Minutes of the proceedings of the Annual General Meeting of Shareholders of Royal DSM N.V., registered in Heerlen, held on Wednesday 9 May 2018 at 2:00 pm at the company's headquarters, Het Overloon 1 in Heerlen, the Netherlands.

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

1. Opening

The chairman welcomes all those present. The chairman reports that the full Supervisory Board, with the exception of Ms. Haynes, and the full Managing Board are present.
The chairman notes that the agenda with its explanatory notes and the other documents were made available to the shareholders on 27 March 2018, including by publication on the DSM website, that the registration date was 11 April 2018, and that the meeting is authorized to adopt legally valid resolutions.
The chairman mentions that Mr. Weusten and Mr. Smeets, both from KPMG, being DSM's external auditor, are present to answer any questions on the audit opinion regarding the financial statements for 2017. This is in line with the Dutch Corporate Governance Code. Mr. Weusten will provide a brief explanation under agenda item 5.
The chairman also reports that there was an option to give a proxy and voting instructions to civil-law notary J.J.C.A. Leemrijse for the meeting as an independent third party. She is also present to ensure that the meeting proceeds with due attention to legal and statutory regulations. After receiving the attendance data later on in the meeting, the chairman, at the request of the civil-law notary, reports that 1,256 shareholders are present or represented. They represent a total capital stock of 144,315,361 shares, being 65.96% of the voting capital. For the various resolutions, the civil-law notary has received proxies and voting instructions for a total of 125,801,957 shares or 87.17% of the capital present at the meeting.
The chairman states that this is the final Annual General Meeting for Mr. de Swaan as a member of DSM's Supervisory Board, and that he must leave the meeting early today. He thanks Mr. de Swaan for his dedication and expertise on the Supervisory Board over the past 12 years, including as vice-chairman of the Supervisory Board, chairman of the Audit Committee and member of the Remuneration Committee.
The chairman also makes a number of announcements.
The chairman then asks for a moment's silence for Mr. Steven Gonsalves, who lost his life as a result of a tragic accident while working as a contractor for DSM in Augusta, and also for the death of Mr. Peter Elverding, who was the CEO of DSM during the period 1999-2007.
After a brief moment of silence, the chairman announces that agenda items 2, 3 and 4 will be addressed at the same time and that any questions will be answered afterwards.

2. Annual Report for 2017 by the Managing Board

The chairman gives the floor to Mr. Sijbesma for an explanation of the Annual Report of the Managing Board, but not before congratulating Mr. Sijbesma and all staff members of DSM on the results for 2017 and the awards and accolades received by DSM and its leaders in 2017, in particular DSM's second place in the Fortune's Change the World List and Mr. Sijbesma's inclusion in the Fortune list of The World's 50 Greatest Leaders.
Mr. Sijbesma welcomes those present. Before his presentation, he shows a video in which DSM employee and finalist of the Dutch TV show "Heel Holland Bakt", Francis Kuijk, explains the importance of a good breakfast and which of DSM's food ingredients play a role

in this. Mr. Sijbesma then gives a presentation about DSM and more specifically the 2017 results. This presentation can be downloaded from the AGM webpage.

Mr. Sijbesma begins by briefly introducing DSM. Mr. Sijbesma explains that DSM developed from a coal mining company into a chemical company, and has now developed into a *science-based* company which stands for Bright Science. DSM's portfolio has thus substantially changed over the years. DSM is currently made up of one third Animal Nutrition (food ingredients for animal feed), one third Human Nutrition (food ingredients for human food) and one third Materials (special materials). Mr. Sijbesma then takes a general look back at 2017. Sales have increased by 9% to EUR 8.6 billion, gross profit (EBITDA) by 15% to EUR 1.4 billion, and the return on capital employed (ROCE) by 190 base points to 12.3%. The net profit, including all extraordinary revenue, tripled. Over the past year, the Total Shareholders Return, including the proposed increase in the dividend, increased by 43%. Of the sales, 44% are generated in the emerging economies. 21% of the sales originate from innovation; new products and solutions which have been introduced in the last five years. There has been a significant increase in employee engagement. DSM has brought its sustainability targets in line with the UN Sustainable Development Goals (SDGs) and has *delivered* on its targets for 2017 according to plan.

Looking back at DSM's transformation, Mr. Sijbesma states that many business units were divested in the years 2010-2015. DSM sold its Agro, Melamine and Elastomer activities, while the Pharma and Bulk Chemicals activities were integrated into joint ventures. During the same period, a large number of acquisitions were made, particularly in Nutrition.
The years 2015-2018 was the period for demonstrating that DSM had thus created a very attractive portfolio. During this period, there was a strong focus on increasing the organic growth, and on lowering costs and increasing efficiency, with the ultimate aim of strong EBITDA and ROCE growth.
DSM's growth strategy is closely aligned with global trends, which are summed up well by the SDGs. DSM is making a considerable contribution to five of the seventeen SDGs, in particular those relating to climate and (mal)nutrition. Mr. Sijbesma emphasizes that, in addition to financial targets, DSM also has strategic sustainability targets. As part of this, DSM focuses on matters such as producing more sustainable products (referred to by DSM as *Brighter Living Solutions*, the so-called Eco+/ People+ products) and making its own activities more sustainable, including by reducing greenhouse gas emissions, reducing energy usage, using sustainable energy, increasing employee engagement and increasing safety.

Mr. Sijbesma continues with the second part of his presentation (*2017 Highlights - Delivering higher value for all Stakeholders*), starting with the financial results (Profit dimension). He explains that sales grew organically by 9% in 2017, which is faster than the growth of the markets in which DSM operates. This applies to all 3 activities: Animal Nutrition, Human Nutrition and Materials. In this case, most of this growth comes from volume growth, which means that the growth in sales does not only come from price increases. Exchange rate fluctuations had a limited effect.
Mr. Sijbesma discusses the results of Nutrition and Materials in turn.
In Nutrition, DSM profited among other things from the success of the improvement programs aimed at stimulating organic growth, lowering costs and improving efficiency. DSM has also made a number of smaller acquisitions, and is working on a number of large-scale innovation programs. DSM is also becoming more directly active on the consumer market,

for example with its consumer brand Culturelle ® (the biggest global brand for probiotic-based food supplements).
In Materials, all business units, *DSM Engineering Plastics*, *DSM Resins & Functional Materials* and *DSM Dyneema,* have seen strong growth, partly because DSM is 'selling sustainability' to its customers. DSM helps its customers to make their products greener.
Mr. Sijbesma then addresses the sales in more detail. Sales are geographically balanced throughout the world. 44% of the sales come from emerging economies, in line with the target. For innovation, 21% of the sales relate to products which were introduced less than five years ago, which is also in line with the target.
Mr. Sijbesma then discusses the cost reduction and efficiency improvement programs which were launched in 2015, which are expected by DSM to deliver a total contribution to EBITDA of around EUR 275 million by the end of 2018.
Mr. Sijbesma states that, in 2015, DSM expressed the intention of selling its remaining participating interests in the Pharma and Bulk Chemicals joint ventures for strategic reasons. This relates to ChemicalInvest, in which DSM currently holds an interest of 35%, and DSM Sinochem Pharmaceuticals, in which DSM holds an interest of 50%. The interest of 49% in Patheon was sold in 2017 for EUR 2 billion, of which EUR 1.5 billion was received in 2017.
Mr. Sijbesma reports that the working capital has fallen slightly. DSM will continue to focus on the working capital to see whether it can be reduced even further. He adds that the net debt fell to approximately EUR 700 million, as a result of the sale of its participating interest in Patheon.
Mr. Sijbesma indicates that the Adjusted Net Profit and the Adjusted Earnings Per Share (EPS) increased by 36% and 35%, respectively.
He concludes that the strategy for 2016-2018, the foundations for which were laid in the 2010-2015 period, appears to be very successful. By the end of 2017, DSM had for the most part already achieved the targets that had been planned for the end of 2018.

