environmental impact of the products produced by DSM, including the effects caused by suppliers and customers. As regards the multi-stakeholder dialogue, Mr. Sijbesma observed that DSM was listening carefully to its surroundings and society, for example by participating in the World Economic Forum. DSM is a member of the World Business Council for Sustainable Development and maintains contacts with the International Union of Conservation of Nature (IUCN) and other organizations.

Mr. Gootjes asked whether DSM intended to involve suppliers and customers in the multi-stakeholder dialogue. Mr. Sijbesma indicated that this was already happening, but that this might be less visible to the outside world. DSM is in contact with suppliers, asking them how they manufacture their products. Customers are asked what they do with the products they purchased from DSM; this is another important point for DSM. As an example, Mr. Sijbesma mentioned the product Stanyl, which is used in the automobile industry to make cars lighter.

On the subject of diversity, Mr. Sijbesma stated that DSM was still making progress; of the 380 executives, 40 are women (in 1998: 1) and by now many nationalities are represented (formerly most representatives were Dutch). The gender diversity is greater (16%) deeper down in the organization than in the top of DSM; at the moment, there are two women in the top 30 (0 in 2007).

At Mr. Sijbesma’s request, Mr. Gootjes’ question about the reduction of NO\textsubscript{x} emissions was answered by Mr. F. Wientjes, Director of Sustainability at DSM. Mr. Wientjes pointed out that the reduction target in 2009 had been 20%, but that a 35% reduction had been achieved. This strong reduction had been the result of changes in production volumes of various factories, whereby the NO\textsubscript{x} emissions did not increase or decrease in proportion to the production volume. Whether the 20% target will be met in 2010 depends on the production volumes realized in these factories, in combination with the optimization measures taken.
Mr. C.M.A. Stevense, representing the Foundation for the Protection of Investors’ Rights (Stichting Rechtsbescherming Beleggers), asked about the selling price of the sale of DSM Agro and DSM Melamine announced the previous day, more in particular about Mr. Gerardu’s earlier statement that DSM was in no hurry to sell these units and that they would only be sold for a good price, whereas now, Mr. Stevense said, they had been sold at a loss. He asked whether DSM had considered any alternatives, such as a flotation of these units. He also asked why DSM was looking especially to the East in its search for partners in the biotech industry and what had been the reason why food ingredients had made a lower contribution to the result in 2009.

Mr. Sijbesma acknowledged that there was and had been no financial pressure to sell. He stressed that the sale of Agro and Melamine should not be viewed purely in terms of a book profit or book loss, but also in terms of the future expected profits (especially in melamine), the local presence DSM currently has (Agro only Benelux) and the strategic importance of making progress with the implementation of the strategy and the transformation of DSM. Another important point was that a buyer had been found which fully endorsed the concept applied at the Chemelot site in Geleen. Mr. Gerardu confirmed this, adding that DSM had a specific idea about the selling price of Agro and Melamine. DSM would receive a fair price for these units, whereby ‘fair’ was based on EBITDA across the cycles. However, other elements were important as well, such as the identity of the buyer and its views on the site concept in Geleen (not only with regard to site services, but also in respect of industrial relations). Whether there were alternatives and possibly other potential buyers of Agro and Melamine could not be addressed, said Mr. Gerardu.

Mr. Stevense argued that a partial flotation of these units could have yielded more than this sale, given the growth he expected for the fertilizer industry. Mr. Gerardu observed that, leaving aside the question whether a (partial) flotation would be desirable at this time, DSM had made a strategic choice to focus on Life Sciences and Materials Sciences, which did not include Agro and Melamine. The sale of these units for the price obtained was totally consistent with DSM’s picture of the market in which these activities were performed. Mr. Sijbesma added that it was very difficult to float a company with a turnover of around 500,000,000 euro (relatively small), whose business was highly cyclical and which was loss-making in 2009. As regards the question about entering into partnerships in the area of biotechnology, DSM is looking at Europe but especially also to the United States, where it has a joint venture with Crucell in Boston and is working on a second generation of biofuels at its site in Belvedere, New Jersey. Furthermore, the East is interesting because of the growth of the markets in emerging economies in Asia; the markets in these countries will grow much more rapidly than the Western markets. If DSM wants to grow, it will therefore need a strong position in these countries. In China, DSM already employs nearly 4,000 staff members and has a turnover of 1.2 billion euro. Mr. Tanda answered the question regarding food ingredients, whereby he stressed that food ingredients, with the exception of savory, also performed well in 2009, in particular the enzymes and arachidonic acid.

Mr. P.L. Spanjer asked about the extent of the exchange loss on the sale of Agro and Melamine and about activities of DSM that were allegedly competitive with the Netherlands Forensic Institute (Nederlands Forensisch Instituut). He also asked whether all DSM’s innovations were developed in-house or whether they were also purchased from third parties. Mr. R-D. Schwalb replied that there was no significant exchange loss on the sale of Agro and Melamine because the selling price was denominated in euro. The book loss arose because the sale takes place with retroactive effect to January 1, 2010 and the buyer must be compensated for results realized in 2010 until the moment of sale. The book value on January 1, 2010 was 302,000,000 euro. The selling price is 310,000,000
Mr. Sijbesma indicated that DSM's cooperation with Maastricht University in the area of forensic investigation was a small activity; it might be an interesting spin-off because DSM can play a part in the required technology, which increasingly involves DNA, footprints and fingerprints. The business scope is limited and will therefore not feature prominently in the annual report. He confirmed that DSM increasingly applies an open innovation concept; a part of the innovations results from cooperation with third parties. In addition, DSM invests through DSM Venturing in smaller companies with participations of around 10-35%; sometimes such a company is bought in full and sometimes DSM sells its stake again. In this way, there is open interaction with the outside world.

