BASE PROSPECTUS

Koninklijke DSM N.V.

(incorporated in The Netherlands with its corporate seat in Heerlen)

EUR 4,000,000,000
Debt Issuance Programme

This base prospectus (the "**Base Prospectus**") was approved by The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "**AFM**") in its capacity as competent authority in The Netherlands for the purposes of the Prospectus Directive (as defined below). Koninklijke DSM N.V. (the "**Issuer**" or "**DSM**" or "**Royal DSM**" or the "**Company**") has requested the AFM to provide the competent authorities in Luxembourg and the United Kingdom with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive (a "**Notification**"). The Issuer may request the AFM to provide the competent authorities in other Member States of the European Economic Area (the "**EEA**") with a Notification.

Application has been made to list notes ("**Notes**") to be issued under this EUR 4,000,000,000 Debt Issuance Programme (the "**Programme**") during the period of 12 months from the date of this Base Prospectus on NYSE Euronext in Amsterdam ("**Euronext Amsterdam**"). The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" below.

Arranger

Deutsche Bank

Dealers

Citigroup	**Credit Suisse**
Deutsche Bank	**HSBC**
ING	**J.P. Morgan**
Rabobank International	**The Royal Bank of Scotland**
UBS Investment Bank	

A copy of this Base Prospectus can be obtained from the registered office of DSM and from the specified office of the Fiscal and Paying Agent and will be made available electronically at www.dsm.com/corporate/investors/bonds-credit-rating/debt-issuance-program.html.

The date of this Base Prospectus is 5 September 2013.

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Base Prospectus and for information incorporated by reference herein. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

NOTICE

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive (as implemented in the Dutch Financial Markets Supervision Act, *Wet op het financieel toezicht*, and supplementing regulations) for the purpose of giving information with regard to the Issuer and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the rights attached to the Notes.

This Base Prospectus is to be read in conjunction with any supplements hereto and with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such supplements or documents are incorporated into, and form part of, this Base Prospectus and, in relation to any Tranche (as defined in "*General Description*" below) of Notes, must be read and construed together with the relevant Final Terms.

None of the Arranger or the Dealers appointed by the Issuer or their respective affiliates have separately verified the information contained herein or authorised the whole or any part of this Base Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by such Arranger and Dealers or their respective affiliates as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer. None of the Arranger, the Dealers or their respective affiliates accept any liability in relation to the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since such date, or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger and the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should carefully review and evaluate, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

The distribution of this Base Prospectus, any supplements hereto and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus, any supplements hereto or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of the Base Prospectus, any supplements hereto or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any securities regulatory authorities of any state or other jurisdiction of the United States and the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account of, U.S. persons. Neither this Base Prospectus or any supplements hereto nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

The Issuer has undertaken with the Dealers to amend or supplement this Base Prospectus or publish a new prospectus if and when the information herein should become materially inaccurate or incomplete, and has further agreed with the Arranger and the Dealers to furnish a supplement to this Base Prospectus in case of any significant new factor, material mistake or inaccuracy to the information included in this Base Prospectus which is capable of affecting the assessment of the Notes and which arises or is noted between the time when this Base Prospectus has been approved and the final closing of any Tranche of Notes offered to the public or, as the case may be, when trading of any Tranche of Notes on a regulated market begins, in respect of Notes issued on the basis of this Base Prospectus.

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the EEA, references to "**U.S.$**", "**U.S. dollars**" or "**dollars**" are to United States dollars, references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, references to "**Sterling**", "**£**" refer to the currency of the United Kingdom and references to "**Renminbi**" or "**RMB**" means the lawful currency of the People's Republic of China (for such purposes, not including Hong Kong and Macau Special Administrative Regions or Taiwan) (the "**PRC**").

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU (the "**2010 PD Amending Directive**"), to the extent implemented in the Relevant Member State) and includes any relevant implementing measures in the Relevant Member State.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

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RISK FACTORS

The following is a description of risk factors which are material in respect of the Notes and the financial situation of the Issuer and which may affect the Issuer's ability to fulfil its obligations under the Notes. Prospective investors should carefully consider these risk factors before deciding to purchase Notes. The sequence in which the following risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. Prospective investors should consider these risk factors before deciding to purchase Notes issued under the Programme. The inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations.

Prospective investors should furthermore consider all information provided in the Base Prospectus and consult with their own professional advisors (including their financial, accounting, legal and tax advisors) if they consider it necessary. In addition, investors should be aware that the risks described herein may combine and thus intensify another.

General Risk Factor

This Base Prospectus identifies in a general way the information that a prospective investor should consider prior to making an investment in the Notes. However, a prospective investor should conduct its own thorough analysis (including its own accounting, legal and tax analysis) prior to deciding whether to invest in the Notes as any evaluation of the suitability for an investor of an investment in the Notes depends upon a prospective investor's particular financial and other circumstances, as well as on specific terms of the Notes. This Base Prospectus is not, and does not purport to be, investment advice or an investment recommendation to purchase Notes. The Issuer, including any group company, is acting solely in the capacity of an arms' length contractual counterparty and not as a purchaser's financial adviser or fiduciary in any transaction unless the Issuer has agreed to do so in writing. If a prospective investor does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, the investor should consult with its financial adviser prior to deciding to make an investment on the suitability of the Notes. Investors risk losing their entire investment or part of it.

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with any investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or, if it is acquiring the Notes in a fiduciary capacity, for the beneficiary). In particular, investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as underlying securities for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Risk Factors Relating to the Issuer

The following section on risks may include forward-looking statements and may therefore involve uncertainty (the actual results may differ from those projected).

Generic/Strategic risks

Global financial and economic developments

In 2012 the Managing Board of the Issuer with support of the corporate risk office has identified the risks that are relevant in relation to the achievement of the targets of the strategy "DSM in motion: *driving focused growth*" and, more specifically, the achievement of the quantitative targets and aspirations as specified for that strategy in the years 2013 (EBITDA €1.4 to 1.6 billion, a return on capital employed greater than 15%), 2015 (organic sales growth 5 to 7% annually, China sales greater than U.S.$3 billion, 50% sales from high growth economies, 20% of sales to originate from innovative products and applications introduced in the last five years) and 2020 (emerging business area sales greater than EUR 1 billion). They also identified any necessary responses to be made in addition to the mitigating actions already in place in order to bring the risks within the defined risk appetite. To set these targets and aspirations, assumptions had been made about the macro-economic and global financial developments. Since the global financial crisis starting in 2008 DSM has improved its early warning and forecasting processes and believes it is in a position to adjust quickly to sudden adverse market conditions. If an economic downturn were to worsen or occur again, this could have a significant detrimental effect on the achievement of the aforementioned quantitative targets and aspirations. This effect could be aggravated by volatility in currencies.

Risks related to high growth economies

The strategy to grow the company through increased presence and business in high growth economies such as China, India, Latin America and Russia, is being successfully implemented. This implies that the relative exposure to the business climate in these regions is also increasing. DSM is further reinforcing its governance and resources in these regions in order to benefit from the opportunities and manage the downside risks these regions present. There is, however, a risk that such markets will not grow as expected or that opportunities in these markets will be missed. In addition, low cost competing products from these countries may jeopardise profitability in established markets where the Issuer operates. These risks might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

Risks of competition and commoditisation in existing markets

Through its divestment and acquisition policies, as well as through a focus on creating differentiating products through sustained investments in innovation, DSM has considerably reduced its exposure to cyclical and commodity markets. Some parts of the business, however, still serve markets that are sensitive to swings in the economic climate, such as the building and construction market. Other competitive challenges such as unexpected competing technologies or intellectual property issues may also cause the profitability of DSM's activities to deviate from the projected levels. These risks might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

Political and country risks

DSM has subsidiaries in more than 45 countries. These subsidiaries can be exposed to potentially unfavourable changes in (financial) regulations and political climate that might hamper the exploitation of projected opportunities or might impair the value of the local business.

Risks related to divestments, acquisitions and partnerships

Within the DSM strategy, acquisitions and partnerships have been chosen as one of the main growth drivers. The success of DSM’s strategy is partly dependent on the company’s ability to spot and implement opportunities for divestments and acquisitions. Risks in this field are connected to the company’s possible failure to identify interested buyers for its divestments or relevant acquisition targets, or its failure to do so in time, or its lack of success in bid processes or in the integration of acquired businesses. The risks of acquisitions and partnerships have been reduced significantly by realizing several key acquisitions in line with the strategy DSM in motion: driving focused growth. The risk on Acquisitions & Partnerships shifted from finding sufficient additional value adding acquisitions to getting the recent acquisitions effectively integrated. DSM has developed good practices and structured processes to mitigate this.DSM also uses joint ventures and other strategic alliances whenever it is beneficial to do so (for example to combine strengths and to share investments and inherent risks). The partnering strategy especially applies to the Pharma business and the joint venture DSP. Those are important steps in the execution of this strategy. Nevertheless, considerable uncertainties remain on the path to the projected growth and profitability in the Pharma area. More generally, although joint ventures and strategic alliances are always intended to add value, situations can arise that result in a conflict of interests that could potentially damage the business.

These risks might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

Innovation risks (new markets, products and technologies)

Innovation is another main growth driver in DSM's strategy. The Company has strengthened its market intelligence and enhanced its market and customer orientation and product launch capabilities, amongst other things through focused training programmes for its employees and improvements to its business processes. In addition it has taken a multitude of actions to create an excellent innovation process, such as improvement and training of its project management process, the introduction of open innovation models and the registration of innovation metrics. Nevertheless, the actual developments in the targeted markets, the speed with which new products and technologies are accepted and the emergence of new competition will always constitute risks to the success of the chosen strategy.

In the Emerging Business Areas, the units within the DSM Innovation Centre for the development of defined new business, efforts have been concentrated in the areas of Biomedical and Bio-based Products and Services. The developments in these areas are subject to the uncertainties inherent in new technologies and markets, such as the effects of competing technologies, regulatory developments, intellectual property issues and market acceptance. This implies that there is a risk that the innovation costs will yield less results than anticipated or that the Company will have to abandon projects on which it has already spent substantial sums of money. This could affect DSM's profitability.

People, organisation and culture risks

DSM's success in implementing its strategy is highly dependent on an effective organisational structure, the ability to attract and retain capable people with the right (diverse) backgrounds and the creation of an entrepreneurial yet responsible culture. As part of the strategy implementation programme, DSM has launched the ONE DSM Culture Agenda focusing on:

- *External Orientation*: DSM is convinced that, in order to be able to execute its growth strategy and rapidly adapt to changing customer and industry requirements, the vast majority of its employees need to be fully in tune with the challenges the external world offers. This means not just anticipating customer needs to drive marketing & sales and innovation priorities, but also tracking, learning and competing with best practices for all functions. External Orientation is also needed to broaden DSM’s networks and engage with stakeholder groups.

- *Accountability for Performance*: DSM expects its employees to set ambitious targets and take ownership to deliver these. Accountability for Performance is about people taking responsibility for their actions and for the performance of their teams, about recognizing and celebrating successes, but also about bringing issues to the surface and viewing mistakes as individual and collective learning opportunities.

- *Collaboration with Speed*: DSM expects that in an ever more connected world, where collaboration is becoming an important source of competitive advantage, DSM employees will actively (co-)create, share and build on ideas, information, knowledge and expertise of their colleagues and the external world. By fostering collaboration, DSM will harvest the power of its growing global workforce, as anchored in its leveraged organizational model with businesses, functions and regions. Besides increased collaboration, there is a need for faster decision making and execution. DSM needs to build a ONE DSM Culture in which its employees trust each other’s skills and have a sense of togetherness, of being ONE DSM.

- *Inclusion & Diversity*: DSM believes that fostering an inclusive culture that embraces differences will help to create a more diverse workforce which will drive a high performance organization achieving its business and strategic goals, especially in view of DSM’s focus on further internationalization, innovation and sustainability. A more balanced DSM leadership group (in terms of gender, nationality and background) will improve the decision-making process as well as the implementation of DSM’s strategy. Inclusion & Diversity requires thoughtful bridging skills and a full commitment to DSM’s joint corporate values

Special attention is being given to enhancing regional and functional effectiveness and creating a diverse workforce. Nevertheless, the achievement of the strategic targets may be hampered by organizational inefficiencies, a lack of key people and/or an unsupportive culture.

Intellectual property protection risks

DSM has reinforced its processes and capabilities to establish, protect and exploit intellectual property rights as these rights are of increasing importance to DSM's strategic development. Nevertheless, the risk exists that, in certain situations, DSM will not be able to valuate or protect its intellectual property effectively (for example in patent or license disputes or other litigation). This, in turn, may lead to negative financial impacts, which could have an impact on the Company's ability to fulfil its obligations under the Notes.

Raw material / energy price and availability risks

DSM implements various policies to avoid supply chain disruptions (for example multiple supplier-strategy) and decrease price volatility (for example commodity hedging). Nevertheless, the increasing complexity and interdependence of worldwide supply streams as well as increasing (perceived) pressure on availability of resources may lead to price fluctuations and availability issues, influencing DSM's profitability and/or business continuity.

Sustainability risks

Sustainability, behaving socially, environmentally and economically without harming the position of future generations, is DSM's core value and plays a central role in its strategy implementation. It is seen as a measure of responsible behaviour (implementing high standards in social, environmental and business-ethical matters as described in the DSM Code of Business Conduct, Policies, Requirements and Directives) as well as a business driver (developing products, processes and behaviours that make the value chains in which DSM takes part more socially and environmentally sustainable in an economically viable way). The risks related to sustainability as a measure of responsible behaviour are described in this overview in the category Safety, health and environment and the categories under Legal and compliance. For sustainability as a business driver, DSM has set ambitious targets, and although it has put rigorous programs in place to clarify and achieve these targets, there is considerable risk that difficulties will occur in doing so for every target, particularly as the activities are highly innovative and, for their success, dependent on cooperation in novel stakeholder relationships. Not achieving clear and accepted definitions on the sustainability standards and/or not reaching the set targets may lead to reputation damage for DSM and hence to financial damage related to credibility issues in (financial) markets and/or to extra internal management attention.

Operational risks

Reputation risks

Any failure by any of its business units to meet production safety, social, environmental or ethical standards could harm DSM's reputation and thereby impact on its business and results. DSM has confirmed sustainability to be its core value and, on the basis of this, has formulated a Code of Business Conduct specifying desired behaviour in respect of the social, environmental and economic dimensions. The Code is distributed in 17 languages, (e-) learning has to be followed by all employees and compliance is being actively monitored and followed up. This should reasonably assure appropriate employee conduct. Moreover, the Company makes substantial efforts to reduce the probability that any of its units will fail to comply with internal requirements and/or external laws and regulations, which include paying particular attention to this during corporate audits, special training and reporting programmes for specific target audiences in the areas of competition law compliance and trade law compliance, as well as the worldwide implementation of a whistle blower system and process. Nevertheless, incidents, accidents or mistakes by individual employees may occur that negatively impact DSM's reputation. This risk might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

Customer risks

The company tries to meet or exceed customer expectations at all times. Customer satisfaction is measured regularly. Although what DSM considers to be appropriate process and product quality management is in place to manage the risk of non-compliance with specifications and customer agreements, it cannot be ruled out that issues could arise for instance with regard to quality or delivery, which might lead to complaints, claims and loss of business. Resultant loss of business is a risk despite the fact that the largest customer of the Company in terms of turnover represents less than 2%. The risks described in this paragraph might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

Production process risks

DSM tries to mitigate production process risks by spreading production where possible but concentration is also necessary in order to achieve economies of scale. The design of any new facilities and/or production processes is required to include state-of-the-art safety and security facilities. Plants are designed according to high technical and technological standards and are regularly and systematically inspected against predefined risk and maintenance standards. Nevertheless, technical and technological risks may not always be sufficiently well known or controlled so as to exclude any mishaps. These could affect the quality, costs or availability of products, resulting in a financial loss. These risks might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

Business continuity risks

The influence of major physical disruptions caused by mishaps affecting the supply line or facilities in the Company has been inventoried and business continuity plans have been put in place. Unexpected developments may nevertheless result in interruptions of supply to customers, causing financial and reputational damage. These risks might have an impact of the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

Product-liability risks

As a result of DSM's strategy "DSM in motion: *driving focused growth*" to move away from commodity markets towards specialty markets, the Company's product portfolio continues to evolve. This has been accompanied by a corresponding shift in its product liability risk profile. To protect itself against these risks, DSM has put in place highly demanding process and product requirements and is putting in a great deal of effort on an ongoing basis to assure that all its units comply with internal and external regulatory requirements (for example from US Food and Drug Administration). Additionally, DSM has introduced structural product risk and liability exposure assessments, and has enhanced the focus on the limitation of liability in its sales contracting. Nevertheless, it can never be totally excluded that product-liability issues may lead to financial or reputation damages. This might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

