



Notes to the Agenda for the Annual General Meeting of Koninklijke DSM N.V. to be held on Wednesday 3 May 2017

NOTES TO AGENDA ITEM 2

Annual Report for 2016 by the Managing Board

The Managing Board will comment on the Report by the Managing Board in DSM's Integrated Annual Report for 2016 (see pp. 14 to 61 of the Integrated Annual Report for 2016).

Subsequently, those present at the meeting will be given the opportunity to ask questions or make remarks about the Report by the Managing Board for 2016 and the Report by the Supervisory Board (included in the Integrated Annual Report for 2016 on pp. 108 to 118).

Under this agenda item questions can also be raised, and remarks can be made, on DSM's approach to the implementation of the Dutch Corporate Governance Code, and on the Sustainability Information, which is contained in the Integrated Annual Report for 2016.

NOTES TO AGENDA ITEM 3

Implementation Managing Board Remuneration Policy in 2016

This agenda item provides, pursuant to Section 2:135(5a) of the Dutch Civil Code, for a discussion regarding the implementation in 2016 of the remuneration policy for the Managing Board, as included in the notes to the parent company financial statements in the Integrated Annual Report for 2016, pp. 199 to 205. A short introduction on the implementation of the Managing Board remuneration policy in 2016 will be given by the Chairman of the Remuneration Committee of the Supervisory Board.

NOTES TO AGENDA ITEM 4

Financial Statements for 2016

Resolution

On 2 March 2017, the Supervisory Board approved the Financial Statements for 2016 drawn up by the Managing Board. The Financial Statements were published on 3 March 2017 and are now submitted for adoption by the General Meeting (see Article 31, section 2, of the Articles of Association).

Under this agenda item the accountant will give a short explanation on the audit of the Integrated Annual Report 2016 of Koninklijke DSM N.V.

NOTES TO AGENDA ITEM 5

a. Amendment of the Articles of Association

Resolution

The Cumulative Preference Shares A (Preference Shares) were created in 1996 as an instrument to enable the Dutch State to dispose of its participation in DSM without disturbing the market. Currently the Preference Shares are held by three institutional investors.

According to Article 32 section 3 of the current Articles of Association, the dividend on the Preference Shares is linked to long-term interest rates. Today this reference to interest rates results in a dividend



percentage of 1.7% which is no longer a fair compensation for an illiquid equity instrument such as these Preference Shares.

As it is DSM's policy to offer a fair dividend to all its shareholders by providing a stable, and preferably rising dividend, it is proposed to modify Article 32 section 3 such that the dividend percentage of the Preference Shares will every year be based upon the dividend yield of the ordinary shares in the preceding year (dividend as a percentage of the average share price). This also aligns the interests of the Preference Shareholders with the interest of ordinary shareholders in terms of dividend yield. A transitional provision is envisaged in Article 47 of the Articles of Association to align the Preference Shares dividend entitlement for the year 2016 with the proposed amendment (see enclosure).

Since the basis of computation of the dividend on the Preference Shares remains fixed at €5.2942 (Article 32 section 3 of the Articles of Association), for 2016 this proposal effectively means that the Preference Shareholders will receive a dividend percentage of 3.26% which equals a dividend pay-out of €0.17 per Preference Share given the aforementioned computation basis. The dividend proposed for ordinary shareholders is €1.75 per share. From the total dividend of about €315 million that is proposed to be paid over 2016, €307 million will be paid on ordinary shares (versus €290 million over 2015) and about €7 million on the Preference Shares (versus €10 million over 2015).

The proposal to amend the Articles also includes the authorization of every member of the Managing Board and every (deputy) civil-law notary, paralegal and notarial assistant at Allen & Overy LLP, Attorneys at Law, Civil-Law Notaries and Tax Consultants, in Amsterdam to have the deed of Amendment of the Articles of Association executed.

b. Reserve policy and dividend policy

The reserve policy is unchanged compared with last year. The reserve policy is closely linked to the dividend policy. Every year the Managing Board, with the approval of the Supervisory Board, decides which part of the profit is to be appropriated to the reserves. The portion of the profit then remaining and after deduction of the dividend on the Preference Shares, is at the disposal of the General Meeting.

