

Notes to the Agenda for the Annual General Meeting of Koninklijke DSM N.V. to be held on Friday 8 May 2020

NOTES TO AGENDA ITEM 2

Annual Report for 2019 by the Managing Board

The Managing Board will comment on the Report by the Managing Board in DSM's Integrated Annual Report for 2019 (see pp. 12 to 65 of the Integrated Annual Report for 2019).

Subsequently, the opportunity will be given to ask questions or make remarks about the Report by the Managing Board for 2019 and the Report by the Supervisory Board (included in the Integrated Annual Report for 2019 on pp. 122 to 141).

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 2019.

NOTES TO AGENDA ITEM 3

Remuneration Report 2019

Advising vote

In accordance with Dutch legislation (Section 2:135b DCC), the Remuneration Report 2019 is submitted to the General Meeting for an advisory vote. It is proposed to approve the Remuneration Report 2019.

The company has drawn up the Remuneration Report 2019, including an overview of remuneration to individual members of the Managing Board and of the Supervisory Board in accordance with the statutory requirements. Please refer to the Remuneration Report 2019 as included in the Annual Report 2019 on pages 130 up to and including 141; excluding the paragraphs in which the Remuneration policy Managing Board respectively Supervisory Board have been summarized.

NOTES TO AGENDA ITEM 4

Financial Statements for 2019

Resolution

On 26 February 2020, the Supervisory Board approved the Financial Statements for 2019 drawn up by the Managing Board. The Financial Statements were published on 27 February 2020 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 external auditor will give a short explanation on the audit of the Integrated Annual Report for 2019.

NOTES TO AGENDA ITEM 5

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 Cumulative 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 Cumulative Preference Shares A are, in accordance with article 32, section 3, of the Articles of Association, entitled to a dividend for the financial year 2019 which is equivalent to the dividend yield of the ordinary shares over 2019, which would be - if resolution 5b will be adopted by the AGM - about 2.31%. 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. The Managing Board in consultation with the Supervisory Board has decided to use their discretionary option and to set the dividend percentage on the Cumulative 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 2019 equals to €0.17259 per share, which is identical to the total dividend paid on the Cumulative Preference Shares A over 2016, 2017, and 2018, respectively. While the proposed dividend for the ordinary shareholders will increase by about 4% versus 2018, the Managing Board, in consultation with the Supervisory Board, felt it appropriate to keep the dividend on the Cumulative Preference Shares A equal to that paid over 2018.

b. Adoption of the dividend on ordinary shares for 2019

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 2019 will be €2.40 (see Article 32, section 5, of the Articles of Association), an increase of €0.10 (4%) from the €2.30 paid for 2018. An interim dividend of €0.77 per ordinary share having been paid in August 2019, the final dividend thus amounts to €1.63 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 14 May 2020 to 27 May 2020 (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 €1.63 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 28 May 2020 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 21 May 2020 up to and including 27 May 2020. 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 12 May 2020, the record date 13 May 2020 and the dividend will be payable as from 3 June 2020.

NOTES TO AGENDA ITEM 6

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 7

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

According to the rotation schedule, in 2020 Mr. R. Routs is due to resign, 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 ten years of which 9 years as Chairman. To facilitate a smooth transfer and continuity to the new Co-CEO leadership structure, it is proposed that Mr. Routs be reappointed for a last two years term. With the nomination of Mr. Routs, the Supervisory Board maintains a strong profile in the areas of general management, strategy, risk, manufacturing & operations and safety. 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 8 May 2020 for a period of two years, ending by close of the AGM to be held in 2022.

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 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 a non-executive member of the Board of Directors of AECOM and ATCO Group Ltd. He will step down from the board of Maersk Drilling as of April 2020.

Mr. Routs holds no DSM shares.

b. Reappointment of Eileen Kennedy as a member of the Supervisory Board

Resolution

According to the rotation schedule, in 2020 Mrs. E. Kennedy is due to resign, but available for reappointment.

In accordance with Article 24, section 2, of the Articles of Association, the Supervisory Board nominates Mrs. Kennedy for reappointment as a member of the Supervisory Board of DSM on the basis of her broad and in-depth nutrition knowledge and her qualities as Supervisory Board member as demonstrated during her past two periods as member of DSM's Supervisory Board. With the nomination of Mrs. Kennedy, the Supervisory Board maintains a strong profile in the areas of DSM's Nutrition business, R&D and sustainability. Mrs. Kennedy 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 Mrs. Kennedy as a member of the Supervisory Board of DSM in accordance with the nomination of the Supervisory Board with effect from 8 May 2020 for a period of two years, ending by close of the AGM to be held in 2022.

