

contact person	direct dialling number	our reference
	+31 13 462 33 12	
letter code		citizen's identification number
subject		date
Welcome letter		

Dear

As of <datum> you start accruing pension with Stichting Pensioenfonds AkzoNobel.

In this welcome letter and the corresponding explanatory notes you find information on what you can expect from the pension scheme. Please read this information carefully and keep it at a safe place.

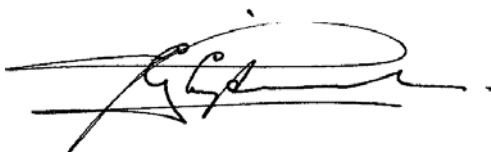
NOTE: this letter consists of various documents: the welcome letter and the corresponding explanatory notes. These documents belong together. Please keep them at a safe place!

In the follow-up process to this welcome letter, the pension fund will send you an annual pension statement containing an overview of your accrued and projected pension.

Finally

If you have any questions about this letter, please visit www.pensioenfonds-akzonobel.nl for more information on the pension that you accrue with Stichting Pensioenfonds AkzoNobel. You can also contact the pension fund administrator via email: apf.pensioenservices@achmea.nl or via telephone +31 13 462 33 12.

Kind regards
Stichting Pensioenfonds AkzoNobel



Quirijn G. Ligtenstein
Director

Welcome letter

For whom is this welcome letter intended?

For you <name>
date of birth <date>
Personnel registration number
Policy number.....
Citizen's identification number <number>

For your partner The pension fund has no registration of partner data

On which data is this welcome letter based?

Commencement of employment	
Start of pension accrual	
Part-time percentage	
Salary base*	€
Offset*	€
Income base career average scheme*	€
Pension base career average scheme*	€
Accrual percentage	
Pension base defined contributions scheme*	€
Maximum salary limit	€
Defined Contributions percentage	

* Please note: In this statement we have listed the amounts for a full-time employment contract. If you work part-time, this amount will be converted on the basis of the part-time percentage.

What pension can you expect?

Assuming continuation of your current employment until 65 years, you receive a lifelong retirement pension from the career average scheme to the amount of:

€ AOW excl.

If your current or future income exceeds the maximum salary limit, you are also entitled to a pension benefit from the defined contributions scheme. Your next pension statement contains the projected pension issuing from this scheme and also gives you insight in the level of your partner pension.

What does your pension scheme offer you?

Participation in the pension scheme of Stichting Pensioenfonds AkzoNobel entitles you to:

- income for retirement: this is your retirement pension and commences on your 65th birthday.
- income for your surviving dependants in the event of your death: partner pension and orphan's pension.
- temporary additional income for your partner in the event of your death: Anw substitute temporary partner pension,
- in the event of complete occupational disability: a supplement to any disability benefit via an occupational disability pension benefit,
- in the event of partial or complete occupational disability: a waiver of premium under certain conditions; if a waiver of premium is granted, your pension accrual is (partially) continued,
- contingent supplements: the pension fund tries to annually increase the accrued pension in line with the general wage index of AkzoNobel. The board decides each year if the fund has sufficient financial reserves to increase the accrued pensions. You are not automatically entitled to a supplement.

What is the structure of the pension scheme?

Career average scheme

During each year of service that you work at your employer's you accrue pension over the pension base applicable to you in that year. The pension base is equal to the difference between the pension base in the career average scheme and the offset, the part of your income over which you do not accrue pension. Your annual pension accrual is 2.25% of the pension base.

Defined Contributions scheme

If your full-time income exceeds the amount of €58,710, you will also participate in the Defined Contributions scheme for the part of your salary exceeding this amount. The employer pays a contribution, partially or entirely to the pension fund, and the pension fund invests the contribution for you. If you want, you can determine how the pension fund should invest the contribution, within the investment options offered by the fund. Basically, the pension fund uses the accrued capital to purchase pension for you on your retirement date.

Special circumstances

The pension fund is currently dealing with a situation of underfunding and funding shortfall and has prepared a recovery plan.

Your pension requires your attention

This welcome letter contains a lot of information about your pension scheme. Upon commencement of employment there are two things you need to do immediately:

- If you have a partner and live together with a cohabitation agreement, you need to register your partner with the pension fund administration. Please refer to 'Income for your surviving dependants' for more information.
 - If you have participated in the pension scheme of your previous employer, you can have the value of these pension entitlements transferred to Stichting Pensioenfonds AkzoNobel. Please refer to 'Did you already accrue pension with another pension administrator?' for additional information.
-

Explanatory notes to the Welcome letter

Your pension scheme

Your pension scheme has been implemented by Stichting Pensioenfonds AkzoNobel.