Insurable risks

Global insurance policies are in place to reduce the financial impact of potential losses due to damage to property, business interruption and general liability exposures, including the liability risks related to the products produced. At the moment, all products in DSM's portfolio are covered under the company's corporate liability insurance programs. For losses covered by the various policies the self-insured retention at corporate level for any one incident is limited at about €30 million per occurrence with an annual aggregate maximum of €45 million. DSM has in place insurance cover for excess risks related to property damage/business interruption as well as general liability up to contracted maximum amounts that are deemed to be appropriate in view of the risk profile of the company. In the event that damages nevertheless exceed these maximum amounts this might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

Information and Communication Technology (ICT) risks

In order to control potential ICT risks DSM employs a policy of using proven hardware and software solutions. Group-wide, DSM works with integrated and standardised ICT infrastructures, back-up, encoding and encryption systems, replicated databases, virus and access protection and a fully compatible global network and intranet. Regular local ICT-security assessments should assure adequate local applications. External ICT-service providers have been contracted in and are required to report regularly on the measures they are taking to reasonably assure that DSM's IT processes are reliable and secure. Although DSM has IT business continuity plans aimed at limiting the impact of major mishaps in the Company's IT environment and has applied strict measures with regard to the security and reliability of its IT systems, incidents involving IT such as, for example, back-up recovery, hot failover systems, virus attacks, hacking and international network connections may still occur, and this can have a material impact on business operations and data security. These risks might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

Programme and Project Management risks

A large part of the implementation of DSM's strategy takes place through the implementation of major projects in a variety of fields, such as innovation, mergers and acquisitions, organisational change, business process development, ICT, construction and human resources. DSM has extensive experience in project management. It seconds its best employees to projects that are considered by DSM to be critical, has specific project management training courses and independent value assurance reviews and direct Board oversight in place as part of the Company's management of the risk of failure of major projects. Programmes and projects may nevertheless fail to deliver the (financial) results projected, for example because of cost reductions, output increases, and/or because the investments needed to achieve the results may be more than anticipated. This would affect DSM's profitability and might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

(Information) security and Internal Control related risks

DSM employs strict practices with regard to the assessment and control of (information) security risks. In the design of the processes governing the goods and money flows, strict standards of Internal Control have been taken into account and the functioning of these controls is being monitored regularly. Nevertheless, (information) security incidents and / or misappropriation of goods or money through mistakes or fraud may still occur, possibly causing material damage to the Company. These risks might have an impact of the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

Industrial relations risks

DSM invests in a good relationship with its employees and tracks employee engagement, amongst other things by conducting worldwide surveys. Nevertheless, it cannot be excluded that risks materialize in the area of industrial relations. These risks might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

Safety, health and environmental risks

DSM implements strict policies with regard to the containment of safety, health and environmental risks. Nevertheless, safety, health or environmental elements may not always be sufficiently well known or controlled so as to prevent any possible mishaps. Safety procedures were improved through the introduction of a set of life-saving rules. The residual risks might nevertheless have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

Financial risks

Liquidity and market risk

The main financial risks faced by DSM relate to liquidity risk and market risk (comprising interest rate risk, currency risk and price risk). DSM's financial policy is aimed at minimizing the effects of fluctuations in currency-exchange and interest rates on its results in the short term and following market rates in the long term. DSM uses financial derivatives to manage financial risks relating to business operations and does not enter into speculative derivative positions. DSM's financial policy is discussed extensively in the Integrated Annual Report 2012, which also contains specific information on liquidity risks and market risks. Nevertheless, developments in currencies and interest rates keep having an impact on DSM's finance cost and therefore also on DSM's profitability. This might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

Pension risks

With defined benefit obligations in a number of countries, DSM is exposed to volatility in financial markets that can cause changes in future pension costs for the Company and in the funded status of the individual pension plans. To reduce these risks, the investment strategies of the individual pension plans are aligned with the risk profile of the underlying pension obligations and the investment policies are closely monitored by the Company. The volatility in cash contributions to these plans is limited due to contractual arrangements. The financial situation of the funds may nevertheless be impacted by disruptions in the financial markets. The pension scheme of the Pension Fund DSM Netherlands has been converted to a defined contribution plan, reducing the pension risks for DSM substantially. Furthermore, an integrated balance sheet management approach has been implemented for the Pension Fund DSM Netherlands in which the risk appetite and strategy has been quantified and translated into steering variables taking both pension fund assets and liabilities into account. This more integrated approach has improved the risk identification and risk management process as well as the strategic decision making process leading to a more balanced approach towards risk. A deterioration of the value of assets or an increase in the value of liabilities in any pension obligations of the Company may, however, still impact DSM's financial position and cost structure. This could in turn have an impact on the Company's ability to fulfil its obligations under the Notes.

Other financial risks

Financial risks additional to the liquidity and market risks mentioned above include commodity price risk and credit risk. Furthermore, the major credit rating agencies may change their assessments of DSM creditworthiness, thereby affecting the Company's borrowing capacity and/or the conditions under which it can borrow money and causing fluctuations in the cost of finance. The Company aims to keep its single A credit rating. With respect to income tax DSM has accrued for tax liabilities on the basis of interpretations of tax laws and regulations that may be challenged by tax authorities. Furthermore, DSM has recognised deferred tax assets that require utilisation of tax loss carry forwards. In certain countries these loss carry forwards are restricted in time or amount and DSM runs the risks that these assets may not be fully recovered. In the determination of both tax liabilities and tax assets, these uncertainties are taken into account. However these risks might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

Legal and compliance risks

Risks of non-compliance with the DSM Code of Business Conduct and with Corporate Policies, Requirements and Directives

DSM has put in place a DSM Code of Business Conduct, Policies, Requirements and Directives in order to induce ethical behaviour in the Company and clearly mark the limits of risk taking to be observed in (operational) processes. The implementation of these principles, policies, requirements and directives is monitored and reported by the units themselves and through independent full operational audits. It can nevertheless not be excluded that non-compliances may occur, leading to risks and possible financial and/or reputational damage. This could in turn have an impact on the Company's ability to fulfil its obligations under the Notes.

Risk related to legal non-compliances

DSM operates in fields to which a multitude of (international) laws and regulations apply. Although a great deal of attention is being given to full compliance with all these laws and regulations, breaches may still go unnoticed, possibly leading to fines, loss of permits and/or reputational damage. These risks might have an impact on the results of operations and financial condition of the Company, which in turn could have an impact on the Company's ability to fulfil its obligations under the Notes.

Risks related to regulatory developments

DSM anticipates regulatory developments and contributes to such developments where appropriate. Changes in laws and regulations relating to the regulation of the Company's business may nevertheless impact the Company's ability to implement its strategy and/or may have detrimental effects on profitability.

Risk Factors Relating to the Notes

In addition to the risks identified in "Risk Factors – General Risk Factor" and "Risk Factors – Risk Factors Relating to the Issuer" above, potential investors in Notes should consider the following:

Risks Relating to the Notes Generally

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or with a common safekeeper. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg or to the common safekeeper for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Risks Related to the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common features:

Notes Subject to Optional Redemption by the Issuer

An optional redemption feature in any Notes may negatively impact their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes Issued at a Substantial Discount or Premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Notes where denominations involve integral multiples

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination.

In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time (i) may not be able to transfer such Notes and (ii) may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and in each case would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks relating to Notes denominated in Renminbi

A description of risks which may be relevant to an investor in Notes denominated in Renminbi ("**Renminbi Notes**") is set out below.

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of Renminbi Notes

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. Participating banks in Hong Kong, Singapore and Taiwan have been permitted to engage in the settlement of current account trade transactions in Renminbi under certain pilot schemes.

However, remittance of Renminbi by foreign investors into the PRC for purposes such as capital contributions, known as capital account items, is generally only permitted upon obtaining specific approvals from the relevant authorities on a case-by-case basis and subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

On 12 October 2011, the Ministry of Commerce of the PRC ("**MOFCOM**") promulgated the "Circular on Certain Issues Concerning Direct Investment Involving Cross-border Renminbi" (商務部關於跨境人民幣直接投資有關問題的通知) (the "**MOFCOM Circular**"). Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts were authorised to approve Renminbi foreign direct investments ("**FDI**") with certain exceptions based on, amongst others, the size and industry of the investment. The MOFCOM Circular also stipulates that the proceeds of FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in domestic companies listed in the PRC through private placements or share transfers by agreement.

On 13 October 2011, the People's Bank of China (the "**PBoC**") promulgated the "Administrative Measures on Renminbi Settlement of Foreign Direct Investment" (外商直接投資人民幣結算業務管理辦法) (the "**PBoC FDI Measures**") as part of the implementation of the PBoC's detailed FDI accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. On 14 June 2012, the PBoC further issued the implementing rules for the PBoC FDI Measures. Under the PBoC FDI Measures, special approval for FDI and shareholder loans from the PBoC, which was previously required, is no longer necessary. In some cases however, post-event filing with the PBoC is still necessary.

As the MOFCOM Circular and the PBoC FDI Measures are relatively new circulars, they will be subject to interpretation and application by the relevant authorities in the PRC.

There is no assurance that the PRC Government will continue to gradually liberalise control over crossborder remittance of Renminbi in the future, that the pilot schemes introduced in Hong Kong, Singapore and Taiwan will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the Issuer's ability to source Renminbi outside the PRC to service Renminbi Notes

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

As of 30 June 2013, the total amount of Renminbi deposits held by institutions authorised to engage in Renminbi banking business in Hong Kong amounted to approximately RMB698 billion. As of 15 May 2013, the total amount of Renminbi deposits held by Taiwan foreign exchange banks and offshore banking units amounted to approximately RMB61 billion.

While the PBoC has established Renminbi clearing and settlement mechanisms for participating banks in Hong Kong, Singapore and Taiwan through settlement agreements on the clearing of Renminbi business (the "**Settlement Agreements**") with Bank of China (Hong Kong) Limited in Hong Kong, Industrial and Commercial Bank of China, Singapore Branch in Singapore and Bank of China, Taipei Branch in Taiwan (each, a "**Renminbi Clearing Bank**"), the current size of Renminbi-denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. The Renminbi Clearing Banks only have access to onshore liquidity support from the PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the Issuer is required to source Renminbi outside the PRC to service the Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the Renminbi Notes is subject to exchange rate risks

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. The Issuer will make all payments of interest and principal with respect to the Renminbi Notes in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Renminbi Notes in that foreign currency will decline.

Investment in the Renminbi Notes is subject to currency risk

If the Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal on the Renminbi Notes as a result of Inconvertibility, Non transferability or Illiquidity (each, as defined in the Conditions), the Issuer shall be entitled, on giving not less than five or more than 30 calendar days' irrevocable notice to the investors prior to the due date for payment, to settle any such payment in U.S. Dollars on the due date at the U.S. Dollar Equivalent (as defined in the Conditions) of any such interest or principal, as the case may be.

Risks related to the investment market generally

Exchange rates and exchange controls

The Issuer will pay principal and interest on the Notes in a specified currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the specified currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the specified currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the specified currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest Rate Risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit Ratings

One or more independent credit rating agencies may assign credit ratings to the Notes or the Issuer. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn by the relevant rating agency if, in its judgment, circumstances in the future so warrant. In the event that a rating assigned to the Notes or the Issuer is subsequently lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes and the market value of the Notes is likely to be adversely affected.

Liquidity Risk

Application has been made to list and trade the Notes to be issued under the Programme on Eurolist by Euronext Amsterdam appearing on the list of regulated markets issued by the European Commission. In addition, the Programme provides that Notes may be listed on other or further stock exchanges or may not be listed at all. Regardless of whether the Notes are listed or not, there can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. The fact that the notes may be listed does not necessarily lead to a greater liquidity as compared to unlisted Notes. If Notes are not listed on any exchange, pricing information for such Notes may, however, be more difficult to obtain which may affect the liquidity of the Notes adversely. In an illiquid market, an investor might not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.

Market Price Risk

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policy of central banks, overall economic developments, inflation rates or the lack of or excess demand for the relevant type of Note. The holder of Notes is therefore exposed to the risk of an unfavourable development of market prices of its Notes which materialises if the holder sells the Notes prior to the final maturity of such Notes.

GENERAL DESCRIPTION

The following general description does not purport to be complete and is taken from, and qualified by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" herein, respectively, shall have the same meanings in this general description.

Issuer:	Koninklijke DSM N.V. Koninklijke DSM N.V. is the holding company under Dutch Law of a group that is active worldwide in life science products, performance materials and industrial chemicals.
Arranger:	Deutsche Bank Aktiengesellschaft
Dealers:	Citigroup Global Markets Limited Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International) Credit Suisse Securities (Europe) Limited Deutsche Bank Aktiengesellschaft HSBC Bank plc ING Bank N.V. J.P. Morgan Securities plc The Royal Bank of Scotland plc UBS Limited and any other dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes (as defined below). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, the Dealers are set out in the amended and restated Dealer Agreement relating to the Programme, dated 5 September 2013, as amended from time to time (the "**Dealer Agreement**"). The Dealer Agreement makes provisions for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes (as defined below).
Fiscal and Paying Agent:	Citibank, N.A., London Branch
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "*Risk Factors*" and include generic risks relating to the Issuer, risks relating to

the Notes and risks relating to investment markets generally. For more details of the risk factors affecting to Notes to be issued under the Programme see "*Risk Factors*".

Method of Issuance:	Under its EUR 4,000,000,000 Debt Issuance Programme, Koninklijke DSM N.V. may from time to time issue Notes. These Notes may or may not be listed on a stock exchange. The applicable terms of any Notes will be determined by the Issuer and the relevant Dealer(s) prior to the issue of the Notes. Such terms will be set out in the Terms and Conditions of the Notes endorsed on, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Final Terms attached to, or endorsed on, or applicable to such Notes, as more fully described in the "*Terms and Conditions of the Notes*" section of this Base Prospectus.
Programme Amount:	This Base Prospectus and any supplement will only be valid for the issue of Notes in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed EUR 4,000,000,000 or its equivalent in other currencies.
Issuance in Series:	Notes will be issued in series (each a "**Series**"). Each Series may comprise one or more tranches ("**Tranches**" and each a "**Tranche**") issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date, interest commencement date and the issue price may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
Form of Notes:	Notes will be issued in bearer form only. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date (i) with a depositary or a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, société anonyme Luxembourg ("**Clearstream**, **Luxembourg**") and/or any other agreed clearing system or (ii) with

Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Netherlands**") and each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes and in respect of Global Notes deposited with Euroclear Netherlands only in the limited circumstances as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) and in accordance with the rules and regulations of Euroclear Netherlands. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Interests in a Permanent Global Note will be exchangeable for definitive Notes in bearer form as described under "*Summary of Provisions Relating to the Notes while in Global Form*".

Currencies: Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any legal currency agreed by the Issuer and the relevant Dealer(s).

Status of the Notes: Notes will constitute direct, unconditional and unsecured and unsubordinated obligations of the Issuer and rank at least *pari passu* and rateably without any preference among themselves and (subject to any applicable statutory exceptions and without prejudice as aforesaid) equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

Interest: Interest on the Notes may accrue at a fixed or floating rate and may vary during the lifetime of the relevant Series.

Fixed Rate Notes: Fixed Rate Notes will bear interest at a fixed rate, payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).

Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined:

(i) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or

(ii) on such other basis as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate Notes (as set out in the applicable Final Terms).

Issue Price: Notes may be issued at any price or at a discount or premium to their nominal amount, as specified in the relevant Final Terms.

Maturities: Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency. Save as provided above, the Notes are not subject to any maximum maturity.

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 of England and Wales ("**FSMA**") by the Issuer.

Early Redemption: Early redemption will be permitted for taxation reasons as mentioned in "*Terms and Conditions of the Notes – Condition 5(c) (Redemption for Taxation Reasons)*", but will otherwise be permitted only to the extent specified in the relevant Final Terms.

Denominations: Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements, provided that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum denomination shall be EUR100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes). If this proviso applies, so long as the Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, the Notes shall be tradeable only in principal amounts of at least such minimum denomination and integral multiples of the Calculation Amount specified in the Terms and Conditions of the Notes in excess thereof.

Taxation: Payments in respect of Notes issued by the Issuer will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the jurisdiction of incorporation of the Issuer or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will (subject to certain exceptions as more fully set out in "*Terms and Conditions of the Notes - Condition 7(b)*") pay such additional amounts as will result in the holders of Notes or Coupons receiving such amounts as they would have received in respect of such Notes or Coupons had no such withholding or deduction been required.

