

Rules of Procedure¹

Board of Management Akzo Nobel N.V. and Executive Committee Akzo Nobel N.V.

Adopted by the Board of Management and the Executive Committee on January 25, 2011 and approved by the Supervisory Board on February 16, 2011. Revisions approved by the Board of Management and the Executive Committee on August 21, 2012 and by the Supervisory Board on September 5, 2012 and most recently on August 29, 2014 by the Board of Management and the Executive Committee and by the Supervisory Board on September 10, 2014.

1. Responsibilities

- 1.1. The Board of Management is entrusted with the management of Akzo Nobel N.V. (the “Company”). The Company has appointed senior managers to manage the Company together with the Board of Management. The collective of the Board of Management and these senior managers is known as the Executive Committee.
- 1.2. In discharging its duties, the Board of Management and the Executive Committee shall be guided by the interests of the Company and its affiliated enterprise, taking into consideration the interests of the Company's stakeholders.
- 1.3. The responsibilities of the Executive Committee shall include:
 - a) realization of the Company's objectives;
 - b) corporate strategy;
 - c) financing of the company;
 - d) the general state of affairs in and the results of the Company;
 - e) identification and management of the risks connected to the business activities;
 - f) effective internal risk management and control systems;
 - g) maintenance and preparation of the financial reporting process;
 - h) compliance with applicable laws and regulations;
 - i) compliance with and maintaining the corporate governance structure of the Company;
 - j) publication of the corporate structure of the Company and any other information required by applicable law and regulations, through the annual report, the Company's website and otherwise;
 - k) preparation of the annual accounts, the annual budget and important capital investments of the Company;
 - l) corporate social responsibility issues that are relevant to the enterprise;
 - m) advice in connection with the nomination of the external accountant of the

¹ In these Rules of Procedure, any reference to a gender shall include all genders.

Company.

- 1.4. The Executive Committee shall under the Supervisory Board's supervision be responsible for setting up and maintaining internal procedures ensuring that the Executive Committee is aware of all important financial information, in order to safeguard timely, complete and accurate external financial reporting.
- 1.5. Notwithstanding the foregoing, the rights and obligations of the Board of Management under Dutch law, the Articles of Association and the Dutch Corporate Governance Code, remain in full force and effect. The Board of Management shall therefore remain accountable for the actions and decisions of the Executive Committee and have ultimate responsibility for the Company's external reporting and reporting to the shareholders of the Company, including providing the General Meeting of Shareholders with information. The members of the Board of Management have been identified as the persons responsible within the Company for providing the statements referred to in Article 5:25c section 2c and Article 5:25d section 2c of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).
- 1.6. Members of the Executive Committee who are not a member of the Board of Management shall have no advisory vote (*raadgevende stem*) in the Company's General Meeting of Shareholders.

2. Composition

- 2.1. The Board of Management consists of such number of members as fixed by the Supervisory Board, in accordance with the Articles of Association. The members of the Board of Management are appointed and dismissed by the General Meeting of Shareholders. The other members of the Executive Committee are appointed and dismissed by the CEO, subject to approval by the Supervisory Board.
- 2.2. With the approval of the Supervisory Board, the Executive Committee shall divide its tasks among its members. The Supervisory Board shall appoint one of the members of the Executive Committee who is also a member of the Board of Management, chairman of the Executive Committee (the "Chairman", who may also be referred to as the Chief Executive Officer, or CEO). The Supervisory Board (or, with the approval of the Supervisory Board, the Chairman) may appoint one or more members of the Executive Committee who is or are also a member of the Board of Management, as Deputy Chairman. With the approval of the Supervisory Board, the Board of Management shall appoint one of the members of the Executive Committee, who is also a member of the Board of Management (and who may be referred to as the Chief Financial Officer, or CFO), to specifically overlook the Company's financial affairs.
- 2.3. If one or more members of the Executive Committee are prevented or unavailable, the other members shall be temporarily responsible for the conduct of the Company's affairs, provided always that in such case valid decisions can only be taken if at least one member of the Board of Management has participated in the decision making and the majority of the

members of the Board of Management then present has voted in favor of the decision.