Ms. C.M. van Lamoen, speaking on behalf of Robeco, MN Services, Syntrus/Achmea Asset Management, Triodos Investment Management and the Graphic Sector Pension Fund (Stichting Pensioenfonds voor de Grafische Bedrijven), expressed her compliments for DSM's remarkable performance in 2009, which had not been an easy year. Thus, the transformation to a new organization had proved to be a success. She also complimented DSM on maintaining first place in the Dow Jones Sustainability Sector Index. Ms. van Lamoen established that the risk paragraph had further improved; in her view, the reporting on core risks and risk management was a best practice in the Dutch market. She told DSM to keep up the good work. Mr. Sijbesma thanked Robeco and other mentioned above for their positive contributions to the improvement of the risk management paragraph, among other things via their comments during these meetings.

Mr. Slagter asked about the basic assumptions of DSM's new strategy, to be presented in September. He stated that DSM was currently focusing on Life Sciences and Materials Sciences, which was still a fairly wide range, and wondered whether a more modest attitude would not be appropriate. Mr. Slagter also observed that DSM's capital structure was extremely healthy, even conservative. Although VEB was in favor of a healthy balance sheet, he thought things were possibly being taking too far. If DSM was not contemplating a large takeover at present, it might want to consider launching a share repurchase program. Mr. Sijbesma replied that he could not discuss the new strategy, which after all would only be presented in September. He said it could be expected that the strategy would build on the development from bulk chemistry to Life Sciences and Materials Sciences that had been in progress for a number of years and that no completely new route would be taken. The cross-fertilization between Life Sciences and Materials Sciences is becoming increasingly important. In September, further announcements will be made about these matters and about ways in which the company can grow faster and further, and in what kind of markets, such as the emerging economies. As regards DSM's capital structure, Mr. Sijbesma observed that although it was conservative, it was also strong, which was a good thing at the present time. The current gearing is around 10%. In a more ideal structure, the gearing would be 30-40%.

Mr. Sijbesma stated that DSM applied clear priorities in using cash resources: (i) furthering the growth of its own activities, (ii) dividend, (iii) acquisitions, and (iv) share repurchases. A share repurchasing program was not under discussion at present. Mr. Slagter considered this prioritization to be quite admirable, but stressed that the money belonged to the shareholders and that the shareholders would like to have it back if DSM had no good plan for it. He also asked whether DSM's four clusters (Nutrition, Pharma, Performance Materials and Polymer Intermediates) would play a part in the new strategy as well. Mr. Sijbesma replied that these were not sacred cows. They all had to be capable of yielding a profit and showing growth potential.

Mr. Stevense argued that a repurchase of shares often takes place at the wrong time, i.e. at a moment when the price is reasonably high. He also asked whether the new strategy would be explained in September in an extraordinary meeting of shareholders. In addition,
he requested an explanation of the increased number of work-related illnesses in 2009 in comparison with other years. Mr. Sijbesma replied that a repurchase of shares was not under discussion. The new strategy will not be explained in an extraordinary meeting of shareholders. The strategy will be made public and explained to the financial world, analysts, press and media, as well as at internal level. Mr. Sijbesma was reluctant to draw an absolute conclusion regarding the increase in the number of work-related illnesses as a percentage, given the small numbers in an absolute sense. Mr. Sijbesma was unable to explain the background to the increase in 2009, but he pointed out that it was important to reduce the number. DSM devoted much attention to safety and working conditions.

Mr. Stevense said that he would like to be given some more insight into the new strategy in due course, as well as the opportunity to express his views. Mr. Sijbesma replied that insight would be provided into the new strategy. DSM complies with the law, and as soon as circumstances occur that necessitate the convocation of a shareholders’ meeting, such a meeting will be convened.

Mr. Spanjer asked a question pursuant to the annual report in Dutch, which presents figures and percentages of turnover and operating results per cluster; he wondered why no tonnages were given in respect of Dyneema, Stanyl® ForTii™ and PA46, for example. Mr. Gerardu could understand Mr. Spanjer’s interest in these tonnages, but explained that DSM did not publish this data because of its sensitivity in terms of competition (certainly with regard to Dyneema and new developments such as Stanyl® ForTii™ and PA46). However, DSM did state that 2009 had not been an easy year for Dyneema, but that double digit growth figures were again expected for 2010. Mr. Spanjer also asked about the marketing of the materials with which DSM had sponsored the Netherlands Olympic Committee (NOC*NSF) during the recent Olympic Winter Games in Vancouver, and wanted to know how DSM rated the market opportunities. Mr. Sijbesma indicated that the Olympic Games had been a platform for DSM to present the world with the materials developed by DSM; these products would eventually find their way through the commercial channel.

The Chairman concluded this agenda item. At the Chairman’s request, the Secretary explained the voting procedure. The Chairman stated that, under Article 42, section 2, of the Articles of Association, every share was entitled to cast one vote. According to the Articles of Association, abstentions were considered to be votes not cast.

