



Notes to the Agenda for the Annual General Meeting of Koninklijke DSM N.V.
to be held on Wednesday 9 May 2018

NOTES TO AGENDA ITEM 2

Annual Report for 2017 by the Managing Board

The Managing Board will comment on the Report by the Managing Board in DSM's Integrated Annual Report for 2017 (see pp. 18 to 59 of the Integrated Annual Report for 2017). Subsequently, those present at the meeting will be given the opportunity to ask questions or make remarks about the Report by the Managing Board for 2017 and the Report by the Supervisory Board (included in the Integrated Annual Report for 2017 on pp. 118 to 129).

Under this agenda item questions can also be raised, and remarks can be made, on the sustainability information, which is contained in the Integrated Annual Report for 2017.

NOTES TO AGENDA ITEM 3

Implementation new Dutch Corporate Governance Code

On December 8, 2016, the Monitoring Committee Corporate Governance Code published the new Dutch Corporate Governance Code. The new Dutch Corporate Governance Code applies to any financial year starting on or after 1 January 2017.

DSM ensures its continued compliance with the Dutch Corporate Governance Code and has worked on implementing the amendments in its internal regulations and practices where applicable. Part of this process will be the amendment of DSM's Articles of Association, for approval under section 14 of the agenda by the 2018 General Meeting of Shareholders. A short explanation will be given by the Chairman of the Supervisory Board.

NOTES TO AGENDA ITEM 4

Implementation Managing Board Remuneration Policy in 2017

This agenda item provides, pursuant to Section 2:135(5a) of the Dutch Civil Code, for a discussion regarding the implementation in 2017 of the remuneration policy for the Managing Board, as included in the notes to the parent company financial statements in the Integrated Annual Report for 2017, pp. 222 to 228. A short explanation on the implementation of the Managing Board remuneration policy in 2017 will be given by the Chairman of the Remuneration Committee of the Supervisory Board.

NOTES TO AGENDA ITEM 5

Financial Statements for 2017

Resolution

On 28 February 2018, the Supervisory Board approved the Financial Statements for 2017 drawn up by the Managing Board. The Financial Statements were published on 1 March 2018 and are now submitted for adoption by the General Meeting (see Article 31, section 2, of the Articles of Association).

Under this agenda item the accountant will give a short explanation on the audit of the Integrated Annual Report 2017 of Koninklijke DSM N.V.

NOTES TO AGENDA ITEM 6

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 which part of the profit is to be appropriated to the reserves. The portion of the profit then remaining and after deduction of the dividend on the Preference Shares A, is at the disposal of the General Meeting.

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

The Preference Shares A are, in accordance with article 32, section 3, of the Articles of Association, entitled to a dividend in respect of the financial year 2017 which is equivalent to the dividend yield of the ordinary shares over 2017, which would be - if resolution 6b will be adopted by the AGM - 2.8%. This percentage may be increased or decreased by a mark-up or discount of no more than one hundred (100) basis points, to be determined by the Managing Board in consultation with the Supervisory Board. This discretionary option was intended to be able to stabilize the dividend percentage on the Preference Shares A in case of large swings in the dividend yield of the ordinary shares due to large share price swings. This situation materialized in 2017 as the share price increased over 2017 with 40%. Therefore, the Managing Board in consultation with the Supervisory Board has decided to use their discretionary option and to set the dividend percentage on the Preference Shares A at 3.26%. As the basis for the computation of the dividend on the Preference Shares A amounts to €5.2942 per share, the total dividend for 2017 equals to €0.17259 per share, which is identical to the total dividend paid on the Preference Shares A over 2016.

b. Adoption of the dividend on ordinary shares for 2017

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 2017 will be €1.85 (see Article 32, section 5, of the Articles of Association), an increase of €0.10 from the €1.75 paid for 2016. An interim dividend of €0.58 per ordinary share having been paid in August 2017, the final dividend thus amounts to €1.27 per ordinary share.