Mr. Sijbesma then addresses the other dimensions of value creation, Planet and People, and shows a video about Africa Improved Foods. DSM aims to make the world a better place and leave behind better conditions for future generations, and at the same time to earn money and perform well.
Examples of this are increasing the amount of green electricity purchased, and continuing to cut back on emissions, which is also important from an economic perspective. He states that he and the Canadian Minister of Environment are Co-Chairs of the Carbon Pricing Leadership Council of the World Bank Group, which acts on a global scale to create a pricing system for CO_2 (so-called *carbon pricing*), and that he was the only representative from the business community who had the opportunity to speak on this topic at the Paris Climate Summit in December 2017. Mr. Sijbesma expects that the world will pay for CO_2 emissions in the long run, and businesses which have prepared themselves for this will benefit financially.
Mr. Sijbesma once again emphasizes that DSM enables its customers to be more sustainable, since 62% of DSM's products are products which have a much lower environmental impact or offer clear benefits for society, the so-called *Brighter Living Solutions*.
DSM is being widely recognized for its efforts in the field of sustainability. The world is dealing with the effects of climate change, and by way of example he talks about the rains in Bangladesh and the drought in the Horn of Africa. He says that DSM has a responsibility to provide for itself but also for the world around it, and that DSM attempts to do this through its business activities and products.

Mr. Sijbesma then provides some information about the value creation dimension 'People', including safety, employee engagement and diversity. DSM recognizes the positive effect of more women in leadership positions, and Mr. Sijbesma emphasizes that a better mix helps society and DSM to become stronger and achieve a better balance.
Mr. Sijbesma then addresses how DSM's Executive Committee operates. The Executive Committee consists of seven people and has been set up to provide faster strategic alignment and implementation through shorter lines of communication to and a greater focus on the business, innovation and personnel & organization. He also talks about the restructuring of the support services. In conclusion, he states that stronger leadership teams have been formed for all businesses, with a clear agenda of what is important to DSM, and with a clear *leadership model* against which people are assessed internally.
Mr. Sijbesma says that DSM has shown in a number of projects that People, Planet and Profit can go hand-in-hand. Via the United Nations' World Food Programme, a total of 30 million people receive aid with products which originate from DSM. He also talks about the Africa Improved Foods manufacturing facility in Kigali, Rwanda, in which DSM is one of the partners. This manufacturing facility processes local products for the local population in order to help Africa become more self-sufficient. Mr. Sijbesma believes that DSM must continue on this path in order to contribute to the development of Africa, and ultimately also to DSM's business in the long-term.
Mr. Sijbesma concludes that the adopted strategy, with the current portfolio of activities, not only works financially but also on a social level and in terms of environmental impact.
He refers to a graph showing the development of the dividend over the past 10 years, which has increased by 85%. He points out that the share price of DSM has increased by 150% since 2007. Mr. Sijbesma also refers to a number of external awards that DSM has received for its responsible leadership: the second place in the Fortune's Change the World List and his inclusion in the Fortune list of The World's 50 Greatest Leaders.
Mr. Sijbesma follows his presentation with a look ahead to the future. He states that innovation is important to DSM and talks about three significant innovation projects: the sustainable fish food project Green Ocean/ Veramaris, the Clean Cow project (the development of an animal feed ingredient which can reduce the amount of methane released by cows), and Niaga, an example of the circular economy (in which a technology has been developed for 100% recyclable carpets).

Mr. Sijbesma also refers to DSM's results for Q1 2018, which were published on 8 May 2018. He reports that DSM had already met the targets for 2018 by the end of 2017, and that the strategy update has therefore been brought forward to 20 June 2018.
He concludes with a word of thanks to the shareholders for their support.
The chairman thanks Mr. Sijbesma for his presentation and continues with agenda item 3.

3. Implementation new Dutch Corporate Governance Code

The chairman refers to the revised version of the Dutch Corporate Governance Code. DSM endorses the principles of sound corporate governance, as set out in the Dutch Corporate Governance Code, and has closely studied the new Dutch Corporate Governance Code in order to implement all of the best practice provisions, where these apply to DSM's business. He states that, as a result, the regulations of the Managing Board, the Supervisory Board, and the charters of its committees have been updated and implemented in good time, and that a proposed amendment to the Articles of Association has been formulated which will be put to the vote under agenda item 14.

4. Implementation Managing Board Remuneration Policy in 2017

The chairman gives the floor to Ms. Van der Meer Mohr, chair of the Supervisory Board's Remuneration Committee, for a brief explanation of the implementation of the remuneration policy for the Managing Board in 2017.
Ms. Van der Meer Mohr reports that the base salary of the members of the Managing Board was adjusted by 2.2% for the chairman and 2.5% for the other two members in July 2017. The short-term variable remuneration for 2017 has been established. With regard to the long-term variable remuneration, 50% of the shares conditionally granted in 2014 vested in 2017.
Ms. Van der Meer Mohr also states that the Supervisory Board is satisfied that all the members of the Managing Board are substantially investing in DSM shares using their own funds and by converting part of the short-term variable remuneration into shares that are then kept for a longer period. As a result of this, the long-term interests of the shareholders and the members of the Managing Board are brought in line.
Ms. Van der Meer Mohr also reports that the pay ratio between the top-level management of the company and the other employees in the company is 20:1 for the chairman of the Managing Board and 16:1 for the entire Managing Board, when looking only at Dutch employees. Globally, this ratio is 32:1 for the chairman and 25:1 for the entire Managing Board.
Finally, Ms. Van der Meer Mohr reports that a start has been made to the review of the remuneration policy, as approved by the 2013 Annual General Meeting, and that if this leads to a proposal for amendment, this will be presented to the Annual General Meeting in 2019.

