



Amended Agreement on the Akzo Nobel European Council

The Undersigned

1. Representatives of the employees of the Akzo Nobel Group (as defined hereafter) in the Territory (as defined hereafter),

and

2. Akzo Nobel N. V., a company established at Arnhem, The Netherlands.

PREAMBLE

The Akzo Nobel European Council is an organizational structure put in place to improve the right to information and consultation of Akzo Nobel employees in the European Union. It has the prime ambition to give a wider understanding of the strategies and developments in the Company, giving the European Council opportunity to express its views on these developments for Management to consider.

Therefore, it is herewith agreed as follows:

Introductory Article – Definitions

"Akzo Nobel Group" means all legal entities and partnerships controlled, directly or indirectly, by Akzo Nobel N.V. within the Territory. For the purpose hereof control means majority ownership of the shares and/or voting rights of a legal entity or partnership.

"Area" means countries represented by a Delegate, according to Articles 2.1 and 2.3.

"Consultation" means the exchange of views and establishment of a dialogue between Delegates and Management.

"Coordination Committee" means the committee of the Council referred to in Article 2.14.

"Council" means the Akzo Nobel European Council to be established pursuant to this Agreement.

"Council Meetings" means meetings of the Delegates.

"Delegates" means persons serving on the Council and nominated in accordance with Article 2.

"Directive" means the EU-Directive 94/45/EC of September 22, 1994, on transnational information and consultation of employees.

"Joint Meetings" means meetings of the Council and the Management.



"Management" means the person or persons appointed and duly authorized by Akzo Nobel N.V. to represent the Akzo Nobel Group in all contacts with the Council.

"National Coordinator" means the Akzo Nobel Manager appointed in any relevant country by Akzo Nobel N.V. to act as liaison between the employees in such country and Akzo Nobel N.V. for the purpose of the proper implementation of this Agreement.

"Territory" means the Member States of the European Union and Norway. Other countries can be added after agreement between the Council and the Management.

Article 1 - The Akzo Nobel European Council

- 1.1 By this Agreement the parties establish the Council for the purpose of transnational information and consultation of employees of the companies of the Akzo Nobel Group on matters which concern the Akzo Nobel Group as a whole or at least two establishments or companies of the Akzo Nobel Group situated in different countries in the Territory, as more specifically detailed in Article 3.
- 1.2 This Agreement regulates the cooperation between Akzo Nobel N.V. represented by the Management, and the Delegates constituting the Council.
- 1.3 This Agreement does not affect the rights and duties arising from national legislation or other decisions which regulate employee participation in the employer's decision making process, implying that the various national statutory rights and obligations involving employee participation, which apply to the various Akzo Nobel Group companies, remain in full force.
- 1.4 Rules of procedure shall be elaborated in compliance with the provisions of this Agreement by the Coordination Committee and, after consultation with the Management, shall be adopted in a Council Meeting.
- 1.5 The working language of the Council is English.

Article 2 - Constitution of Council and Coordination Committee

- 2.1 Each country within the Territory (Area) shall be represented by at least one Delegate. If a country has a large number of employees, extra Delegates are added, based on the percentage of the total number of employees in the Territory, see the table below.

More than % of total number of employees in the Territory	Number of Delegates
0	1
5	2
10	3
16.7	4

- 2.2 The distribution of employees is reviewed once a year by Management and the Coordination Committee.



- 2.3 Countries with very few employees will be grouped together with another country, at present according to the following Area table.

Estonia, Latvia and Lithuania are an Area
Poland and the Czech Republic are an Area
Austria, Slovenia and Slovakia are an Area
Greece and Cyprus are an Area

Management and the Coordination Committee will jointly agree on which countries are grouped together in an Area.

- 2.4 The Delegates shall be elected or appointed according to local legislation and / or customs.
- 2.5 The national coordinator is responsible for organizing an election or appointment.
- 2.6 The Delegate represents the country and not the Group, BU or site where he or she works.
- 2.7 A person can serve as a Delegate only if he or she is employed by one of the Companies of Akzo Nobel in the Territory. If he or she does no longer meet this requirement he or she must step down as a Delegate.
- 2.8 The Delegate must have a reasonable knowledge and command of English.
- 2.9 The Delegate is responsible for communicating with the employee of the country in a way according to local customs.
- 2.10 As a general rule a Delegate is elected or appointed for the duration of the Agreement.
- 2.11 If a Delegate no longer qualifies, a new Delegate will be arranged for as soon as reasonably possible.
- 2.12 For reasons of continuity the Coordination Committee and Management can jointly agree to replace a Delegate who is unable to perform his or her duty.
- 2.13 In appointing Management representatives the Company will duly take into account the need for continuity on the part of the Management
- 2.14 The Delegates shall elect a Coordination Committee consisting of the Council Chair of the Council and four Delegates.
- 2.15 The Coordination Committee represents the Council between two meetings of the Council.