3. Adoption of the Financial Statements for 2009

The Chairman announced that the 2009 annual accounts had been approved by the Supervisory Board on February 23, 2010. The annual accounts had been audited by Ernst & Young Accountants LLP, whose report was included on page 188 of the annual report. Mr. Stevense asked why Catalytica was still being depreciated, even though it had been acquired in 2004. Mr. Schwalb replied that he did not know what had happened in 2004 and that this would shortly be explained by Mr. Sampers, Senior Accounting Officer DSM. DSM carries out impairment tests every year. The test had revealed for Catalytica that the value had significantly decreased on account of the poor market conditions in Pharma. For this reason, an impairment of the book value was in order. Mr. P. Sampers added that goodwill had been amortized until 2005, when DSM changed over to IFRS accounting standards. On January 1, 2005, the remaining goodwill, around 308 million euro, was ‘frozen’. In 2009 half of this book value was subsequently impaired in a lump sum.

Mr. Spanjer had been startled by the remark on page 37 of the annual report in Dutch regarding the comments of the external auditor Ernst & Young as to the opinion on the internal control at DSM. He wondered what had prompted these comments. The
Chairman gave the floor to Mr. P.J.A.M. Jongstra of Ernst & Young Accountants LLP, who observed that it was customary for the auditor to flag up and discuss certain points with the Managing Board. This happened in every audit at every company and was a normal procedure. Nothing was perfect in this world, which also applied to DSM, and therefore Ernst & Young occasionally made recommendations, said Mr. Jongstra. Mr. Spanjer stated that he was reassured.

Mr. F. Boom asked about the pension situation at DSM: in 2009 an amount of 67 million euro had been recorded as an expense, whereas this had been zero in 2008. He asked whether this had been done on the instructions of the supervisor, what the current coverage ratio was and whether any cost-of-living adjustment was awarded. Mr. Schwalb replied that the accounting rules according to IFRS were different from those of the Dutch regulations on pensions. Until 2008, when *inter alia* the stock exchanges collapsed, there had been a situation of overfunding according to IFRS. This overfunding disappeared nearly completely in the course of 2008. The situation at the end of any year determines the pension expense for the next year. Therefore the disappearance of the overfunding in 2008 manifested itself in the profit and loss account for 2009 as a pension expense of nearly 70,000,000 euro. In 2010 there will be little difference compared with 2009. Mr. Sijbesma indicated that the pension supervisor had asked for a short-term and a long-term recovery plan, in which context the pension fund had decided not to apply indexation. The coverage ratio at the end of 2009 had been approximately 113%, but had meanwhile fallen slightly following the publication of the new mortality rates.

Mr. C. Hoogenhout, ex-DSM pension fund and ex-ABN AMRO, stated that the coverage ratio of the DSM pension fund had been around 150% in 2007, 98% at the end of 2008 and 113% (not yet adjusted for ageing) at the end of 2009. He compared this with the coverage ratio of the ABN AMRO pension fund and concluded, albeit with some caution, that the ABN AMRO pension fund had done slightly better than the DSM pension fund. Mr. Sijbesma added that the board of the DSM pension fund determined the investment mix and that the DSM Managing Board had no say in this. Mr. Hoogenhout pointed out that since half the board members of the pension fund were appointed by DSM, there was some indirect responsibility in his view. Mr. Sijbesma said that there were good managers on the board of the pension fund.

Mr. T.M.M. Swinkels asked why the net asset value of the share in DSM was not shown on page 56 of the annual report in Dutch. Mr. Schwalb referred to page 194 of the annual report in English, which mentions ‘equity per share’. Mr. Swinkels replied that he would still like the net asset value to be presented. Mr. Sijbesma indicated that this would be taken into consideration in respect of the following year.

The Chairman proceeded to the vote. The Secretary established that there had been 113,576,155 votes in favor, 20,695 votes against and 19,059 abstentions. The Chairman concluded that the motion ‘Adoption of the Financial Statements for 2009’ had thereby been passed.

### 4a. Reserve policy and dividend policy

The Chairman explained that both the reserve policy and the dividend policy were unchanged in comparison with the previous year. DSM aims to provide a stable and preferably rising dividend. The dividend is distributed entirely in cash. Mr. A.D. Schout referred to his remarks during the annual general meeting in 2009 regarding his preference for stock dividend instead of cash dividend; in his view, optional dividend was the friendliest, stock dividend the wisest and exclusively cash dividend the most unwise. Apparently DSM had not taken this into account. Cash dividend was unfavorable for some
groups of shareholders, because they could not offset the dividend tax withheld. Mr. Schout asked about the Managing Board’s reasons for only distributing cash dividend. Mr. Sijbesma indicated that this point had been given serious thought. In 2009, when profitability went down and the focus was on cash, there had been an additional reason for carefully considering the possibility of stock dividend or at least optional dividend. Nevertheless, the Managing Board had opted for cash dividend because this was in the interest of the greatest number of shareholders. Cash dividend was also the best option for the company; calculations had been made in this respect, *inter alia* taking into account that shares issued as stock dividend would earn further dividend in subsequent years. DSM realizes that some shareholders might prefer to receive stock dividend. Mr. Schout remarked that dividend could be distributed free of tax from the share premium reserve and other free reserves. He asked once again for the substantial argumentation which had led to the conclusion of cash dividend. The Chairman stated that there was no time at present to address the point at great length. The Managing Board had made calculations of the consequences of the various types of dividend distribution and had concluded that cash dividend should be maintained. Of course Mr. Schout was free to vote against the motion regarding the dividend for 2009. Mr. Sijbesma added that there were obviously various groups of shareholders which had different interests and different wishes. It was impossible to make them all equally happy at the same time; not even an optional dividend would be favorable for everybody. Mr. J. Haaksema asked about the possibility of the argumentation in favor of cash dividend being placed on the website. Mr. Sijbesma could make no promises on this point but stated that, if desired, a further verbal explanation could be provided after the end of the meeting. Mr. Schout indicated that he would revert to this matter at next year’s meeting.