The chairman gives the shareholders the opportunity to ask questions about agenda items 2, 3 and 4.
Mr. Koster (Vereniging van Effectenbezitters) thanks Mr. Sijbesma for the explanation and the excellent figures. Mr. Koster asks about the status of DSM's announced strategy update, why the strategy update is not being provided now and why this is only being provided in a month's time on 20 June 2018. In addition, Mr. Koster states that he considers the translation effect of foreign currencies into euros on the figures, amounting to EUR 610 million, to be significant; he asks for an explanation of this setback and whether DSM can do anything to reduce the impact of currencies on the figures. Finally, he notes that pricing had a limited effect on the growth. Mr. Koster asks why price increases are difficult for DSM to realize.
Mr. Sijbesma thanks Mr. Koster for his questions and addresses the first and the third question. He states that the initial plan had been to provide a strategy update in November 2018. As DSM had already met the target for 2018 by the end of 2017, this was brought forward to a date in the summer of 2018. The formulation of a new strategy entails making a number of calculations, taking into account 250 sites worldwide and involving various divisions and business groups. In addition, the Managing Board does not formulate a new strategy in isolation, but together with the Supervisory Board, and this takes a certain amount of time to work through. On 20 June 2018, the new strategy will be presented to shareholders and there will then be a number of roadshows allowing ideas to be exchanged with shareholders.
Mr. Sijbesma clarifies that when he spoke about a limited price effect, he was referring in particular to the sales, where DSM saw organic growth of 9% and a negative effect on the sales due to foreign exchange of 1%. He states that he is in fact satisfied that the majority of the organic growth is from volume. If DSM does not grow in volume, it will not gain market

share, and DSM may then only be able to grow organically by increasing prices. He explains that it is not easy for DSM to simply increase prices because DSM is active in various competitive markets. Despite this, DSM is growing reasonably fast – faster than the markets in which it operates – and with a slight price increase.
Ms. Matchett answers the second question by stating that the EUR 610 million in currency fluctuations relates to the cumulative effects of many years. It is thus not associated with only the income in 2017. There are only a few companies which attempt to hedge this. She states that it would be very expensive and in general it would also not be efficient or successful. The effect of these changes on the balance sheet is EUR 840 million out of a total of nearly EUR 13 billion. Ms. Matchett responds that they are therefore not such large figures proportionally. In so far as Mr. Koster's concern also referred to the income from the previous year and the question of whether this suffered from the same effect, Ms. Matchett reports that there the hedging was indeed good because the sales fell by only 1% as a result of currency, and DSM's EBITDA was very good. There are thus no concerns over the effectiveness of the hedging policy.
Mr. Van Esch (Robeco, and also on behalf of Achmea Investment Management, APG, de Goudse, Menzis, NN Investment Partners and Triodos) expresses his satisfaction with the results, the cost reduction program and the sustainability performance and encourages DSM to maintain the current focus on improvements to Return On Capital Employed (ROCE) and a disciplined acquisition policy in the strategy update. Mr. Van Esch asks for information about several innovation projects, including Veramaris, Stevia and Clean Cow, and asks what the profit and sales expectations are for these initiatives. He also remarks that DSM's working capital is high compared to the sales. He asks if it is possible to improve this, and if so, how this improvement could be brought about. Finally, he asks for the results of DSM's work regarding the SDGs, and whether DSM can say how and when it expects to be able to report DSM's impact on the relevant SDGs via comparative methods.
Mr. Sijbesma responds that he already mentioned the projects Clean Cow, Veramaris and Niaga, and that Mr. Van Esch has added Stevia to this list. Stevia is a sugar substitute. He reports that these innovation projects will be able to make a substantial contribution to the EBITDA in due course, expected to be around EUR 250 million. He says that DSM has not yet indicated when this contribution is expected, but that he hopes to be able to provide more specific information on 20 June 2018.
Ms. Matchett answers that there has been good development in the working capital ratios over the course of 2017. She points out that the aim is to be below 20% and that DSM ended on a percentage of 17.3% and an average of 18.4% during 2017. She states that the working capital percentage differs from business to business. In Nutrition, for example, it is slightly higher, and DSM will be turning its attention to this in 2018 and the years to come. The chairman adds that the working capital is also a regular topic of discussion in the Supervisory Board.
Mr. Sijbesma reports that, in its Annual Report, DSM stated that it is making a significant contribution to five SDGs, identifying as specifically as possible which projects are making which contribution, that DSM is making a smaller contribution to nine SDGs and that there are a couple of SDGs to which DSM is barely able to contribute. Mr. Sijbesma asks whether Mr. Van Esch requires any further information. Mr Van Esch replies in the affirmative, inquiring into the progress made by DSM's activities within the World Reporting Council, the aim of which is to find common criteria. Mr. Sijbesma replies that DSM is aiming to make the seventeen targets, which can be summarized in 169 KPIs, as specific as possible, including as regards to reporting. In the Netherlands, DSM is part of the Dutch Sustainable Growth Coalition, which is made up of eight companies; these companies all set out in their annual

report how the strategy and activities relate to the seventeen SDGs. He replies that, in the World Reporting Council, DSM is seeking to fine-tune the process further, in order to quantify the goals. Mr. Sijbesma remarks that this is a difficult project and that he is not expecting it to result in rapid progress, but that the initiative is nonetheless a good one, as it leads to ever more transparency about what companies do and that this increases awareness.

Mr. Stevense (Stichting Rechtsbescherming Beleggers) congratulates Mr. Sijbesma on being the only Dutch representative on the list of The World's 50 Greatest Leaders and thanks him for his efforts and the results achieved. He asks about the discussion regarding DSM's business in China that manufactures hydrocolloids, when Mr. Sijbesma expects the problems with the competitor that produces Vitamin A and Vitamin E are likely to be solved and finally what the plans are for Materials. Is the plan to sell off Materials, for example, and to make an acquisition in the field of Nutrition?

In response to the first question, Mr. Sijbesma states that DSM has an interest in a business in China that manufactures hydrocolloids. These are texture ingredients, including pectin. He explains that DSM has held some discussions with the other shareholders regarding DSM's rights in terms of taking over the remaining part of the shares. Mr. Sijbesma also states that this has not yet been entirely resolved by DSM, and that it has resulted in DSM deconsolidating these activities in the first quarter. He emphasizes that DSM still holds the same minority stake, but has not yet obtained a majority stake, although he is not ruling out that this may happen in the future. DSM still has 29% of the shares. He concludes by stating that the total activities of this joint venture generate sales of just over EUR 10 million and an EBITDA of just under EUR 5 million per quarter, and that these figures were incorporated into the sales figures in 2017, but are no longer included in those for 2018.

Mr. Stevense replies that he had not anticipated the deconsolidation, but instead had expected DSM to buy out the other shareholders.

Mr. Sijbesma states that he does not disagree there with Mr. Stevense, that he had also expected this and that these activities had therefore already been consolidated. Mr. Sijbesma points out, however, that China is a complex country and not everyone agreed that DSM had the right to take over the shares from the other shareholders. He concludes that DSM is, however, still looking into this and the discussion with the other parties are not yet closed, but that the activities were deconsolidated as a result of the difficult situation and the accounting regulations in force.