Governing Law: The Notes will be governed by, and construed in accordance with, Dutch law.

Listing: Each Series may be admitted to listing on Euronext Amsterdam. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer. The Issuer may also issue unlisted and/or privately placed Notes. References in this Programme to Notes being "**listed**" (and all related references) shall mean that such Notes have been

	admitted to trading and have been listed on Euronext Amsterdam or another regulated market.
Terms and Conditions:	Final Terms will be prepared in respect of each Tranche of Notes, a copy of which will, in the case of Notes to be listed on Euronext Amsterdam be delivered to such stock exchange on or before the date of issue of such Notes. The terms and conditions applicable to each Tranche of Notes will be those set out herein under *Terms and Conditions of the Notes* as supplemented or modified by the relevant Final Terms.
Clearing Systems:	Clearstream Banking AG, Frankfurt am Main ("**Clearstream, Frankfurt**"), Clearstream, Luxembourg, Euroclear, Euroclear Netherlands and/or, in relation to any Series of Notes, any other internationally recognised clearing system as may be specified in the relevant Final Terms.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States, the European Economic Area, the United Kingdom, The Netherlands, Japan, and the People's Republic of China (for such purposes, not including Hong Kong and Macau Special Administrative Regions or Taiwan) see "*Subscription and Sale*".

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each Note in definitive form, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Note in definitive form will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and Note in definitive form.

The Notes are issued pursuant to an amended and restated fiscal agency agreement dated 5 September 2013, as amended or supplemented from time to time (the "**Fiscal Agency Agreement**") between Koninklijke DSM N.V. (the "**Issuer**") and Citibank, N.A., London Branch as fiscal agent and paying agent (the "**Fiscal Agent**" and the "**Paying Agent**" and together with any additional or other paying agents in respect of the Notes from time to time appointed, the "**Paying Agents**"). The Calculation Agent (if any) is specified on this Note. The Noteholders (as defined below), the holders of the coupons (the "**Coupons**") appertaining to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") are bound by and deemed to have notice of all of the provisions of the Fiscal Agency Agreement applicable to them and these Terms and Conditions. A copy of the Fiscal Agency Agreement is available for inspection at the specified office of each of the Paying Agents.

The Final Terms for this Note (or the relevant provisions thereof) are attached to or endorsed on this Note and supplement these Terms and Conditions (the "**Conditions**") and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the Final Terms are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note (as defined hereunder), "**holder**" means (in relation to a Note, Coupon or Talon) the bearer of any Bearer Note, Coupon or Talon (as the case may be) and capitalised terms have the meanings given to them on this Note, the absence of any such meaning indicating that such term is not applicable to the Notes. In these Conditions, capitalised terms have the meanings given to them on this Note, the absence of any such meaning indicating that such term is not applicable to the Notes.

1. Form, Denomination, Maturity and Title

The Notes are issued in bearer form ("**Bearer Notes**") in the denomination of the Specified Denomination(s). In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Prospectus under the Prospectus Directive (as defined below), the minimum denomination shall be EUR100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes). The expression "**Prospectus Directive**" means Directive 2003/71/EC and the amendments thereto (including the 2010 PD Amending Directive), to the extent implemented in the relevant Member State, and includes any relevant implementing measure in the relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EC.

The Notes may have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency. Save as provided above, the Notes are not subject to any maximum maturity.

This Note may be a Fixed Rate Note, a Floating Rate Note or a combination thereof, depending upon the Interest and Redemption/Payment Basis shown in the applicable Final Terms.

The Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached.

Title to the Bearer Notes and the Coupons and Talons appertaining thereto shall pass by delivery unless applicable law provides otherwise or provides for additional requirements for transfer of title. For Notes held through Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Netherlands**") deliveries will be made in accordance with the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*). Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereon or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant Global Note which, for so long as the relevant Global

Note is held by a depositary or common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN, for Euroclear or Clearstream, Luxembourg and / or (except in the case of an NGN) any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper (and the expressions Noteholder and holder of Notes and related expressions shall be construed accordingly). Notes which are represented by a Global Note held by a common depositary for Euroclear or Clearstream, Luxembourg will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

Notes represented by a Global Note held by Euroclear Netherlands shall become subject to the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*).

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms but shall not include Euroclear Netherlands.

Words and expressions defined in the Fiscal Agency Agreement and the applicable Final Terms shall have the same meanings when used in these Conditions, unless the context otherwise requires or unless otherwise stated in these Conditions.

2. Status

The Notes and Coupons constitute direct, unconditional and (without prejudice to the provisions of Condition 3 (*Negative Pledge*)) unsecured and unsubordinated obligations of the Issuer and rank at least *pari passu* and rateably without any preference among themselves and (subject to any applicable statutory exceptions and without prejudice as aforesaid) equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

3. Negative Pledge

So long as any of the Notes remains outstanding, the Issuer undertakes that if it shall, after the Issue Date of the Notes, secure any Public Debt or Private Debt, then or thereafter existing, by any lien, pledge or other charge upon any of its present or future assets or revenues, the Notes shall share in and be equally and rateably secured by such lien, pledge or other charge, and the instrument creating such lien, pledge or other charge shall expressly so provide.

For the purposes of the foregoing paragraph, (i) "**Public Debt**" means any loan, debt, guarantee or other obligation of the Issuer represented by bonds, notes, debentures or any other publicly-issued debt securities which are, or are intended to be, from time to time quoted, listed or ordinarily dealt in on any stock exchange, automated trading system, over the counter or other securities market and (ii) "**Private Debt**" means loans, debts, guarantees or other obligations of the Issuer (other than Public Debt) in excess (whether alone or in aggregate with other loans, debts, guarantees or other obligations of the Issuer (other than Public Debt)) of EUR 100,000,000.

4. Interest

(a) *Rate of Interest on Fixed Rate Notes and Accrual*

Each Note specified as being a Fixed Rate Note in the applicable Final Terms (each a "**Fixed Rate Note**") bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified hereon, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified hereon.

If a Fixed Coupon Amount or a Broken Amount is not specified hereon, the amount of interest payable on each Interest Payment Date shall be calculated in accordance with Condition 4(e) (*Calculations*).

(b) *Interest on Floating Rate Notes*

(i) Interest Payment Dates: each Floating Rate Note bears Interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such Interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Rate of Interest on Floating Rate Notes: the Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

(a) Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated hereon) the Margin (if any). For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(I) the Floating Rate Option is as specified hereon;

(II) the Designated Maturity is a period specified hereon; and

(III) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A)(a), Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity, Reset Date and Swap Transaction have the meanings given to those terms in the ISDA Definitions.

(b) If on any relevant Interest Determination Date the Rate of Interest cannot be determined according to sub-paragraph (A)(a), then the Rate of Interest for the respective Interest Period shall be the reserve interest rate (the "**Reserve Interest Rate**"). The Reserve Interest Rate shall be the rate expressed as a rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded, if necessary, to the nearest one thousandth of a percentage point (0.0005 being rounded upwards), if the Reference Rate is EURIBOR, or to the nearest one hundred thousandth of a percentage point (0.000005 being rounded upwards), if the Reference Rate is not EURIBOR) of the lending rates in the Specified Currency which the Reference Banks are quoting on the relevant Interest Determination Date or (if this date is not a Business Day in the Relevant Financial Centre) on the next succeeding Business Day in the Relevant Financial Centre for the next Interest Period (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such Reference Banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Relevant Financial Centre.

If the Calculation Agent determines that it is not possible to ascertain the Reserve Interest Rate in respect of any Interest Period for which such ascertainment is required, the Reserve Interest Rate for such Interest Period shall be the interest rate in effect on the Interest Determination Date.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be the interest rate as determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following, plus or minus (as indicated hereon) the Margin (if any):

(x) Subject as provided below, the Rate of Interest shall be:

(I) the Reference Rate (where such Reference Rate on such Relevant Screen Page is a composite quotation or is customarily supplied by one entity); or

(II) the arithmetic mean of the Reference Rates of the persons whose Reference Rates appear on that Relevant Screen Page, in each case appearing on such Relevant Screen Page at the Relevant Time on the Interest Determination Date;

(y) if sub-paragraph (x)(I) or (x)(II) applies and neither the Relevant Screen Page is published nor another agency deemed acceptable by the Calculation Agent publishes the Reference Rate, or the Calculation Agent cannot make such determination for any other reason, or if sub-paragraph (x)(I) applies and no Reference Rate appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, or if sub-paragraph (x)(II) applies and fewer than two Reference Rates appear on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean (rounded, if necessary, to the nearest one thousandth of a percentage point (0.0005 being rounded upwards), if the Reference Rate is EURIBOR, or to the nearest one hundred thousandth of a percentage point (0.000005 being rounded upwards), if the Reference Rate is not EURIBOR) of the Reference Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at or about the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent (it being understood that, should one or two of the Reference Banks fail to provide the relevant quotation the arithmetic mean shall be calculated as described above on the basis of the quotations supplied); and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Reference Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the Relevant Financial Centre are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Relevant Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Relevant Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(c) *Accrual of Interest*

Interest shall cease to accrue on each Note at the end of the day preceding the date on which they become due for redemption (even if payment is made on the next following Business Day in accordance with Condition 6(f) (*Non-Business Days*)) unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 4 until the payment of such principal has been effected, however, not beyond the fourteenth day after the date on which the necessary funds have been provided to the Fiscal Agent and notice thereof has been given by publication in accordance with Condition 13 (*Notices*).

(d) *Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding*

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country or, as appropriate, countries of such currency.

(e) *Calculations*

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the calculation amount as specified in the applicable Final Terms (the "**Calculation Amount**") by the Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Specified Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods. For this purpose, a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(f) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts*

As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or any Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, the Clearing System, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information without delay but in no event later than the first day of the relevant Interest Period, if determined prior to such time. The Fiscal Agent shall without delay publish the interest rate, the interest amounts payable in respect of each Note and, the case being, each Coupon and the respective Interest Payment Date in accordance with Condition 13 (*Notices*). In the event of an extension or a shortening of the Interest Period, the amount of interest payable and the Interest Payment Date may be subsequently amended, or appropriate alternative arrangements may be made by way of adjustment by the Calculation Agent without a publication being necessary with regard thereto. If the Notes become due and payable under Condition 9 (*Events of Default*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall be made in consultation with the Issuer and shall (in the absence of manifest error) be final and binding upon all parties.

(g) *Calculation Agent and Reference Banks*

The Issuer will procure that there shall at all times be at least four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and a Calculation Agent if provision is made for them in the Conditions applicable to this Note and for so long as it is outstanding. The Issuer reserves the right at any time to terminate the appointment of the Calculation Agent or of any Reference Bank. In the event of such termination or if any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. In the event of such termination or if the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint an appropriate office of another leading bank to act as Calculation Agent. The

Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

The appointment of another Reference Bank or Calculation Agent shall be published without delay by the Issuer in accordance with Condition 13 (*Notices*).

(h) *Business Day Convention*

If any date which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (X) such date shall be brought forward to the immediately preceding Business Day and (Y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day, or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(i) *Definitions*

As used in these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or

(ii) in the case of euro, a day on which TARGET2 is operating (a TARGET Business Day); and/or

(iii) in the case of Renminbi, a day on which commercial banks in Hong Kong settle Renminbi payments.

"**CGN**" means Classic Global Note.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(i) if "Actual/365 or Actual/Actual-ISDA" is specified on the face of the Note, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified on the face of the Note, the actual number of days in the Calculation Period divided by 365;

(iii) if "Actual/360" is specified on the face of the Note, the actual number of days in the Calculation Period divided by 360;

(iv) if "30/360 (2000 ISDA Definitions)" is specified on the face of the Note, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));

(v) if "30/360 (2006 ISDA Definitions)" is specified on the face of the Note, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Fixed Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Fixed Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Fixed Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Fixed Interest Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Fixed Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vi) if "30E/360 (2000 ISDA Definitions)" or "Eurobond Basis (2000 ISDA Definitions)" is specified on the face of the Note, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);

(vii) if "30E/360 (2006 ISDA Definitions)" or "Eurobond Basis (2006 ISDA Definitions)" is specified on the face of the Note, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

(viii) if "30E/360 (ISDA)" is specified on the face of the Note, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30,

(ix) if "Actual/Actual-ICMA" is specified on the face of the Note,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(a) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(b) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where "**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date.

"**Effective Date**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such hereon or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on the European Union.

"**Global Note**" means a CGN or a NGN;

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means the amount of interest payable and, in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount if specified thereon, as the case may be.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon.

"**Interest Determination Date**" means, with respect to a Rate of Interest and an Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified on this Note.

"**ISDA Definitions**" means the 2000 ISDA Definitions (the "**2000 ISDA Definitions**") or, if so specified in the Final Terms, the 2006 ISDA Definitions (the "**2006 ISDA Definitions**") (each as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.).

"**NGN**" means New Global Note.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 (Reuters), Bloomberg and Bridge) as may be specified for the purpose of providing a Reference Rate, or, if this page, section, caption, column or other part of a particular information service, or its provider, is replaced or discontinued, such other page, section, caption, column or other part as selected by the Calculation Agent.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"**Reference Banks**" means at least four major banks selected by the Calculation Agent (which banks, if the Reference Rate is EURIBOR, will be, at the time of such selection, member banks of the EURIBOR panel) in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that are most closely connected with the benchmark (which, if EURIBOR is the relevant benchmark, shall be the Euro-zone).

"**Relevant Financial Centre**" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such hereon or, if none is so specified, the financial centre with which the relevant benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, London.

"**Reference Rate**" means the benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the benchmark) equal to the Specified Duration commencing on the Effective Date.

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified on this Note or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and, for this purpose, local time means, with respect to the Euro-zone as a Relevant Financial Centre, Central European Time.

"**Representative Amount**" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such hereon or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"**Specified Duration**" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified hereon or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 4(h).

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system.

5. Redemption, Purchase and Options

(a) *Redemption, Final Redemption and Redenomination*

(i) Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 of England and Wales will have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

(ii) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(d) (*Redemption at the Option of the Issuer and Exercise of Issuer's Options*) or 5(e) (*Redemption at the Option of Noteholders and Exercise of Noteholders' Options*), each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (specified in the applicable Final Terms).

(iii) If the country of the Specified Currency has become a participating Member State in the Economic and Monetary Union, the Issuer may, if so specified in the applicable Final Terms, without the consent of the Noteholders, by giving notice (the "**Redenomination Notice**") in accordance with this Condition 5(a)(iii), with effect from a date to be determined by it (the "**Redenomination Date**"), re-denominate the Notes in euro.

Simultaneously the Issuer may adjust the provisions regarding the accrual basis in respect of interest payments for less than a year and regarding the business day definition to existing or anticipated market practice. Notwithstanding Condition 4, the Rate of Interest that shall apply to the Notes after the redenomination shall be the interest rate which applied to the Notes prior to the redenomination (provided that all references to the Specified Currency shall be replaced by references to the euro), unless the Issuer elects, at the time of the redenomination, with the consent of the Fiscal Agent, to apply to the Notes the interest rate which is consistent with the then existing or anticipated market practice for euro-denominated floating rate notes issued in the international capital market and held in international clearing systems.

The redenomination and any additional measures which may be taken pursuant to this Condition 5(a)(iii) shall, to the extent not governed by mandatory laws or regulations, occur by way of amendment of the Conditions (the "**Amendment**"), as the Issuer may determine in its reasonable discretion, taking into account the interests of the Noteholders as a class as well as any existing or anticipated market practice. Redenomination shall be made by applying the conversion rate which has been irrevocably fixed pursuant to the Treaty establishing the European Community, as amended by the Treaty on the European Union and as may be further amended or superseded.

The Redenomination Notice shall be given by publication in accordance with Condition 13 (*Notices*) at least one month prior to the Redenomination Date. It shall:

(A) identify the Notes the subject of the Redenomination Notice;

(B) specify the Redenomination Date; and

(C) describe the Amendment and specify the wording of the amended or additional provisions.

The Issuer shall not be obliged to exchange the Global Note representing the Notes for a new Global Note denominated in euro.

(iv) To the extent that applicable provisions of law allow the Issuer to re-denominate the Notes in euro and to take additional measures, the Issuer may exercise the rights provided by law instead of or in addition to the rights set out in Conditions 5(a)(i) to (iii).

(b) *Early Redemption*

The Early Redemption Amount payable in respect of any Note, upon redemption of such Note pursuant to Condition 5(c) (*Redemption for Taxation Reasons*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*), shall be its principal amount.

