

# Report of the Supervisory Board

The Supervisory Board submits to the shareholders the financial statements and the report of the Board of Management of Akzo Nobel N.V. for the financial year 2008, as prepared by the Board of Management and approved by the Supervisory Board in its meeting of February 23, 2009.

The 2008 financial statements were audited by KPMG Accountants N.V. The Auditor's Report appears on page 180. The financial statements were discussed extensively with the auditors by the Audit Committee and in the presence of the Chairman of the Board of Management (CEO) and the Chief Financial Officer (CFO). In addition, the 2008 financial statements were a topic of discussion for the full Supervisory Board with the full Board of Management, in the presence of the auditors. Based on these discussions, the Supervisory Board is of the opinion that the 2008 financial statements of Akzo Nobel N.V. meet all requirements for correctness and transparency and that they form a good basis to account for the supervision provided.

We recommend that the Annual General Meeting of shareholders adopts the 2008 financial statements as presented in this 2008 Report. We propose that the Annual General Meeting of shareholders resolves that the total dividend for 2008 on each of the common shares outstanding will be €1.80 and that this amount, less the interim dividend of €0.40, which was payable in November 2008, will be payable on May 7, 2009. As the financial year 2008 has ended in a loss, the dividend will be distributed from the free reserves of the company.

Additionally, we request that shareholders discharge the members of the Board of Management of their responsibility for the conduct of business in 2008 and the members of the Supervisory Board for their supervision of management.

## Supervisory Board activities

The Supervisory Board met five times during the course of 2008, which included a meeting with a special focus on the integration of ICI, as well as one meeting with a whole day fully dedicated to the company's strategy. All meetings were plenary sessions with the full Board of Management present and were well attended by the Supervisory Board members. The Supervisory Board also held a separate meeting, which was attended in part by the CEO, during which the Supervisory Board conducted a self-assessment and appraised its committees, working methods, procedures and performance, as well as evaluating the functioning of the Board of Management and its individual members. The Supervisory Board also assessed its relationship with the Board of Management and discussed the composition of the Supervisory Board and its committees. The Chairman of the Supervisory Board prepared the meetings with the assistance of the CEO.