Mr. Sijbesma continues that a plant belonging to one of DSM's competitors which manufactures intermediate products needed for the production of vitamin A and vitamin E is not running; this has led to a shortage on the market, and prices have gone up as a result. DSM is benefiting from this. In order to ensure maximum transparency, he notes that Ms. Matchett made it clear to the financial markets that DSM is generating additional profits due to the fact that a competitor is not operating. Mr. Sijbesma is assuming that the competitor will return to the market and expects that the prices will then normalize once more.

Mr. Stevense asks whether Mr. Sijbesma has any idea where the market is going. Mr. Sijbesma replies that he expects this effect to apply to the first half of 2018.

With regard to Materials, he replies that the portfolio that DSM has built up in Materials in recent years, which has moved away from bulk materials and includes more specialties, has seen the EBITDA margin increase from 11% to 17%. He emphasizes that the Materials business is a beautiful business that is growing more rapidly than the market and is achieving an ever-increasing EBITDA percentage that is comparable with that of Nutrition.

Mr. De Vreeze states that Materials plays an important role in the trends for mobility, connectivity and climate change. He explains this using the example of Oppo, a new Chinese client that manufactures cell phones, and NIO, a Chinese producer of electric cars.

He states that the future for Materials lies in innovation, and the speed of innovation. He also states that the Materials portfolio from ten years ago looked different to that of today, and that DSM is well placed to seize the opportunities offered by climate change and DSM's innovation potential. He concludes by stating that DSM will provide more background on this matter at the Capital Markets Day, which is set to take place on 20 June 2018. Mr. Sijbesma also adds that materials are becoming ever more bio-based, and that DSM is using the biotechnology from the Nutrition business to make the Materials business more bio-based.
Ms. Laskewitz (Dutch Association of Investors for Sustainable Development - VBDO) praises DSM for its sustainability performance, and notes that DSM is also on top when it comes to VBDO's *tax transparency benchmark*. She asks what DSM needs from investors in order to continue to ensure long-term value creation. She also remarks that DSM's Total Reward Strategy states that steps were taken in 2017 to achieve global standardization of salary structures. She asks whether this strategy provides an insight into the living wage. In conclusion, Ms. Laskewitz asks how DSM plans to increase its leading role as regards SDGs and the implementation thereof.
Answering the first question, Mr. Sijbesma says that the most important thing DSM needs in order to continue its long-term value creation is the continued support of its shareholders. He notes that DSM stands for sustainable growth and long-term value creation and that this requires long-term vision and commitment; he illustrates the increasing support for this vision among the investors using a statement from Larry Fink of BlackRock.
In response to the second question, Mr. Sijbesma states that DSM is working on the living wage. This is being approached on a national scale in the first instance, on account of the differences in local legislation and the local involvement of labor unions. He does point out, however, that DSM is also working on a global declaration on the living wage. He also mentions that, in view of the increase in the retirement age, DSM is working on a project in the Netherlands to support Dutch employees in their sustainable employability.
In response to the third question, Mr. Sijbesma repeats that DSM is striving to engage other companies in the SDGs, for example by way of the Dutch Sustainable Growth Coalition, and via Global Compact, part of the United Nations. He also states that DSM is trying to achieve this by communication regarding CO_2 pricing. In the World Economic Forum, in which Mr. Sijbesma is the vice-chairman of the climate group, DSM, together with a group of companies, is aiming to put in place *science-based targets* for reducing emissions and CO_2 pricing, and to communicate this information.
Mr. Spanjer asks what the plan is for the intended sale of the participating interests in DSM Sinochem Pharmaceuticals and ChemicalInvest. He then remarks that DSM uses its own solar power panel coating in Sittard. Mr Spanjer is curious to find out how many potential customers DSM has welcomed to this site so far to show how this works in practice. In conclusion, he asks whether DSM has made arrangements with Professor Ernesto Calvo from Argentina, who is working on a lithium battery project, so that DSM can purchase lithium batteries at a reduced rate.
Mr. Sijbesma replies by stating that, for DSM, the interests it holds in DSM Sinochem Pharmaceuticals (50%) and ChemicalInvest (35%) are not strategic, and that DSM plans to sell off these participating interests. Mr. Sijbesma indicates that DSM will take the necessary steps when the time is right.
In answer to the second question, he responds that DSM does, in fact, manufacture two different types of coatings for solar cells, and that one of these coatings is used in Sittard. In order to show customers that it is very sensible to buy these coatings, Mr. Sijbesma explains that DSM uses these coatings itself in several locations in the world.

In conclusion, Mr. Sijbesma states that, following a selection made by an independent judging panel, Professor Ernesto Calvo won a competition that was organized to promote innovation. He notes that DSM is not active in the lithium batteries business and that the idea is also at a very early stage. No agreements have therefore been made with him, but this is certainly promoting innovation.

Ms. Van Haastrecht extends her sincere thanks to everyone for their efforts and the results achieved in 2017. She asks, in the first instance, about the progress made in the partnership in the field of health between DSM, Philips, Wageningen University and the Eindhoven University of Technology; this partnership began a number of years ago. Ms. Van Haastrecht also asks how DSM has brought about a cost reduction. In conclusion, she notes that in the case of the project in Rwanda, which has been mentioned above, soya is also grown, and that soya doesn't have a very good reputation in the Netherlands due to the odor. She asks Mr. Sijbesma whether DSM uses genetically modified soya in Rwanda.

Mr. Sijbesma indicates that he is not aware of the combination of the four organizations mentioned. He emphasizes that a biomedical collaboration does exist between DSM, Philips, the Eindhoven University of Technology and the University of Maastricht. He also states that DSM is working with the Wageningen University and a number of other food companies, but that Philips is not involved in this collaboration.

In response to the second question, Mr. Sijbesma explains that the costs savings have been made by implementing 'Project Darwin'. In addition, *cycle times* have been reduced within Nutrition and a higher output is being achieved from factories without increasing costs. This resulted in lower costs per kilogram of manufactured product. He also states that, in the context of the Darwin project, support roles have been merged on a global scale, resulting in closer cooperation with one another; worldwide, there is thus just one legal department, one financial department and one HR department, which are still represented in the different divisions and also in the various countries, but which are steered on a more central basis. He explains that there have been a number of job losses in the process. Ultimately, these have resulted in cost savings.

Mr. Sijbesma states that the odor nuisance is not an issue in Rwanda, but that, in his experience, odor issues are a difficult problem given the different ways odorf is experienced by people. He indicates that, in Rwanda, DSM uses soya from the affiliated farmers, and to his knowledge the soya has not been genetically modified.

Ms. Matchett adds that the soya beans in Rwanda are bought in by the local farmers where the climate is favorable, as has been the case here, and that DSM is not dependent on the global markets.

Mr. Pietersen asks why DSM's market share is increasing compared with its competitors. He then asks, assuming that volumes increase in the future, whether the factories still have sufficient capacity and whether investments might perhaps be made in new factories.

Mr. Sijbesma replies that DSM's increasing market share is predominantly due to its focus on different market segments. He states that, in order to do this, DSM needs to know which market segments experience the most rapid growth, both in terms of type and location. He remarks that there are currently no concerns about a shortage of capacity, but that attention is being paid to this subject and expansion and investments will also be needed at some point. In addition, the continued development of processes has also enabled DSM to increase the maximum capacity of its existing factories.