Your retirement income is important. We therefore advise you to pay your pension the attention it deserves. This welcome letter outlines the contents of your pension plan and has been prepared carefully. However, the information is merely a summarized and simplified version of the information in the pension scheme regulations and you cannot derive any rights from it. The pension scheme regulations are prevailing. If you want a copy of the regulations, please go to the website or contact the pension fund.

Each year you receive a personal pension statement, which gives you the exact level of your pension accrual at that time.

Income for retirement

Old-age pension from the government

By virtue of the current AOW - the Dutch General Old Age Pensions Act- you receive a state old age benefit from the government as of 65 years. If you have lived abroad between the age of 15 and your 65 years, you may receive less AOW. You receive the pension of the pension fund in addition to the AOW. On www.svb.nl you find more information on the AOW.

Retirement pension from the pension fund

Your retirement age is 65 years, but early retirement is possible. After your retirement you receive a monthly pension benefit from your pension fund. This retirement pension benefit is a lifelong benefit.

The pension scheme of Stichting Pensioenfonds AkzoNobel consists of a career average scheme and a defined contributions scheme. In the career average scheme you accrue pension over your salary, up to a maximum salary limit of €58,710. If your salary is higher, you will participate in the defined contributions scheme for the part exceeding the maximum limit.

Character of the pension scheme (career average scheme):

The career average pay scheme is a benefits agreement with a fixed employer contribution. In this scheme you annually accrue pension on the basis of your gross annual salary in that year, up to a maximum salary limit of €58,710. Your future pension is based on the average salary that you have earned at AkzoNobel. Each year that you are employed by your employer, you accrue a part of your pension in proportion with the pensionable salary applicable in that year. The pension accrual is equal to the difference between the pension base in the career average scheme and the fulltime offset, and is then multiplied by the part-time percentage. The offset is the part of your income over which you do not accrue pension, because you already receive a statutory old-age pension (AOW) benefit as from the age of 65 years. Each year you accrue 2.25% of the pension base. The total of the pension accrual in all these years subsequently makes up your pension.

The pension scheme also offers a partner and orphan's pension on a risk basis. If your participation is terminated, this insurance will cease to exist and your surviving dependants do not receive a benefit in the event of your death. For additional information please refer to 'Income for your surviving dependants'.

The employer pays a fixed contribution for the career average scheme; never more, never less. Any surpluses remain in the fund and there is no additional employer contribution in the event of any deficits. Under normal economic circumstances the collective contribution is sufficient to execute the career average scheme. But there are no guarantees. If the economic situation is bad, the pension fund has to use different means to recover the fund's financial situation, e.g. no supplements or curtailment of the accrued pension rights and pension entitlements.

How much contribution do you pay?

For the career average scheme the basic contribution is 3% of your annual salary per year, with the pension base as a maximum. If the funding ratio (the ratio between the fund's liabilities and assets) is less than 130%, you pay additional contribution in accordance with the following table. This is referred to as the funding-ratio related contribution. The basic contribution and the funding-ratio related additional contribution are used for the conditional supplement while in active service.

Funding ratio	Extra employee contribution
< 120%	2%
120 - 130%	1%
> 130%	0%

On 31 December, 2010 the funding ratio is 104.7%. The additional contribution for 2011 has been defined at 2%. The employee contributions are discussed between the employer and the unions and laid down in the CLA.

Character of defined contributions scheme:

This scheme is a defined contributions scheme. As long as you are in active service, the employer pays a percentage of your pension base as a monthly contribution in the defined contributions scheme: the defined contribution. The pension base in the defined contributions scheme is equal to the difference between the total income base and the maximum salary limit of €58,710. The percentage depends on your age. The following table shows the net percentage of the pension base that is invested as a defined contribution and the corresponding age.

The employer pays an additional loading of 3.45% over this contribution. You can find the monthly contribution, including this loading, on your salary slip.

Participant age	Defined contributions percentage
< 25 years	9.5%
25 - 29 years	10.9%
30 - 34 years	12.6%
35 - 39 years	14.6%
40 - 44 years	16.9%
45 - 49 years	19.6%
50 - 54 years	22.8%
55 - 59 years	26.6%

60 - 61 years (if born prior to 1950)	29.5%
60 - 64 years (if born after 1949)	31.2%

With this contribution, you accrue your individual pension capital. It is possible to have a part of the defined contribution paid out as gross salary. This part is maximized at 40% of your defined contribution.

