

NOTES TO THE AGENDA FOR THE ANNUAL GENERAL MEETING OF ROYAL DSM N.V. TO BE HELD ON 31 MARCH 2010

NOTES TO AGENDA ITEM 2

- a. Annual Report by the Managing Board and Triple P Report for 2009**
- b. Corporate Governance**

The Managing Board will comment on the Report by the Managing Board in DSM's Annual Report for 2009 (see pp. 20 to 94 of the Annual Report for 2009¹) and the Triple P report for 2009. In addition the Managing Board will report on its implementation of the amended Dutch corporate governance code. Subsequently, those present at the meeting will be given the opportunity to ask questions or make remarks about the Annual Report by the Managing Board for 2009 including the implementation of the Dutch corporate governance code as well as the Annual Report by the Supervisory Board (included in the Annual Report for 2009 on pp. 96 to 111) and the Triple P Report for 2009.

NOTES TO AGENDA ITEM 3

Adoption of the Financial Statements for 2009

Resolution

The Supervisory Board approved on 23 February 2010 the Financial Statements for 2009 drawn up by the Managing Board. The Financial Statements were published on 24 February 2010 and are now submitted for adoption by the General Meeting (see Article 31, section 2, of the Articles of Association).

NOTES TO AGENDA ITEM 4

a. 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 what 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 cumulative 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 entire dividend is distributed in cash.

b. Adoption of the dividend payment for 2009

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 2009 be € 1.20 (see Article 32, section 5 of the Articles of Association). An interim dividend of € 0.40 per ordinary share having been paid in August 2009, the final dividend thus amounts to € 0.80 per ordinary share.

¹ The page numbers refer to the English version of the 2009 Annual Report on the DSM website

NOTES TO AGENDA ITEM 5

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 6

Reappointment of members of the Managing Board

a. Reappointment of Mr N.H. Gerardu **Resolution**

In accordance with Article 17, section 2, of the Articles of Association, the Supervisory Board nominates Mr N.H. Gerardu for reappointment as member of the Managing Board. In line with recommendations of the Dutch corporate governance code, members of the Managing Board are appointed for a maximum term of four years. As Mr Gerardu's first four year term as a member of the Board of Management expires, the Supervisory Board proposes to reappoint Mr Gerardu on the basis of his international experience, his managerial qualities and his knowledge of the life science and performance materials industry as demonstrated during his past period as a member of DSM's Managing Board. The Supervisory Board is pleased that Mr Gerardu is available for another term as member of the Managing Board of DSM.

In accordance with Article 17, section 1, of the Articles of Association, it is proposed that the Meeting reappoints Mr Gerardu as a member of the Managing Board of DSM in accordance with the nomination of the Supervisory Board, with effect from 1 April 2010 for a period of four years.

Mr Nico Gerardu was born in 1951 and is a Dutch citizen. He studied chemical engineering at the Technical University of Eindhoven and earned an MBA degree at the University of Diepenbeek (Belgium). Mr Gerardu has worked at DSM since 1975, where he has served in a wide variety of management positions in different business groups: Industrial Chemicals, Plastics, Plastic Products, Fine Chemicals. In 2000 he was appointed business group director DSM Anti-Infectives. Mr Gerardu was appointed member of the Managing Board with effect from 1 April 2006.

Mr Gerardu is chairman of the Supervisory Board of Holland Colours N.V. and member of the Supervisory Board of Voestalpine Polynorm N.V. and the Bonnefanten Museum in Maastricht (Netherlands).

Mr Gerardu holds 5,056 DSM shares.

b. Reappointment of Mr R-D. Schwalb **Resolution**

In accordance with Article 17, section 2, of the Articles of Association, the Supervisory Board nominates Mr R-D. Schwalb for reappointment as member of the Managing Board and Chief Financial Officer (CFO). In line with recommendations of the Dutch corporate governance code, members of the Managing Board are appointed for a maximum term of four years. As Mr Schwalb's first four year term as a member of the Board of Management will expire on October 19, 2010, the Supervisory Board proposes to reappoint Mr Schwalb on the basis of his international business experience and expertise covering all

the functional areas of the financial function as demonstrated during his past period as a member of DSM's Managing Board and CFO. The Supervisory Board is pleased that Mr Schwalb is available for another term as member of the Managing Board of DSM.

In accordance with Article 17, section 1, of the Articles of Association, it is proposed that the Meeting reappoints Mr Schwalb as a member of the Managing Board of DSM and CFO in accordance with the nomination of the Supervisory Board, with effect from October 19, 2010 for a period of four years..