Mr. A. ten Klooster asked whether DSM still intended to introduce the loyalty dividend, which it had proposed in 2007 but was not permitted – wrongly, as appeared afterwards – to put to the vote at the shareholders’ meeting. Mr. Sijbesma said that the Dutch Supreme Court had indeed overturned the judgment of the Enterprise Section of the Amsterdam Court of Appeal. A loyalty dividend is not inconsistent with the law. DSM had decided to refrain from the present from proposing the loyalty dividend again, partly because some shareholders had appeared to be against this. Mr. Swinkels observed that he was waiting for the loyalty dividend to be introduced. The Chairman explained that one of the main reasons for DSM to introduce a loyalty dividend had been to get in touch with its shareholders. By now, a bill was pending which provided for a legal regulation enabling this. Mr. Swinkels stressed that in his view the loyalty dividend should be introduced, since loyal shareholders deserved an additional reward. Mr. Sijbesma replied that DSM greatly appreciated long-term, loyal shareholders such as Mr. Swinkels. However, further consideration had shown that not all shareholders are in favor of a loyalty dividend. Besides, it was true that a bill was pending which would enable the identification of shareholders; in this way one of the other objectives of the loyalty dividend could be achieved. Mr. Swinkels stated that he was sorry all the same and that he certainly expected a proposal on this point next year.

A shareholder asked what DSM intended to do with the proceeds from the sale of DSM Agro and DSM Melamine; he would propose to distribute these funds to the shareholders in the form of interim dividend. Mr. Sijbesma referred to the priorities list he had mentioned earlier in the meeting, on which the distribution of super dividend or the repurchase of shares held the bottom (fourth) spot. The shareholder asked why an authorization to repurchase shares was nevertheless on the agenda for this meeting. Mr. Sijbesma indicated that this was related *inter alia* to management share options; the authorization
applied for 18 months, so that shares could be repurchased during that period. A share repurchase for other reasons was not under discussion now.

4b. Adoption of the dividend payment for 2009

The Chairman explained that the Managing Board, with the approval of the Supervisory Board, proposed that a dividend of EUR 1.20 per ordinary share be distributed. In August 2009 an interim dividend of EUR 0.40 per ordinary share had been distributed, which meant that the final dividend amounted to EUR 0.80 per ordinary share.

None of the shareholders wished to speak. The Chairman proceeded to the vote. The Secretary established that there had been 113,587,275 votes in favor, 1,379 votes against and 6,449 abstentions. The Chairman concluded that the motion ‘Adoption of the dividend payment for 2009’ had thereby been passed. The final dividend will be made payable on April 30, 2010, the Dividend Re-Investment Plan (DRIP) can thereby also be implemented.

5a. Release from liability of the members of the Managing Board

The Chairman observed that it was proposed that the general meeting release the members of the Managing Board from liability for their management, insofar as this appeared from the annual accounts or from information communicated in other ways to the general meeting.

None of the shareholders wished to speak. The Chairman proceeded to the vote. The Secretary established that there had been 113,423,968 votes in favor, 159,211 votes against and 9,416 abstentions. The Chairman concluded that the motion ‘Release from liability of the members of the Managing Board’ had thereby been passed.

5b. Release from liability of the members of the Supervisory Board

The Chairman observed that it was proposed that the general meeting release the members of the Supervisory Board from liability for their supervision, insofar as this appeared from the annual accounts or from information communicated in other ways to the general meeting.

None of the shareholders wished to speak. The Chairman proceeded to the vote. The Secretary established that there had been 113,322,629 votes in favor, 180,234 votes against and 89,671 abstentions. The Chairman concluded that the motion ‘Release from liability of the members of the Supervisory Board’ had thereby been passed.

6. Reappointment of members of the Managing Board

a. Reappointment of Mr. N.H. Gerardu

The Chairman announced that Mr. Gerardu had been appointed from April 1, 2006 as a member of the Managing Board for a period of four years. The Supervisory Board was pleased that Mr. Gerardu was available as a member of the Managing Board for a subsequent period and proposed to reappoint Mr. Gerardu as a member of the Managing Board from April 1, 2010 for a period of four years. For his personal details and other relevant information, the Chairman referred to the notes to the agenda.

None of the shareholders wished to speak. The Chairman proceeded to the vote. The Secretary established that there had been 113,161,597 votes in favor, 154,242 votes against and 276,989 abstentions. The Chairman concluded that the motion
'Reappointment of Mr. N.H. Gerardu' had thereby been passed. The Chairman congratulated Mr. Gerardu on his reappointment.

b. Reappointment of Mr. R-D. Schwalb

The Chairman announced that Mr. Schwalb had been appointed from October 19, 2006 as a member of the Managing Board, in the post of Chief Financial Officer, for a period of four years. The Supervisory Board was pleased that Mr. Schwalb was available as a member of the Managing Board for a subsequent period and proposed to reappoint Mr. Schwalb as a member of the Managing Board, in the post of Chief Financial Officer, from October 19, 2010 for a period of four years. For his personal details and other relevant information, the Chairman referred to the notes to the agenda.