The contributions are invested in an investment portfolio that corresponds with your age category. Within the selected investment options offered by the pension fund you can select your own asset mix. Please use the enclosed form to indicate your preferences. For more information please visit www.pensioenfondsen-akzonobel.nl.

The value of your pension capital depends, among others, on the price developments. The pension fund uses the accrued pension capital to purchase a periodical pension benefit when you leave service or ultimately on your retirement date, against the rates applicable at that moment. The purchase of pension with the accrued value may never exceed the maximum pension amount permitted by the tax authorities. The pension fund checks if the pension that you can purchase with the accrued value, is within the limits permitted by the tax authorities. If the results are negative, the excess pension profits back to the pension fund.

A contributions agreement lacks the promise of a pension benefit or pension capital. Instead, a contribution is invested until the retirement date. The level of the returns on the investments cannot be predicted and can be either positive or negative. This risk on returns is for your account.

The risk on returns is not the only risk. As the average age of people is increasing and pensions need to be paid out over a longer period of time, more capital is required. This means that over a number of years you can purchase a smaller pension than what you can currently purchase with the same capital. This is referred to as the longevity risk and is also for your account.

Income for your surviving dependants

Anw benefit from the government

In the event of your death, your partner and/or children may be entitled to a state benefit by virtue of the General Surviving Dependants Act (*Algemene nabestaandenwet* – Anw). Please visit www.svb.nl for additional information.

Partner pension and orphan's pension

In the event of your death, your partner receives a lifelong partner pension. Your children receive an orphan's pension until they are 18 years old, or until their 27th birthday if they study or take care of the household and the care for at least 3 other children under the age of 27.

In order to qualify for partner pension, your partner needs to comply with the following requirements:

- you are married to your partner or have entered into a registered partnership,
- have a notarially recorded cohabitation agreement (a copy of this should be at the disposal of the pension fund); this partner may not be a person related directly to you either by blood or by marriage.

In addition, you must have closed the marriage, registered partnership or the cohabitation agreement prior to your 65th birthday.

Who should you notify?

If you are married (or have a registered partnership) and live in the Netherlands, your partner is automatically registered with us. If you are married (or have a registered partnership) and live outside of the Netherlands or have a notarially recorded cohabitation agreement, you must register your partner with the pension fund. You need to send a copy of the marriage certificate / cohabitation agreement to us.

Pension level

The partner pension is 1.4% of the fixed income per year, up to a maximum of in total 50% of the difference between the fixed income and the offset. The orphan's pension is 10% of your fixed income during participation in the pension scheme.

If your partner is younger than 65 years at the moment of your death, he or she will not yet be granted a state old age benefit. Therefore, your partner receives a supplement to the partner pension until 65 years. This is the Anw substitute temporary partner pension. The premium for this insurance is € 12 per month. The partners of the participants in this fund are insured under a group contract. The level of the benefit is 70% of the offset, minus any Anw benefits from the government. The Anw substitute temporary partner pension is paid out until the partner becomes 65 years old.

Your pension scheme has a partner pension and orphan's pension at risk basis, i.e. these benefits are only paid out in the event of your death while in active service. Please be aware of the fact that this insurance ceases to exist when you stop working at AkzoNobel or when you retire. In other words, you do not accrue any partner pension. An exception is made for a part of the orphan's pension, which remains at the fund in the event of termination of employment or retirement.

To make sure that your surviving dependants have no financial worries, you can exchange a part of your retirement pension into a partner pension. You are informed about this by the pension fund when you leave service or prior to your retirement.

Income in the event of occupational disability

Have you been ill for more than two years (officially 104 weeks) and have you been declared incapacitated for work for 35% or more? In that case you may be eligible for a disability benefit. You receive this benefit from the government by virtue of the WIA Act, the *Work and Income (according to Fitness for Work) Act*.

If you have been declared incapacitated for work for 80-100% (IVA or WGA), you will receive a supplementary disability pension from the pension fund in addition to the WIA state benefit. The disability pension supplements the WGA benefit in the event of complete disability up to a maximum of 75% of your last earned fixed salary. The disability pension supplements the IVA benefit (Income Support Provision (Totally Disabled Workers) Regulation) up to a maximum of 80% of your last earned fixed salary. The coverage of the disability pension is terminated when your employment contract is terminated. If your employment contract is terminated and you already receive a disability benefit from the pension fund, your benefit will be continued.