Mr. Koster asks the Remuneration Committee whether it will employ a different approach to assessing the remuneration of the Managing Board with the profits generated by DSM as a result of the fire at BASF. He also asks Mr. Sijbesma and the Managing Board what is being

done to prevent fires at DSM. He repeats that Mr. Sijbesma recently commented that the factories have reached maximum capacity, but that safety is, of course, the primary concern. Mr. Sijbesma indicates that the situation at BASF had a positive effect on prices, but that DSM has also had to respond to this very quickly, meaning that there is currently quite a lot of pressure on the organization. Mr. Sijbesma praises the sales team for this. He continues that DSM needs to make sufficient investments in maintenance and factory stops to prevent this sort of thing from happening at DSM. In spite of this, he remarks that where people are involved, things can go wrong, but adds that DSM does try to take care and that the incident at BASF has increased awareness once again.
In response to the question of whether, for DSM, the windfall plays a role in the remuneration of the Managing Board, the chairman observes that this is left to the Remuneration Committee, but that the same question can be posed for employees.
Mr. Sijbesma points out that he does not know whether it would be fair to keep this windfall out of the remuneration entirely, since in years where something contrary has happened that is beyond DSM's control, this is not taken into account either. He explains that DSM tries to keep remuneration fair internally and tries to coordinate it with what is happening with the shareholders. He concludes that decisions are still to be made in this respect, but that there is a certain *fairness* in transferring, at the very least, part of the windfall to DSM's employees. He leaves the remuneration of the Managing Board to the Supervisory Board.
Ms. Van der Meer Mohr continues that the Remuneration Committee will incorporate Mr. Sijbesma's response as an input in the assessment of the remuneration of members of the Managing Board. She explains that the Remuneration Committee looks into the performance of the Managing Board on an annual basis, with regard to the targets that were agreed at the start of the year, with unscheduled and unexpected effects that have occurred also being taken into account. The Remuneration Committee therefore has certain discretionary powers to increase or reduce the remuneration. Each year, the Remuneration Committee looks at what it considers reasonable in the circumstances. This will be the case this year too.
Mr. Sijbesma notes that even without this effect, DSM is performing well anyway, as is evident from the figures for Q1 2018, which were published on May 8, 2018 and in which this effect was illustrated.
Mr. Wierda states that he is disappointed not to have been sent a hard copy of the Annual report, as was promised last year. Mr. Sijbesma replies that anyone who wishes to have an Annual Report, is sent a copy by DSM, but that the shareholder has to send a message to Investor Relations or Corporate Affairs. Mr. Sijbesma gives his word that Mr. Wierda will still receive an Annual Report if he asks for one, but that he can also take one away with him today.
Mr. Stevense inquires as to the state of affairs in the legal action against a Chinese competitor and the legal action against Honeywell, both of which relate to intellectual property.
Mr. Sijbesma states that the discussion surrounding the business in China that manufactures hydrocolloids is an ownership issue rather than specifically an intellectual property problem. He notes that DSM is always involved in dozens of small-scale lawsuits, but that he is not aware of any large-scale suits regarding intellectual property. DSM is involved in a lawsuit with a Chinese party in Resins, but that is a small-scale suit. The lawsuit against Honeywell is still ongoing and has not yet reached a conclusion. These all are lawsuits in which DSM accuses others of infringing its intellectual property rights rather than the other way around.

5. Financial statements for 2017

The chairman reports that the financial statements for 2017 will be submitted to the Annual General Meeting for adoption. The financial statements for 2017 were approved by the Supervisory Board on February 27, 2018. The financial statements for 2017 were audited by the auditor, whose opinion is included on pages 229 through 233.
Mr. Weusten provides a brief explanation of the auditing work and the opinion from KPMG. Mr. Weusten indicates that KPMG has audited the separate and consolidated financial statements of DSM and has performed work with regard to the sustainability report. He explains that the audit results in the audit opinion as a final product and that an unqualified opinion was issued. Mr. Weusten explains that this means that the financial statements provide a reliable picture, that they are in line with IFRS and Title 9 of Book 2 of the Dutch Civil Code, that the Annual Report and other information is compatible with the financial statements and does not contain any material errors.
Mr. Weusten explains that a number of elements are important in the context of audits performed by KPMG. First of all, KPMG prepares a risk analysis during the audit, aimed at the areas in the financial statements where the risk of errors is at its highest. These are mostly the items that require assessments to be made by the management. In addition, materiality is important when determining the nature, scale and depth of the auditing work. For DSM the materiality of the financial statements for 2017 has been EUR 30 million, just like in 2016. KPMG reports errors exceeding EUR 1 million to management and the Supervisory Board.
From an efficiency viewpoint, KPMG chooses which activities it does centrally and which ones it does more locally. The auditor mainly tries to handle goodwill, acquisitions and divestments – such as the divestment of Patheon in 2017 – tax and legal proceedings and exceptional items centrally as much as possible. The choice of the local DSM entities to be audited is based on the scope of and risk-assessment for these entities. In 2017, this resulted in a coverage of 73% of sales and 80% of DSM's total assets. The remaining 27% of the sales and 20% of the assets consists of a large number of small entities; KPMG has performed statistical analyses in order to establish that there is no risk of material errors in these entities. In a number of countries KPMG uses local auditors who perform work on behalf of KPMG. For the consolidated entities these are KPMG accountants and for the significant non-consolidated entities, Patheon, DSM Sinochem Pharmaceuticals and ChemicaInvest, these are other Big Four accountants.
In addition, there are mandatory statutory audits in most countries, which are partly performed by KPMG firms and partly by other firms. The foreign auditors who report for group purposes and work under strict instructions from KPMG in the Netherlands are assessed in terms of their independence and competencies, and they are contacted very frequently about their findings and their reports. Key foreign auditors and DSM organizations are visited by KPMG's central team. Last year, as was also stated in the declaration, those were entities in the United States, Switzerland, China, Singapore and the shared service center in India. For complex subjects KPMG engages specialists, for example in the field of appraisals, computing, tax and pensions.
KPMG audits DSM throughout the year and periodically discusses its findings with Ms. Matchett and Mr. Sijbesma; it attended all the Audit Committee meetings and one meeting of the Supervisory Board. Mr. Weusten has also been in regular contact with the chairman of the Audit Committee, Mr. De Swaan. The key points in the audit opinion are included because of their financial importance, the complexity and the level of professional judgement on which they are based. Just like last year, the valuation of the goodwill and the valuation

of the joint venture between POET and DSM were key points of the opinion. The sale of the interest in Patheon was included as a new key point, given the scope of the transaction and its financial importance in the financial statements. The valuation of deferred tax assets and the presentation of exceptional items in the income statement have no longer been included as a key point.
The chairman thanks Mr. Weusten for his explanation and states that there will be an opportunity to ask questions after agenda item 7.