(c) *Redemption for Taxation Reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (in the case of Floating Rate Notes) or at any time (in the case of Notes other than Floating Rate Notes), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 5(b) (*Early Redemption*) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than (where the Notes may be redeemed at any time) 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due or (where the Notes may be redeemed only on an Interest Payment Date) 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Any such notice shall be given by publication in accordance with Condition 13 (*Notices*). It must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

(d) *Redemption at the Option of the Issuer and Exercise of Issuer's Options*

If Call Option is specified hereon, the Issuer may, on giving not less than 30 nor more than 90 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the Final Terms) redeem, or exercise any Issuer's option (as may be described hereon) in relation to all, but not less than all, Notes of the same issue of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

(e) *Redemption at the Option of Noteholders and Exercise of Noteholders' Options*

(i) In addition to the right to call for redemption in accordance with Condition 9 (*Events of Default*), the Issuer shall, if Put Option is specified hereon, at the option of the holder of any such Note, upon the holder of such Note giving not less than 30 nor more than 90 days' notice to the Fiscal Agent (or such other notice period as may be specified in the Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date (the "**Optional Redemption Amount**").

To exercise such option or any other Noteholders' option that may be set out hereon the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent, together with a duly completed option exercise notice (Exercise Notice) in the form obtainable from any Paying Agent within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Fiscal Agency Agreement) without the prior consent of the Issuer. Until payment of all amounts which become payable in respect of such Notes and Coupons, the relevant Paying Agent shall keep such Notes, Coupons and Talons in custody for the Noteholders.

(ii) In addition to the right to call for redemption in accordance with Condition 9 (*Events of Default*), if it is specified herein that the Put Option is only exercisable, if the Notes are rated with the agreement of the Issuer, on the occurrence of a Change of Control and if there occurs a Change of Control and within the Change of Control Period a Rating Downgrade in respect of that Change of Control occurs or, if the Notes are not rated, a Negative Rating Event in respect of that Change of Control occurs within the Change of Control Period (in either case called a "**Put Event**"), the holder of each Note will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes under Condition 5(c) (*Redemption for Taxation Reasons*), to require the Issuer to redeem or, at the Issuer's option, purchase (or procures the purchase of) that Note on the Optional Redemption Date (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date.

"**Rating Agency**" means Moody's Investors Service Ltd. or Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. and their respective successors or any other rating agency of equivalent international standing specified from time to time by the Issuer.

A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period any rating previously assigned to the Issuer or any Notes by any Rating Agency is (x) withdrawn or (y) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or (z) (if the rating assigned to the Notes by any Rating Agency shall be below an investment grade rating (as described above)) lowered one full rating category (from BB+ to BB or such similar lower or equivalent rating), provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the reduction was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control.

A "**Change of Control**" shall be deemed to have occurred at each time (whether or not approved by the Management Board or Supervisory Board of the Issuer) that any person or persons ("**Relevant Person(s)**") acting in concert or any person or persons acting on behalf of any such Relevant Person(s), at any time directly or indirectly or acquire(s) or come(s) to own (A) more than 50 per cent. of the issued ordinary share capital of the Issuer or (B) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of shareholders of the Issuer, provided that in the case of (B) above a Change of Control shall not be deemed to have occurred if such number of shares are acquired or come to be owned by Stichting Preferente Aandelen DSM.

"**Change of Control Period**" means the period commencing on the earlier of (a) the date of the relevant Change of Control and (b) the date of the earliest Relevant Potential Change of Control Announcement (if any) and ending 180 days after the public announcement of the Change of Control having occurred.

A "**Negative Rating Event**" shall be deemed to have occurred if (i) the Issuer does not within the Change of Control Period seek, and thereafter use all reasonable endeavours to obtain from a Rating Agency, a rating or (ii) if it does not seek and use such endeavours, it has not at the expiry of the Change of Control Period and as a result of such Change of Control obtained an Investment Grade Rating, provided that the Rating Agency publicly announces or publicly confirms in writing that its declining to assign an Investment Grade Rating was the result of the applicable Change of Control.

"**Relevant Potential Change of Control Announcement**" means any formal public announcement or statement by or on behalf of DSM or any actual or potential bidder or any advisor thereto relating to any potential Change of Control where, within 180 days of the date of such announcement or statement, a Change of Control occurs.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a "**Put Event Notice**") to the Noteholders in accordance with Condition 13 (*Notices*) specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 5(e)(ii).

To exercise the option to require redemption or, as the case may be, purchase of a Note under this Condition 5(e)(ii), the holder of that Note must deliver such Note, on any Business Day (as defined in Condition 4(i) (*Definitions*)) in the city of the specified office of the relevant Paying Agent falling within the period (the "**Put Period**") of 45 days after a Put Event Notice is given, to any Paying Agent, as well as a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Put Option Notice**") and in which the holder may specify a bank account complying with the requirements of this Condition 5(e)(ii) to which payment is to be made under this Condition 5(e)(ii).

In case the Notes issued are Definitive Notes, the Put Option Notice shall be accompanied by the relevant Notes, and also by all Coupons appertaining thereto maturing after the Optional Redemption Date, failing which an amount will be deducted from the payment to be made by the Issuer on redemption of the Notes corresponding to the aggregate amount payable in respect of such missing Coupons. Until payment of all amounts which become payable in respect of such Notes and Coupons, the relevant Paying Agent shall keep such Notes and Coupons in custody for the Noteholders.

The "**Optional Redemption Date**" is the seventh day after the last day of the Put Period.

The Paying Agent to which such Note and Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt (a "**Put Option Receipt**") in respect of the Note so delivered. The Issuer shall redeem or at the option of the Issuer purchase (or procure the purchase of) the Notes in respect of which Put Option Receipts have been issued on the Optional Redemption Date, unless previously redeemed and purchased. Payment in respect of any Note so delivered will be made, if the holder duly specified a euro bank account in the Put Option Notice to which payment is to be made, on the Optional Redemption Date by transfer to that bank account and in every other case on or after the Optional Redemption Date, in each case against presentation and surrender or (as the case may be) endorsement of such Put Option Receipt at the specified office of any Paying Agent in accordance with the provisions of this Condition 5(e)(ii).

(f) *Purchases*

The Issuer and any of its subsidiaries may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Notes purchased by or on behalf of the Issuer may, at its option, be held, re-issued, resold or surrendered to any Paying Agent for cancellation.

(g) *Cancellation*

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may (and if not in bearer form, shall) be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6. Payments and Agents

(a) *Bearer Notes*

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(e) (*Unmatured Coupons and Unexchanged Talons*)) or Coupons (in the case of interest, save as specified in Condition 6(e) (*Unmatured Coupons and Unexchanged Talons*)), as the case may be, at the specified office of any Paying Agent outside the United States and its possessions (the United States) by a payment in cash in the relevant currency, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to TARGET2. No payments will be made by a transfer of funds into an account within the United States or by cheque mailed to an address in the United States.

(b) *Payments in the United States*

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments of interest in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as specified in Condition 6(a) (*Bearer Notes*) if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amount on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(c) *Payments Subject to Fiscal Laws*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7

(*Taxation*). No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) *Appointment of Agents*

The Fiscal Agent and the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent and the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to terminate the appointment of the Fiscal Agent as well as of individual Paying Agents and to appoint banks of international standing as Fiscal Agent or Paying Agents, provided that it will at all times maintain (i) a Fiscal Agent, subject to clause 9.1.1 of the Fiscal Agency Agreement and (ii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive. Such appointment or termination shall be published without undue delay in accordance with Condition 13 (*Notices*), or, should this not be possible, be published in another way.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 6(b) (*Payments in the United States*).

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 13 (*Notices*).

(e) *Unmatured Coupons and Unexchanged Talons*

(i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8 (*Prescription*)).

(ii) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note. Interest accrued on a Note which only bears interest after its Maturity Date from its Maturity Date shall be payable on redemption of such Note against presentation thereof.

(f) *Non-Business Days*

If any date for payment in respect of any Note or Coupon is not a Payment Day, the holder shall not be entitled to payment until the next following Payment Day nor to any interest or other sum in respect of such postponed payment. For these purposes, "**Payment Day**" means:

(A) if the currency of payment is euro, any day which is:

(i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(B) if the currency of payment is not euro, any day which is:

(i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the principal financial centre of the currency of payment and in each (if any) Additional Financial Centre.

(g) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 8 (*Prescription*)).

(h) *Payment of US Dollar Equivalent*

Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able to satisfy payments of principal or interest (in whole or in part) in respect of the Notes when due in CNY in Hong Kong, the Issuer may, on giving not less than five or more than 30 calendar days' irrevocable notice to the Noteholders prior to the due date for payment, settle any such payment (in whole or in part) in US Dollars on the due date at the US Dollar Equivalent of any such CNY denominated amount. In case the Issuer needs to satisfy payments of principal or interest in part in CNY and in part in US Dollars, it shall to the extent possible make payment to each Noteholder in the same pro rata amount of CNY and US Dollar in accordance with the rules of the Euroclear Bank S.A./N.V. or Clearstream, Luxembourg, as the case may be, from time to time.

For the purposes of these Conditions, "**US Dollar Equivalent**" means the CNY amount converted into US Dollars using the Spot Rate for the relevant Determination Date.

For this purpose:

"**CNY**" means Renminbi yuan, the lawful currency of the PRC;

"**CNY Dealer**" means an independent foreign exchange dealer of international repute active in the CNY exchange market in Hong Kong;

"**Determination Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and in New York City;

"**Determination Date**" means the day which is two Determination Business Days before the due date for any payment of the relevant amount under these Conditions;

"**Governmental Authority**" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the PRC;

"**Illiquidity**" means where the general CNY exchange market in Hong Kong becomes illiquid and, as a result of which, the Issuer cannot obtain sufficient CNY in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation (if practicable) with two CNY Dealers;

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the general CNY exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after 5 September 2013 and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Issuer to transfer CNY between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong and outside the PRC or from an account outside Hong Kong and outside the PRC to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any governmental authority (unless such law, rule or regulation is enacted after 5 September 2013 and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**PRC**" means the People's Republic of China which, for the purpose of these Conditions, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan; and

"**Spot Rate**" means the spot CNY/US dollar exchange rate for the purchase of US dollars with CNY in the over-the-counter CNY exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the Spot Rate at or around 11 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(h) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agents(s) and all Noteholders.

7. Taxation

All payments of principal and interest in respect of the Notes, Coupons and Talons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will, depending on which provision is specified in the applicable Final Terms, either:

(a) make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the holders of the Notes, Coupons or Talons, as the case may be, and shall not pay any additional amounts to the holders of the Notes, Coupons or Talons; or

(b) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Coupons or Talons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Coupons or Talons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Coupon or Talon:

   (i) presented for payment by or on behalf of a Noteholder, Couponholder or Talonholder who is liable for such taxes or duties in respect of such Note, Coupon or Talon by reason of his having some personal or business connection with The Netherlands other than the mere holding of such Note, Coupon or Talon or the receipt of principal or interest in respect thereof; or

   (ii) presented for payment by or on behalf of a Noteholder, Couponholder or Talonholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

   (iii) presented for payment by or on behalf of a Noteholder, Couponholder or Talonholder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Coupon or Talon to another Paying Agent in a Member State of the European Union; or

(iv) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6 (*Payments and Agents*)); or

(v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such Directive, or similar measures adopted by a number of third countries and territories.

No such additional amounts shall, however, be payable on account of any taxes, duties, assessments or governmental charges with respect to any Note, Coupon, Talon, which are payable otherwise than by deduction or withholding from payments of principal or interest.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders.

If the Issuer becomes subject at any time to any taxing jurisdiction other than or in addition to The Netherlands references herein to The Netherlands shall be read and construed as references to The Netherlands and/or to such other jurisdiction.

8. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within five years from the date on which such payment first became due.

9. Events of Default

Each Noteholder is entitled to declare his Notes due and to call for redemption of his Notes at its Early Redemption Amount, if:

(i) the Issuer is in default for more than 15 days in the payment of principal or interest; or

(ii) the Issuer violates any other obligation under these Terms and Conditions of the Notes, and, if such violation is capable of being remedied, such violation continues for 30 days after receipt of written notice thereof from the respective Noteholder to the Issuer through the Fiscal Agent as intermediary; or

(iii) the Issuer and/or one or more of its Major Group Companies (as defined below) defaults in the payment of the principal of, or interest on, any other obligation in respect of Borrowed Moneys (as defined below), of, or assumed or guaranteed by, the Issuer and/or one or more of its Major Group Companies, as the case may be, when and as the same shall become due and payable, and if such default shall continue for more than the period of grace, if any, applicable thereto and the time for payment of such interest, or principal, has not been effectively extended, or if any obligation in respect of Borrowed Moneys, of, or assumed or guaranteed by, the Issuer and/or one or more of its Major Group Companies shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of an event of default thereunder, and

"**Major Group Company**" means any group company of the Issuer whose net profits after tax but before extraordinary items or whose net assets (in each case attributable to the Issuer) represents 15 per cent. or more of the consolidated net profits after tax but before extraordinary items or consolidated net assets (in each case attributable to the Issuer) of the Issuer and its group companies. A report of the auditors of the Issuer that in their opinion a group company of the Issuer is or is not a Major Group Company shall, in the absence of manifest error, be conclusive and binding on the Issuer and all Noteholders; and

the expression "**Borrowed Money**" as used herein means moneys borrowed and premium and interest in respect thereof and liabilities under or in connection with any letters of credit or under any bond, note, debenture or other financial security issued as consideration for assets or services and having an aggregate principal amount in excess of EUR 75,000,000 or the equivalent thereof in another currency but excluding such liabilities incurred solely in relation to the acquisition of goods and services in the ordinary course of trading; or

(iv) the Issuer is wound up or dissolved whether by a resolution of the shareholders, legislative action or otherwise (except in connection with a solvent merger or reorganisation in such a way that all of the assets and liabilities of the Issuer pass to another legal person in universal succession by operation of law); or

(v) the Issuer ceases to carry on the whole or substantially the whole of its business or disposes of substantially the whole of its assets; or

(vi) any bankruptcy or insolvency proceedings are instituted against the Issuer or the Issuer applies for the institution of such proceedings or for a suspension of payment, for a similar measure under foreign law, or the Issuer offers a compromise to its creditors or negotiates with all of its creditors another agreement relating to its payment difficulties, or such measures are officially decreed; or

(vii) an "*executoriaal beslag*" (executory attachment) or a similar measure under foreign law is made on or against any substantial part of the assets of the Issuer or a "*conservatoir beslag*" (interlocutory attachment) or a similar measure under foreign law is made on or against any substantial part of the assets of the Issuer and is not discharged or stayed within 30 days after the making thereof.

The right to declare Notes due shall terminate if the circumstances giving rise to it have been remedied, cured or otherwise made good in full before such right is exercised.

The right to declare Notes due pursuant to Condition 9 (*Events of Default*) shall be exercised by the holder of Notes by delivering or sending by registered mail to the Fiscal Agent a written notice which shall state the principal amount of the Notes called for redemption and shall enclose evidence of ownership reasonably satisfactory to the Fiscal Agent.

10. Meetings of Noteholders and Modifications

(a) *Meeting of Noteholders*

The Fiscal Agency Agreement contains provisions for convening meetings of holders of Notes to consider any matter affecting their interests, including modification by Extraordinary Resolution of these Terms and Conditions of the Notes. Such provisions are deemed to be included in the Terms and Conditions by reference and the holders of Notes shall have the benefit thereof and be bound thereby. The quorum at any duly convened meeting shall be two or more holders of the Notes or proxies representing holders of Notes and being or representing the holders of not less than 25% in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons present being or representing holders of Notes whatever the principal amount of the Notes so held or represented, except that at any meeting, the business of which includes the modification of certain of the Conditions, the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. Any resolution passed at any meeting of holders of Notes will be binding on all holders of Notes, whether or not they are present at the meeting.

(b) *Modification of Fiscal Agency Agreement*

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

11. Replacement of Notes, Coupons and Talons

If a Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of any Paying Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Noteholders in accordance with Condition 13 (*Notices*) (in the case of Bearer Notes, Coupons or Talons), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues, Consolidation

(a) The Issuer reserves the right to create and issue from time to time, without the consent of the Noteholders, additional Notes with substantially identical terms and conditions, so that the same shall be consolidated to form a single Series with, and increase the Aggregate Nominal Amount of, the Notes. The term "**Notes**" shall, in such circumstances, also comprise (unless the context otherwise requires) the additionally issued Notes.