- 2.16 If a Delegate from a country with only one Delegate cannot attend the Main meeting the coordination committee is responsible for the tasks of this Delegate. If a Delegate from a country with more Delegates cannot attend the Main meeting the other Delegates from that country are responsible.

Article 3 - Subject matters of information and consultation

- 3.1 Within the scope set forth in Article 1.1 the Council shall be informed and consulted on the development of the activities of the Akzo Nobel Group in the Territory.
- 3.2 Information and consultation as referred to in Article 3.1 shall in particular relate to the following items regarding the Akzo Nobel Group:
- the structure of the undertaking
 - the economic and financial position
 - the probable development of the business and of production and sales
 - the situation and probable trend of employment
 - investment and divestments
 - substantial changes concerning organization
 - introduction of new working methods or production processes
 - reallocation of production
 - mergers
 - cut-backs or closures of undertakings, establishments or important parts thereof
 - collective redundancies
 - issues agreed on an ad-hoc basis between the Management and the Coordination Committee as being of interest.
- 3.3 In case of extraordinary circumstances which have a significant impact on the interests of employees in at least two countries within the Territory, the Coordination Committee shall be informed.

Article 4 - Regular Meetings

- 4.1 Every year there will be two regular meetings. The Spring meeting will be held within four months after the publication of the Annual Report of Akzo Nobel N. V. The Autumn meeting will be held at an appropriate time.
- 4.2 The Spring and Autumn Meetings will last two consecutive days each. The Meeting comprises the following sessions:
- a. a Council Meeting to prepare the Joint Meeting
 - b. a Joint Meeting followed by
 - c. a Council Meeting to evaluate the Joint Meeting.

The Autumn Meeting should be organized in such a way that it can allow appropriate training for the Council members during the meeting.



- 4.3 The chair of the Joint Meetings will rotate among the Management and the Council Chair.
- 4.4 At the Joint Meeting the Council will be informed and consulted by Management on the strategies and developments of the Company. Usually there is a presentation on the financial situation of the Company and the strategy of a Business Unit or Group. Also there will be an opportunity to ask questions.
- 4.5 The Coordination Committee and Management jointly decide on the agenda of the Joint Meetings. The agenda for the Joint Meeting will be sent to Delegates and National Coordinators.
- 4.6 A Summary Record of the Joint Meeting will be agreed by the Coordination Committee and the Management at the Meeting. The National Coordinators will translate and distribute the Summary Record to the employees of their countries in accordance with national law and local customs.
- 4.7 The Coordination Committee meets at least twice yearly. The Coordination Committee meetings will be in preparation of the Spring and Autumn Meetings. The Coordination Committee and Management jointly decide on the agenda of the Coordination Committee meetings. Other Delegates can be invited.
- 4.8 The Coordination Committee Meeting comprises the following sessions
- a. a Coordination Committee meeting to prepare the Joint Meeting
 - b. followed by a Meeting of Coordination Committee and Management.
- 4.9 Management will be responsible for the minutes of the Joint meeting and the Coordination Committee and Management meeting. The Council Chair will check the minutes before they are distributed.
- 4.10 The minutes of the Joint meetings will be distributed to the Delegates and National Coordinators. The minutes of the Coordination Committee & Management meeting will be distributed to the Coordination Committee members.
- 4.11 An introduction program will be given for new Delegates at the beginning of the new Agreement and when a Delegate joins the European Council during the term of the Agreement.
- 4.12 Meetings are normally held in Arnhem. Management and Coordination Committee can jointly decide to organize the Autumn Meeting at another location than Arnhem when there is a suitable subject or speaker. An educational site visit can be included.

Article 5 - Extraordinary Circumstances and Meetings

- 5.1 In case of extraordinary circumstances referred to in Article 3.3 an extraordinary meeting may be called in consultation between the Management and the Coordination Committee. Coordination Committee and Management jointly decide on the agenda. Other Delegates can be invited.