Mrs. Eileen Kennedy was born in 1947 and is an American national. Mrs. Kennedy is a nutritionist and holds a Doctor of Science degree from Harvard University, School of Public Health, Nutrition Department (Boston, USA). Currently, Mrs. Kennedy is Professor of Nutrition Friedman School of Nutrition Science and Policy at Tufts University in Boston (USA) and Former Dean. Prior positions include Global Executive Director of the International Life Sciences Institute (Washington D.C., USA) and Under Secretary for Research, Education and Economics at the US Department of Agriculture.

Mrs. Kennedy was a member of the High-Level Panel of Experts on Food Security and Nutrition of the UN Committee on World Food Security and is Chair of the Sight & Life Foundation board of directors. She also is a fellow of the American Society of Nutrition, the highest level bestowed by the organization.

Mrs. Kennedy holds no DSM shares.

c. Reappointment of Mr. Pradeep Pant as a member of the Supervisory Board

Resolution

According to the rotation schedule, in 2020 Mr. P. Pant is due to resign, but available for reappointment.

In accordance with Article 24, section 2, of the Articles of Association, the Supervisory Board nominates Mr. Pant for reappointment as a member of the Supervisory Board of DSM on the basis of his extensive experience in FMCG (Fast Moving Consumer Goods) and bringing products and services to market across territories, in particular in the Asia-Pacific region, his deep understanding of market dynamics and cultural diversity, and for his qualities as Supervisory Board member as demonstrated during his past first period as member of DSM's Supervisory Board. With the nomination of Mr. Pant, the Supervisory Board maintains its profile in the fields of marketing & sales, emerging economies and DSM's Nutrition business. Mr. Pant 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. Pant as a member of the Supervisory Board of DSM in accordance with the nomination of the Supervisory Board with effect from 8 May 2020 for a period of four years, ending by close of the AGM to be held in 2024.

Mr. Pradeep Pant was born in 1953 and is a Singaporean national. He received a Master's degree in Management Studies from the Jamnalal Bajaj Institute of Management Studies of Mumbai University India and holds a Bachelor of Arts with honors, Economics of the University of Delhi, India. Since 2015 Mr. Pant is President of his own consulting firm, the Pant Consulting Pte Ltd.



Before that he was Executive VP and President Asia Pacific and Eastern Europe, Middle East and Africa (EEMEA) at Kraft Foods/Mondelez International. At Fonterra Brands Asia he was the Regional Managing Director Asia, Africa, Middle East. Mr. Pant has been 15 years with The Gillette Corporation spanning marketing, sales and general management across global emerging markets. Before that he held roles with Nestlé, J. Walter Thompson and Tatas – Voltas/Lakme, all in India.

Currently, Mr. Pant is Honorary Council Member of the Food Industry Asia, non-executive director of Max India, Max BUPA Health Insurance Co Ltd., MAX Life Insurance Co Ltd. and Antara Senior Living Ltd. (all in India), and President of Pant Consulting Pte Ltd., in which capacity he is a (strategic) advisor to a.o. Aptar Group Inc (US) and Cerracap Ventures LLC (US).

Mr. Pant holds no DSM shares.

d. Appointment of Thomas Leysen as a member of the Supervisory Board

Resolution

In accordance with Article 24, section 2, of the Articles of Association, the Supervisory Board nominates Mr. Leysen for appointment as a member of the Supervisory Board of DSM on the basis of his broad international business experience, and especially his experience in leading comprehensive portfolio changes making businesses more sustainable, his knowledge of technology based businesses and his experience in managing large corporations. Mr. Leysen 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 Annual General Meeting appoints Mr. Leysen as a member of the Supervisory Board of DSM in accordance with the nomination of the Supervisory Board with effect from 8 May 2020 for a period of four years, ending by close of the AGM to be held in 2024.

Mr. Leysen was born in 1960 and is a Belgian national. He holds a Master's Degree in Law from the Katholieke Universiteit Leuven (Belgium). From 2000 till 2008 Mr. Leysen was CEO of Umicore. Under his leadership the company was transformed from a metal producer to a materials technology group with a focus on clean technologies and leading global positions in rechargeable battery materials, automotive catalysts and precious metals recycling. In 2008, he became Umicore's Chairman of the Board.

Mr. Leysen is also the Chairman of Mediahuis (a media company which is a leading publisher in Belgium and The Netherlands). Through his holdings in Mediahuis Partners (the holding of Mediahuis) Mr. Leysen is also a main shareholder in Mediahuis. It has been announced that at the 2020 AGM Mr. Leysen will step down from his current Chairmanship of KBC Group (a banking and insurance group with activities in Belgium, Central Europe and Ireland).

Mr. Leysen is a Chairman of the Belgian Corporate Governance Commission and the King Baudouin Foundation. From 2008 till 2011 he was chairman of the Federation of Enterprises in Belgium (VBO-FEB). He was a member of the Global Advisory Board of Toyota till 2018.