The dividend that the company pays its shareholders depends on business conditions, the company's financial performance and other relevant factors. DSM aims to provide a stable and preferably rising dividend. The Managing Board, with the approval of the Supervisory Board, may propose that the dividend will be distributed in cash or in ordinary shares of DSM, at the discretion of the shareholder.

c. Adoption of the dividend for 2016

Resolution

With the approval of the Supervisory Board, the Managing Board is presenting to the General Meeting for adoption the proposal that the dividend per ordinary share to be paid for 2016 will be €1.75 (see Article 32, section 5 of the Articles of Association), an increase of €0.10 from the €1.65 paid for 2015. An interim dividend of €0.55 per ordinary share having been paid in August 2016, the final dividend thus amounts to €1.20 per ordinary share.

At the discretion of the shareholder, the final dividend will be made available in cash or, under the conditions set out below, in ordinary shares of DSM. The period in which this choice can be made is from 9 May 2017 to 22 May 2017 (3.00 pm CET). To the extent the final dividend is paid out in shares, these shares will be primarily transferred out of the own shares DSM holds in stock. Should the total number of own shares not be sufficient, additional shares will be acquired. The stock dividend is paid up from the tax-exempt share premium reserve and thus free from withholding tax in the Netherlands. Where shareholders have opted to receive their dividend in shares, the corresponding cash value of €1.20 per share will be deducted from the profit attributable to shareholders and added to the reserves.

In order to avoid negative tax consequences for DSM, a maximum of 40% of the total dividend amount is available for stock dividend. If shareholders in total wish to receive in aggregate a distribution in shares



which exceeds this maximum percentage of the total dividend, those shareholders who have opted for distribution in the form of shares will receive their stock dividend on a pro rata basis, with the remainder being distributed in cash.

The conversion rate of the stock dividend to that of the cash dividend will be determined on 23 May 2017 based on the Volume Weighted Average Price ('VWAP') of all DSM shares traded on Euronext Amsterdam ('Euronext') over a period of five trading days from 16 May 2017 up to and including 22 May 2017. The value of the stock dividend, based on this VWAP, will - subject to rounding - be equal to the cash dividend. There will be no trading in stock dividend rights.

The ex-dividend date will be 5 May 2017, the record date 8 May 2017 and the dividend will be payable as from 26 May 2017.

NOTES TO AGENDA ITEM 6

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

It is proposed that the members of the Managing Board be released from liability in respect of their managerial activities (see Article 31, section 3, of the Articles of Association).

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

It is proposed that the members of the Supervisory Board be released from liability in respect of their supervisory role (see Article 31, section 3, of the Articles of Association).

NOTES TO AGENDA ITEM 7

Reappointment of Dimitri de Vreeze as a member of the Managing Board Resolution

In accordance with Article 17, section 2, of the Articles of Association, the Supervisory Board nominates Mr. De Vreeze for reappointment as member of the Managing Board as from 3 May 2017. The Supervisory Board proposes to reappoint Mr. De Vreeze on the basis of his managerial and leadership qualities, his broad experience in Materials Sciences and his contribution to DSM's Managing Board and Executive Committee teams, as demonstrated in his first term as a Managing Board member. Mr. De Vreeze has added great value to DSM over the years.

In accordance with Article 17, section 1, of the Articles of Association, it is proposed that the General Meeting reappoints Mr. De Vreeze as a member of the Managing Board of Koninklijke DSM NV in accordance with the nomination of the Supervisory Board, with effect from 3 May 2017 for a period of four years ending by close of the AGM to be held in 2021, in accordance with the Dutch Corporate Governance Code.

