
**EXPLANATION OF THE PROPOSED AMENDMENT
OF THE ARTICLES OF ASSOCIATION
Koninklijke DSM N.V.,
with its official seat in Heerlen**

Explanation of the proposed amendment of the Articles of Association of Koninklijke DSM N.V.

General

The proposal for an amendment of the Articles of Association is related to some recent Dutch legislative changes arising from European directives. In June 2008 a change in the law was introduced that made it possible to repurchase and (retain) company shares of a company like Koninklijke DSM N.V. up to 50% of the issued capital. It is proposed to bring Article 13 paragraph 1 of the Articles of Association in line with this change in the law. For the sake of completeness it is noted that when the General Meeting of Shareholders grants authorisation to the Managing Board to resolve to acquire company shares (repurchase), the maximum number of company shares that may be acquired shall be fixed. The authorisation to repurchase company shares may also be granted for a percentage less than 50%.

Also, on 1 January 2009 the implementation Act regarding the Transparency Directive has come into effect. This Act requires an amendment of Article 30 paragraph 4. The term for preparing the annual accounts is shortened by one month to four months after expiry of the financial year.

Removal cumulative preference shares C

All issued cumulative preference shares C were purchased in 2004 and have been retained as company shares since that date. It is unlikely that these company shares will be sold by the company. As a separate item on the agenda for the annual meeting of 2009, it will be proposed that all the cumulative preference shares C held by the company itself will be cancelled. On the condition precedent that the proposal for the capital reduction will be adopted by the General Meeting of Shareholders, it is proposed that the class cumulative preference shares C will be removed from the Articles of Association. The related amendments have been inserted in articles 4, 8, 12, 13, 14, 32, 33, 41, 42, 43 and 46.

Other issues

In view of the announced legislative changes pursuant to which the notice to convene a general meeting of shareholders must have been made not later than on the thirtieth day before that on which the meeting is to be held, it is proposed that article 37 paragraph 2 be amended. It is also proposed that article 41 paragraph 8 be amended thus, that it will no longer be required that each person must himself sign the attendance list before the commencement of the meeting. The presence of the person concerned can also be recorded by an employee of the company. The proposed amendment of Article 41 paragraph 5 makes clear that no registration date needs to be set for all classes of shares. The amendment of Article 46 paragraph 4 is purely technical.

Authorisation

The proposed amendment of the Articles of Association also includes that each member of the Managing Board, the Corporate Secretary, the director of Corporate Legal Affairs as well as each (junior) civil-law notary, paralegal and notarial employee of Allen & Overy LLP, lawyers, civil-law notaries and tax advisers in Amsterdam, are authorised to request a certificate of no objections in respect of the draft deed of amendment of the Articles of Association, and to have the deed executed.