If you have been declared entirely or partially incapacitated for work in accordance with the WIA, your income can experience a serious drop. Under certain conditions you are entitled to partial or complete waiver of premium, so your pension accrual is (partially) continued in the event of occupational disability.

You do not have to do anything; your employer will register you with the pension fund.

How does your pension keep its value?

Supplements are granted by the fund to maintain the value of your pension. Supplements to pension entitlements and pension benefits are contingent and granted only if the fund has sufficient financial means. So, it is possible that in certain years no supplements are granted. There is no entitlement to supplements and in the long term it is uncertain if supplements will be granted and to what extent. The board of the pension fund decides each year whether or not a supplement is granted. The ambition is to grant a supplement to pension entitlements of the active participants which is equal to the general wage index of AkzoNobel, i.e. the general salary increase as referred to by the employer. Future supplements are paid from a limited reserve and the investment returns of the pension fund. The limited reserve is built up from the pension contributions paid by the participants, the level of which is determined in the CLA or the employment contract.

For the pension entitlements of deferred participants, the entitlements to special partner pension of ex partners and the pension benefits (including the disability pension), the ambition is to grant a supplement that is equal to the development of the consumer price index figure all households total, up to a maximum of 4%. No capital is reserved for future supplements and no contribution is paid. The supplements are paid from the returns on investments.

Career average scheme

Each year your pension fund tries to increase your accrued pension with the general wage index of AkzoNobel. As of 01-07-2011 the accrued pension has been increased by 1.50%.

In the past three years, your pension fund has increased the accrued pension as follows:

- as of 01-07 -2010 by 1.00%. Prices rose by 1.70% in the period from 01-01-2010 up to and including 30-06-2010.
- as of 01-01-2010 by 0.75%. Prices rose dropped with 0.85% in the period from 01-04-2009 up to and including 31-12-2009.
- as of 01-04-2009 by 0.50%. Prices rose by 1.96% in the period from 01-04-2008 up to and including 31-03-2009.

Future increases of your accrued pension are partially paid from a limited reserve and the investment returns of the pension fund. This increase and the expectations for the next few years do not automatically entitle you to pension increases in the future

Defined contributions scheme

Your salary is higher than €58,710. For the part that exceeds the maximum salary limit of €58,710 you participate in the defined contributions scheme.

We cannot predict if you can still buy the same with your pension in the future. We do not yet know the level of your pension benefit in the future. That depends among others on:

- the amount of pension contribution paid by you,
- the amount of capital after investment of the pension contributions,
- the amount of pension you can purchase with that capital.

If your participation in the defined contributions scheme has terminated or if you already receive a pension benefit, the pension fund will try to increase the pension purchased from the capital in line with the consumer price index figure all households total over the period September – September of the previous year, with a maximum of 4%.

What happens if prices increase?

The pension fund expects your pension to grow in line with the prices in the next few years. However, if the economic developments are below expectations, your pension will be subject to price inflation.

What happens to your pension if your participation in the pension scheme is terminated?

If your participation in this pension scheme is terminated, you stop accruing pension with the pension fund. Your accrued pension entitlements remain with the fund. Please refer to 'Income for your surviving dependants' for more information on the benefits for your dependants in the event of your death after termination of employment.

The pension scheme does not offer any possibility for voluntary continuation after termination of participation. It is not possible to continue your participation in the pension scheme at your own expense after termination of participation.

This leaves you with two options:

1. You leave the accrued pension entitlements with the pension fund.
2. You transfer the accrued pension entitlements to the pension fund of your new employer.

Did you already accrue pension with another pension administrator?

You can opt for value transfer.

What is value transfer?

Your accrued pension has a certain value. The transfer of this value from your old to your new pension administrator is referred to as value transfer. Your new administrator converts this value into pension entitlements in your new pension scheme.

Why opt for value transfer?

Pension schemes can be vary different. It is difficult to say if your new pension scheme is better than the old one. Sometimes a transfer is useful, sometimes it is not. Always get assistance from a qualified financial advisor!

Value transfer procedure

You can submit a request for value transfer with your new pension administrator within six months after registration with your new pension scheme. Subsequently, your new administrator requests your pension data with your old pension administrator and prepares a tender stating the amount of pension that you will get in your new pension scheme in return for the pension already accrued by you in the previous scheme. After your approval the actual transfer is processed. The total process may take quite some time.