6. a. Reserve policy and dividend policy
b. Adoption of the dividend on ordinary shares for 2017

The chairman indicates that this agenda item consists of two parts. Agenda item 6.a. states that the reserve policy and dividend policy has remained unchanged from last year. The reserve policy is closely related to the dividend policy. The dividend paid by DSM depends on the conditions in which the company finds itself, the financial performance of the company and other relevant factors. DSM's aim is to provide a stable and preferably rising dividend. With approval from the Supervisory Board, the Managing Board can propose that the dividend be paid out either in cash or in the form of DSM ordinary shares, at the discretion of the shareholder.
Agenda item 6.b. explains the proposed dividend for 2017. The financial statements for 2017 show that for 2017 net earnings of EUR 1,769 million were achieved. Based on the Articles of Association, the Managing Board determines what part of the earnings is to be reserved, with approval from the Supervisory Board. For the year 2017 it has been decided that an amount of EUR 1,438 million will be reserved. The remainder of the earnings will first be used to pay out the dividend on the cumulative preference A shares. This payment will be EUR 8 million. The remaining part of the earnings will be at the disposal of the Annual General Meeting.
With approval from the Supervisory Board, the Managing Board proposes to the Annual General Meeting that an amount of EUR 1.85 per ordinary share be paid as dividend for 2017. Taking into account the interim dividend of EUR 0.58 per ordinary share paid in August 2017, the final dividend will be EUR 1.27 per ordinary share.
The shareholder will choose whether that final dividend is paid in cash or in the form of DSM ordinary shares. This year a maximum of 40% of the overall dividend will once again be paid in the form of shares, to avoid additional tax charges for DSM. Should shareholders jointly indicate that they would like to receive more than 40% of the overall dividend in shares, these shareholders will receive a dividend in shares pro rata and the rest in cash. The dividend will be made payable from 1 June 2018.

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

The chairman announces that agenda item 7 consists of two parts, namely the release from liability of the members of the Managing Board and the release from liability of the members of the Supervisory Board. The Annual General Meeting can give its opinion on these separately. The release from liability relates to all data apparent from the financial statements or announced to the Annual General Meeting by other means before the financial statements were adopted.

The chairman then gives the shareholders the opportunity to ask questions about agenda items 5., 6. and 7.
Mr. Stevense asks whether DSM wishes to reduce the working capital in a relative sense or in absolute terms.
Mr. Sijbesma replies that, in principle, it is a relative amount, but that if it were to work in absolute terms too then that would be good. Ms. Matchett confirms that the aim is to reduce the working capital in relative terms and also to allow the business to grow.
Mr. Stevense asks for clarification of the relationship between the scope and growth of a business and the working capital. Ms. Matchett provides an explanation of the ratio between the scope and growth of a business and the working capital, and states that when a business grows, there will, for example, be more production facilities, more factories, more stock and more debts. It is therefore important that the working capital is looked at in relation to the size of the business. Ms. Matchett states that DSM's aim is to keep the working capital below a percentage of 20% of sales, and that this was achieved in 2017 with an average of 18.4%. The chairman responds by stating that as a business grows, it needs more stock. He explains this based on his own experience.
Mr Stevense remarks that his own analysis shows that the personnel margin, i.e. the earnings per member of staff, is less favorable. He asks what DSM is planning to do about this. Mr. Sijbesma remarks that he considers this to be an unusual analysis, because DSM has fewer people and profits have increased, and that the personnel margin therefore should have increased.
Mr. Stevense agrees with Mr. Sijbesma, but points out that the personnel margin is lagging behind other key figures. The chairman suggests that Mr. Stevense discuss his analysis with someone within DSM.
Mr. Boom asks why DSM has not offset any tax losses on approximately EUR 200 million, while DSM is making large profits. He notes that around EUR 200 million lapsed last year, and that another approximately EUR 70 million will lapse in the coming years. He appreciates that the business analysis and the tax analysis do not always run in parallel, but is still curious about this issue.
Ms. Matchett explains what DSM's tax burden is this year, and that last year's tax burden fell to 16.8%. She states that DSM is doing well generally in terms of tax, but that DSM is also a responsible company which meets its tax obligations. The fiscal losses depend on the IFRS principles; details can be found on page 177 of when a loss is presented as such. This is a highly complex process, as DSM has activities in many different countries. She is happy to provide Mr. Boom with further information should he so wish. Mr. Sijbesma adds that this relates to long periods of more than ten years. He remarks that DSM is doing well at the moment, but that this hasn't always been the case, at least not in all countries.
In conclusion, the chairman suggests that Mr. Boom discuss this with the head of Taxation.
Mr. Van Esch asks whether the auditor can explain the degree of certainty that is used for the results on the sustainability targets within the long-term remuneration policy, more specifically in terms of the efficiency improvements, energy use and greenhouse gas emissions. He asks whether, as is the case with other sustainability information, this is a limited degree of certainty and, if so, whether, given the importance of this data for the company and the remuneration policy, this level ought to be scaled up to reasonable assurance, as also applies to the financial figures in the financial statements.
Mr. Weusten replies that it is a fairly accurate calculation, but that it is true that the sustainability indicators have been audited with a limited degree of certainty by KPMG. KPMG also carries out separate activities in relation to the remuneration of the Managing Board and reports its findings to the Supervisory Board. Mr. Sijbesma states that DSM is

aiming to move from a limited assurance to a reasonable assurance at some point, but that this point has not yet been reached.
Mr. Koster has a question regarding the section '*What still went wrong in 2017*' in the financial statements. He appreciates DSM's honesty in this section and states that it is right that the death of Mr. Steven Gonsalves has been included here. He then asks why the dispute regarding the business in China that manufactures hydrocolloids and the delay in starting up the POET factory - in respect of which the auditor has asked for attention to be paid as a key audit matter - are missing, and whether there are other omissions that should perhaps have been included in the report.
Mr. Sijbesma states that this is a limited overview and that DSM has only included situations where something has actually gone wrong. Every now and then, there are innovation projects that do not deliver what DSM is hoping for. He emphasizes that innovation goes hand in hand with risks, and that POET is an example of an innovation which has not yet achieved the result that DSM envisaged at the start. He adds that many technological innovations do not work out completely within the time period envisaged, but they do work out at a later stage. In conclusion, Mr. Sijbesma states that there is sometimes a difference between the financial allocation of an innovation and the state of technological development of the innovation itself. The chairman adds that for each project there is a probability of it working and that the success rate is then built upon. He also remarks that side effects are often encountered, which prevent the original project from working out, but that lucrative results are nevertheless obtained in additional areas.
Mr. Spanjer asks what tax benefits DSM received as a result of the tax review in the United States.
Ms. Matchett replies that the tax reduction was a result of a review that was only carried out in late 2017, around Christmas time, and that where the tax burden is reduced, the deferred taxes also have to be adjusted. Ms. Matchett states that she expects the net effect to amount to approx. 1% of DSM's tax burden, but that it is dependent on a number of interpretations, and therefore is still uncertain.
The chairman notes that there are no further questions and suggests putting the motions to the vote. The secretary explains the voting procedure.