Mr. Dimitri de Vreeze (1967, male, Dutch) studied Business Economics at the University of Groningen (the Netherlands) and holds a Postgraduate degree in Chartered Controlling from Maastricht University (the Netherlands).

Mr. De Vreeze joined DSM in 1990 in DSM Fine Chemicals. After several positions in Finance, Mr. De Vreeze moved to the area of sales management and took on increasingly senior roles, including that of Global Business Manager Sizing & Binders based in Italy. In 2002 he became Business Director Composite Resins Europe, based in Switzerland and built his career further in the DSM Resins & Functional Materials business group. Mr. De Vreeze was Business Unit Director Coating Resins between 2005 and 2007 and Business Unit Director NeoResins between 2007 and 2010. In 2010, Mr.



De Vreeze became Business Group Director DSM Resins, building a strong team and delivering excellent performance in this business group.

Mr. De Vreeze became a member of the Managing Board in September 2013. He is responsible for the businesses in DSM's Materials cluster and for Group Sourcing and Operations & Responsible Care, as well as overseeing DSM's activities in the Netherlands and Asia. In his first term as a Managing Board member Mr. De Vreeze has greatly driven both top- and bottom line performance of DSM's Materials businesses. He reshaped DSM's Materials portfolio with the divestment of DSM's Polymer Intermediates and Composite Resins businesses to the ChemicalInvest and set out a clear Materials strategy for the years to come. Since 2015 Mr. De Vreeze has also been steering the successful implementation of DSM's cost reduction and efficiency program for its support functions. This program entails adjusting DSM's global organizational and operating model to support the company's growth and create a more agile, commercially-focused and cost-efficient business.

In addition Mr. De Vreeze is Chairman of the Supervisory Board of DSM Netherlands, Board member of CEFIC (European Chemical Industry Council), Board member of ChemicalInvest, Board member of the "Fonds voor de topsporter" (NOC*NSF; Dutch Olympic Committee Fund for top sports), Member of the Supervisory Board of Sanquin, Member of the Advisory Board of ECP (Electronic Commerce Platform Netherlands), Board member of the Young Captain Foundation, and Member of the WEF (World Economic Forum's) Global Future Council on Advanced Materials.

Mr. De Vreeze holds 13,491 DSM shares.

NOTES TO AGENDA ITEM 8

a. Appointment of John Ramsay as a member of the Supervisory Board Resolution

In accordance with Article 24, section 2, of the Articles of the Association, the Supervisory Board nominates Mr. Ramsay for appointment as a member of the Supervisory Board of DSM. The Supervisory Board nominates Mr. Ramsay for his extensive knowledge and experience in the field of finance and accounting, which he has built up in various parts of the world. Mr. Ramsay's expertise covers all the functional areas within finance, he has extensive experience with managing a global finance organization, with external stakeholders and with mergers, acquisitions and divestments. His appointment will strengthen the Supervisory Board in the area of finance. Mr. Ramsay will be an independent member of the Supervisory Board within the meaning of the Dutch Corporate Governance Code and Article 1.4 of the Supervisory Board Regulations.

It is proposed that the Meeting appoints Mr. Ramsay as a member of the Supervisory Board in accordance with the nomination of the Supervisory Board for a period of four years with effect from 3 May 2017, ending by close of the AGM to be held in 2021.

Mr. Ramsay was born in 1957 and is a British national. A chartered accountant, Mr. Ramsay started his career at KPMG before entering the corporate world in 1984 when he joined ICI. He held several, increasingly senior, accounting and finance positions within ICI which would later become AstraZeneca. Mr. Ramsay played a leading role in planning and executing the merger of AstraZeneca's agribusiness with Novartis, including the integration and disposal of various businesses post merger. He also played a leading role in the formation and stock exchange listing of the Syngenta business and became its Group Controller in 2001. In that role he had to build up the group's finance function from scratch, establishing the organization and reporting systems after the IPO. In 2007 he became CFO of Syngenta: a US and Swiss-listed \$15 billion turnover, international business operating in over 90 countries. He retired in 2016.