A 'tailor-made' pension upon retirement

You participate in a flexible pension plan. This means that you have various options to adjust your pension benefit to your personal wishes at your retirement. You can:

- retire earlier,
- retire part-time,
- partially exchange your partner pension into more retirement pension,
- receive a higher pension benefit directly after your retirement during a certain period, followed by a lifelong lower pension benefit.
- receive a lower pension benefit directly after your retirement during a certain period, followed by a lifelong higher pension benefit.

Please bear in mind that all the abovementioned options affect the level of your pension benefit. By the time that you retire, you can ask the fund to make a calculation of the financial consequences of the various options for you. Approximately six months prior to your retirement date, you are automatically informed in further detail on this by the pension fund.

If you want to retire earlier, please contact AkzoNobel HR Services Nederland. If you want to advance the pension commencement date, you can contact the pension fund administrator by email: apf.pensioenservices@achmea.nl or by telephone: (013) 462 33 12.

Your pension requires your attention

Some events in your personal life or your work may affect your pension. We recommend paying special attention to your pension if one or more of the following events occur:

- cohabitation, marriage or divorce,
- job change or change of employer,
- working part-time,
- unpaid leave,
- termination of employment,
- unemployment,
- occupational disability.

Please refer to www.pensioenfonds-akzonobel.nl when confronted with one or more of these events, or contact the pension fund administrator.

What do we expect from you?

We expect that you cooperate in a good execution of this pension scheme. You are obligated to provide us with all information required for the administration of this pension scheme in time.

Do you want to know more about your pension?

This welcome letter has been prepared with the utmost care and is based on the pension scheme regulations and the data currently available to us. However, the information is a summarized and simplified version of the information in the pension regulations, which are leading. If you want a copy of the pension scheme regulations, you can contact the pension fund or download a copy via the website www.pensioenfondsen-akzonobel.nl.

At your request, the pension fund can provide you with a copy of:

- the pension scheme regulations,
- the annual report and the financial statements,
- the administration agreement,
- relevant information on investments *,
- information specifically relevant for you *,
- a statement of the level of your accrued pension entitlements *,
- a calculation of the effects of the choices described under "A 'tailor-made' pension upon retirement" *,
- the statement on investment principles,
- information on the level of the funding ratio of the pension fund,
- information on any instruction from the supervising authority applicable to the pension fund,
- information on any appointment of an administrator,
- the complaints and disputes procedure of the fund.

The pension fund informs you about any applicable short-term or long-term recovery plan.

* Please take into account that the pension fund may charge a levy for this.

Payment restriction employer contribution

The employer reserves the right to adjust the pension agreement as expressed in the pension scheme regulations and to reduce or terminate the payment of the pension contributions if circumstances so require.

Complaints procedure

If you have any complaints about the administration of the pension scheme, you can use the complaints and disputes procedure of the pension fund. Please go to www.pensioenfondsen-akzonobel.nl for more information.

More information

You can contact your employer for additional information about your pension scheme.

If you have any questions about your individual pension situation, please contact the pension fund administrator by email: apf.pensioenservices@achmea.nl or by telephone (013) 462 33 12.

We are happy to be of service to you.

Glossary

Citizen's identification number	The number under which you have been registered with your municipality.
Commencement of participation	The date on which you started working for your current employer.
Part-time percentage	The ratio between the percentage that you work and a full-time employment. Example: if you work 20 hours per week and a full-time employment is 40 hours per week, the part-time percentage will be 50%.
Pension base	The part of your gross annual salary that counts for your total pension accrual. In the pension scheme regulations it has been laid down which parts are pensionable, i.e. included in the pension accrual.
Income base career average scheme	The part of the income base that counts for your pension accrual in the career average scheme.
Offset	As of 65 years the government provides a state old age benefit, so there is no need to accrue pension over a part of the income. The part of the income over which you do not accrue pension, is referred to as the offset.
Pension base career average scheme	Your income basis in the career average scheme minus the offset. Your pension accrual in the career average scheme is based on this amount.
Pension base defined contributions scheme	The difference between the total income base and the maximum salary limit.
Accrual percentage	Each year you accrue a part of the projected pension. The accrual percentage indicates the size of that part.
Maximum salary limit	The maximum salary limit determines to what extent the pension accrual is achieved in accordance with the career average scheme. For the part exceeding this limit, you participate in the defined contributions scheme.