None of the shareholders wished to speak. The Chairman proceeded to the vote. The Secretary established that there had been 113,247,442 votes in favor, 155,660 votes against and 189,177 abstentions. The Chairman concluded that the motion 'Reappointment of Mr. R-D. Schwalb' had thereby been passed. The Chairman congratulated Mr. Schwalb on his reappointment.

7. (Re)appointment of members of the Supervisory Board

The Chairman explained that two members of the Supervisory Board would retire in accordance with the rotation schedule; this involved Mr. de Swaan and Mr. van Woudenberg. Mr. de Swaan had presented himself for re-election. Mr. van Woudenberg could not be re-elected because he had been a member of the Supervisory Board for the maximum period of 12 years; he would step down as member of the Supervisory Board after the end of the meeting.

a. Reappointment of Mr. T. de Swaan

The Chairman announced that the Supervisory Board nominated Mr. de Swaan to be reappointed. For his personal details and other relevant information, the Chairman referred to the notes to the agenda.

None of the shareholders wished to speak. The Chairman proceeded to the vote. The Secretary established that there had been 108,351,145 votes in favor, 4,973,035 votes against and 267,151 abstentions. The Chairman concluded that the motion 'Reappointment of Mr. T. de Swaan' had thereby been passed. The Chairman congratulated Mr. de Swaan on his reappointment.

b. Appointment of Mr. R.J. Routs

The Chairman announced that the Supervisory Board nominated Mr. Routs to be appointed as member of the Supervisory Board. Mr. Routs was present at this meeting and briefly rose to his feet. For his personal details and other relevant information, the Chairman referred to the notes to the agenda.

None of the shareholders wished to speak. The Chairman proceeded to the vote. The Secretary established that there had been 113,249,061 votes in favor, 147,795 votes against and 193,545 abstentions. The Chairman concluded that the motion 'Appointment of Mr. R.J. Routs' had thereby been passed. The Chairman extended a warm welcome to Mr. Routs.
8. Proposal to adapt the remuneration policy of members of the Managing Board

The Chairman stated that, in conformity with Article 18, section 1, of DSM’s Articles of Association, the proposal to adapt the remuneration policy of the members of the Managing Board was submitted to the general meeting of shareholders for adoption. The entire proposal had been included in the 2009 annual report and was set out in full in the notes to the agenda for this meeting. The proposal had been established on the basis of extensive consultation with shareholders and employee representatives, among others. In addition, external experts had been consulted and a benchmark had been carried out with other companies relevant to DSM. The remuneration policy in general is characterized *inter alia* by embedment of the DSM strategy and the sustainability policy, value creation for all stakeholders in the medium and long term, a balanced ratio (fifty-fifty) between fixed and variable income, between short-term and long-term variable income and between financial and sustainability targets, variable income components on the basis of predetermined measurable criteria in terms of value creation especially in the long term, replacement of stock options by performance shares, external benchmarking of the remuneration policy once every three years instead of annually, acceptable and competitive remuneration levels (approximation of the median value of the labor market peer group), and compliance with the Dutch Corporate Governance Code. Finally, there is still the aim to make the remuneration policy simpler and more transparent. By revising the remuneration policy at DSM, the Supervisory Board also wants to make a contribution to changes in the area of remuneration policy for top executives in general. The Chairman proposed that the meeting adopt the remuneration policy for the members of the Managing Board in accordance with the proposal under consideration. The Chairman added, for the sake of completeness, that the proposal had been elaborated in great detail with the intention of giving the shareholders an insight into the careful manner in which the Supervisory Board had structured the remuneration of the members of the Managing Board. The parameters used in the proposal are subject to change, and the Supervisory Board therefore reserves the right to adjust these parameters, obviously with due observance of the basic principles of the remuneration policy adopted by the general meeting.

Mr. Slagter of the VEB observed that the proposed remuneration policy contained a number of positive elements, such as the restriction of the variable remuneration to the amount of one year fixed salary at maximum, the fifty-fifty ratio between short-term and long-term remuneration and the replacement of options by performance shares. Mr. Slagter also appreciated the consultation process, in which the VEB had been allowed to be involved as well. The remuneration policy is based on financial criteria and sustainability criteria, whereby employee satisfaction is a separate element. Mr. Slagter pointed out that, no matter how important these elements are to a company such as DSM, sustainability and employee satisfaction should not be separate elements of the remuneration policy. Managing an enterprise means weighing up and reconciling a large number of interests. By isolating one or two of the interests which the enterprise must combine, there is a risk of the system becoming unbalanced. After all, what matters is not these elements in themselves, but for instance sustainability in the context of healthy operations aimed at a profitable result in the future. Mr. Slagter then asked whether account would be taken retrospectively of the exact qualitative targets that applied in determining the remuneration of the Managing Board; to do so in advance would be unwise for reasons of competition, so he understood from DSM’s explanation. The Chairman replied that, in preparing the proposed remuneration policy, the aim had been to ensure that the annual report would provide a basis for calculating in respect of each of
the parameters whether the targets had been achieved, thus enabling DSM to pursue complete openness. Identifying the non-financial targets is a new and very complex matter. This therefore still involves a learning process; DSM will thoroughly investigate in the course of the year whether the factors proposed and formulated as parameters are indeed the correct parameters and targets. However, this does not mean that DSM will change the targets in the course of the year. Mr. Slagter regarded the latter precisely as an argument for restricting the remuneration policy to the target of total shareholder return (TSR). He asked whether his interpretation was correct that the long-term performance shares would only be granted unconditionally in the event of above-average performance in comparison with the peer group. Mr. B. van Dijk, who as DSM’s Vice-President Corporate Human Resources had assisted the Supervisory Board in developing the proposed remuneration policy, replied – at the Chairman’s request – that on page 110 of the annual report in English the vesting table is presented regarding the total shareholder return in comparison with peers. The performance in comparison with peers must indeed be above average in order for a significant part of the performance shares to be vested: 67% of the performance shares will be vested in the event of an outperformance of 15-20%. If DSM performs at the same level as its peers, nothing will be vested.