In 2015, following his long commitment to the promotion of sustainable development, Mr. Leysen was the founding Chairman of The Shift, a coalition of enterprises and nongovernmental organizations in Belgium. He stepped down in 2018.

Mr. Leysen holds 5,035 DSM shares.

NOTES TO AGENDA ITEM 8

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, 2018, and 2019, respectively, KPMG Accountants N.V. was reappointed for 2018, 2019, and 2020. Following the recommendation of the Audit Committee and the Managing Board, the Supervisory Board proposes to reappoint KPMG Accountants N.V. as the independent external auditor for the year 2021.

The proposal to reappoint KPMG is based on the Audit Committee's own assessment of KPMG, among others through discussions with KPMG in the absence of management, as well as the outcome of an evaluation among DSM executives. The Audit Committee conducts a more in-depth evaluation once every three years; in the two other years, a lighter evaluation is performed. For 2019, the lighter evaluation was performed. The auditor evaluations in prior years were positive and the outcome of the 2019 evaluation was positive as well.

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, 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 rights to subscribe for ordinary shares.

In accordance with Articles 10 and 11 of the Articles of Association, the General Meeting, by virtue of the resolution adopted on 8 May 2019, has extended the period during which the Managing Board is authorized to issue shares and to limit or exclude the pre-emptive rights when issuing ordinary shares by 18 months. This authorization will therefore end on 8 November 2020 if it is not extended or renewed. The duration of the authorization is restricted by Dutch law to a maximum of five years. However, as in previous years, it is proposed that the authorization is granted 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 pre-emptive rights when issuing ordinary shares, are subject to approval by the Supervisory Board.

a. Authorization of the Managing Board to issue up to 10% ordinary shares and to exclude pre-emptive rights

Resolution

A proposal is submitted to the General Meeting to designate the Managing Board as the corporate body authorized:

- 1) 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, where 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
 - 2) to limit or exclude pre-emptive rights of existing shareholders, as provided for in Article 11 of the Articles of Association,
- for a period of 18 months from the date of this General Meeting (i.e. up to and including 8 November 2021).

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.

Currently, DSM has no plans to make use of the authority sought under this proposal, other than servicing the option rights and shares granted to DSM managers and employees and the settlement thereof, and/or making available (interim) dividends in the form of ordinary shares.

This resolution will replace the current authorizations of the Managing Board to issue shares and to exclude pre-emptive rights granted by the General Meeting on 8 May 2019.

b. Authorization of the Managing Board to issue an additional 10% ordinary shares in connection with a rights issue **Resolution**

A proposal is submitted to the General Meeting to designate the Managing Board as the corporate body authorized:

- 1) to issue ordinary shares in connection with a rights issue only, where 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
- 2) in connection therewith to limit or exclude statutory pre-emptive rights of existing shareholders in order to make such limitations or exclusions or other arrangements as the Managing Board may deem necessary or expedient in the context of a rights issue, but affording eligible existing shareholders contractual pre-emptive rights to subscribe for the new shares in proportion to their shareholding in line with market practice in such a rights issue, for a period of 18 months from the date of this General Meeting (i.e. up to and including 8 November 2021).

The proposed authorization will allow the Managing Board to be flexible and to react quickly to circumstances that require the issuance of ordinary shares. It will give the company flexibility in managing its capital position and to respond promptly to developments in the financial markets, should circumstances so require.

In line with market practice in rights issues the statutory pre-emptive rights will be excluded, in order to deal with legal or practical difficulties in relation to record dates, fractional entitlements, treasury shares or any restrictions, obligations, practical or legal constraints under the laws or requirements of any jurisdiction or regulatory body, but eligible existing shareholders will be afforded contractual pre-emptive rights to subscribe for the new shares in proportion to their shareholding. In line with market practice DSM currently intends to include (at least) the following categories of shareholders in such a rights issue:

- a) qualified investors as well as retail investors in the Netherlands;
- b) qualified investors in EU member states and in the US;
- c) retail investors in EU member states where DSM has a significant retail investor base, or qualified or institutional investors in any jurisdiction (including the UK, Switzerland, Norway and Canada) provided that it is feasible to meet local requirements for making such an offering.

Shareholders who are not allowed to, do not elect to, or are unable to subscribe to a rights offering, are entitled to sell their rights in the market or receive any net financial benefit upon completion of a rump offering after the exercise period has ended.

Currently, DSM has no plans to make use of the authority sought under this proposal.

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 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 2:98 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 8 November 2021), up to a maximum of 10% of the issued capital as reported in the Financial Statements for 2019, 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 8 May 2019.

NOTES TO AGENDA ITEM 11

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 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 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 2019. 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.