At the discretion of the shareholder, the final dividend will be made available in cash or, under the conditions set out below, in ordinary shares of DSM. The period in which this choice can be made is from 15 May 2018 to 28 May 2018 (3.00 pm CET). To the extent the final dividend is paid out in shares, these shares will be primarily transferred out of the own shares DSM holds in stock. Should the total number of own shares not be sufficient, additional shares will be acquired. The stock dividend is paid up from the tax-exempt share premium reserve and thus free from withholding tax in the Netherlands. Where shareholders have opted to receive their dividend in shares, the corresponding cash value of €1.27 per ordinary share will be deducted from the profit attributable to shareholders and added to the reserves. In order to avoid negative tax consequences for DSM, a maximum of 40% of the total dividend amount is available for stock dividend. If shareholders in total wish to receive in aggregate a distribution in shares which exceeds this maximum percentage of the total dividend, those shareholders who have opted for distribution in the form of shares will receive their stock dividend on a pro rata basis, with the remainder being distributed in cash.

The conversion rate of the stock dividend to that of the cash dividend will be determined on 29 May 2018 based on the Volume Weighted Average Price ('VWAP') of all DSM shares traded on Euronext Amsterdam ('Euronext') over a period of five trading days from 22 May 2018 up to and including 28 May 2018. The



value of the stock dividend, based on this VWAP, will - subject to rounding - be equal to the cash dividend. There will be no trading in stock dividend rights.

The ex-dividend date will be 11 May 2018, the record date 14 May 2018 and the dividend will be payable as from 1 June 2018.

NOTES TO AGENDA ITEM 7

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 8

Reappointment of Geraldine Matchett as member of the Managing Board Resolution

In accordance with Article 17, section 2, of the Articles of Association, the Supervisory Board nominates Mrs. Geraldine Matchett for reappointment as member of the Managing Board as from May 9, 2018. DSM has greatly benefitted from her qualities as all-round and international CFO, as well as from her extensive experience with external stakeholders during her first tenure as an MB member.

In accordance with Article 17, section 1, of the Articles of Association, it is proposed that the General Meeting reappoints Mrs. Matchett as a member of the Managing Board in accordance with the nomination by the Supervisory Board, with effect from May 9, 2018 for a period of four years ending by close of the AGM to be held in 2022, which is in accordance with the Dutch Corporate Governance Code.

Mrs. Matchett was born in 1972 and has the Swiss, British, and French nationality. She studied Mathematics, Physics & Biology majors in France, she holds a Bachelor's degree in Physical & Human Geography from the University of Reading (United Kingdom) and a Master's degree in Sustainable Development from the University of Cambridge (United Kingdom).

Mrs. Matchett joined DSM's Managing Board in August 2014 for a period of four years. Within DSM, Mrs. Matchett is responsible for finance and information technology, which includes overseeing the following departments: Group Control & Accounting, Corporate Investor Relations, Group Treasury, Group Taxation, Group Business Services & ICT, Corporate Risk Management, and Corporate Operational Auditing. She is also responsible for overseeing DSM's activities in Africa.

In her first term as a Managing Board member Mrs. Matchett has made a very important contribution to the execution of the strategy and the (financial) improvements DSM has made. As part of DSM's improvement program for its support functions she has been steering the implementation of the program within DSM's Finance and IT functions. Next to her contribution based on her experience and expertise, Mrs. Matchett has shown her leadership qualities through her contributions to DSM's Managing Board and Executive Committee.

Mrs. Matchett holds 7,976 DSM shares.

NOTES TO AGENDA ITEM 9

Reappointment of Rob Routs as a member of the Supervisory Board Resolution

According to the rotation schedule, Mr. R. Routs is due to resign in 2018, but available for reappointment.

In accordance with Article 24, section 2, of the Articles of Association, the Supervisory Board nominates Mr. Routs for reappointment as a member of the Supervisory Board of DSM on the basis of his extensive international experience, his knowledge of the (petro)chemical industry, his broad experience in the management of corporations and his qualities as Chairman of DSM's Supervisory Board as demonstrated during the past eight years. The currently on-going regular strategic review and the fact that the Vice Chair will be stepping down this year are additional reasons to safeguard continuity in the Supervisory Board, especially given the much-valued way Mr. Routs has fulfilled the Chairman's role. Mr. Routs is an independent member of the Supervisory Board within the meaning of the Dutch Corporate Governance Code and Article 1.5 of the Supervisory Board Regulations.

It is proposed that the General Meeting reappoints Mr. Routs as a member of the Supervisory Board of DSM in accordance with the nomination of the Supervisory Board with effect from 9 May 2018 for a period of two years, ending by close of the AGM to be held in 2020, which is in accordance with the Dutch Corporate Governance Code.

Mr. 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 positions within Shell, both in the Netherlands and abroad. His last position was Executive Director Downstream and member of the Board of Royal Dutch Shell plc. Since his retirement Mr. Routs has built up a broad portfolio of non-executive roles making him an experienced Supervisory Board chair and member.

Currently, Mr. Routs is chairman of the Supervisory Board of Aegon N.V. (until May 2018) and non-executive member of the Board of Directors of AECOM, ATCO Group Ltd. and A.P. Moeller-Maersk Group.

Mr. Routs holds no DSM shares.

NOTES TO AGENDA ITEM 10

Reappointment of the External Auditor Resolution

At the 2014 Annual General Meeting, KPMG Accountants N.V. was appointed as the independent auditor for Koninklijke DSM N.V. and engaged for an initial three-year term covering 2015, 2016 and 2017. At the Annual General Meeting of 2017, KPMG Accountants N.V. was reappointed for 2018. Following the recommendation of the Audit Committee and the Managing Board, the Supervisory Board proposes to reappoint KPMG Accountants N.V. as the independent auditor for the year 2019.

NOTES TO AGENDA ITEM 11

Powers of the Managing Board

In order to be able to finance acquisitions in whole or in part through the issuance of shares, if necessary, service the option rights and shares granted to DSM managers and employees and/or- make (interim) dividends available in the form of ordinary shares, it is desirable for the Managing Board to have restricted authority to issue ordinary shares and to grant options on ordinary shares.



In accordance with Articles 10 and 11 of the Articles of Association, the General Meeting, by virtue of the resolution adopted on 3 May 2017, 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 3 November 2018 if it is not extended. The duration of the extension of this authorization is restricted by Dutch law to a maximum of five years. However, as in previous years, it is proposed that the authorization is extended to a date 18 months from the date of this General Meeting.

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

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

A proposal is submitted to the General Meeting to extend the period during which the Managing Board is authorized to issue ordinary shares, which includes the granting of rights to subscribe for ordinary shares as provided for in Article 10 of the Articles of Association, to a date 18 months from the date of this General Meeting (i.e. up to and including 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.

- 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 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.

NOTES TO AGENDA ITEM 12

- 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 and shares granted to management and personnel, as part of a share buy-back program, or otherwise.

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

It is proposed that the General Meeting authorizes the Managing Board to repurchase shares, on the stock exchange or otherwise, as meant in Article 13 of the Articles of Association, for a period of 18 months from the date of this General Meeting (i.e. up to and including 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.

NOTES TO AGENDA ITEM 13

Reduction of the issued capital by cancelling shares

Resolution

The issue of shares, for instance in connection with the exercise of the option rights annually granted to DSM's management and personnel, may lead to dilution of the share capital. To the extent that DSM's financial position allows this and the possibilities therefore exist on the share market, this disadvantage for holders of shares shall be offset as much as possible by the purchasing and possible cancellation of shares in DSM's own capital. The authorization to repurchase own shares is requested under item 12 of the agenda. The Managing Board, with due observance of the provisions of Article 14 of the Articles of Association and with the approval of the Supervisory Board, proposes that the General Meeting resolves to reduce the issued capital by cancellation of shares held by the company in its own capital up to a maximum of the number that is or will be bought by the company. This will enable the company to further optimize its equity structure.

The number of shares to be cancelled under this resolution shall be determined by the Managing Board in one or more tranches and shall be limited to a maximum of 10% of the issued capital as reported in the Financial Statements for 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.

NOTES TO AGENDA ITEM 14

Amendment of the Articles of Association

Resolution

The amendment of the Articles of Association is proposed by the Managing Board and has been approved by the Supervisory Board.

The amendment of the Articles of Association is intended to make a number of adjustments to DSM's Articles of Association which, among others, have been prompted by changes in law and regulations including the implementation of the new Dutch Corporate Governance Code published on 8 December 2016 and applicable as of financial year 2017. The full text of the proposal for the amendment of the Articles of Association with separate explanatory notes is annexed to these notes to the agenda.