Voting for agenda items 5., 6.b., 7.a. and 7.b.

The chairman proceeds with the vote for agenda item 5., the adoption of the financial statements for 2017. The secretary opens the voting for agenda item 5.
The secretary notes that 99.69% has voted in favor of the motion and 0.31% against, and the motion is therefore adopted. The chairman observes that the General Meeting has unanimously adopted the financial statements for 2017.
The chairman proceeds with the vote for agenda item 6.b., the adoption of the dividend on ordinary shares for 2017, in accordance with the Managing Board's motion. The secretary opens the voting for agenda item 6.b.
The secretary notes that 99.98% has voted in favor of the motion and 0.02% against, and the motion is therefore adopted. The chairman observes that the dividend on ordinary shares for 2017 has been set in accordance with the motion.
This is followed by the vote on item 7.a., the release from liability of the members of the Managing Board. The secretary opens the voting for agenda item 7.a.
The secretary notes that 99.06% has voted in favor of the motion and 0.94% against, and the motion is therefore adopted. The chairman observes that the members of the Managing Board have been released from liability.

This is followed by the vote on item 7.b., the release from liability of the members of the Supervisory Board. The secretary opens the voting for agenda item 7.b.
The secretary notes that 99.06% has voted in favor of the motion and 0.94% against, and the motion is therefore adopted. The chairman observes that the members of the Supervisory Board have been released from liability.

8. Reappointment of Geraldine Matchett as a member of the Managing Board

The chairman announces that agenda items 8 and 9 will be addressed at the same time and that any questions will be answered afterwards.
The chairman announces that the Supervisory Board suggests reappointing Ms. Geraldine Matchett as a member of the Managing Board. The Supervisory Board is nominating Ms. Matchett based on her managing and leadership qualities, her qualities as an all-round and experienced international CFO, as well as her extensive experience with shareholders and her contributions to DSM's Managing Board and Executive Committee, as demonstrated during her first term as CFO and member of the Managing Board. Over the years, Ms. Matchett has created significant value for DSM. The reappointment will be for a period of four years, ending at the closure of the 2022 Annual General Meeting.

9. Reappointment of Rob Routs as a member of the Supervisory Board

The chairman gives the floor to Ms. Van der Meer Mohr.
Ms. Van der Meer Mohr announces that the Supervisory Board suggests reappointing Mr. Rob Routs as a member of the Supervisory Board. The Supervisory Board is nominating him due to his extensive international experience, his knowledge of the (petro)chemicals industry, his wealth of experience in managing and supervising companies and his qualities as chairman of the Supervisory Board, which he has demonstrated over the past eight years. The review of the strategy that is currently underway and the fact that the vice-chairman, Mr. De Swaan is due to retire after this Annual General Meeting, are further reasons to suggest reappointing Mr. Routs and to ensure continuity within the Supervisory Board, mainly due to the greatly appreciated manner in which Mr. Routs has fulfilled his role as chairman in recent years, for which the Supervisory Board is very grateful. Mr. Routs is an independent supervisory director within the meaning of the Dutch Corporate Governance Code and the Supervisory Board Regulations.
The appointment will be for a period of two years, ending at the closure of the 2020 Annual General Meeting, in accordance with the Dutch Corporate Governance Code.

The chairman gives the meeting the opportunity to ask questions about agenda items 8. and 9.
Mr. Stevense would like to hear from the people whose appointment is currently on the agenda in person to find out why they are keen to take on this position.
Ms. Matchett replies that, in response to the same question four years ago, she said that she was impressed by DSM's growth trajectory and was keen to contribute to this, especially with regard to the transformation to more sustainability and at the same time further growth. She is proud to be able to say, along with her colleagues, that the past four years have been a fantastic phase in DSM's development, and she is looking forward to adding another four years to this.

The chairman replies that he thinks DSM is a fantastic company. He states that he finds DSM's transformation fascinating in terms of where it has come from and where it is heading, which is due to be announced on 20 June; this is why he is continuing for another term.
Mr. Koster says that it is good to hear that the chairman is positive about DSM, but that as a member of the Supervisory Board he needs to be particularly critical in his role as Supervisory Board member. He asks the chairman how he is planning on arranging this.
The chairman gives the floor to Mr. Sijbesma to discuss his opinion of the critical attitude of the chairman. Mr. Sijbesma answers that there is a very close cooperation with the Supervisory Board, and that, as the chairman, Mr. Routs expresses his opinion unambiguously and clearly. Mr. Sijbesma states that DSM and the shareholders should be thankful for the Supervisory Board as a whole, and especially to Mr. Routs.
The chairman notes that there are no further questions and suggests putting the motions to the vote.

Voting for agenda items 8. and 9.

The chairman proceeds with the vote for agenda item 8., the reappointment of Ms. Matchett as a member of the Managing Board. The secretary opens the voting for item 8.
The secretary notes that 100% has voted in favor of the motion, and the motion is therefore adopted. The chairman notes that Ms. Matchett has been reappointed as a member of the Managing Board and congratulates her on her reappointment.
The chairman proceeds with the vote for agenda item 9., the reappointment of Mr. Routs as a member of the Supervisory Board. The secretary opens the voting for item 9.
The secretary notes that 84.73% has voted in favor of the motion and 15.27% against, and the motion is therefore adopted. The chairman observes that he has been reappointed as a member of the Supervisory Board.

10. Reappointment of the External Auditor

The chairman indicates that, during the 2014 Annual General Meeting, KPMG Accountants N.V. was appointed as auditor for an initial period of three years, namely for 2015, 2016 and 2017. During the 2017 Annual General Meeting, KPMG Accountants N.V. was reappointed for 2018. The Audit Committee evaluated the external auditor this year on the basis of the DSM policy and best practices. KPMG operates a robust auditing process. Over the past few years, the cooperation has been subject to further improvement and is now of high quality. The result of the evaluation was therefore positive.
Based on the recommendation from the Audit Committee and the Managing Board, the Supervisory Board suggests reappointing KPMG Accountants N.V. as auditor and commissioning them to perform the audit for the year 2019.

The chairman gives the meeting the opportunity to ask questions.
Mr. Koster notes that, when reappointing KPMG Accountants N.V. as DSM's auditor, it was made a condition of the reappointment that KPMG must not be discredited between 2014 and today. He asks whether the Supervisory Board and the Audit Committee are of the opinion that KPMG has not been discredited since 2014?
Mr. Sijbesma responds in an advisory capacity as chairman of the Managing Board that the condition was made at the time with the Supervisory Board and the Managing Board. KPMG has not been discredited in such a way that has damaged DSM, the auditing of DSM or DSM's image, and it is therefore proposed that KPMG be reappointed.