Article 6 - Organizational Matters

- 6.1 The Council will be assisted and supported by a Secretariat to be provided by Akzo Nobel N. V. The Secretariat will be responsible for organizing all meetings of the European Council.
- 6.2 In each Country a National Coordinator is appointed.
- 6.3 The tasks of the national coordinator are as follows:
- a. To arrange that one or more Delegates are elected or appointed in accordance with the applicable legislation and/or customs, also taking into account local circumstances and aiming at a fair representation of the employees.
 - b. To see to that the Delegates are supplied with relevant means for communication, i.e. computers, telephones and that they get proper training in the use of the equipment etc.
 - c. To provide necessary translations of relevant material and proper distribution of the Summary Record of the Joint Meeting.
 - d. To support and guide in the language training of the Delegates.

Article 7 - Confidentiality

- 7.1 Delegates participating in the Council are not authorized to disclose any information which has been provided to them in confidence.
- 7.2 Prior to providing information to the Council, to the Coordination Committee or to the Delegates, which is of a confidential nature, the Management may require that the relevant Delegates on a case-by-case basis confirm that such information shall, until a specified date or until further notice, not be disclosed to any third party.
- 7.3 Any breach of this obligation will be dealt with at the national level in accordance with national legislation and applicable employment conditions and regulations in the relevant company.
- 7.4 Akzo Nobel N.V. is entitled not to transmit to the Council, the Coordination Committee or the Delegates as the case may be, information the nature of which is such that according to objective criteria, it could seriously harm the interests of Akzo Nobel N.V, and/or any of the other companies of the Akzo Nobel Group, or could contravene stock market rules or other regulatory requirements.

Article 8 - Experts

- 8.1 The Council may consult experts if needed after consultation with Management. The Council shall consider using Akzo Nobel N.V.'s internal expertise as much as possible.
- 8.2 All experts shall be bound by prior written agreement to keep confidential any confidential information made available to them.



Article 9 - Resources

- 9.1 Reasonable costs will be borne by Akzo Nobel N. V. or any of its subsidiaries. These costs include travel and accommodation costs and expenses for the time spent in connection with the Council and/or the Coordination Committee. This also includes reasonable costs for communication resources like telephone, fax or access to e-mail or necessary translations.
- 9.2 Therefore Delegates shall be given time-off from their normal duties with continued salary pay and any other applicable allowances, for their participation in the Council and/or the Coordination Committee meetings, together with the necessary traveling time, and including debriefing their constituencies.
- 9.3 Being a Delegate is a part of regular employment.
- 9.4 The Council Delegates and their National Coordinator are, in cooperation, responsible for information to the employees in their respective countries.
- 9.5 The Coordination Committee can as agreed with Management be given adequate training to further increase the efficiency and understanding of its tasks.

Article 10 - Protection

- 10.1 With regard to their duties, Delegates enjoy the same protection and guarantees provided for employee representatives in the country of employment.
- 10.2 In particular, irrespective of whether or not national legislation offers any protection in this respect, employees in their capacity as Delegates cannot be dismissed on account of work properly carried out for the Council.

Article 11 - Duration

- 11.1 This agreement has in its amended form been extended, now ending on December 31, 2008.
- 11.2 After three years the Coordination Committee and the Management will jointly review the working of this Agreement in the underlying spirit of cooperation, unless there is an apparent need for immediate amendment. The findings will be reported to the Joint Meeting.
- 11.3 If based on such findings the Management and the Council by two thirds majority wishes to continue this Agreement as from January 1, 2009, in an amended form, the Coordination Committee and the Management will use best endeavors to submit proposals for such amendment to the Joint Meeting aiming at agreement prior to January 1, 2009.



11.4 If agreement cannot be reached in due time, this Agreement will stay in force until either agreement is reached on the new Agreement or until termination by either party on six months notice in writing.

11.5 Amendments to this Agreement require a two-thirds majority of the Delegates.

Article 12 - Applicable Law

12.1 This Agreement is governed by the laws of The Netherlands. Consequences of changes in governing laws can be included in the Agreement whenever appropriate. Acknowledging that this Agreement may be translated in other languages the parties agree that the English version shall prevail.

12.2 Any disputes arising from this Agreement which, notwithstanding best efforts by both parties to resolve such disputes in the underlying spirit of cooperation, cannot be resolved will be dealt with by the Enterprise Chamber of the Court of Appeal in Amsterdam with the exception of those matters to which other courts in The Netherlands or abroad, inclusive of any Supranational Courts, will have jurisdiction.

Signed on February 20, 1997, amended May 25, 2000, amended April 21, 2004

Akzo Nobel N.V.