(b) Upon redenomination of the Notes into euro as provided in Condition 5(a)(iii), the Issuer may also from time to time, without the consent of the Noteholders consolidate the Notes with one or more issues of other Notes issued by it, which were originally denominated in euro or currencies participating in the Economic and Monetary Union ("**Other Notes**") provided that:

- such Other Notes have substantially the same conditions as the Notes (other than in relation to currency, denomination, stock exchanges, clearing systems and matters of a technical or administrative nature normally associated with any of the foregoing); and

- such Other Notes and the Notes, when consolidated, can be cleared and settled on an interchangeable basis under a common International Security Identification Number (ISIN) through Clearstream Banking AG, Frankfurt am Main, Clearstream, Luxembourg, Euroclear, Euroclear Netherlands or any other internationally recognised clearing system; and

- such Other Notes and the Notes, when consolidated, will be listed on at least one European stock exchange on which debt obligations issued in the international capital markets are then customarily listed and on which either the Notes or at least one of the issues of Other Notes consolidated with them was listed immediately prior to consolidation.

The Issuer shall be entitled to amend the Terms and Conditions of the Notes to the effect that the Notes and such Other Notes consolidated with them will have identical terms after consolidation to allow them to form a single issue, provided that such amendments do not materially adversely affect the interests of the Noteholders. The term "Notes" shall, in the event of such consolidation, also comprise such Other Notes. The Issuer may do so by giving not less than one month prior notice to the Noteholders in accordance with Condition 13 (*Notices*) and to the extent necessary by exchanging the Global Note into a global note containing such amended conditions or by depositing a supplement to the Global Note containing the amendments with the clearing systems in which the Notes are to be held upon consolidation. The notice shall detail the manner in which consolidation shall be effected.

13. Notices

Notices to the holders of Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper published in London (which is expected to be the Financial Times or another English language daily newspaper with circulation in Europe). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or another relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication, or if published more than once, on the date of the first such publication. Where notices are required to be published in more than one newspaper, they will be deemed to have been given on the date of the first publication in all required newspapers.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 13.

14. Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note or Coupon is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note or Coupon that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note or Coupon, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 14, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or Coupon or any other judgment or order.

15. Governing Law and Jurisdiction

(a) *Governing Law*

The Notes, the Coupons and the Talons and the rights and duties of the Noteholders, the Issuer, the Fiscal Agent, the Paying Agents and, the case being, the Calculation Agent, and any non-contractual obligation arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, the laws of The Netherlands.

(b) *Jurisdiction*

The competent courts of Maastricht, The Netherlands, are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with any Notes, Coupons or Talons (including any non-contractual obligation arising out of or in connection with the Notes) and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons (including any non-contractual obligation arising out of or in connection with the Notes) ("**Proceedings**") may be brought in such courts. These submissions are made for the benefit of each of the Holders of the Notes, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Notes in respect of which the TEFRA D Rules apply, will initially be represented by a Temporary Global Note without Coupons ("**TEFRA D Global Note**") which will either be exchanged for a Permanent Global Note without Coupons or for Definitive Notes with Coupons and Talons attached (if any). Notes in respect of which TEFRA C applies, will be represented by a Permanent Global Note or initially by a Temporary Global Note ("**TEFRA C Global Note**") which shall be exchanged for Definitive Notes with Coupons and Talons attached (if any). Each Temporary Global Note which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on behalf of the subscribers of the relevant Notes either (i) with a common depositary (the "**Common Depositary**") for Euroclear and for Clearstream, Luxembourg and/or any other agreed clearing system or (ii) with Euroclear Netherlands on or about the issue date of the relevant Notes. Each Temporary Global Note which is intended to be issued in NGN form, as specified in the relevant Final terms, will be deposited on behalf of the subscribers of the relevant Notes with a common safekeeper (the "**Common Safekeeper**") for Euroclear and for Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable

No interest will be payable in respect of a TEFRA D Global Note except as provided below.

Upon deposit of the Temporary Global Note with the Common Depositary, the Common Safekeeper or Euroclear Netherlands, Euroclear, Clearstream, Luxembourg, Euroclear Netherlands or relevant clearing system will credit each subscriber with a nominal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Each of the persons shown in the records of Euroclear, Euroclear Netherlands or Clearstream, Luxembourg as the holder of a Note represented by a Global Note must look solely to Euroclear, Euroclear Netherlands or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note, subject to and in accordance with the respective rules and procedures of Euroclear, Euroclear Netherlands and Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

In case of Notes represented by a Permanent Global Note deposited with Euroclear Netherlands, on the occurrence of an Exchange Event an exchange (*uitlevering*) of Notes for Notes in definitive form will only be possible in the limited circumstances as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) and in accordance with the rules and regulations of Euroclear Netherlands.

The following legend will appear on all Global Notes deposited with Euroclear Netherlands:

"Notice: This Note is issued for deposit with Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (Euroclear Netherlands) at Amsterdam, The Netherlands. Any person being offered this Note for transfer or any other purpose should be aware that theft or fraud is almost certain to be involved."

The Temporary Global Notes and the Permanent Global Notes contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary of certain of those provisions:

1. Exchange

On or after any Exchange Date (as defined below), each TEFRA D Global Note will be exchangeable, free of charge to the holder, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Fiscal Agency Agreement for interests in a Permanent Global Note or for Definitive Notes with Coupons and Talons attached (if any) (provided that the latter may only be the case in the event that the multiple tradeable amount of the Notes is an integral of the Specified Denominations of the relevant Notes).

Each TEFRA C Global Note (or Global Note in respect of which the relevant Final Terms states that neither the TEFRA C Rules or the TEFRA D Rules are applicable) will be exchangeable for Definitive Notes with Coupons and Talons attached (if any) (provided that this may only be the case in the event that the multiple tradeable amount of the Notes is an integral of the Specified Denominations of the relevant Notes).

On or after any Exchange Date, each Permanent Global Note will be exchangeable, free of charge to the holder, in whole but not, except as provided in the paragraphs below, in part, to the extent permitted by the rules of Euroclear, Euroclear Netherlands and Clearstream, Luxembourg, for Definitive Notes:

(i) by the Issuer giving notice to the Noteholders and the Fiscal Agent of its intention to effect such exchange, unless principal in respect of any Notes is not paid when due;

(ii) if the relevant Final Terms provides that such Global Note is exchangeable at the request of the holder, by the holder giving notice to the Fiscal Agent of its election for such exchange, provided that this may only be the case in the event that the multiple tradeable amount of the Notes is an integral of the Specified Denomination of the relevant Notes;

(iii) otherwise, (1) if the Permanent Global Note is held on behalf of Euroclear, Euroclear Netherlands or Clearstream, Luxembourg and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) any of the circumstances described in Condition 9 (*Events of Default*) occurs, by the holder giving notice to the Fiscal Agent or relevant Paying Agent of its election for such exchange (each an "**Exchange Event**").

If a Global Note is exchangeable for Definitive Notes at the option of the Noteholders, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).

For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes on or following any failure to pay principal in respect of any Notes when it is due and payable.

The holder of a Permanent Global Note may surrender the Permanent Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent or relevant Paying Agent. In exchange for any Permanent Global Note, or the part thereof to be exchanged, the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes (if appropriate, having attached to them all Coupons in respect of interest which have not already been paid on the Permanent Global Note and a Talon), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 2 to the Fiscal Agency Agreement. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

"**Exchange Date**" means, in relation to a Tranche issued on a non-syndicated basis, a date which shall be not earlier than the date which is 40 days (and, in the case of Notes deposited with Euroclear Netherlands, no more than 90 days) after the later of the date on which the Notes are first offered to persons other than distributors and the Issue Date, or, in relation to a Tranche issued on a non-syndicated basis, the fortieth day following the date certified by the lead manager of the syndicated issue to the Fiscal Agent as being the date as of which distribution of the Notes of that Tranche was completed.

2. Payments

All payments in respect of the Global Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

Payments of both principal and interest in respect of a TEFRA D Global Note will be made only to the extent that certification of non-U.S. beneficial ownership as required by U.S. securities law and U.S. Treasury Regulations (in the form set out in the Temporary Global Note) has been received from the relevant clearing system in accordance with the terms thereof.

3. Payment Day

For the purposes of Condition 6(f) (*Non-Business Days*), in the case of a Global Note the definition of Payment Day shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the principal financial centre of the currency of payment and in each (if any) Additional Financial Centre.

4. Notices

Notwithstanding Condition 13 (*Notices*), so long as any Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and such Permanent Global Note is (or a Permanent Global Note and/or a Temporary Global Note are) held by a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders of that Series may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 13 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, **except that** for so long as such Notes are admitted to trading on the a stock exchange and it is a requirement of applicable law or regulations, such notices shall also be published in the manner prescribed by such stock exchange and notice shall not be deemed to have been given until published in the manner prescribed by such stock exchange.

5. Prescription

Claims against the Issuer in respect of the Notes which are represented by a Permanent Global Note will become void unless it is presented for payment within a period of five years from the date on which payment first becomes due.

6. Meetings

The holder of a Global Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each minimum Denomination of Notes for which such Global Note may be (or would be, during any period when such exchange is not permitted) exchanged.

7. Purchase and Cancellation

Cancellation of any Note surrendered for cancellation by the Issuer following its purchase will be effected by reduction in the principal amount of the relevant Permanent Global Note.

8. Issuer's Option

No drawing of Notes will be required under Condition 5(c) (*Redemption for Taxation Reasons*) and 5(d) (*Redemption at the Option of the Issuer and Exercise of Issuer's Options*) in the event that the Issuer exercises any option relating to those Notes while all such Notes which are outstanding are represented by a Permanent Global Note. In the event that any option of such Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with Euroclear, Euroclear Netherlands and Clearstream, Luxembourg in respect of the Notes will be governed by the standard procedures of Euroclear, Euroclear Netherlands and Clearstream, Luxembourg.

9. Noteholders' Option

Any Noteholders' option may be exercised by the holder of a Permanent Global Note giving notice to the Fiscal Agent of the principal amount of Notes in respect of which the option is exercised and presenting such Permanent Global Note for endorsement of exercise within the time limits specified in the Conditions.

10. Default

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 9 (*Events of Default*) by stating in the notice to the Fiscal Agent the principal amount of such Global Note that is becoming due and repayable.

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

[*Date*]

Koninklijke DSM N.V.

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the EUR 4,000,000,000**

Debt Issuance Programme

The Base Prospectus referred to below has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State) and includes any relevant implementing measures in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the conditions (the "**Conditions**") set forth in the Base Prospectus dated 5 September 2013 [and the supplemental Base Prospectus dated [ ]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (as defined above). This document constitutes the Final Terms applicable to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. A copy of this Base Prospectus [and the supplemental Base Prospectus] can be obtained from the registered office of the Issuer, from the specified office of the Fiscal Agent and will be made available electronically at [www.dsm.com/corporate/investors/bonds-credit-rating/debt-issuance-program.html].

[*The following alternative language for the first paragraph of this Part A applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and either (1) the Notes which are the subject of the Final Terms are not being (a) offered to the public in a member state (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Directive) or (b) admitted to trading on a regulated market in a member state or (2) the Conditions (as defined in the next paragraph) do not contain, by comparison with the Base Prospectus, any "significant new factor" within the meaning of Article 16.1 of the Prospectus Directive. If neither (1) nor (2) applies the Issuer will need to consider effecting the issue by means of a supplement to the Base Prospectus or a stand alone prospectus rather than by Final Terms.*]

Terms used herein shall be deemed to be defined as such for the purposes of the conditions (the "**Conditions**") set forth in the base prospectus dated [*original date*], which have been incorporated by reference into the Base Prospectus. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (as defined above) and must be read in conjunction with the Base Prospectus dated 5 September 2013 [and the supplemental Base Prospectus dated [*date*]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the base prospectus dated [*original date*] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus, save for the conditions under "*Terms and Conditions of the Notes*" set out in the Base Prospectus which are replaced by the Conditions as attached hereto. A copy of the Base Prospectus [and the supplemental Base Prospectus] can be obtained from the registered office of the Issuer and from the specified office of the Fiscal Agent.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.*]

[*When completing any final terms, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.*]

1	Issuer:	Koninklijke DSM N.V.
2	[(i)] Series Number:	[ ]
	[(ii) Tranche Number:	[ ]]
	[(iii) Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposed with the [*insert description of the Series*] on [*insert date*/the Issuer Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 20 below [which is expected to

		occur on or about [*insert date*]]].]
3	Specified Currency:	[ ]
4	Aggregate Nominal Amount:	[ ]
	[(i)] Series:	[ ]
	[(ii) Tranche:	[ ]]
5	Issue Price:	[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6	(i) Specified Denominations:	[ ] [*Note: where multiple denominations of EUR 100,000 and integral multiples of [EUR 1,000] or equivalent are being used the following sample wording should be followed:* *"EUR 100,000 and integral multiples of [EUR 1,000] in excess thereof up to and including EUR 199,000.* *No Notes in definitive form will be issued with a denomination above EUR 199,000"*]
	(ii) Calculation Amount:	[ ]
7	[(i)] Issue Date:	[ ]
	[(ii)] Interest Commencement Date:	[*Specify*/Issue Date]
8	Maturity Date:	[*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year* / Not Applicable] *(If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom , or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom , (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available)*

9 Interest Basis:	[[•] per cent. Fixed Rate] [[*Specify reference rate*] +/– [•] per cent. Floating Rate] (further particulars specified below)
10 Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount
11 Change of Interest Basis or Redemption/Payment Basis:	[Not Applicable][*Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and specify there*]
12 Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13 [Date [Board] approval for issuance of Notes obtained:	[ ] [and [ ], respectively] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*]

PROVISIONS RELATING TO INTEREST PAYABLE

14 Fixed Rate Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(i) Rate[(s)] of Interest:	[ ] per cent. per annum [payable [annually / semi annually / quarterly / monthly] in arrear]
(ii) Interest Payment Date(s):	[[ ] in each year [adjusted in accordance with [*specify Business day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted] *(N.B. This will need to be amended in the case of long or short coupons)*
(iii) Fixed Coupon Amount[(s)]:	[ ] per Calculation Amount
(iv) Broken Amount(s):	[ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ] / [Not Applicable]

(v)	Day Count Fraction:	[Actual/365 or Actual/Actual-ISDA] [Actual/365 (Fixed)] [Actual/360] [30E/360 (2000 ISDA Definitions) or Eurobond Basis (2000 ISDA Definitions)] [30E/360 (2006 ISDA Definitions) or Eurobond Basis (2006 ISDA Definitions)] [Actual/Actual-ICMA]
(vi)	Determination Date(s):	[ ] in each year (*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)*)
15	Floating Rate Note Provisions	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Specified Period(s)	[ ] (*Only for Floating Rate Convention*)
(ii)	Specified Interest Payment Dates:	[ ] (*This is an alternative to Specified Period(s)*)
(iii)	First Interest Payment Date:	[ ]
(iv)	Business Day Convention:	[Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention]
(v)	Manner in which the Rate of Interest and Interest Amount is/are to be determined:	[Screen Rate Determination / ISDA Determination]
(vi)	Calculation Agent:	[The Paying Agent] / [Citibank, N.A., London branch]/[ ]
(vii)	Screen Rate Determination:	
	• Reference Rate:	[ ]

•	Interest Determination Date(s):	[ ]
		(*Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which TARGET2 is open prior to the start of each Interest Period if EURIBOR or euro LIBOR*)
•	Relevant Screen Page:	[ ]
•	Relevant Time:	[ ]
•	Relevant Financial Centre:	[ ]
•	Representative Amount:	[ ]
•	Specified Duration:	[ ]
•	Effective Date:	[ ]
(viii)	ISDA Determination:	
•	Floating Rate Option:	[ ]
•	Designated Maturity:	[ ]
•	Reset Date:	[ ]
•	ISDA Definitions:	[2000 ISDA Definitions / 2006 ISDA Definitions]
(ix)	Margin(s):	[+/-] [ ] per cent. per annum
(x)	Minimum Rate of Interest:	[ ] per cent. per annum
(xi)	Maximum Rate of Interest:	[ ] per cent. per annum
(xii)	Day Count Fraction:	[Actual/365 or Actual/Actual-ISDA] [Actual/365 (Fixed)] [Actual/360] [Actual/Actual-ICMA]

PROVISIONS RELATING TO REDEMPTION

16	(Issuer) Call Option:	[Applicable/Not Applicable]
		(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s):	[ ]

(ii) Optional Redemption Amount(s) of each Note:	[ ] per Calculation Amount
(iii) Notice period (if other than as set out in the Conditions):	[ ] (*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal or relevant Paying Agent*)
17 (Investor) Put Option:	[Applicable/exercisable on Change of Control only/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i) Optional Redemption Date(s):	[ ]
(ii) Optional Redemption Amount(s) of each Note:	[ ] per Calculation Amount
(iii) Notice period (if other than as set out in the Conditions):	[ ] (*N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal or relevant Paying Agent*)
18 Final Redemption Amount of each Note:	[ ] per Calculation Amount
19 Early Redemption Amount	[[ ] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20	Form of Notes:	Bearer Notes:
		[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
		[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]
		[Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
21	New Global Note:	[Yes] [No]
22	Additional Financial Centre(s):	[Not Applicable/*give details*.
		Note that this paragraph relates to the date and place of payment, and not interest period end dates]
23	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes, as the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left/No]
24	Redenomination:	Redenomination (as described in Condition 5 (*Redemption, Purchase and Options*) [not] applicable
		(*If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates)*)
25	Taxation:	[Condition 7(a) applicable / Condition 7(b) applicable.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[*relevant third party information*] relating to paragraph [ ] above, which has been extracted from [ ]]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: ….….….….….….….….……….