Mr. Slagter stated that this had been his interpretation as well. He also asked whether he could inspect the scenario analysis that had been carried out into the effects of the amended remuneration policy for the Managing Board, either now or on a future occasion. The Chairman replied that this scenario analysis was not made public for reasons of competition, but that the Supervisory Board handled this with great care and checked carefully whether it was in line with the arrangements made. DSM has not yet found a way to make these scenarios transparent only for shareholders.

Mr. Slagter also asked whether DSM could already introduce a claw-back scheme in anticipation of forthcoming legislation. In addition, he asked why the duration of the (open-ended) employment contracts of members of the Managing Board was not linked to their appointment periods. The Chairman observed that the duration of the appointment period was limited to a maximum in accordance with the Dutch Corporate Governance Code. However, DSM preferred to conclude employment contracts for a longer period. As regards the claw-back, DSM would wait for the legislation for the time being. Mr. Slagter referred to the link between employment contract and severance pay. Mr. Sijbesma stated that this had also been described in the annual report. Mr. Slagter said that he would take a closer look at this.

Ms. van Lamoen, speaking again on behalf of the parties mentioned earlier, praised the pioneering role assumed by DSM: DSM has been one of the first companies in the world to integrate its sustainability strategy in its management remuneration policy. Strong corporate values, including care for employees, customers and the environment; all these were conditions for a company’s stable and above-average long-term performance. The remuneration policy had also improved on other points, such as not awarding variable remuneration if performance is below average. However, the remuneration policy needed to be tightened up because it was difficult to estimate, based on the current information, whether the sustainability targets were indeed ambitious; this was a matter of concern. Ms. van Lamoen stated that further information was required, and asked for a more detailed explanation as to how ambitious the targets were. The Chairman replied that the Supervisory Board regarded the targets as demanding. If it should turn out afterwards that the targets were not as challenging as originally thought, the Supervisory Board would address this. It was impossible to anticipate this at the present stage, said the Chairman. Ms. van Lamoen asked if further background information could be provided about the percentages and targets chosen, since it was difficult for shareholders to judge whether
they were demanding. The Chairman indicated as an example that there had been a long discussion about what target to formulate in respect of employee satisfaction. There had been little experience with this as yet; DSM had measured employee engagement for two years in a row. The Supervisory Board set a target while taking account of the circumstances under which DSM had to achieve this. The Chairman expressed the assurance that the shareholders would be informed in retrospect about the Supervisory Board’s conclusions with regard to 2010. Ms. van Lamoen observed that under the proposed remuneration policy, managers could receive substantial bonuses on account of achieved sustainability targets while financial performance was lagging far behind. She asked whether guarantees could be given that the Supervisory Board would exercise its discretionary authorization if such an undesirable situation arose. She also asked whether the remuneration policy could be tightened up on this point in the future. The Chairman replied to the latter question that this was indeed conceivable. 2010 was essentially a pilot year. The Supervisory Board was also fully aware of its discretionary powers, which it would certainly exercise where required. However, the Chairman did not want to anticipate this. Ms. van Lamoen hoped that the Chairman understood the shareholders’ concerns on this point. She stated that she would vote in favor of the proposed remuneration policy. 

Mr. Gooties, speaking on behalf of the VBDO, agreed with the embedment of sustainability targets in the remuneration policy. This was also largely in keeping with recommendations made by the VBDO in a report about increasing sustainability in the remuneration policy. He stated that he would vote in favor of the proposed remuneration policy.

Mr. Swinkels observed that he had suggested at last year’s meeting that a simpler remuneration proposal should be launched. In his view, DSM had not succeeded in this. As a business, DSM bore social responsibility for everything that happens in all sections of the organization, in all its facets; this included sustainability and the environment. He wanted to know why the managers were judged against separate targets, which made things rather difficult. The Chairman replied that a proposal for a remuneration policy had been made which was consistent with the social views on this point, and that this was difficult to formulate in simple language. Mr. Swinkels responded that management remuneration should not be an annual topic for debate and that this should be simpler. The Chairman agreed with this in principle, but stated that companies were not entirely free in this matter.