- 2.4. If all the members of the Board of Management are prevented or unavailable, the Supervisory Board shall be responsible for the conduct of the Company's affairs; in that event the Supervisory Board may also provide for temporary replacements or elect to delegate such responsibility for the conduct of the Company's affairs to one or more of its members.
- 2.5. The Executive Committee may delegate certain authorities wholly or partly to one or more members of the Executive Committee, without this having effect on the authorities of the Executive Committee. The Executive Committee has delegated certain authorities to each Business Area Responsible, to the Operational Review Meetings of each Business Area and to the Pensions Committee. Operational Review Meetings comprise the CEO, CFO and the relevant Business Area Responsible. The Pensions Committee comprises the CFO and the Executive Committee member responsible for HR.
- 2.6. Delegation referred to under 2.5 shall from time to time be laid down in one or more documents and in the Authority Schedule. The Executive Committee shall approve any changes to such documents and to the Authority Schedule. The Executive Committee and the Board of Management can at all times deviate from these documents and the Authority Schedule.
- 2.7. A member of the Executive Committee may hold a maximum of one supervisory board membership or non-executive directorship in listed companies. In the eighteen months prior to their retirement, members of the Executive Committee are allowed to hold more than one supervisory board membership or non-executive directorship. A member of the Executive Committee may not be chairman of a supervisory board of another listed company. A member of the Executive Committee shall not accept a supervisory or non-executive directorship of another listed company without the prior approval of the chairman of the Supervisory Board. Important additional directorships and positions shall be reported to the Chairman and to the Supervisory Board. Supervisory board memberships or non-executive directorship positions in excess of the one position permitted under these Rules of Procedure that are held or committed to by a member of the Executive Committee before his appointment may be 'grandfathered' by the Chairman. Notwithstanding the foregoing, a member of the Executive Committee shall ensure, in all circumstances, that the number of (supervisory board and or non-executive) positions he or she holds elsewhere will not exceed the maximum number set by law and generally accepted governance principles.

3. Meetings and resolutions

Executive Committee

- 3.1. In principle, the Executive Committee shall hold one meeting per month and further whenever the Chairman (or, in his absence, a Deputy Chairman) convenes a meeting. The meetings shall generally be held at the offices of the

Company, but may also take place elsewhere. In addition, one or more members may participate by telephone, videoconference or other electronic forms of direct communication.

- 3.2. The Chairman, and in his absence a Deputy Chairman, shall chair the meeting. If both are absent, the meeting shall appoint one of the members of the Board of Management then present as chairman of the meeting. The Chairman, and in his absence a Deputy Chairman, shall determine the agenda of each meeting. Other members of the Executive Committee may submit to the Chairman items to be discussed in the meeting.
- 3.3. Resolutions of the Executive Committee are adopted by an absolute majority of the votes cast. However, resolutions can only be adopted if such majority includes the majority of the members of the Board of Management. Therefore, resolutions validly adopted by the Executive Committee in accordance with these Rules of Procedure shall be deemed resolutions adopted by the Board of Management. Blank votes shall be regarded as not having been cast. In oral voting, abstention shall be considered equivalent to a blank vote.
- 3.4. If more than two members of the Board of Management are in office, the Chairman (or in his absence the Deputy Chairman) shall cast the deciding vote in the event of a tie (either at the level of the Executive Committee or of the Board of Management, or both). Subject to the previous sentence, each member of the Executive Committee shall have one vote.
- 3.5. If a member of the Executive Committee cannot attend a meeting, he can give a proxy to the Chairman or a Deputy Chairman.
- 3.6. Resolutions may be passed outside an Executive Committee meeting if the proposal has been submitted to all members of the Executive Committee in writing or in some other legible and reproducible form, and the majority of the members of the Executive Committee, including all members of the Board of Management, has given its written vote in favor of the proposal.
- 3.7. The Board of Management retains the authority to, at all times and in all circumstances, adopt resolutions without the participation of the other members of the Executive Committee, provided that the Board of Management will not do so structurally without the explicit prior approval of the Supervisory Board.
- 3.8. The minutes of an Executive Committee meeting or a Board of Management meeting, as the case may be, shall be adopted in the next meeting of the Executive Committee or the Board of Management, respectively. Adopted minutes shall be evidence of the proceedings. Extracts of minutes can be sent to the relevant business units, departments and staff.
- 3.9. The Executive Committee shall appoint one or more Secretaries, who may but need not be members of the Executive Committee.
- 3.10. The Secretary of the Executive Committee keeps on record minutes of meetings of the Executive Committee and of the Board of Management for as

long as determined by the Executive Committee from time to time while observing the minimum statutory period.