Duly authorised

PART B – OTHER INFORMATION

26 LISTING AND ADMISSION TO TRADING

(i)	Listing:	[NYSE Euronext in Amsterdam/None]
(ii)	Admission to trading:	[Application has been made for the Notes to be admitted to trading on [ ] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [ ] with effect from [ ].] [Not Applicable.]
(iii)	Estimate of total expenses related to admission to trading:	[ ]

27 RATINGS

Ratings:

The Notes to be issued [have [not] been/are expected to be] rated:

[S & P*: [ ]]

[Moody's*: [ ]]

[[Other*]: [ ]]

(The exact legal name of the rating agency entity providing the rating should be specified - for example "Standard & Poor's Credit Market Services Europe Limited", rather than just Standard and Poor's.)*

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

Option 1- CRA established in the EEA and registered under the CRA Regulation

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

Option 2 -CRA established in the EEA, not registered under the CRA Regulation but has

applied for registration

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] /[European Securities and Markets Authority].

Option 3 -CRA established in the EEA, not registered under the CRA Regulation and not applied for registration

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

Option 4 -CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA but the rating it has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

Option 5 -CRA is not established in the EEA and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

Option 6 -CRA neither established in the EEA

nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.

28 [**INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**]

Include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer." [*Amend as appropriate if there are other interests*]

The Dealers/Managers and their affiliates have engaged, and may in the future engage, in the investment banking and/or commercial banking transactions with, and may perform other services for the Issuer and its affiliates in the ordinary course of business.

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)

29 [**YIELD** *(Fixed Rate Notes only)*

Indication of yield:	[ ] The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

30 OPERATIONAL INFORMATION

(i)	ISIN Code:	[ ]
(ii)	Common Code:	[ ]
(iii)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/give name(s) and number(s)]

(iv)	Delivery:	Delivery [against/free of] payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(vi)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes][No][Not Applicable] [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited (i) with Clearstream Banking, Frankfurt am Main or (ii) with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.][*include this text if "yes" selected in which case the Notes must be issued in NGN form*]

31 DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/ *give names*]
(iii)	Stabilising Manager(s) (if any):	[Not Applicable/*give name(s)*]
(iv)	If non-syndicated, name of relevant Dealer(s):	[Not Applicable/*give name(s)*]
(v)	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	[TEFRA D / TEFRA C / TEFRA not applicable]

DESCRIPTION OF THE ISSUER

GENERAL INFORMATION ON THE ISSUER

Incorporation and history

DSM was established in 1902 as a State Agency for the exploitation of underground coal reserves in the province of Limburg and later diversified into ammonia and fertiliser production using by-products from coal gasification. In the 1960s, the Dutch government decided to close down the coal mining activities for economic reasons. From the 1930s DSM acquired expertise in the field of chemicals. DSM continuously expanded its chemical activities, both domestically and internationally, becoming increasingly active in additional downstream products such as plastics, industrial and specialty chemicals. This gradual transition towards increasing the share of the business made up of downstream activities with higher added value products has accelerated since the privatisation of DSM. This transition accelerated with the divestment of petrochemical activities in 2002 and was concluded with the divestment of urea licensing and energy activities in 2009, the agro and melamine activities in 2010 and the elastomer activities in 2011. With the major acquisition of Roche's Vitamins activities in 2003 and Martek in 2011, DSM has transformed itself into a leading life sciences and materials sciences company that is active in health, nutrition and materials. DSM was wholly owned by the State of The Netherlands (the "**State**") until 1989, when the Dutch government sold a combined 69% stake in DSM through two public offerings. In February 1996, the State reduced its stake in DSM by a further 20%, through the conversion of 22.02 million ordinary shares into cumulative preference shares "A" on a one for one basis. These preference shares were sold to four Dutch investors in the form of 5% packages. The privatisation was completed in March 1996 with the State's disposal of its remaining 11% stake.

Koninklijke DSM N.V. was incorporated on 28 December 1966 under Dutch law as a public limited liability company (*naamloze vennootschap*) for an unlimited period of time and is registered at the Commercial Register of the Chamber of Commerce and Industries for Zuid-Limburg under number 14022069. The articles of association were last amended by notarial deed on 30 May 2011 in respect of which instrument the ministerial statement of no objection was granted on 3 May 2011. For a copy of the articles of association, see the website www.dsm.com. The Issuer operates under Dutch law.

The address of the Issuer's registered and principal executive office is Het Overloon 1, 6411 TE Heerlen, The Netherlands, telephone number +31 45 578 8111.

Capitalisation

The authorised share capital amounts to EUR 1,125 million consisting of (a) 330,960,000 ordinary shares, (b) 44,040,000 cumulative preference shares "A" and (c) 375,000,000 cumulative preference shares "B". The ordinary shares, the cumulative preference shares "A" and the cumulative preference shares "B" have a nominal value of EUR 1.50 each.

The issued and paid-up share capital as per 31 December 2012 amounts to EUR 338,197,500 consisting of 181,425,000 ordinary shares and 44,040,000 cumulative preference shares "A". Of the issued ordinary shares 12,740,912 are held by DSM as treasury stock as per 31 December 2012. As per 31 December 2012, there are no cumulative preference shares "B" outstanding.

The ordinary shares are officially listed on Euronext Amsterdam. In the USA a sponsored unlisted American Depositary Receipts (ADR) programme is run via Deutsche Bank Trust Company America. Four ADRs represent one ordinary DSM share.

The 44,040,000 cumulative preference shares "A" are registered shares that are not listed on any stock exchange. They are held by three institutional investors in The Netherlands. They have been assigned the same voting rights as ordinary shares. As of 1 january 2013 the annual dividend on these cumulative preference shares "A" amounts to EUR 0.23 per share, 4.35% of the issue price of EUR 5.29 per share.

In 2011 DSM has introduced an optional dividend programme. As a result of this , shareholders have the option to receive dividends in cash or in the form of ordinary shares, which originate from the buy-back programme. The total dividend for financial year 2012 is EUR1.50 per ordinary share. An interim dividend of EUR 0.48 per ordinary share was paid in August 2012, the final dividend of EUR1.02 per ordinary share was paid in May 2013. On 23 February 2011, DSM launched a share buyback programme for 5,000,000 shares to cover its commitments under existing management and personnel option plans. On 7 September 2011, DSM launched an additional share buyback programme for 4,000,000 shares for the same purpose. The share buy backs of 2011 were executed at a total consideration of EUR 357 million. In 2012 3,049,509 shares were used for servicing exercised option rights.

Shareholders

Under the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*, and supplementing regulations), shareholdings of 3% (until 30 June 2013 5%) or more in any Dutch listed company must be disclosed to the Netherlands Authority for the Financial Markets (AFM). According to the register kept by the AFM the following shareholders had disclosed that they owned between 5% and 10% of DSM's total share capital on 31 December 2012:

- ASR Nederland B.V.

- Delta Lloyd N.V.

- Rabobank Nederland Participatie B.V.

- Capital Group International Inc.

Objective

According to article 3 of the articles of association, the Issuer's objective is to develop, manufacture, trade and provide services in the fields of life sciences and materials sciences, energy, and related fields such as mining, as well as any other activities structural or incidental to or supportive to the aforementioned fields of activities. The Company's objective shall include the formation, acquisition and financing of, participation in and management of other companies as well as providing security or guarantees directly or indirectly related to the aforementioned fields of activities.

Within the scope of its fields of activities the Company shall seek to create value by way of economic performance, environmental consideration and social responsibility.

Structure and grouping of activities (clusters)

General

Koninklijke DSM N.V. is a global science-based company active in health, nutrition and materials. By connecting its unique competences in Life Sciences and Materials Sciences DSM is driving economic prosperity, environmental progress and social advances to create sustainable value for all stakeholders. DSM delivers innovative solutions that nourish, protect and improve performance in global markets such as food and dietary supplements, personal care, feed, pharmaceuticals, medical devices, automotive, paints, electrical and electronics, life protection, alternative energy and bio-based materials.

Koninklijke DSM N.V. is a group holding company that conducts business internationally through its subsidiaries and joint ventures. Koninklijke DSM N.V. does not conduct any material business operations of its own. For a detailed list of subsidiaries, joint ventures and associates of the Company as at 31 December 2012, see the website www.dsm.com.

DSM's 23,500 employees deliver annual net sales of around EUR9 billion. The company is listed on Euronext Amsterdam.

DSM was again among the leaders in the chemical industry sector in the Dow Jones Sustainability World Index in 2012 Since 2004 DSM has held the worldwide sustainability leader position in the chemicals sector six times. In the other three years, the company ranked among the top leaders in the sector (see www.sustainability-index.com).

In 2012 DSM and its business groups were awarded a variety of awards and other forms of recognition by customers, suppliers, the academic world, non-governmental organisations and trade organisations. Examples can be found on www.dsm.com.

DSM's activities are grouped into four clusters: Nutrition, Pharma, Performance Materials and Polymer Intermediates. In addition, DSM reports separately on Innovation and Research & Development and on Corporate activities.

Description per cluster

This section includes several statements regarding the competitive position of DSM. These statements are based on own market research and sources - often reports from third parties - that DSM deems reliable.

Nutrition

The Nutrition cluster concentrates on the food and beverage, infant nutrition, dietary supplements, animal nutrition and personal care ingredients markets. These markets are experiencing many of the same global trends that are impacting DSM as a whole, but also specific business and societal developments that are profoundly shaping the future:
- consumer demands for convenient and indulgent products
- deepening concern about the health and wellness of rapidly aging populations
- emerging demand patterns in high growth economies
- sustainability and food safety concerns
- consumers' growing desire for natural ingredients ('clean label spirit').

Sustainability and food safety concerns are leading regulators to apply stricter standards to the oversight of product content, claims, processing methods and emissions. This is a development that will impact producers such as DSM.

The 'clean label spirit' in more mature markets, where consumers are asking for fewer E-numbers and 'no artificial flavours or preservatives', is a trend that DSM expects to widen over the coming years. DSM will address it proactively, although DSM expects that it will not represent a major demand for some time.

Against the background of the above-mentioned trends, DSM expects that the fastest future growth will come from high growth economies, and that the established economies remain vital not only as the largest markets but also as the central drivers of product innovation (especially the US and Western Europe).

What is clear is that future growth in this industry will be partly driven by innovation. The total ingredients sector is growing faster than global gross domestic product (GDP). There is also a divergence between well established ingredients and forms and more innovative ones. Growth is higher than GDP growth in markets for innovative solutions, such as new enzymes or new forms of established ingredients. In more established ingredients, such as ascorbic acid (generic vitamin C), growth is at or even below GDP growth. However, this is accompanied by a continuous drive toward more quality, reliability, traceability and sustainability, enabling premium suppliers such as DSM to further expand their market share.

The Nutrition cluster comprises DSM Nutritional Products and DSM Food Specialties. The nutrition and food ingredients businesses serve the food and beverage, animal nutrition, personal care and pharmaceutical industries. Activities are based on an in-depth knowledge of customer/market needs. With customised formulation activities (being the transformation of chemicals and other ingredients into end products and marketable forms) in more than 44 locations and a marketing and sales presence reaching over 60 countries, customer intimacy is a key success factor.

The Nutrition businesses technical expertise is based on application know-how and innovation translating market needs into products and services with new benefits. Technologies in the Nutrition cluster are broad, utilising DSM's competences in biotechnology (including fermentation), chemical process technology and particle engineering.

DSM has the world's broadest ingredients portfolio and holds leading positions in many large ingredient markets for animal and human nutrition and health as well as personal care. The company also has a highly developed infrastructure creating local presence around the world. The resulting depth and breadth within and across sizeable markets are seen by DSM key to resilience in the marketplace.

The global food and beverage, dietary supplements, animal nutrition and personal care ingredients market is estimated to be EUR 61 billion. DSM has particularly strong positions in vitamins, nutritional lipids, enzymes, carotenoids, UV filters and innovative skin care products, which currently constitute an accessible market of almost half that amount. New and nature-identical or natural nutritional ingredients as well as emerging economies are the main growth drivers in the areas of human and animal nutrition and health. Increasing emphasis on expanding DSM's strong position in personal care ingredients offers considerable opportunity for accelerated growth, most notably because the personal care industry is driven by consumers' desire for innovations.

The Nutrition cluster's share in DSM's overall net sales was approximately 40% in 2012.

Pharma

The Pharma cluster includes the business group DSM Pharmaceutical Products (DPP), one of the world's leading custom manufacturing suppliers to the pharmaceutical industry. Many of today's medicines around the world contain ingredients produced by DPP. The cluster also includes DSM's 50% interest in the DSM Sinochem Pharmaceuticals joint venture (DSP). DSP was formed from the former DSM business group DSM Anti-Infectives (DAI). DSP is one of the few producers and marketers of beta-lactam active pharmaceutical ingredients with a global presence, using cutting-edge low eco-footprint manufacturing technology.

The pharmaceutical market is facing a range of trends and dynamics that are putting existing business models into question and are leading to some fundamental changes in the industry.

For DPP's customers, innovative pharmaceutical companies, it is becoming more difficult to discover new active molecules which have sufficient additional patient benefits and an acceptable risk profile and which can get approved by the US Food and Drug Administration (FDA) and other regulatory bodies. The cost of developing such molecules is rising, while at the same time health service providers – governments or insurance companies – are under enormous pressure to reduce cost. Medicines are becoming an increasingly important element of total healthcare costs, typically accounting for around 10% of total healthcare spend. As a consequence, both governments and insurance companies are looking to save costs, putting pressure on the total healthcare value chain, including custom manufacturing companies.

Pharmaceutical companies are consolidating, reviewing their business models and product ranges, and competing to develop increasingly 'niche', narrow spectrum and specialised drugs, which are often difficult-to-administer drugs and biopharmaceuticals used only in hospitals. Although these can be high value, volumes are lower.

However, the intensity of cost pressure and the need to review business models across the pharmaceutical industry is likely to result in growth above international GDP in the pharmaceutical outsourcing market, especially for drugs nearing the end of their (patented) life cycle. The imperative for pharma companies to optimise their asset base is expected to lead to a greater focus on finding experienced and highly qualified partners to take on manufacturing challenges as a supplier. DPP, with its broad service offering including regulatory services, is well equipped to meet these market demands.

In most countries increased attention is being paid to the overall consumption of antibiotics. Infectious diseases continue however to be a major life threat, especially in high growth economies, and the beta-lactam anti-infectives – DSP's area of leadership – continue to be most physicians' first choice of cure. As healthcare coverage and quality expands in these economies and these products are very safe and cost-effective, DSP sees healthy growth rates of approximately 5 to 7% per year, coupled with an increasing focus on patient safety. DSP is seen as an industry leader with clear market advantages, communicated via the DSMPureActives™ brand.

DSM's Pharma presence in Asia gives the joint venture advantages in the world's fastest growing markets for the manufacture of generic pharmaceuticals in general, and anti-infectives in particular. The Asia market currently represents only about 6-7% of total global pharmaceutical spend, but this is estimated to rise to 20% by 2020 (Source: Credit Suisse/IMS). DSM is well positioned to take advantage of this, with its anti-infectives business having two production sites in China and one in India, supported by a network of sales offices.

The Pharma cluster's share in DSM's overall net sales was approximately 8% in 2012.

Performance Materials

The Performance Materials cluster comprises DSM Engineering Plastics, DSM Dyneema and DSM Resins. These business groups specialise in the manufacture of technologically sophisticated, high-quality products that are tailored to meet customers' performance criteria. DSM Engineering Plastics is a global supplier of high-performance engineering thermoplastic solutions. DSM Dyneema is the global supplier of Dyneema®, the world's strongest fiber™. DSM Resins is a global supplier of innovative high-quality resins solutions for paints and coatings, composite materials and fibre optic coatings.