The chairman also answers that the condition was rather unique at the time, and that the Supervisory Board and the Audit Committee are still looking into this closely.
Mr. Spanjer asks how DSM has protected its businesses and systems in all countries against cybercrime. Mr. Weusten replies that KPMG has not carried out an investigation in all countries, since this is not the role of the external auditor. The role of the external auditor is to establish what the company is doing to prevent cybercrime and how robust the measures are. KPMG therefore carried out work in specific cyber risk areas, but not in all countries. Due to the sensitive nature of the information, Mr. Weusten cannot say what these risk areas are. This is discussed with the Supervisory Board and the Managing Board, but not with anyone else. Mr. Sijbesma adds that DSM does look into its protection against cybercrime, and stays on top of it as much as it can, but that it is not possible to say that DSM is 100% protected, since cybercrime is a complicated issue.

The chairman proceeds with the vote for agenda item 10., the reappointment of the External Auditor. The secretary opens the voting for item 10.
The secretary notes that 99.92% has voted in favor of the motion and 0.08% against, and the motion is therefore adopted. The chairman concludes that the General Meeting has agreed to the reappointment of the external auditor.

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

The chairman indicates that agenda items 11.a., 11.b., 12., 13. and 14. are of a more technical nature and will be clustered.

It is proposed that 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, be extended to a date 18 months from the date of this General Meeting (i.e. up to and including 9 November 2019), 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.

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

It is proposed that 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, be extended to a date 18 months from the date of this General Meeting (i.e. up to and including 9 November 2019). 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 11a.

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

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 9 November 2019), up to a maximum of 10% of the issued capital as reported in the Financial Statements for 2017, 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 3 May 2017.

13. Reduction of the issued capital by canceling shares

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 2017. 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.

14. Amendment of the Articles of Association

The Managing Board suggests, with the approval of the Supervisory Board, that DSM's Articles of Association be amended as a result, inter alia, of modified laws and regulations, including the implementation of the new Dutch Corporate Governance Code, which was published on 8 December 2016 and comes into force from the financial year commencing on or after 1 January 2017. The full text of the proposal to amend the Articles of Association with a separate explanation was appended to the agenda.

Voting for agenda items 11.a., 11.b., 12., 13. and 14.

The chairman notes that there are no questions regarding agenda items 11.a., 11.b., 12., 13. and 14., and proceeds to voting for agenda item 11.a., the extension of the period during which the Managing Board is authorized to issue ordinary shares. The secretary opens the voting for agenda item 11.a.

The secretary notes that 87.56% has voted in favor of the motion and 12.44% against, and the motion is therefore adopted. The chairman concludes that the General Meeting has extended the Managing Board's share issuing authority in accordance with the motion.
The chairman proceeds to voting for agenda item 11.b., the extension of the period during which the Managing Board is authorized to limit or exclude the preferential right when issuing ordinary shares. The secretary opens the voting for agenda item 11.b.
The secretary notes that 76.35% has voted in favor of the motion and 23.65% against, and the motion is therefore adopted. The chairman concludes that the General Meeting has extended the Managing Board's authority to limit or exclude pre-emptive rights when issuing ordinary shares in accordance with the motion.
The chairman proceeds with the vote for agenda item 12., the authorization of the Managing Board to have the company repurchase shares. The secretary opens the voting for agenda item 12.
The secretary notes that 99.39% has voted in favor of the motion and 0.61% against, and the motion is therefore adopted. The chairman concludes that the General Meeting has granted the Managing Board authorization for acquiring the company's own shares in accordance with the motion.
The chairman proceeds with the vote for item 13., the reduction of the issued capital by canceling shares. The secretary opens the voting for agenda item 13.
The secretary notes that 99.96% has voted in favor of the motion and 0.04% against, and the motion is therefore adopted. The chairman notes that the General Meeting has decided to reduce the capital in accordance with the Managing Board's motion.
The chairman proceeds with the vote for agenda item 14., the amendment of the Articles of Association.
The secretary notes that 100% has voted in favor of the motion, and the motion is therefore adopted. The chairman concludes that the General Meeting has approved the amendment to the articles of association.

15. Any other business

Mr. Koster asks whether making the vitamin plant in China more sustainable has anything to do with the requirements in China being stricter than those in Western Europe, or whether it was overdue maintenance that has become necessary as a result of new legislation.
Mr. Sijbesma replies that, in a great many areas, the requirements in China are somewhat lower than in Western Europe, but that these requirements are the same or higher than those in Western European in many areas, and that China is catching up. Mr. Sijbesma states that a number of improvements have been made in the plant, these improvements relating to a move from coal to gas, for environmental reasons among other things, and that a number of investments have been made in this plant for these reasons.
Mr. Spanjer asks why the Sisseln site in Switzerland is mentioned so many times in the '*What still went wrong in 2017*' section of the Annual Report, and whether this site needs to be renovated. Mr. Sijbesma answers that Sisseln is one of DSM's flagship sites. It is a large site, but there is no cause for concern.
Mr. Spanjer asks whether the final EUR 500 million from the sale of Patheon has been deposited into the bank account. Mr. Sijbesma confirms that this amount has already been received.
Ms. Van Haastrecht asks whether DSM, together with the Wageningen University, can look into a different way of growing crops outside of greenhouses, so that the earth can absorb

water once again and the water level in the Netherlands can be properly regulated. Ms. Van Haastrecht also asks what she should expect in the future as regards diversity of living creatures other than humans. She indicates that only things that appear to benefit the ever-growing global population seem to be important at present. Ms. Van Haastrecht also asks whether DSM has a policy, or is consciously working on a policy of including fewer vitamins in modern products than in products from forty to fifty years ago, measured on the basis of the cookbook section in the women's weekly 'Margriet'. In conclusion, Ms Van Haastrecht asks about the importance of algae for DSM.
Mr. Sijbesma replies that, in the Netherlands, as a result of climate change we expect there to be ever increasing amounts of precipitation, certainly for short periods, and that it will be incredibly expensive to align the take-up capacity of the drains or even parts of our soil therewith. The current picture in the Netherlands is that we will experience issues from time to time. Programs have been developed and someone has even been appointed to create a delta plan for the Netherlands to combat flooding, the so-called climate adaptation approach, but ultimately the best solution is to try to prevent this from happening. DSM is not involved in making agricultural land more efficient, as DSM is not part of the agricultural food chain. DSM is, however, working with Syngenta to make current pesticides organic.
Mr. Sijbesma observes that biodiversity is highly important for the future of the Earth. Mr. Sijbesma also responds that, on average, people in the Western world consume too few vitamins, as they are not eating enough fruit and vegetables and that their diets therefore need to be fortified by supplements and other products. He emphasizes that DSM is able to provide these vitamin supplements. He also notes that the different crops or various applications do not contain fewer vitamins than was previously the case, but that people are changing their diets compared to how they used to eat. In conclusion, Mr. Sijbesma emphasizes the importance and potential of algae. He states that DSM has already obtained a number of oils from algae, for example for use in infant formula and also for fish food.

16. Closure

If there are no further questions, the chairman will proceed with the closure of the meeting at 17:05. He concludes with a number of administrative announcements, including the announcement that the 2019 Annual General Meeting will be held on Wednesday May 8.