

Optional Stock Dividend Program



AkzoNobel

Tomorrow's Answers Today

1. What is an optional stock dividend program and how does it differ from a DRIP?

An optional stock dividend program is a program that allows shareholders to receive their future dividends in the form of shares rather than in cash. Under an optional stock dividend program, fully paid shares are created and issued to shareholders. This differs from a DRIP under which shareholders' (net) cash dividends are used to buy existing shares in the market.

2. Can I join the Program?

Yes, you can. However, your bank or financial institution will be responsible to inform you about the details of our Program. Please contact your bank or financial institution for further information or alternatively our agent, RBS tel. +31-20-464 3707.

3. What will I receive if I join the Program?

If you join the Program for a given dividend, you will receive fully paid Shares, instead of a cash dividend, for that particular dividend.

The Shares are ordinary shares in the capital of the Company and, in respect of the Company's 2011 interim dividend, are expected to be paid on 24 November 2011. All Shares under the Program will be credited as fully paid and rank equally in all respects with the existing Shares respectively (including having the same dividend and voting rights). Further information about the Company is available on the Company's website at www.akzonobel.com.

If you give an instruction to the bank or financial institution that you wish to join the Program, it may be that your instruction will be valid for only one dividend. You should contact your bank or financial institution to determine whether you can give a single instruction to join the Program for all future dividends declared unless and until that instruction is cancelled.

The Program is subject to the Board of Management deciding to offer an optional dividend for any particular dividend declared. If the Board of Management decides not to do so or your bank or financial institution does not make the Program available to you for any particular dividend declared, a cash dividend will be paid instead in the usual way.

4. What are the advantages of joining the Program?

You will increase the number of Shares you hold in the Company without having to buy existing Shares in the market, which would involve you paying dealing costs. By doing so, you will participate in the future growth of the Company, although you should be aware that the value of Shares may go down as well as up.

In some countries, joining the Program may currently offer a significant tax advantage compared with receiving cash dividends. In particular, dividends paid out as Shares by the Company will not be subject to 15% Dutch dividend withholding tax and will not generally be taxed on receipt by a Dutch corporate shareholder.

Your percentage ownership in the Company will be maintained and might, depending on Shareholders' choices, increase. If you do not join the Program and others do, your percentage ownership in the Company will fall.

5. How do I join the Program?

You should contact the bank or financial institution at which you hold your relevant securities account for details of:

- How you can join the Program;
- The relevant deadline for submitting elections;
- How you can cancel or change any election; and
- How the Program otherwise applies to you.

The Program is being introduced with effect from the Company's 2011 interim dividend. Indicative key dates for the 2011 interim dividend are:

24 October 2011	Ex-dividend quotation
26 October 2011	Record date
18 November 2011	Election deadline
21 November 2011 (COB)	Determination of the Exchange Ratio
24 November 2011	Delivery of Shares and payment of the cash dividend

You should contact your bank or financial institution in respect of the deadline for electing to join the Program. Your bank or financial institution may set an earlier date in order to enable it to make a valid to RBS, which is our Dutch agent.

6. How do I leave the Program?

You should contact your bank or financial institution for details of how you can leave the Program.

7. What will I receive if I do not join the Program?

If you do not (or cannot) join the Program, you will continue to receive cash for any dividends declared on your Shares.

You should contact your bank or financial institution to confirm the arrangements by which you will receive cash dividends.

8. What if I want to receive a cash dividend?

You should contact the bank or financial institution to determine whether you need to take any steps to continue to receive a cash dividend and to confirm the arrangements by which you will receive cash dividends.

9. I live outside the Netherlands. Can I join the Program?

You may join the Program unless, by doing so, any registration or other legal or regulatory requirements in the jurisdiction where you live would be infringed by you or the Company.

However, your bank or financial institution may impose additional requirements or restrictions.

If you live outside the Netherlands, it is your responsibility if you wish to join the Program to be satisfied that you can do so without imposing any additional legal obligations on the Company and to be satisfied that you are observing fully the laws of the jurisdiction where you live (including obtaining any governmental, regulatory or other consents which might be required). If you cannot meet these conditions, you cannot join the Program.

10. How many Shares will I receive?

The formula used for calculating the number of Shares to be received by a Participating Shareholder for each dividend declared will be:

Number of shares held at dividend record date / exchange ratio

The exchange ratio is calculated using the volume weighted average price between 14 November 2011 and including 18 November 2011 divided by the gross dividend amount per share. No additional premium is considered for a stock dividend.

No fractional entitlements will be issued to persons, but settled for cash. In general, banks or financial institutes will round down fractional entitlements (and remit cash in lieu of fractional entitlements) or round up fractional entitlements (subject to receipt of the requisite funds from the clients), in each case in accordance with the custodial arrangements banks or financial institutions are having with you.

11. How will I know how many Shares I have received?

Your bank or financial institution will notify you on how many Shares, you have received.

Should you haven't received a notification from your bank or financial institution; please contact your bank or financial institution.

12. What happens if I hold my Shares in more than one account or have a joint holding?

You should contact your bank or financial institution for details of how multiple or joint holdings will be handled.

14. Can I join the Program in respect of part of my holding?

The procedures by which you can join the Program will vary according to your custodial arrangement with your bank or financial institution. You should contact your bank or financial institution if you wish to join the Program in respect of part of your holding.

15. Can the Company change or cancel the Program?

The operation of the Program is subject to the Board of Management deciding to offer an optional dividend for any particular dividend declared. The Board of Management also has the power, after such an optional dividend is offered, to revoke it at any time.

16. How will my fractional entitlements being handled?

No fractional entitlements will be issued to persons, but settled for cash. In general, banks or financial institutes will round down fractional entitlements (and remit cash in lieu of fractional entitlements) or round up fractional entitlements (subject to receipt of the requisite funds from the clients), in each case in accordance with the custodial arrangements banks or financial institutions are having with you.

17. Who can answer my questions regarding the Program?

Please contact your bank or financial institutions or alternatively, our agent, RBS tel. +31-20-464 3707 should you have any question regarding the Program.

18. Will the distribution of shares following the Program be subject to Dutch dividend withholding tax?

No, this will not be applicable. Other than the cash dividend distribution on our Shares, no Dutch dividend withholding tax will be applicable.

19. Can I trade my dividend rights through Euronext Amsterdam?

No, there will be no trading of dividend rights through Euronext Amsterdam.

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