Climate change and the adverse effects of over-dependence on fossil fuels continue to be the most important trends driving the performance materials industry. DSM's customers in virtually every sector are seeking products that reduce energy use or emissions in their own operations or, even more importantly, throughout their value chains. In many cases DSM is active in the business of replacing metals with lighter alternatives, and supports customers who are increasingly seeking polymer solutions that are based on renewable (rather than fossil-based) raw materials and solvent free products and processes that can help create more sustainable value chains. Resource scarcity, which also impacts costs, is increasingly contributing to these developments.

Energy reduction is seen by DSM as key to the performance materials industry. This means not only finding new, less energy-intensive ways to manufacture DSM's own products, but also enabling energy savings in the application of these products, for example by developing resins systems that require less energy for curing. By providing lighter weight solutions than, for instance, conventional metal structures, DSM products help reduce energy consumption during use as well, thus making a significant contribution to the reduction of energy and carbon footprints across the planet.

An important field of application of performance materials is workplace health and safety. Demand in this area is increasing because workplace health and safety standards are becoming more common across the world as prosperity grows. Another field of application is health and wellness. Here, the main focus is on meeting the needs of an increasing elderly population. These needs require new thinking, and new applications. Urbanisation is an important driver for building and construction – one of the areas in which DSM plays an important role with innovative resins solutions. Concerns about personal safety and global threats have not diminished, which means there is a continuing demand for innovative protective materials. On the safety and sustainability front, the replacement of halogen-based flame retardants in consumer electronics and the replacement of solvent-based resins by water-based resins continues.

DSM believes that there is a growing prosperous middle class in many formerly 'emerging' countries such as China. Demand for plastics and resins is high and increasing in these markets, not only because manufacturers are seeking to meet growing local needs, but also because global manufacturing has shifted to these countries.

DSM's Performance Materials cluster has expanded in the last two decades from just over EUR 0.5 billion in sales in 1990 to EUR 2.8 billion in 2012. With major investments in high growth economies such as China and India, the Performance Materials cluster is making a significant contribution to DSM's growth in Asia.

With the great majority of its innovations driven by sustainability, DSM's Performance Materials cluster is recognised as a frontrunner in creating and introducing sustainable innovative solutions. During the last two decades, DSM's portfolio in Performance Materials has clearly evolved toward more specialised, higher-value-added businesses. Innovations, branding and continued operational excellence programs have contributed to a continuous increase in gross margin.

The businesses in the Performance Materials cluster have achieved strong leadership positions in chosen segments of the global markets for advanced materials. DSM Engineering Plastics has a focused portfolio and has achieved global leadership positions with many of its products. It is the global number 3 in the market for semi-crystalline engineering plastics and the global market leader in high-temperature polyamides. In polyamide 6 and thermoplastic copolyester elastomers DSM holds a number 2 position. An important factor underlying DSM Engineering Plastics' leadership and growth is its strong upstream integration with a leading caprolactam player, DSM Fibre Intermediates.

Dyneema® is respected as the global premium brand for ultra high molecular weight polyethylene fibre. DSM Dyneema manufactures and sells products in several forms including fibre, tape and uni-directional (UD) sheets. The powerful Dyneema® brand is licensed for use in a wide and ever-increasing range of applications such as medical sutures, commercial fishing and aquaculture nets, ropes, slings, high-performance fabrics such as cut-resistant gloves and apparel, as well as vehicle and personal ballistic protection. DSM Dyneema focuses on sustainable innovation. Dyneema® is increasingly seen as the up-grade material of choice enabling the replacement of traditional materials that have a less desirable environmental footprint.

DSM Resins ranks among the global leaders in the markets for resin systems for industrial coatings and decorative coatings. DSM is recognised as a frontrunner in the development and production of environmentally friendly resins such as waterborne coating resins and powder coating resins. DSM Resins is the European market leader in unsaturated polyester resins and is rapidly building a position in Asia. DSM is a niche player in functional materials, with a global leadership position in fibre optic coatings, protecting more than one billion kilometres of fibre optic cables around the world.

The building and construction markets in Europe and the US continue to be depressed and this is negatively affecting DSM Resins' results. In order to achieve its objectives, including accelerating its switch to highly innovative and sustainable products (styrene free, powder, waterborne and UV curable), the business group will optimise and streamline its global organisation.

The performance material clusters' share in DSM's overall net sales is approximately 30% in 2012.

Polymer Intermediates

The Polymer Intermediates cluster consists of DSM Fibre Intermediates.

Caprolactam

DSM Fibre Intermediates (DFI) is the global leader in the production and supply of caprolactam, the raw material for polyamide 6. It has production facilities on three continents (Europe, North America, Asia) with a total production capacity of nearly 900 kilotons per year (after completion of the DSM Nanjing Chemical Co, Ltd expansion in 2014). DSM supplies around 20% of the merchant market. DFI offers caprolactam of world-class quality with a high level of service to build long-term valuable partnerships with customers.

Over 40% of all caprolactam produced globally is made using DSM's proprietary technology. This technology leadership is the pillar of its commercial success and will be even more important in the future, when polyamide 6 will be used in increasingly demanding applications with stricter performance requirements.

Caprolactam's key function is the raw material for polyamide 6, of which approximately 4 million tonnes per year are produced worldwide. The applications of polyamide 6 are very diverse and cover many end-markets, from carpets and textiles to cars, electrical devices and packaging film. Some of these applications are sensitive to the larger economic cycle (automotive, housing, luxury electronics), while others (such as textiles) are quite stable.

With its local presence and production facilities, DFI has established a strong caprolactam position in China, resulting from solid partnerships with winning customers in the polyamide 6 industries.

In China, an expansion project to double DSM Nanjing Chemical Co, Ltd’s capacity to 400 kilotons started in 2011. The new facility is due to come on stream at the end of 2013 and is expected to operate at full capacity in early 2014.

DFI supplies key intermediates to DSM Engineering Plastics (DEP), one of the entities of the Performance materials cluster. In this way, DFI has a secured base load and DEP enjoys security of supply. Thanks to this integration, DFI contributes to the success of DEP.

By keeping a strong focus on the potential of high growth economies, sustainability and technological innovation and by showing an unwavering commitment to its customers, DFI has strengthened its global leadership position in caprolactam.

Acrylonitrile

Acrylonitrile is a key ingredient for fashionable acrylic textile and carpet fibres and for materials (acrylonitrile butadiene styrene, ABS and styrene-acrylonitrile, SAN) for automobile components, electronic devices, toys and sports equipment. The application of acrylonitrile in a wide range of valuable specialty products (for example carbon fibres, water treatment additives, enhanced oil recovery, detergents) is rapidly growing.

With its market share of 25%, DFI is the leading supplier in the European merchant acrylonitrile market while globally it ranks third in terms of volume. Acrylonitrile is produced at the Chemelot site in Sittard-Geleen (Netherlands) in two identical plants, with a total capacity of 275 kilotonnes per year. The raw materials for the production of acrylonitrile are air, propylene and ammonia. The on-site availability of these raw materials results in a high level of efficiency. Even the recovered by-products of the production process increasingly contribute to profitability.

As DFI continues to shift its customer portfolio toward the strongest European market segments, it is able to sustain its sound financial performance.

DFI's production of acrylonitrile involves the efficient recovery of by-products (hydrogen cyanide, ammonium sulfate and acetonitrile) and the efficient use of energy and raw materials. A life cycle analysis of acrylonitrile in 2010 revealed that DFI has the lowest carbon footprint in the industry.

The polymer intermediates cluster's share in DSM's overall net sales is approximately 18% in 2012.

Innovation and Research & Development

Innovation is an element of the strategy "DSM in motion: *driving focused growth"*. The cluster contains the activities of the DSM Innovation Centre (including DSM Venturing and Licensing) and the Emerging Business Areas (EBAs).

The DSM Innovation Centre was originally set up in 2006 to facilitate the Vision 2010 change program toward an intrinsically innovative organisation. It has a business development role, with its Business Incubator and Emerging Business Areas, as well as a leading role in enabling and accelerating innovation within DSM.

DSM Venturing actively invests in start-up companies that create innovative products and services in health, nutrition and materials. DSM Venturing plays an important part in DSM's open innovation policy and invests in activities that are of immediate or potential relevance to DSM business groups and/or the DSM Innovation Centre. In addition to direct investments DSM Venturing is also involved in a number of venture capital funds.

DSM Licensing aims to create value by assisting DSM business groups and DSM Emerging Business Areas (EBAs) with the initiation and management of collaboration on the basis of intellectual property (IP), including patents and know-how. DSM approaches licensing as a completely integrated, powerful way of creating shared value with partners. In all of DSM's EBAs licensing will be one of the most important ways in which the company enhances its value proposition and speed to the market. DSM Licensing has been established in the DSM Innovation Centre to facilitate such IP intensive collaborations and to serve as a centre of excellence for IP-based business.

DSM's Emerging Business Areas provide strong, long-term growth platforms that optimally combine the available competences in Life Sciences and Materials Sciences. The company currently has three Emerging Business Areas: DSM Bio-based Products & Services, DSM Biomedical and DSM Advanced Surfaces.

DSM Bio-based Products & Services is a front-runner in contributing to a bio-based, sustainable future. Major biotechnology advances are opening up opportunities in the production of advanced biofuels and bio-based materials. Recent DSM breakthroughs will enable the competitive manufacturing of advanced biofuels and bio-based chemicals and materials. Furthermore, DSM's efforts to develop technological solutions for biorefineries are set to optimise biorefinery operation and output.

DSM has a history of more than 10 years in the field of biomedical materials. It all started with research and development efforts to bring Dyneema® to the medical field, leading to the introduction of Dyneema Purity® as a new material of choice for orthopaedic sutures. In 2006 the EBA Biomedical was established, followed by the acquisition of The Polymer Technology Group (PTG) in 2008 and more recently the ActamaxTM joint venture with DuPont. In 2011 DSM Biomedical's headquarters was moved to the US in order to be more closely connected to customers and innovation activities.

DSM Advanced Surfaces provides solutions for the development and application of smart coatings. While current products are designed for glass, the EBA aims to expand this range into smart coatings for plastics and films. DSM's coatings enable glass to transmit more light, instead of reflecting it, thus boosting performance and/or improving aesthetics across a wide range of industries and applications, including the solar energy industry, horticultural and agricultural greenhouses, picture framing and in-store displays, TV and computer screens and the lighting industry.

DSM explores opportunities in new areas where its technologies can meet current and future market demands. Platforms are created within the scope of securing food, health and energy requirements of society. This is carried out in close collaboration with industry partners and (potential) customers. For the three EBAs combined, DSM aspires to achieve profitable sales of more than EUR 1 billion in 2020.

R&D plays a key role in the realisation of DSM's innovation strategy. Most of the annual R&D expenditure is directed towards business-focused R&D programmes. DSM has a corporate research programme in place to build and strengthen the technological competences the Company needs to execute development projects. In 2012, DSM employed worldwide in total 2,511staff in R&D activities and had an R&D expenditure of EUR 490 million or 5.4% of sales.

Other Activities

Corporate Activities comprises various activities and businesses that do not belong to any of the four reporting clusters or the Innovation Centre. It consists of both operating and service activities and also includes a number of costs that cannot be logically allocated to the clusters. Corporate activities includes a number of other activities such as Sitech Services, DSM Insurances and part of the costs of corporate departments. The other activities' share in DSM's overall net sales is approximately 3% in 2012.

Supervisory Board and Managing Board

Koninklijke DSM N.V. is a company limited by shares listed on Euronext Amsterdam, with a Managing Board and an independent Supervisory Board. Members of the Managing Board and the Supervisory Board are appointed (and, if necessary, dismissed) by the General Meeting of

Shareholders. The Managing Board is responsible for the company's strategy, its portfolio policy, the deployment of human and capital resources, the company's risk management system and the company's financial performance. The Supervisory Board supervises the policy pursued by the Managing Board, the Managing Board's performance of its managerial duties and the company's general course of affairs, taking account of the interests of all the company's stakeholders. The Supervisory Board consists of at least five independent non-executives.

The composition of the Supervisory Board and the Managing Board is as follows:

- Supervisory Board: Rob J. Routs (chairman), Ewald Kist (deputy-chairman), Pierre Hochuli, Pauline van der Meer Mohr, Tom De Swaan, Victoria Haynes and Eileen Kennedy.

- Managing Board: Feike Sijbesma (chairman), Rolf-Dieter Schwalb (CFO), Stefan Doboczky, Stephan B. Tanda and Dimitri de Vreeze.

The business address of all members of the Supervisory Board and the Managing Board is: Koninklijke DSM N.V., Het Overloon 1, 6411 TE Heerlen, The Netherlands.

Listed below are the principal activities performed by members of the Supervisory Board and the Managing Board outside Koninklijke DSM N.V. None of the members of the Supervisory Board and the Managing Board have any (potential) conflict between their duties to Koninklijke DSM N.V. and their private interests and other duties.

Supervisory Board:

Routs, R.J.

- chairman of the Supervisory Board of Aegon N.V.

- member of the Supervisory Board of Royal KPN N.V.

- member of the Board of Directors of Canadian Utilities Ltd.

- member of the Board of Directors of A.P. Moeller-Maersk Group.

- member of the Board of Directors of UPM Kymmene Corporation.

Kist, E.

- member of the Supervisory Board of De Nederlandsche Bank N.V.

- member of the Supervisory Board of Royal Philips Electronics N.V.

- member of the Supervisory Board of Stage Entertainment.

- member of the Supervisory Board of Moody's Investor Services.

- member of the Board of Governors of the Peace Palace in The Hague (The Netherlands).

Haynes, V.F.

- last position held: President and CEO of the Research Triangle Institute.
- CTO and Vice President of the Advanced Technology Group of BFGoodrich Company.

Hochuli, P.

- member of the Board of Directors of Domes of Silence Holdings Ltd.

Kennedy, E.T.

- Professor of Nutrition Friedman School of Nutrition Science and Policy at Tufts University in Boston (USA).
- dean of Nutrition Friedman School of Nutrition Science and Policy at Tufts University in Boston (USA).
- global executive director of the International Life Sciences Institute (Washington D.C., USA).
- under secretary for Research, Education and Politics at the US Department of Agriculture.

Van der Meer Mohr, P.F.M.

- president of the Executive Board of Erasmus University Rotterdam.
- member of the Supervisory Board of ASML N.V.
- chair of the Supervisory Board of the Rotterdam School of Management.
- member of the Supervisory Board of Nederlandse School voor Openbaar Bestuur.
- director of the Hollandsche Maatschappij van Wetenschappen.
- member of the Economic Development Board of Rotterdam.
- member of the Duisenberg School of Finance Board.

De Swaan, T.

- non-executive director of the Board of GlaxoSmithKline plc.
- non-executive director of the Board of Zurich Financial Services.
- chairman of the Supervisory Board of Van Lanschot Bankiers N.V.
- vice chairman of the Supervisory Board of Royal Ahold N.V.
- member of the Board of Trustees of Netherlands Cancer Institute-Antoni van Leeuwenhoek Hospital.
- board member of Royal Concertgebouw Orchestra.

Managing Board:

Sijbesma, F.

- board member of CEFIC (European Chemical Industry Council).
- member of the Advisory Board of RSM Erasmus University.
- member of the Advisory Board of ECP-EPN (Electronic Commerce Platform Netherlands).
- Chairman of the World Economic Forum's Global Agenda Council on the Role of Business.
- Member of the Supervisory Board of De Nederlandsche Bank, the Dutch Central Bank.
- Member of the Global CEO Council (GCC) of the Chinese People's Association for Friendship with Foreign Countries (CPAFFC).

Schwalb, R.-D.

(no supervisory directorships or other positions)

Doboczky, S.

(no supervisory directorships or other positions)

Tanda, S.B.

- chairman of EuropaBio (European Biotechnology Industry Association).
- board member of scienceindustries (Swiss association for the chemical, pharmaceutical and biotech industries).
- board member of BIO (US Biotechnology Industry Organization).

D. de Vreeze

(no supervisory directorships or other positions)

Committees of the Supervisory Board:

Pursuant to article 29 of the articles of association, the Supervisory Board has established an audit committee, a nomination committee, a remuneration committee and a corporate social responsibility committee.

Audit committee

The Audit Committee is comprised of Mr. T. de Swaan (Chair), Mr. P. Hochuli and Mrs. V. Haynes.

Working within the Supervisory Board, the Audit Committee is charged in particular with the supervision of the Managing Board with respect to:

- the operation of the internal risk management and control systems, including supervision of the enforcement of the relevant legislation and regulations, and supervising the operation of codes of conduct.

- giving advice to the Supervisory Board on the nomination by the Supervisory Board to the General Meeting of Shareholders for the appointment of the external auditor.

- where necessary, making proposals to the Supervisory Board on the policy applied in respect of the independence of the external auditor and possible (potential) conflicts of interest between the external auditor and the Company.