Mr Rolf-Dieter Schwalb was born in 1952 and is a German citizen. He studied Mathematics and Business Administration at the University of Giessen, Germany. In 1976 Mr Schwalb joined Procter & Gamble GmbH Germany, where, over a period of 18 years, he held various positions in the IT and Finance disciplines, including that of Controller of Procter & Gamble GmbH Germany. In 1991 Mr Schwalb joined the European Headquarters of Procter & Gamble in Brussels, Belgium, where he was responsible for planning and controlling of all European activities. Mr Schwalb joined Beiersdorf AG in Hamburg, Germany, in 1994. He took the responsibility of Division Controller and later that of Manager Corporate Accounting/Controlling Beiersdorf AG. In October 2000 he was appointed CFO and Member of the Executive Board of Beiersdorf AG. Mr Schwalb was appointed member of the Managing Board and CFO with effect from 19 October 2006.

Mr Schwalb holds 7,000 DSM shares.

NOTES TO AGENDA ITEM 7

(Re)appointment of members of the Supervisory Board

According to the rotation schedule, Mr T. de Swaan is due to resign. Mr T. de Swaan has put himself up for reappointment.

Mr C. van Woudenberg will step down at the Annual General meeting in 2010 as he will by then have served the maximum term of 12 years on the Supervisory Board. The Supervisory Board considers it desirable to appoint a new Supervisory Board member.

a. Reappointment of Mr T. de Swaan

Resolution

In accordance with Article 24, section 2, of the Articles of Association, the Supervisory Board nominates Mr T. de Swaan for reappointment as a member of the Supervisory Board of DSM on the basis of his managerial and international experience, his expertise in the field of finance & economics and his qualities as Supervisory Board member as demonstrated during his past period as member of DSM's Supervisory Board. Mr de Swaan is 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 reappoints Mr de Swaan as a member of the Supervisory Board of DSM in accordance with the nomination of the Supervisory Board.

Mr Tom de Swaan was born in 1946 and is a Dutch national. After completing in 1972 his master degree in economics from the University of Amsterdam, he joined the Dutch Central Bank (De Nederlandsche Bank). He was appointed member of the Governing Board of De Nederlandsche Bank in 1986, in charge of payment systems, IT, human resources, and planning and control. In 1992, he assumed responsibility for the supervision of credit institutions and mutual funds in the Netherlands. In that capacity, he served as Chairman of the Joint Forum on Financial Conglomerates and the Banking Supervisory Committee of the European Monetary Institute. In 1997, he was appointed Chairman of the Basel Committee on Banking Supervision. In 1999 he joined ABN AMRO and was appointed member of the Managing Board and Chief Financial Officer / Chief Risk Officer.

Mr de Swaan retired on 1 May 2006. He has agreed to continue his services for ABN AMRO after his retirement as an advisor to the Managing Board, specifically on the topics of economic and

financial affairs, and sustainable development.

In addition Mr de Swaan is non-executive director on the Board of Glaxo Smith Kline Plc and of the Board of Zurich Financial Services, chairman of the Supervisory Board of Van Lanschot Bankiers N.V., member of the Supervisory Board of Royal Ahold N.V., board member of Royal Concertgebouw Orchestra and member of the Board of Trustees of Netherlands Cancer Institute-Antoni van Leeuwenhoek Hospital.

Mr de Swaan holds no DSM shares.

b. Appointment of Mr R.J. Routs

Resolution

In accordance with Article 24, section 2, of the Articles of Association, the Supervisory Board nominates Mr R.J. Routs for appointment as a member of the Supervisory Board of DSM on the basis of his extensive international experience, his knowledge of the (petro)chemical industry and broad experience in the management and supervision of corporations. Mr Routs is 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 Routs as a member of the Supervisory Board of DSM in accordance with the nomination of the Supervisory Board.

Mr Rob Routs was born in 1946 and is a Dutch national. He received a Master's degree in Chemical Engineering from the Technical University of Eindhoven (Netherlands) and holds a Ph.D. in Technical Sciences. Mr Routs has worked for the Royal Dutch/Shell group until his retirement in 2008. He held various posts at Shell, both in the Netherlands and elsewhere. His last positions were Executive Director Downstream and member of the Board of Royal Dutch Shell plc; he also had the coordination of the Group's climate change efforts including alternative fuels.