Mr. Ramsay currently holds no other supervisory or advisory roles.

Mr. Ramsay holds no DSM shares.

b. Appointment of Frits Dirk van Paasschen as a member of the Supervisory Board Resolution

In accordance with Article 24, section 2, of the Articles of the Association, the Supervisory Board nominates Mr. Van Paasschen for appointment as a member of the Supervisory Board of DSM. His broad experience as a global business leader in both consumer markets and the service industry in various parts of the world has enabled Mr. Van Paasschen to build up a deep understanding of the current trends that are impacting business around the world. With his insights into how digital technology is changing the global economy and disrupting traditional business models, he will contribute to key areas of DSM's development. He will strengthen the Supervisory Board in the area of (new) business models and digital. Mr. van Paasschen will be an independent member of the Supervisory Board within the meaning of the Dutch Corporate Governance Code and Article 1.4 of the Supervisory Board Regulations.

It is proposed that the Meeting appoints Mr. Van Paasschen as a member of the Supervisory Board in accordance with the nomination of the Supervisory Board for a period of four years with effect from 3 May 2017, ending by close of the AGM to be held in 2021.

Mr. Van Paasschen was born in 1961 and is both a Dutch and US national. He holds an MBA from Harvard Business School (US) and a BA in Economics and Biology from Amherst College (US). After spending the first few years of his career in management consulting with the Boston Consulting Group and McKinsey & Co. Mr. Van Paasschen joined Disney Consumer Products and later Nike. Within Nike he was the President for the Americas & Africa and later for EMEA. Mr. Van Paasschen then became the CEO of Coors Brewing Company. From 2007-2015 he was the CEO of Starwood Hotels and Resorts. In January 2017 Mr. Van Paasschen published "The Disruptor's Feast", subtitled: How to avoid being devoured in today's rapidly changing global economy.

Mr. Van Paasschen is Chairman of the Supervisory Board of Apollo Hotels (the Netherlands), member of the Board of Advisors of Rutberg & Company (a research focused investment bank), Advisory Board member of Ras Al Khaimah Tourism Development Authority (United Arab Emirates) and member of the Global Advisory Board of the Indian School of Hospitality (India). Next to that he is advisor to CitizenM Hotels (the Netherlands) and to four tech companies: MobGen (the Netherlands, a mobile app developer), PlacePass (US, online travel services marketplace), Outpace (US, a company working on rapid prototyping software) and Olue (US, text-based automated customer service).

Mr. van Paasschen holds no DSM shares.

NOTES TO AGENDA ITEM 9

Reappointment of the External Auditor

At the 2014 Annual General Meeting, KPMG Accountants N.V. was appointed as the independent auditor for Koninklijke DSM N.V. and engaged for an initial three-year term covering 2015, 2016 and 2017. Following the recommendation of the Audit Committee and the Managing Board, the Supervisory Board proposes to reappoint KPMG Accountants N.V. as the independent auditor for 2018.

NOTES TO AGENDA ITEM 10

Powers of the Managing Board

In order to be able to: finance acquisitions in whole or in part through the issuance of shares, if necessary; service the option rights of DSM managers and employees; and make (interim) dividends available in the



form of ordinary shares, it is desirable for the Managing Board to have restricted authority to issue ordinary shares and to grant options on ordinary shares.

In accordance with Articles 10 and 11 of the Articles of Association, the General Meeting, by virtue of the resolution adopted on 29 April 2016, has extended the period during which the Managing Board is authorized to issue shares and to limit or exclude the preferential right when issuing ordinary shares by 18 months. This authorization will therefore end on 29 October 2017 if it is not extended. The duration of the extension of this authorization is restricted by Dutch law to a maximum of five years. However, as in previous years, it is proposed that the authorization be extended to a date 18 months from the date of this General Meeting.