Mr. Schout thought it was odd that so many pages were devoted to the remuneration of just a few people. As regards the performance shares, he asked whether these were obtained from the free float or by means of a share issue. The Chairman replied that until now these shares had been obtained from the repurchased shares. Mr. Schout asked why the shareholders were not paid their dividends in shares. He wondered why payment at the top was discussed at such great length, while the shareholders were not allowed to determine in what way they wished to receive their remuneration. The Chairman stated that the Managing Board would not receive a pay rise for the second year in a row; therefore the remuneration structure at DSM was not excessive. Mr. Schout pointed out that the dividend equalled that of the previous year as well. The Chairman said that this was true, but that the result had been less.

Mr. D.A. van Schalkwijk asked why the minutes of the annual general meeting of shareholders in 2009 did not mention that the motion regarding an adaptation of the remuneration policy for the members of the Managing Board had been voted down. The Chairman replied that the motion had not been voted down but had been withdrawn. Mr. van Schalkwijk maintained that the minutes should have addressed this. He referred in so many words to that withdrawn motion, and asked whether that proposal had been
considered in drawing up the new proposal. The Chairman stated that much time and effort had been devoted to the development of the proposed remuneration policy. He expressed the hope that this policy would not be as short-lived as previous proposals. The Chairman indicated that there was little point in reverting to a motion tabled the previous year that had been withdrawn. The meeting was now asked to pass a resolution on an entirely new proposal, which also took account of the criticism expressed the previous year.

Mr. Slagter stated that, as previously indicated, the VEB objected in principle to the dual criteria. However, the system also had its positive points. DSM had indicated that it would be open to improvements and suggestions in the future. By doing so, DSM had adopted a vulnerable attitude, which was something the VEB appreciated. Such an attitude did not deserve a vote against, and therefore the VEB would abstain.

The Chairman proceeded to the vote. The Secretary established that there had been 111,361,019 votes in favor, 104,382 votes against and 2,120,136 abstentions. The Chairman concluded that the motion ‘Proposal to adapt the remuneration policy of members of the Managing Board’ had thereby been passed.

9a. Extension of the period during which the Managing Board is authorized to issue ordinary shares

The Chairman explained that, under Articles 10 and 11 of DSM’s Articles of Association, the general meeting had on March 25, 2009 extended by a period of 18 months the authorization of the Managing Board to issue shares and to limit or exclude the preferential right when issuing ordinary shares. This authorization will therefore end on September 26, 2010, if it is not extended. The duration of the extension of this authorization is restricted by law to a maximum of five years. It was proposed that the authorization of the Managing Board be extended until a moment 18 months after the date of this meeting, therefore up to and including September 30, 2011.

It was proposed that the authorization to issue shares, including the granting of rights for taking up of ordinary shares, be limited to a number of ordinary shares with a nominal value amounting to 10% of the issued capital at the time of the issue and to an additional 10% of the issued capital at the time of issue, if the issue takes place within the context of a merger or acquisition within the scope of DSM’s strategy as published on the DSM website.

Mr. Spanjer asked about the relationship between agenda item 9 and agenda item 11; as one was about issuing shares and the other about withdrawing shares he wondered whether the two were compatible. Mr. Sijbesma replied that under agenda items 9, 10 and 11 authorization or approval was requested for separate elements that might occur in different situations.

The Chairman proceeded to the vote. The Secretary established that there had been 112,622,914 votes in favor, 781,495 votes against and 22,464 abstentions. The Chairman concluded that the motion ‘Extension of the period during which the Managing Board is authorized to issue ordinary shares’ had thereby been passed.

9b. Extension of the period during which the Managing Board is authorized to limit or exclude the preferential right when issuing ordinary shares

The Chairman announced that the next item on the agenda was the authorization to limit or exclude the preferential right when issuing ordinary shares, including the granting of rights for taking up ordinary shares, as regulated in Article 11 of DSM’s Articles of
Association. The authorization granted the previous year will end on September 26, 2010, if it is not extended. It was proposed that this authorization of the Managing Board be extended to a moment 18 months after the date of this meeting, therefore up to and including September 30, 2011. Such a resolution of the Managing Board would still be subject to approval by the Supervisory Board. It was proposed that this authorization be limited to a number of ordinary shares amounting to 10% of the issued capital at the time of issue, and an additional 10% of the issued capital at the time of issue if the issue takes place within the context of a merger or acquisition within the scope of the strategy of DSM as published on the DSM website.

Mr. Swinkels asked how the Managing Board would deal with this authorization if the share price was below the net asset value. The Chairman acknowledged that there could be situations in which this was the case. He indicated that DSM limited itself by requesting the authorization for 18 months, rather than the maximum permitted period of five years. Not having this authorization could lead to very complex situations, in particular in certain countries. Mr. Sijbesma stated that the authorization under 9b was required in order to properly exercise the authorization discussed under agenda item 9a, and that DSM would use this authorization prudently.

The Chairman proceeded to the vote. The Secretary established that there had been 99,459,281 votes in favor, 13,961,772 votes against and 5,928 abstentions. The Chairman concluded that the motion 'Extension of the period during which the Managing Board to limit or exclude the preferential right when issuing ordinary shares' had thereby been passed.