In addition Mr Routs is vice-chairman of the Supervisory Board of Aegon N.V. (and will take up chairmanship in April 2010), member of the Supervisory Board of Royal KPN N.V., and also sits on the Board of Directors of INSEAD and Canadian Utilities Ltd. Furthermore, Mr Routs is member of the Economic Development Board of Singapore International Advisory Council.

Mr Routs holds no DSM shares.

NOTES TO AGENDA ITEM 8

Proposal to adapt the remuneration policy of members of the Managing Board

Resolution

It is proposed that the remuneration policy be changed. In accordance with Article 18, section 1, of the Articles of Association the proposal is presented to the General Meeting for adoption. The General Meeting is proposed to adapt the remuneration policy of the members of the Managing Board in accordance with the proposal. The full proposal is included in the Annual Report for 2009 on pp. 106 to 111 and outlined below.

In Q1 2009, DSM announced that it was proposing a redesign of the remuneration policy for the Managing Board and would submit this proposal to the 2010 Annual General Meeting of Shareholders.

This redesigned remuneration policy for the Managing Board –which is outlined below – ensures further alignment with DSM's strategy and corporate values, taking into account the interests of all stakeholders.

In addition, changes have been made to further comply with the amended Dutch corporate governance code.

DSM recognizes that a remuneration policy should generate an internally and externally acceptable level of compensation as part of the sustainable development of the company. With the redesign of the remuneration policy the Supervisory Board also intends to contribute to a change in the landscape of Top

Executive remuneration. DSM will evaluate the remuneration policy on a regular basis and further improve it if and when necessary.

A number of anchor points have been taken into consideration in the redesign of the remuneration policy:

- Improved simplicity and transparency
- Focus on medium and long-term value creation for stakeholders
- Variable components of remuneration based on predetermined and measurable value-creating performance criteria, predominantly of a long-term nature
- Supportive to the sustainable development of the company and linked to DSM's corporate values and strategy
- 'Reasonable' and competitive remuneration levels, stimulating the required management performance
- Yearly salary review based on three-year remuneration Benchmark

Remuneration policy

The objective of DSM's remuneration policy is to attract, motivate and retain qualified and expert individuals that the company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and giving recognition to the interests of DSM's stakeholders. The following elements are taken into consideration:

- DSM strives for a high performance in the field of sustainability and aims to maintain a good balance between economic gain, respect for people and concern for the environment in line with the DSM corporate values as reflected in the DSM Values (to be replaced by the DSM Code of Business Conduct in 2010). The remuneration policy reflects a balance between the interests of DSM's main stakeholders as well as a balance between the company's short-term and long-term strategy. In the light of the remuneration policy, the structure of the remuneration package for the Managing Board is designed to balance short-term operational performance with the medium and long-term objective of creating sustainable value within the company, while taking account of the interests of all stakeholders.
- To ensure that highly skilled and qualified senior executives can be attracted and retained, DSM aims for a total remuneration level that is comparable to levels provided by other (Dutch and European) multinational companies that are similar to DSM in terms of size and complexity.
- The remuneration policy for the members of the Managing Board is aligned with the remuneration of other senior executives of DSM.
- In designing and setting the levels of remuneration for the Managing Board, the Supervisory Board also takes into account the relevant provisions of statutory requirements, amended Dutch corporate governance clauses, societal and market trends and the interests of stakeholders.
- DSM's policy is to offer the Managing Board a total direct compensation approaching the median of the labor-market peer group.

Labor-market peer group

In order to be able to recruit the right caliber of people for the Managing Board and to secure long-term retention of the current Board members, DSM will take external reference data into account in determining adequate remuneration levels. For this purpose, a specific labor-market peer group has been defined which consists of a number of Dutch and European companies that are more or less comparable to DSM in terms of size, international scope and business portfolio.

The Supervisory Board regularly reviews the peer group to ensure that its composition is still appropriate.

The labor-market peer group currently consists of the following thirteen companies:

Aegon	Oce ¹
AkzoNobel	Rhodia
Clariant	Solvay
Heineken	Syngenta
KPN	TNT
Lanxess	Wolters Kluwer
Nutreco	

¹ Will be eliminated from the peer group due to expected de-listing

Previously, remuneration levels were reviewed on an annual basis, based on external benchmarks derived from the labor market peer group. However, it was observed that annual reviews based on external benchmarking might produce volatile results and could lead to upward pressure on remuneration levels.