Resolutions whereby the Managing Board exercises these powers to issue ordinary shares and to limit or exclude the preferential right when issuing ordinary shares, are subject to approval by the Supervisory Board.

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

A proposal is submitted to the General Meeting to extend the period during which the Managing Board is authorized to issue ordinary shares, which includes the granting of rights to subscribe for ordinary shares as provided for in Article 10 of the Articles of Association, to a date 18 months from the date of this General Meeting (i.e. up to and including 3 November 2018), on the understanding that this authorization of the Managing Board is limited to a number of ordinary shares with a nominal value amounting to 10% of the issued capital at the time of 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 DSM's website. The issue price will be determined by the Managing Board and shall as much as possible be calculated on the basis of the trading prices of ordinary shares on the Euronext Amsterdam Exchange.

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

A proposal is submitted to the General Meeting to extend the period during which the Managing Board is authorized to limit or exclude the preferential right when issuing ordinary shares, including the granting of rights for the taking up of ordinary shares, as provided for in Article 11 of the Articles of Association, to a date 18 months from the date of this General Meeting (i.e. up to and including 3 November 2018). The authorization is limited to the number of ordinary shares that the Managing Board is authorized to issue on the basis of the authorization referred to under agenda item 10a.

NOTES TO AGENDA ITEM 11

- Authorization of the Managing Board to have the company repurchase shares Resolution

DSM considers it desirable to have flexibility with regard to the repurchase of its own shares e.g. to service share options granted to management and personnel, as part of a share buy-back program, or otherwise.

In accordance with Article 13 of the Articles of Association, the company may acquire its own shares by virtue of a resolution of the Managing Board, which resolution is subject to approval by the Supervisory Board. Under Article 98 of Book 2 of the Dutch Civil Code, this requires authorization by the General Meeting. The duration of such authorization is limited by Dutch law to a maximum of 18 months.



It is proposed that the General Meeting authorizes the Managing Board to repurchase shares, on the stock exchange or otherwise, as meant in Article 13 of the Articles of Association, for a period of 18 months from the date of this General Meeting (i.e. up to and including 3 November 2018), up to a maximum of 10% of the issued capital as reported in the Financial Statements for 2016, provided that the company will hold no more shares in stock than at maximum 10% of the issued capital. The repurchase can take place - in the case of ordinary shares - for a price between the nominal value and the opening price on the Euronext Amsterdam Exchange on the day of purchase plus 10% and - in the case of cumulative preference shares A - for a price between the par value and the computation base referred to in Article 32, section 3, of the Articles of Association, plus 10%. The price range enables the company to adequately repurchase its own shares, also in volatile market conditions.

The authorization of the Managing Board to repurchase shares may be withdrawn by the General Meeting.

The proposed authorization will replace the authorization granted to the Managing Board on 29 April 2016.

NOTES TO AGENDA ITEM 12

Reduction of the issued capital by cancelling shares

Resolution

The issue of shares, for instance in connection with the exercise of the option rights annually granted to DSM's management and personnel, may lead to dilution of the share capital. To the extent that DSM's financial position allows this and the possibilities therefore exist on the share market, this disadvantage for holders of shares shall be offset as much as possible by the purchasing and possible cancellation of shares in DSM's own capital. The authorization to repurchase own shares is requested under item 11 of the agenda. The Managing Board, with due observance of the provisions of Article 14 of the Articles of Association and with the approval of the Supervisory Board, proposes that the General Meeting resolves to reduce the issued capital by cancellation of shares held by the company in its own capital up to a maximum of the number that is or will be bought by the company. This will enable the company to further optimize its equity structure.

The number of shares to be cancelled under this resolution shall be determined by the Managing Board in one or more tranches and shall be limited to a maximum of 10% of the issued capital as reported in the Financial Statements for 2016. The amount of the capital reduction shall always appear from a resolution adopted to this end by the Managing Board, which will be filed at the Trade Register.

The capital reduction shall take place with due observance of the applicable provisions of Dutch law and the Articles of Association.