Business Area Operational Review Meetings

- 3.11. For each Business Area in principle one Operational Review Meeting shall be held each month and further whenever the CEO requests such a meeting. The meetings shall generally be held at the offices of the Company, but may also take place elsewhere. One or more members may participate by telephone, videoconference or other electronic forms of direct communication. The Business Area Responsible is responsible for preparing the meeting and shall ensure that all relevant information is provided to its members.
- 3.12. Resolutions of an Operational Review Meeting are adopted by an absolute majority of the votes cast by the members of that Operational Review Meeting.
- 3.13. Resolutions may be passed outside an Operational Review Meeting if a majority of the members of the Operational Review Meeting has given its written vote in favor of the proposal.
- 3.14. The Business Area Responsible is responsible for informing the Executive Committee of the decisions of the Operational Review Meeting. The Secretary shall ensure that decisions of the Operational Review Meetings are recorded and shall inform the Executive Committee of these decisions.

Business Area Responsible

- 3.15. Business Area Responsibles can take decisions delegated to them under the Authority Schedule in meetings and in writing. They are responsible for informing the relevant Operational Review Meeting of such decisions. The Secretary shall ensure that decisions of the Business Area Responsibles are recorded and shall inform the members of the relevant Operational Review Meeting of these decisions.

4. Independence and Conflict of interests

- 4.1. The Executive Committee shall function independently from any instructions by third parties outside the Company. Each member of the Executive Committee shall act in accordance with the Company's Code of Conduct and other ethical rules, and in particular (without limitation) no member of the Executive Committee shall:
 - a) enter into competition with the Company;
 - b) demand or accept (substantial) gifts from the Company for himself or any other person;
 - c) provide unjustified advantages to third parties to the detriment of the Company;
 - d) take advantage of business opportunities to which the Company is entitled for himself or for any other person.
- 4.2. A member of the Executive Committee shall not participate in the consultations or vote regarding a subject or transaction in relation to which he has a conflict

of interest with the Company. Such transaction, if approved, must be concluded on terms at least customary in the sector concerned and be approved by the Supervisory Board. The chairman of the Supervisory Board shall procure that these transactions that involve a member of the Board of Management will be published in the Company's annual report, with reference to the conflict of interests and a declaration that this article 4.2 has been complied with.

- 4.3. A member of the Executive Committee shall in any event have a conflict of interests ("conflict of interests") if:
- a) he has a material personal financial interest in a company with which the Company intends to enter into a transaction;
 - b) he has a family law relationship (*familierechtelijke verhouding*) with a member of the board of management of a company with which the Company intends to enter into a transaction;
 - c) he is a member of the managing or supervisory board of, or holds similar office with, a company with which the Company intends to enter into a transaction;
 - d) under applicable law, including the rules of any exchange or other trading platform on which the Company's shares (or depositary receipts thereof) may be listed and/or traded, such conflict of interests exists or is deemed to exist;
 - e) the chairman of the Supervisory Board has ruled that such conflict of interests exists or is deemed to exist.
- 4.4. Each member of the Executive Committee shall immediately report any actual or potential conflict of interests to the Chairman (or, in the case of the CEO, to the chairman of the Supervisory Board). In the event that the conflict of interests involves a member of the Board of Management the Chairman will report such conflict to the chairman of the Supervisory Board. A member of the Executive Committee with such (potential) conflict of interests must provide the Chairman (and, if applicable, the chairman of the Supervisory Board) with all information relevant to the conflict, including information relating to the persons with whom he has a family law relationship (*familierechtelijke verhouding*).

5. Relationship with the Supervisory Board

- 5.1. The Chairman is the primary point of liaison with the Supervisory Board.
- 5.2. The Board of Management and the Executive Committee shall timely provide the Supervisory Board with information (if possible, in writing) on all facts and developments concerning the Company which the Supervisory Board may need to function as required and to properly carry out its duties.
- 5.3. Each year the Executive Committee shall provide the Supervisory Board with a budget for the following year, an up-to-date version of its long-term plans, the main features of the strategic policy, the general and financial risks, and the management and control systems of the Company.

6. Inside information

Members of the Executive Committee are subject to the AkzoNobel Share Dealing Code.

7. Legal framework

- 7.1. These Rules of Procedure have been adopted by the Board of Management pursuant article 35.5 of the Articles of Association of the Company, and have been approved by the Supervisory Board in accordance with article 35.5 and 35.6 of the Articles of Association of the Company. In case of a conflict between these Rules of Procedure and the Articles of Association, the latter shall prevail.
- 7.2. These Rules of Procedure will be effective as from September 10, 2014 and can be supplemented and modified by the Board of Management at any time, subject to the approval by the Supervisory Board.
- 7.3. Save as otherwise provided in the Articles of Association of the Company or by law, the Board of Management may in exceptional cases, as the circumstances may require, at its discretion decide to deviate from these Rules of Procedure.

8. Communication

The Executive Committee will procure that these Rules of Procedure will be available at the Company's internal and external websites.