Within the revised remuneration policy DSM will apply external benchmarks ('labor-market peer group') only every three years, combined with a yearly aging mechanism based on the 'general increase' (market movement) for DSM executives in the Netherlands. The initial benchmarking part of the revised policy will be conducted in January 2011.

Total Direct Compensation (TDC)

The total direct compensation of the Managing Board consists of:

- (I) Base salary
- (II) Variable income
 - Performance-related Short-Term Incentive (STI)
 - Performance-related Long-Term Incentive (LTI)

In addition to this total direct compensation, the members of the Managing Board participate in the Dutch pension scheme for DSM employees in the Netherlands and they are entitled to other benefits, such as a company car and representation allowance.

As a matter of policy, the balance between fixed income and variable income (Short-Term plus Long-Term Incentive) within total direct compensation (on target) will be 50% - 50%.

Value in % of Total Direct Compensation (on target)

A: Base Salary	50%
B: Variable income (STI + LTI)	50%
Total Direct Compensation (TDC)	100%

Base salary

On joining the Board, the Managing Board members receive a base salary that is comparable with the median of the labor market peer group. Every year, base-salary levels are reviewed based on a three-year remuneration benchmark. Adjustment of the base salary is at the discretion of the Supervisory Board.

Variable income

The variable income part of remuneration consists of the Short-Term and Long-Term Incentives.

As a matter of policy, the distribution between Short-Term and Long-Term Incentives (on target) has been fixed at 50% - 50%. This will result in a balance between short-term result and long-term value creation.

As indicated above, the on-target incentive potential of the variable income (Short-Term and Long-Term Incentives) will be 100% of base salary.

Distribution of variable income (on target)

A: Short-Term Incentive (STI)	50%
B: Long-Term Incentive (LTI)	50%
Total variable income as % of base salary	100%

Short-Term Incentive (STI)

Managing Board members are eligible to participate in a Short-Term Incentive (STI) scheme. The scheme is designed to reward Short-Term operational performance with the long-term objective of creating sustainable value, while taking account of the interests of all stakeholders.

The Short-Term Incentive opportunity amounts to 50% of the annual base salary for on-target performance (in case of excellent performance 100%). The part of the STI that is related to financial targets accounts for 25% of base salary and the other 25% relates to sustainability and other value-creating targets.

Target areas	Distribution	Shared	Individual
Financial	25%	25%	0%
Sustainability and individual	25%	20%	5%
Total	50%	45%	5%

Short-Term Incentive (STI) linked to financial targets

The part of the STI that is linked to financial targets (25%) includes elements related to operational performance, being operating profit (EBIT), gross free cash flow and net sales growth (organic), reflecting short-term financial results.

The weighting given to the individual financial elements in the bonus is as follows: EBIT 10%, gross free cash flow 7.5% and net sales growth 7.5% of annual base salary for on-target performance.

Target areas	On-target pay-out (% of base salary)
Financial targets	
- Operating profit (EBIT before exceptional items)	10
- Gross free cash flow ¹	7.5
- Net sales growth (organic) ²	7.5
Total	25

¹ Cash flow from operating activities minus CAPEX

² Excluding currency fluctuations and disposals and acquisitions

The three financial-target-related Short-Term-Incentive elements can be derived from the financial statements.

Short-Term-Incentive (STI) linked to sustainability and other value-creating areas

The part of the STI that is linked to non-financial targets (25%) relates to sustainability and other value-creating areas.

For 2010/2011 three 'first tier' value-creating-performance measures have been defined in the area of sustainability. The distribution over these three targets is set by the Supervisory Board. On a regular

basis, further refinement / adaptations of performance measures in the area of sustainability and their weight will take place, following proper evaluation.

The following shared targets linked to sustainability have been defined for the STI:

- **ECO+ products** – Profitable ECO+ product development, consisting of:
 - Percentage of phase transitions from ‘Feasibility’ (phase 2) to ‘Development’ (phase 3) that meet ECO+ criteria
 - Percentage of successful product launches that meet ECO+ criteria
- **Energy consumption reduction** – linked to Triple P target of 20% less energy consumption in 2020 compared to 2008
- **Employee Engagement Index** – related to the High Performance (HP) norm in industry (2008 score: 5% below HP norm)

The STI targets on sustainability can be defined as follows:

- **ECO+ products** – ECO+ solutions are products and services that, when considered over their whole life cycle, offer clear ecological benefits (in other words, a clearly lower ecofootprint) compared to the mainstream solutions they compete with. These ecological benefits can be created at any stage of the product life cycle – from raw material through manufacturing and use to potential re-use and end-of-life disposal. ECO+ solutions, in short, create more value with less environmental impact.
- **Energy consumption reduction** – reduction of the amount of energy that is used per unit of product (known as energy efficiency).
- **Engagement Index** – An Employee Engagement Survey is conducted annually, focusing on a combination of perceptions that have a consistent impact on behavior and create a sense of ownership. Research has consistently shown that the four key elements (satisfaction, commitment, pride and advocacy) define engagement and link engagement to business performance metrics.