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

The Chairman explained that, under Article 13 of the Articles of Association, DSM could repurchase shares pursuant to a resolution of the Managing Board, which was subject to approval by the Supervisory Board. According to Section 98 of Book 2 of the Dutch Civil Code (Burgerlijk Wetboek), this required authorization from the general meeting of shareholders, which authorization by law applied for a maximum period of 18 months. It was proposed that the general meeting authorize the Managing Board to repurchase shares as referred to in Article 13 of DSM’s Articles of Association, through a purchase on the stock exchange or otherwise, for a period of 18 months, counting from the date of the meeting, up to a maximum of 10% of the issued capital, on the understanding that the company would not hold any more shares than 10% of the issued capital. In this context the authorization, where it concerned the repurchase of ordinary shares, would apply to a price ranging between the nominal value and the opening price on Euronext Amsterdam on the day of purchase, increased by 10%. Where the authorization concerned the repurchase of cumulative preference shares A, it would apply to a price ranging between the par value and the computation base referred to in Article 32, section 3 of DSM’s Articles of Association, plus 10%. The price band would enable the company to repurchase shares adequately even in volatile market conditions. The authorization of the Managing Board regarding share repurchases could be withdrawn by the general meeting of shareholders.

None of the shareholders wished to speak. The Chairman proceeded to the vote. The Secretary established that there had been 113,006,837 votes in favor, 349,100 votes against and 71,243 abstentions. The Chairman concluded that the motion 'Authorization of the Managing Board to have the company repurchase shares' had thereby been passed.
11. Reduction of the issued capital by cancelling shares

The Chairman stated that share issues, for instance in connection with option rights annually granted to management and staff, may lead to dilution of the share capital. To the extent that the financial position allowed this and there were possibilities to do so on the share market, this disadvantage for holders of ordinary shares shall be offset as much as possible through the repurchasing and possible cancellation of shares in DSM's own capital. While agenda item 10 had dealt with the authorization to repurchase shares, the present discussion involved a subsequent capital reduction by cancelling shares. The Managing Board proposed, with due observance of the provisions of Article 14 of DSM's Articles of Association and with the approval of the Supervisory Board, that the general meeting resolve to reduce the issued capital by cancelling ordinary shares held by the company up to a maximum of the number of shares that is or will be bought by the company. This would enable the company to further optimize its equity structure. The number of ordinary shares to be cancelled under this resolution would be determined by the Managing Board and shall be limited to a maximum of 10% of the issued capital as appearing from the Financial Statements for 2009. Each time, the decision in question would be evidenced by the filing of that decision with the Trade Register.

None of the shareholders wished to speak. The Chairman proceeded to the vote. The Secretary established that there had been 113,159,075 votes in favor, 263,979 votes against and 4,104 abstentions. The Chairman established that the motion ‘Reduction of the issued capital by cancellation of shares’ had thereby been passed.

12. Any other business

Mr. A.A. Thoolen announced that he had been a shareholder of DSM for years and that he would like to visit one of DSM's business units; he asked whether this was possible. Mr. Sijbesma replied that this was possible and that Mr. Thoolen, as well as other shareholders, could contact Mr. M. Silvertand (Investor Relations Manager) in this respect. Mr. Schout asked for what purposes DSM would use the share premium reserve and the other free reserves. Mr. Schwalb stated that currently there were no specific plans in that regard, but that it was good for a company to have that kind of reserves on the balance sheet. Thereupon Mr. Schout asked why these reserves were not used. The Chairman said that these reserves were indeed used, because after all they were part of the capital structure: the reserves were part of DSM's equity and capital was used towards, for instance, investments and further developing the company. Mr. Schout observed that he found it curious that such expenses were charged to the share premium reserve. In his view, the share premium reserve was there for making distributions to shareholders; he would like to see this realized by next year. The company should first of all think of the owners of the enterprise, the shareholders, of the staff and subsequently and lastly of the remuneration of the Managing Board, argued Mr. Schout.

Mr. Swinkels stated that he could endorse these words of Mr. Schout's. He added that he would like to take note of the strategy and suggested that the explanation should also be provided to the shareholders in September, in the Geleen/Sittard football stadium, as had also happened five or six years previously. This might then be combined with a visit to a plant in Geleen. He was even prepared to assist in the organization. Mr. Sijbesma confirmed that such meetings had been held in the past for private shareholders. He stated that this option might be considered again, although he could make no promises on this point.
Mr. Stevense asked about the financial calendar for 2011, more in particular the date of the annual general meeting. Mr. Sijbesma referred to new forthcoming legislation, which might cause the shareholders’ meeting to take place at a later date. The civil law notary, Mr. G.W.Ch. Visser, explained that the annual accounts had to be available at the moment when the convocation notice was published. Under the new law the period for convening the meeting would be 42 days, which meant that the annual accounts had to be ready by mid-February if the meeting was held at the end of March. The company would have to check whether this was feasible. Mr. Stevense expressed his concern that in the following year general meetings could still be held as late as June. He would prefer the end of March. Mr. Sijbesma thought that the end of March was rather early under the forthcoming legislation.

13. Closure

Finally, the Chairman dwelled upon the retirement of Mr. van Woudenberg as a member of the Supervisory Board as per the end of the meeting. Speaking also on behalf of the members of the Supervisory Board and the Managing Board, he thanked Mr. van Woudenberg for the constructive and pleasant cooperation in recent years. Mr. C. van Woudenberg wished DSM all the best and thanked the shareholders for their commitment. The Chairman observed that the report of this meeting would be published on the website within three months of the day of the meeting, in conformity with the Dutch Corporate Governance Code. He thanked those present for their attendance and contributions and closed the meeting at approximately 18.20 hours.

As adopted

C.A.J. Herkströter
Chairman:

F.C. Weijtens
Secretary: