

# **W I T H D R A W N**

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

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dated 17 March 2016

as it will be presented at the Company's general meeting of shareholders  
to be held on 29 April 2016 for its approval.

## **ALLEN & OVERY**

### **Office translation**

In preparing this document, an attempt has been made to translate as literally as possible without jeopardizing the overall continuity of the text. Inevitably, however, differences may occur in translation, and if they do, the Dutch text will govern by law.

In this document, Dutch legal concepts are expressed in English terms and not in their original Dutch terms; the concepts concerned may not be identical to concepts described by the English terms as such terms may be understood under the laws of other jurisdictions.

The following proposal contains two columns. The text of the current Articles of Association to be changed is stated in the first column and the text of the proposed new text is stated in the second column. In addition, general explanatory notes explaining the key issues of the proposed changes are available separately.

**Current text:**

**Proposed new text:**

CHAPTER I

Definitions.

Article 1.

The following definitions shall be used in these Articles of Association:

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| <p>a. General Meeting: the body constituted by shareholders eligible to vote and other persons eligible to vote;</p> <p>b. General Meetings of shareholders: the meeting of shareholders and other persons with meeting rights;</p> <p>c. distributable part of the shareholders' equity: the part of the shareholders' equity exceeding the paid-up and called-on part of the capital, plus the reserves which must be held by law;</p> <p>d. accountant: an independent registered accountant or other accountants as referred to in article 393, Book 2 of the Civil Code, or an organization in which such accountants work together;</p> <p>e. Annual General Meeting: the general meeting of shareholders intended to consider the annual accounts and the board report;</p> <p>f. subsidiary:</p> <ul style="list-style-type: none"><li>- a legal person in which the Company or one or more of its subsidiaries may exercise over half the votes at the general meeting of members or shareholders, alone or jointly, either by virtue of agreement with other persons eligible to vote or otherwise;</li><li>- a legal person of which the Company or one or more of its subsidiaries are a member or shareholder and may appoint or dismiss, alone or jointly, either by virtue of agreement with other persons eligible to vote or otherwise, over half of the directors or</li></ul> | <p>e. Annual General Meeting: the general meeting of shareholders intended to consider the annual accounts and <b>the report by the Managing Board;</b></p> |
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supervisory directors, even if all those eligible to vote exercise this right.

A partnership operating under its own name without a legal personality, in which the Company or one or more of its subsidiaries are partner and may exercise, alone or jointly, a decisive vote in its management, shall have the same status as a subsidiary; all these matters are subject to sections 3 and 4, article 24(a), Book 2 of the Civil Code.

- g. group company: a legal person or company which is associated with the Company in a group, within the meaning of article 24(b) Book 2 of the Civil Code;
- h. Euroclear Nederland: Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., trading under the name Euroclear Nederland, being the central depository as referred to in the Securities Giro Transactions Act (*Wet giraal effectenverkeer*) or any institution taking its place;
- i. Deposit Shareholder: a person holding book-entry rights representing a number of Deposit Shares through a deposit account with an intermediary, in accordance with the Securities Giro Transactions Act (*Wet giraal effectenverkeer*);
- j. deposit shares (*girale aandelen*): ordinary shares which are included in the deposit system of the Securities Giro Transactions Act (*Wet giraal effectenverkeer*);
- k. intermediary: an intermediary as referred to in the Securities Giro Transactions Act (*Wet giraal effectenverkeer*)
- l. in writing: a message that is conveyed by letter, telefax, e-mail or any other electronic means of communication, provided the message is legible and reproducible.

Article 19. Managerial duties. Decision-making procedure. Division of responsibilities.

1. Without prejudice to the limitations laid down in the Articles of Association, the Managing Board shall be entrusted with the management of the Company.
2. The Supervisory Board shall designate one

of the members of the Managing Board as chairman of the Managing Board.

3. The Managing Board shall draw up regulations governing the decision making procedure of the Managing Board. The regulations shall require the approval of the Supervisory Board.
4. With regard to a division of responsibilities, the Managing Board may decide with which duty a member of the Managing Board shall be more particularly entrusted.
5. **A Managing Board member may not participate in deliberating or decision-making within the Managing Board, if with respect to the matter concerned he has a direct or indirect personal interest that conflicts with the interest of the Company and the business connected with it. If, as a result hereof, the Managing Board cannot make a decision, the Supervisory Board will resolve the matter.**
6. **In the event of a conflict of interests as referred to in article 19 section 5, the provisions of article 20 section 1 will continue to apply unimpaired.**

#### Article 20. Representation.

1. The Managing Board represents the Company. Two members of the Managing Board acting jointly shall also have the power to represent the Company as well as one member of the Managing Board and an officer as referred to in section 3, acting jointly.
2. The Managing Board may grant a member of the Managing Board a continuing power of attorney to act as sole representative of the Company within the limits indicated in the power of attorney.
3. The Managing Board may appoint officers with general or limited power of representation. Every appointment may be withdrawn at any time. Each of these officers shall represent the Company subject to the limitations placed on his power. Their titles shall be decided by the Managing Board.

4. In the event of a conflict of interest between the Company and a member of the Managing Board, the Company shall be represented by the member of the Managing Board or the member of the Supervisory Board whom the Supervisory Board designates for that purpose.
4. **The Supervisory Board may, ad hoc or otherwise, appoint one or more persons to represent the Company in matters in which a (potential) conflict of interests exists within the meaning of article 19 section 5 between the Company and one or more Managing Board members.**

Article 28. Procedure and decision-making.

1. The Supervisory Board shall appoint from its members a chairman and a deputy chairman who shall replace the former in his absence. It shall appoint a secretary, either from its own members or otherwise, and shall make arrangements for the latter's replacement.
2. In the absence of the chairman and of the deputy chairman at a meeting, the meeting itself shall designate a chairman.
3. The Supervisory Board shall meet whenever the chairman or any two other members of the Supervisory Board so request, or the Managing Board makes such a request.
4. Minutes shall be kept by the secretary of the proceedings of the meeting of the Supervisory Board. The minutes shall be adopted at the same meeting or at a subsequent meeting of the Supervisory Board and signed by the chairman and the secretary in evidence thereof.
5. All decisions of the Supervisory Board shall be taken by an absolute majority of the votes cast.
6. The decisions taken at a meeting of the Supervisory Board shall only be valid if the majority of the members of the Supervisory Board is present or represented at the meeting.
7. A member of the Supervisory Board may be represented by a fellow member of the Supervisory Board by a written power of attorney. A member of the Supervisory Board may not act as representative for more than one fellow member of the Supervisory Board.
8. The Supervisory Board may also take decisions outside meetings, provided the

proposal concerned has been submitted to all the members of the Supervisory Board and none of them have opposed this manner of decision-making. A report of decisions taken in this way shall be drawn up by the secretary and signed by the chairman and secretary, and the answers received shall be attached. This manner of decision-making shall be noted in the minutes at the next meeting of the Supervisory Board.

9. The Supervisory Board shall meet jointly with the Managing Board as often as the Supervisory Board deems necessary or the Managing Board requests.
10. The Supervisory Board shall draw up rules concerning the division of tasks, working methods and the method of decision-making.

11. **A Supervisory Board member may not participate in deliberating or decision-making within the Supervisory Board, if with respect to the matter concerned he has a direct or indirect personal interest that conflicts with the interest of the Company and the business connected with it.**
12. **If a member of the Supervisory Board is absent or otherwise prevented from action, the other members or member of the Supervisory Board shall be entrusted temporarily with the supervision of the Managing Board.**
13. **If and as long as all seats on the Supervisory Board are vacant and no seat is temporarily occupied, the Managing Board will decide to what extent and in which manner the duties and authorities of the Supervisory Board will temporarily be taken care of.**

#### CHAPTER XI

Annual accounts and annual report. Profit.

Article 30. Financial year. Annual accounts and annual report.

1. The financial year shall coincide with the calendar year.
2. Annually, not later than four months after the

#### CHAPTER XI

Annual accounts and annual report. Profit.

Article 30. Financial year. Annual accounts and report by the Managing Board.

2. Annually, not later than four months after the

end of the financial year, the Managing Board must prepare annual accounts and deposit the same for inspection by the shareholders at the Company's office. Within the same period, the Managing Board must also deposit the annual report for inspection by the shareholders.

3. The annual accounts shall be signed by the members of the Managing Board and the members of the Supervisory Board. If the signature of one or more of them is missing, this shall be stated and reasons for this omission shall be given.
4. Annually, the Supervisory Board shall prepare a report, which shall be enclosed with the annual accounts and the annual report.
5. Articles 101 and 102 and Part 9, Book 2 of the Civil Code also apply to the annual accounts and annual report.

end of the financial year, the Managing Board must prepare annual accounts and deposit the same for inspection by the shareholders at the Company's office. Within the same period, the Managing Board must also deposit **the report by the Managing Board** for inspection by the shareholders.

4. Annually, the Supervisory Board shall prepare a report, which shall be enclosed with the annual accounts and the **report by the Managing Board**.
5. Articles 101 and 102 and Part 9, Book 2 of the Civil Code also apply to the annual accounts and **the report by the Managing Board**.

Article 31. Adoption of the Annual Accounts and Release from Liability.

1. The Company shall ensure that the annual accounts, the annual report, the report of the Supervisory Board and the information which must be added by law are kept at its office as of the day on which notice of the annual General Meeting of shareholders is given. Shareholders and other persons who are entitled to attend may inspect the documents at that place and obtain a copy free of charge.
2. The General Meeting shall adopt the annual accounts.
3. At the General Meeting of shareholders at which it is resolved to adopt the annual accounts, it shall be separately proposed that the members of the Managing Board be released from liability for their managerial activities and the members of the Supervisory Board be released from liability for their supervision thereof, insofar as the exercise of such duties is reflected in the annual accounts or otherwise disclosed to the

1. The Company shall ensure that the annual accounts, **the report by the Managing Board**, the report of the Supervisory Board and the information which must be added by law are kept at its office as of the day on which notice of the annual General Meeting of shareholders is given. Shareholders and other persons who are entitled to attend may inspect the documents at that place and obtain a copy free of charge.

General Meeting prior to the adoption of the annual accounts.

Article 32. Reservation. Dividend.

1. Every year the Managing Board, with the approval of the Supervisory Board, shall decide which part of the profit - the credit balance of the profit and loss account shall be set aside.
  2. Out of the profit remaining after the setting aside of part thereof in accordance with the previous section, a dividend shall be distributed insofar as possible on the cumulative preference shares B, of which the percentage shall be equal to the average of the one month EURIBOR (Euro Interbank Offered Rate) - weighed in proportion to the number of days over which the distribution is effected - plus a premium, to be determined by the Managing Board with the approval of the Supervisory Board, which premium shall be depending on the prevailing market conditions. The dividend shall be computed over the proportionate period of time if the relevant cumulative preference shares B were issued in the course of the financial year. The dividend percentage shall be computed over the paid-up part of the par value. If the dividend percentage which applies to the cumulative preference shares B cannot or can no longer be computed by the method referred to in the first sentence of this section, at any time, the Managing Board shall, with the approval of the Supervisory Board, determine a different computation method for that dividend percentage which, in its judgement, is as similar as possible.
  3. From the amount remaining of the profit after the application of section 2, a dividend shall be distributed insofar as possible on the cumulative preference shares A, the percentage of which, to be computed on the computation basis set out below, shall be equal to the arithmetical average of the average effective return on government loans
3. From the amount remaining of the profit after the application of section 2, a dividend shall be distributed insofar as possible on the cumulative preference shares A, the percentage of which, to be computed on the computation basis set out below, shall be equal to the arithmetical average of the average effective return on government loans

with a (remaining) life of nine to ten years as published in the Official Price List over the last twenty stock exchange days before the eighth of March nineteen hundred and ninety-six, increased by a mark-up of no more than fifty basis points to be determined by the Managing Board.

For the first time on the first of January two thousand-six and every ten years thereafter, the dividend percentage of the cumulative preference shares A shall be adjusted to the arithmetic average of the average effective return on government loans with a (remaining) life of nine to ten years, as published in the Official Price List, over the last twenty stock exchange days before the day of the adjustment, increased or decreased by a mark-up or discount of no more than hundred basis points, to be determined by the Managing Board.

The basis for the computation of the dividend on the cumulative preference shares amounts to five euros and two thousand nine hundred and forty-two ten thousandth eurocents (EUR 5.2942) per cumulative preference share A.

4. If, for any financial year, the distributions on the cumulative preference shares B and A according to sections 2 and 3 cannot be effected or cannot be fully effected because the profit after reservation does not suffice, the deficit shall be distributed to the debit of the following financial years, without prejudice to the provisions of article 33, section 3.

In that case, each time as much as possible, the overdue dividend, augmented by the dividend for the last expired financial year, shall be distributed, first on cumulative preference shares B and next on cumulative preference shares A.

5. The remaining profit shall be put at the disposal of the General Meeting provided that no further dividend shall be distributed

with a (remaining) life of nine to ten years as published in the Official Price List over the last twenty stock exchange days before the eighth of March nineteen hundred and ninety-six, increased by a mark-up of no more than fifty basis points to be determined by the Managing Board.

For the first time on the first of January two thousand-six and **for the second time on the first of January two thousand twenty one and thereafter every five years**, the dividend percentage of the cumulative preference shares A shall be adjusted to the arithmetic average of the average effective return on government loans with a (remaining) life of nine to ten years, as published in the Official Price List, over the last twenty stock exchange days before the day of the adjustment, increased or decreased by a mark-up or discount of no more than hundred basis points, to be determined by the Managing Board.

The basis for the computation of the dividend on the cumulative preference shares amounts to five euros and two thousand nine hundred and forty-two ten thousandth eurocents (EUR 5.2942) per cumulative preference share A.

on the cumulative preference shares A and the cumulative preference shares B.

6. If a loss has been suffered in any year, no dividend shall be distributed for that year, without prejudice to the provisions of article 33, sections 3 and 4. In following years, too, a distribution of profits can only take place after the loss has been compensated from the profits. However, the Managing Board may decide, subject to the approval of the Supervisory Board, to settle such a loss to the debit of the distributable part of the shareholders' equity.
7. The Managing Board may decide to distribute an interim dividend.  
The decision shall be subject to the approval of the Supervisory Board.
8. Articles 104 and 105, Book 2 of the Civil Code also apply to distributions to shareholders.

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