In addition to shared sustainability targets (20%), a limited number of individual non-financial targets (5%) will apply.

Target area	On-target pay-out (% of base salary)
Non-financial targets	
- Sustainability	20
- Individual	5
Total	25

The targets are determined each year by the Supervisory Board, based on historical performance, the operational and strategic outlook of the company in the short term and expectations of the company’s management and stakeholders, among other things. The targets contribute to the realization of the objective of long-term value creation.

The company does not disclose the actual targets, as they qualify as commercially sensitive information. However, full transparency will be given on target areas and definitions. Target setting and realization will be audited by external auditors.

Long-Term Incentives (LTI)

The Managing Board members will be eligible to receive performance-related shares. Stock options will no longer be part of their Long-Term Incentive program.

Under the performance share plan, shares will conditionally be granted to Managing Board members. Vesting of these shares is conditional on the achievements of certain predetermined performance targets during a three-year period.

Two performance targets will apply for vesting of performance shares:

- Comparable TSR versus a peer group
- Greenhouse-gas emissions (GHGE) reduction over volume related revenue

The LTI performance targets can be defined as follows:

- Total shareholder return (TSR)

Used to compare the performance of different companies' stocks and shares over time. It combines share price appreciation and dividends paid to show the total return to the shareholder. The relative TSR position reflects the market perception of overall performance relative to a reference group.

- Greenhouse-gas emission (GHGE) reduction

The definition of greenhouse gases (GHG) according to the Kyoto protocol includes carbon dioxide (CO₂), methane, nitrous oxide (N₂O), sulphur hexafluoride, hydrofluorocarbons and perfluorocarbons.

- I. DSM's direct emissions (on site or from DSM assets) are CO₂ and N₂O (scope 1).
- II. DSM's indirect emissions (emissions created on behalf of DSM in the generation of electricity or the delivery of energy via hot water or steam) relate to electricity from the grid. DSM relies on local suppliers (scope 2).
- III. DSM does not report scope 3 emissions (catch-all for remaining emissions that result from activities of the company (e.g. business travel)).

In the revised LTI plan, 50% of the performance-shares grant remains linked to relative TSR, while 50% will be based on GHGE reduction.

The policy level for the value of the Long-Term Incentive is set (on target) at 50% of base salary (in case of excellent performance 75%). The number of conditionally granted shares is set by dividing the policy level (50% of base salary) by a share price at the beginning of the year of the conditional grant. The annual grant level will fluctuate as a consequence of this mechanism.

In determining the number of shares to be conditionally granted, the Supervisory Board takes into account a discounted face value of shares. This method incorporates the actual share price and a fixed vesting probability multiplier. For 2010 the number of conditionally granted ordinary shares will be:

Chairman 28,500

Members 19,000

Granting date

The shares are granted on the first 'ex-dividend' day following the Annual General Meeting of Shareholders at which DSM's financial statements are adopted.

TSR as a performance measure

DSM's TSR performance is compared to the average TSR performance of a set of pre-defined peer companies.

The TSR peer group for 2010 consists of the following companies:

AkzoNobel	Kerry
BASF	Lanxess
Clariant	Lonza Group
Danisco	Novozymes
DuPont	Rhodia
EMS Chemie Holding	Solvay

The peer group used for benchmarking TSR performance reflects the relevant market in which DSM competes for shareholder preference. It includes sector-specific competitors that the Supervisory Board considers to be suitable benchmarks for DSM.

The peer group is verified by the Supervisory Board each year based on market circumstances (such as mergers and acquisitions) that determine the appropriateness of the composition of the performance peer group.

GHGE reduction as a performance measure

GHGE reduction over volume-related revenues in % points (over a 3 year period) will be used for the vesting of 50% of the performance shares.

Performance Incentive Zones

The number of shares that become unconditional after three years ('vesting') is determined on the basis of two equally weighted factors: DSM's performance relative to the average TSR performance of the peer group and DSM's GHGE reduction over volume-related revenue.

The following vesting schemes will apply:

TSR vesting scheme

DSM performance minus peer-group performance in % points	Percentage of shares that vest
≥ 30	100
≥ 25 and < 30	89
≥ 20 and < 25	78
≥ 15 and < 20	67
≥ 10 and < 15	56
≥ 5 and < 10	45
≥ 0 and < 5	34
< 0	0

GHGE vesting scheme

DSM GHGE reduction over volume-related revenue in % points	Percentage of shares that vest
5.27	100
4.68	89
4.09	78
3.50	67
2.91	56
2.32	45
1.73	34
<1.73	0

The retention period for performance shares expires five years after the three-year vesting period or at termination of employment if this occurs earlier.

The final performance of DSM versus its peers will be determined and validated by a bank and audited by the external auditor at the end of the vesting period.

Pensions

The members of the Managing Board are participants in the Dutch pension fund Stichting Pensioenfonds DSM Nederland (PDN). PDN operates similar pension plans for various DSM companies. The pension scheme of the Managing Board is equal to the pension scheme for the employees of DSM Executive Services B.V. and DSM employees in the Netherlands.

Employment contracts

Term of employment

The employment contracts of the members of the Managing Board appointed before 1 January 2005 have been entered into for an indefinite period of time. Newly appointed members of the Managing Board are also offered an employment contract for an indefinite period of time. The employment contract ends on the date of retirement or by notice of either party.

Term of appointment

Members of the Managing Board appointed before 1 January 2005 are appointed for an indefinite period of time. New members of the Managing Board (appointed after 1 January 2005) will be appointed for a period of four years. Newly appointed members are subject to reappointment by the shareholders after a period of four years.

Notice period

Termination of employment by a member of the Managing Board is subject to three months' notice. A notice period of six months will for legal reasons be applicable in the case of termination by the company.

Severance arrangement

There are no specific contractual exit arrangements for the members of the Managing Board appointed before 1 January 2005. Should a situation arise in which a severance payment is appropriate for these Board members, the Remuneration Committee will recommend the terms and conditions. The Supervisory Board will decide upon this, taking into account usual practices for these types of situations, as well as applicable laws and corporate governance requirements.

The employment contracts of newly appointed members of the Managing Board (appointed after 1 January 2005) include an exit-arrangement provision which is in accordance with the Dutch corporate governance code (that is, a sum equivalent to the fixed annual salary, or if this is manifestly unreasonable in the case of dismissal during the first term of office, two times the fixed annual salary).

Claw back

There is no specific claw back clause in employment contracts for the Managing Board. New legislation is in preparation by the Dutch Government. As soon as the new legislation has entered into force, DSM will apply this.

Change in control

There is no specific change-in-control arrangement in employment contracts for the Managing Board. New legislation is in preparation by the Dutch Government. As soon as the new legislation has entered into force, DSM will apply this.

Share ownership

The Supervisory Board will encourage the Managing Board to hold shares in the company to emphasize their confidence in the strategy and the company.

Loans

DSM does not provide any loans to members of the Managing Board.

Scenario analysis

The amended Dutch corporate governance code requires that the Supervisory Board 'shall analyze possible outcomes of the variable income components and the effect on Managing Board remuneration'. Within DSM this analysis will be conducted at least every three years.

A scenario analysis has been conducted on the effects of therevised remuneration policy for the Managing Board.

NOTES TO AGENDA ITEM 9

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, and in order to be able to service the option rights of DSM managers and employees, 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 25 March 2009, 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 26 September 2010, if it is not extended. The duration

of the extension of this authorization is restricted by 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 for the taking up of 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 30 September 2011), 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 30 September 2011) on the understanding that this authorization of the Managing Board is limited to a number of ordinary shares 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 the DSM's strategy as published on the DSM's website.

NOTES TO AGENDA ITEM 10

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, or 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 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 30 September 2011), up to a maximum of 10% of the issued capital, 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 ordinary shares, also in volatile market conditions.

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

NOTES TO AGENDA ITEM 11

Reduction of the issued capital by cancelling shares

Resolution

The issue of ordinary 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 ordinary 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 company shares is requested under item 10 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 ordinary 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 ordinary shares to be cancelled under this resolution shall be determined by the Managing Board and shall be limited to a maximum of 10% of the issued capital as appearing from the Financial Statements for 2009. 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 the law and the Articles of Association.