- preparing meetings of the Supervisory Board with the Managing Board where the annual report, the annual accounts, the half-yearly and the quarterly figures of the Company are discussed.

Nomination Committee

The Nomination Committee is comprised of Mr. R. Routs (Chair), Mr. E. Kist and Mr. P. Hochuli.

The Nomination Committee has the following duties:

- drafting selection criteria and appointment procedures for Supervisory Board members and Managing Board members;

- assessing at least once a year the size and composition of the Supervisory Board and the Managing Board, and to make proposals for the Supervisory Board Profile;

- assessing at least once a year the functioning of individual Supervisory Board members and Managing Board members, and report their findings to the Supervisory Board;

- making proposals for (re)appointments;

- supervising the policy of the Managing Board on the selection criteria and appointment procedures for senior management;

- preparing the decision-making process of the Supervisory Board on the acceptance by a member of the Managing Board of the membership of the Supervisory Board of a listed company; and

- preparing the decision-making process of the Supervisory Board concerning any conflicts of interest that may arise in the acceptance by members of the Supervisory Board of additional positions.

Remuneration Committee

The Remuneration Committee is comprised of Mr. E. Kist (Chair), Mr. R. Routs and Mr. P. Hochuli.

The Remuneration Committee has the following duties:

- drafting proposals to the Supervisory Board for the remuneration policy to be pursued for members of the Managing Board, which policy, as well as any material changes thereto, shall be submitted to the General Meeting of Shareholders for adoption;

- drafting proposals for the remuneration of the individual members of the Managing Board; such proposals shall, in any event, deal with the remuneration structure; and the amount of the fixed remuneration, shares and/or options to be granted and/or other variable remuneration components, pension rights, redundancy pay and other forms of compensation awarded, as well as the performance criteria and their application,

- and, if there are reasons therefore, to make proposals for changes or additions to the remuneration of individual members of the Managing Board, which remuneration and possible changes and/or additions shall be submitted for adoption to the Supervisory Board (without prejudice to the power of the Supervisory Board to delegate the final adoption to the Remuneration Committee, within the framework set by the Supervisory Board);

- to prepare the Remuneration Report referred to in clause 12.1 of the Regulations of the Supervisory Board; and

- to make proposals to the Supervisory Board for the remuneration of the individual members of the Supervisory Board, which remuneration will be submitted to the General Meeting of Shareholders for adoption.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is comprised of Mrs. P. Van der Meer Mohr (Chair), Mr P Hochuli, Mr. R. Routs and Mr. T. de Swaan.

The Corporate Social Responsibility Committee has the following duties:

- preparation of discussions by the Supervisory Board on the supervision of the Managing Board with respect to formulating, developing, implementing, monitoring and reporting on the Company's social and environmental policies in line with the DSM values / Code of Business Conduct; and

- to prepare the meeting of the Supervisory Board with the Managing Board where the Integrated Annual Report, is discussed.

Dutch Corporate Governance Code

DSM supports the Dutch corporate governance code adopted in 2003 and amended in 2008, which can be found on www.commissiecorporategovernance.nl.

DSM can confirm that it applies all of the code’s 113 Best Practices. With respect to the appointment of members of the Managing Board for a period of at most four years (Best Practice II.1.1) it should be noted that DSM has adhered to this Best Practice since the introduction of the corporate governance code in 2004. Since DSM respects agreements made before the introduction of said code, the current chairman of the Managing Board will remain appointed for an indefinite period. With respect to the Dutch corporate governance code it should be noted that any substantial change in the corporate governance structure of the company and in the company's compliance with the code shall be submitted to the General Meeting of Shareholders for discussion under a separate agenda item.

All documents related to the implementation at DSM of the Dutch corporate governance code can be found in the Governance section of the corporate website (www.dsm.com).

Markets

DSM supplies its products to high-end industrial markets (business to business). The human and animal nutrition market is the principal end use market for DSM.

DSM end markets 2012	
Health and Nutrition	41%
Pharmaceuticals	6%
Metal, Building & construction	8%
Automotive / Transport	8%
Textiles	8%
Electrics / Electronics	6%
Packaging	8%
Other	15%
Total	**100%**

Strategy and 2012 general review

Strategy: **DSM in motion: *driving focused growth***

DSM's strategy called “DSM in motion: *driving focused growth*” was launched on 23 September, 2010 and replaced the previous corporate global strategy called “Vision 2010”. The new strategy centres on three dimensions simultaneously: people, planet and profit.

The strategy envisages that the businesses that form DSM's new core in life sciences and materials sciences are built around finding innovative and sustainable solutions to some of the most important challenges, based on a clear understanding of the key global societal trends and their consequences for the planet, consumers and societies, which in turn is based upon extensive stakeholder input.

The global population is expected to grow from approximately 7 billion now to 9 billion by 2050. In addition, it will continue to include a high proportion of older people than previously and become increasingly urbanised and wealthy in the developing world, leading to increased consumption per capita and a bigger claim on the world's resources. All this comes together in three key global societal trends: a global demographic shift, challenges in the field of climate and energy usage and a growing focus on how to secure health and wellness for all.

- **Global shifts**
  The accelerating shift of wealth from West to East and from North to South is the basis of a whole series of global shifts which are creating a more urban, more connected and more prosperous world – but with huge resource and cultural challenges as a result.
- **Climate change and energy**
  The accepted reality that our fossil age is causing considerable change to our climate is driving the search for alternative energy, chemicals and materials sources as well as efforts to reduce resource consumption in a multitude of ways as the world will enter an era of resource scarcity.
- **Health and wellness**
  The impact of a growing, aging, more urban population is being felt across the world, but in remarkably different ways: the drive to improve well-being and increase life span among the growing middle classes of the high growth economies contrasts with the continuing struggle to effectively feed the populations in less well-off parts of the world.

DSM's focus is on providing its customers with the innovations and sustainable products they need to meet the societal and market demands arising from these trends. By adding to its customers' success, DSM adds to its own success too.

It is DSM's ambition to fully leverage the unique opportunities in life sciences and materials sciences, using four growth drivers (High Growth Economies, Innovation, Sustainability and Acquisitions & Partnerships). DSM intends to capture regional business opportunities and synergies and implement excellence throughout its global organisation.

A culture change program, called "MOTION", for all employees, focusing on external orientation, accountability for performance and inspirational leadership, will be further rolled out with an emphasis on collaboration and speed of execution to support this strategy. All this is based on sustainability as DSM's core value and its true belief in diversity and inclusion, including internationalisation.

DSM has set itself ambitious targets for the current strategy period as presented in the following table:

Profitability targets 2013		**2012**
EBITDA	EUR 1.4 - 1.6 billion	EUR 1,109mln
ROCE	>15%	9%
Sales targets 2015		**2012**
Organic sales growth	5% - 7% annually	1%
China sales	from USD 1.5 billion to > USD 3 billion	USD 1.7 billion
High Growth Economies	from ~32% towards 50% of total sales	38%
Innovation	from ~12% to 20% of total sales	18%
EBA aspiration 2020		**2012**
EBA sales	>EUR 1 billion	Good progress

The company has high aspirations, based on an assessment of the opportunities, particularly in high growth economies, innovation, sustainability, acquisitions and partnerships, and aims at accelerated growth and increased profitability.

During 2012, DSM transitioned its “Motion” change agenda into the ONE DSM Culture Agenda. The themes of the ONE DSM Culture Agenda have been simplified and more aligned with DSM’s business environment and business strategy, as well as with its global footprint. With the ONE DSM Culture Agenda, DSM is developing the culture required to achieve its strategic ambitions, to mirror the world it operates in, and to become a high performance organization. The four themes of the agenda are: External Orientation, Accountability for Performance, Collaboration with Speed and Inclusion & Diversity. Accelerating the four themes across DSM will lead to a more agile organization that is fit to cope with fast moving developments in the business environment.

2012 General Review

Despite ongoing global economic headwinds, DSM delivered growth across all clusters in 2012 except for caprolactam. The dividend has been increased for the third consecutive year as a testament to the stronger DSM that has been built in recent years, with more stable growth and profitability going forward.

2012 EBITDA was EUR 1,109 million, 14 percent lower compared to 2011. Profit growth in all clusters was more than offset by approximately EUR 300 million lower results from DSM’s caprolactam activities in Polymer Intermediates and Performance Materials. Full year sales from continuing operations increased to EUR 9,131 million. Significant strategic progress was made during 2012 through value creating acquisitions and profit improvement initiatives. In the second quarter of 2012 DSM launched a company-wide Profit Improvement Program mainly focused on cost reductions and efficiency improvements, but also on sales growth and pricing. This program is fully on track and is expected to deliver structural annual EBITDA benefits of EUR150 million by 2014 of which more than half is expected in 2013.

In the meanwhile DSM made tremendous progress in its acquisition and parternership strategy in 2012. The new acquisitions and partnerships in 2012 are:

POET-DSM Advanced Biofuels

A major strategic decision that DSM made at the beginning of the year was to join forces with POET LLC, one of the world’s largest ethanol producers. Together, the two companies will commercially demonstrate and license cellulosic ethanol by combining their proprietary and complementary technologies. POET-DSM Advanced Biofuels, LLC will produce cellulosic ethanol from corn crop residue through a biological process using enzymatic hydrolysis followed by fermentation, providing for a sustainable biofuel

Verenium assets

DSM acquired certain assets, licenses and other agreements in the area of food enzymes and oilseed processing from Verenium, based in San Diego, California (USA). Verenium's enzyme products can help minimize pollution by reducing or replacing harsh chemicals used in industrial processes while also enhancing yields in customers' processes.

Kensey Nash

DSM further strengthened its industry leadership in the biomedical field by completing the acquisition of Kensey Nash, a US based technology-driven biomedical company with 325 employees. Kensey Nash primarily focuses on regenerative medicine utilizing its proprietary collagen and synthetic polymer technology. The transaction strengthens and complements DSM's biomedical business, one of the company's three Emerging Business Areas, and positions DSM Biomedical as a profitable growth platform.

Ocean Nutrition Canada

DSM completed the acquisition of Ocean Nutrition Canada, a Canada-based supplier of fish-oil derived Omega-3 fatty acids to the dietary supplement and food and beverage markets. The company is headquartered in Halifax, Nova Scotia (Canada) with approximately 415 employees. Ocean Nutrition Canada, founded in 1997, has production sites in Canada, the US and Peru. Every day over 21 million servings of its MEG-3® product line are consumed in supplements and foods and beverages across the world. The company's average annual growth over the past five years in local currency amounted to nearly 20 percent.

Tortuga

DSM agreed to acquire Tortuga Companhia Zootécnica Agrária (Tortuga), a privately held Brazilian company with a leadership position in nutritional supplements with a focus on pastureraised beef and dairy cattle. The company is headquartered in São Paulo (Brazil) with approximately 1,200 employees. Tortuga has three production sites in Brazil. The transaction is closed on April 1, 2013.

The cultures and enzymes business of Cargill

DSM acquired the cultures and enzymes business of Cargill. This business is a leading global manufacturer of cultures and enzymes for the dairy and meat industries with manufacturing operations in the state of Wisconsin (USA) and France. It has a strong pipeline of new products built on three pillars of technology: culture texture toolbox, fast acidification for cheese yield improvements and culture flavor systems. The business has approximately 200 employees. The transaction closed just before the end of 2012.

Fortitech

At the end of the 2012, DSM completed the acquisition of Fortitech, Inc., a privately held company based in Schenectady (New York, USA). Fortitech is a leader in customized, valueadded food ingredient blends for food & beverage, infant nutrition and dietary supplements industries. The company has approximately 520 employees. Fortitech has six production sites located in New York (USA), California (USA), Campinas (Brazil), Kuala Lumpur (Malaysia), Gastrup (Denmark) and Poznan (Poland), with sales offices in China and Mexico.

As a result, DSM is well positioned to achieve its long-term objectives as indicated in its strategy: **DSM in Motion**: *driving focused growth*. Nutrition now represents more than 70 percent of total EBITDA and has become a high value, global business with growth prospects across the full value chain.

Overall, based on current economic assumptions, DSM expects a step-up in EBITDA during 2013 due to stronger organic growth, supported by DSM’s Profit Improvement Program and as the benefits of acquisitions and a more resilient portfolio start to have impact. In 2013 the focus will be on the operational performance and integration of the acquisitions DSM completed in 2012 with special attention to capturing synergies. Overall, based on current economic assumptions, the above will enable DSM to move towards its 2013 EBITDA target of EUR 1.4 billion.

Final remark

This chapter contains forward-looking statements with respect to DSM's future (financial) performance and position. Such statements are based on current expectations, estimates and projections of DSM and information currently available to the Company. Examples of forward-looking statements include statements made or implied about the Company's strategy, estimates of sales growth, financial results, cost savings and future developments in its existing business as well as the impact of future acquisitions, and the Company's financial position. These statements can be management estimates based on information provided by specialised agencies or advisors like Global Insight, Consensus Economics, the IMF, CEFIC and Eurostat, sources believed to be reliable by DSM.

PRC CURRENCY CONTROLS

The following is a general description of certain currency controls in the PRC and is based on the law and relevant interpretations thereof in effect as at the date of this Base Prospectus, all of which are subject to change, and does not constitute legal advice. It does not purport to be a complete analysis of all applicable currency controls in the PRC relating to the Notes. Prospective holders of Notes who are in any doubt as to PRC currency controls are advised to consult their own professional advisers.

Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

Current Account Items

Under PRC foreign exchange control regulations, current account item payments include payments for imports and exports of goods and services, payments of income and current transfers into and outside the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies. Since July 2009, the PRC has commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. On 17 June 2010, the PRC government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades (Yin Fa (2010) No. 186) (關於擴大跨境貿易 人民幣結算試點有關問題的通知) (the "**Pilot Programme of Renminbi Settlement Circular**"), pursuant to which (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts was expanded to cover 20 provinces and cities including Beijing and Guangdong Province, and (iii) the restriction on designated offshore districts was uplifted. Accordingly, any enterprises in the designated pilot districts and offshore districts are entitled to use Renminbi to settle imports and exports of goods and services and other current account items between them. Renminbi remittance for exports of goods from the PRC may only be effected by approved pilot enterprises in designated pilot districts in the PRC. In August 2011, the PRC government further expanded Renminbi cross-border trade settlement nationwide.

As a new regulation, the Pilot Programme of Renminbi Settlement Circular will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying the Pilot Programme of Renminbi Settlement Circular and impose conditions for settlement of current account items.

Capital Account Items

Under the applicable PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of the relevant PRC authorities.

Settlements for capital account items are generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) are required to make capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or relevant PRC parties are also generally required to make capital item payments including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to foreign investors in a foreign currency. That said, the relevant PRC authorities may grant approval for a foreign entity to make a capital contribution or a shareholder's loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for the foreign invested enterprise to service interest and principal repayment to its foreign investor outside the PRC in Renminbi on a trial basis. The foreign invested enterprise may be required to complete registration and verification process with the relevant PRC authorities before such Renminbi remittances.

On 7 April 2011, the State Administration of Foreign Exchange of the PRC (國家外匯管理局) ("**SAFE**") promulgated the Circular on Issues Concerning the Capital Account Items in connection with Cross-Border Renminbi (國家外匯管理局綜合司關於規範跨境人民幣資本項目業務操作有關問題的通知) (the "**SAFE Circular**"), which became effective on 1 May 2011. According to the SAFE Circular, in the event that foreign investors intend to use cross-border Renminbi (including offshore Renminbi and onshore Renminbi held in the accounts of non-PRC residents) to make contribution to an onshore enterprise or make payment for the transfer of equity interest of an onshore enterprise by a PRC resident, such onshore enterprise shall be required to submit the relevant prior written consent of the Ministry of Commerce of the PRC (商務部) (the "**MOFCOM**") to the relevant local branches of SAFE of such onshore enterprise and register for foreign invested enterprise status. Further. the SAFE Circular clarifies that the foreign debts borrowed, and the external guarantee provided by, an onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt and external guarantee regime.

On 12 October 2011, the MOFCOM promulgated the Circular on Issues in relation to Cross-border RMB Foreign Direct Investment (商務部關於跨境人民幣直接投資有關問題的通) (the "**MOFCOM RMB FDI Circular**"). In accordance with the MOFCOM RMB FDI Circular, the MOFCOM and its local counterparts are authorised to approve RMB foreign direct investments ("**RMB FDI**") in accordance with existing PRC laws and regulations regarding foreign investment, with the following exceptions which require the preliminary approval by the provincial counterpart of the MOFCOM and the consent of the MOFCOM: (i) RMB FDI with the capital contribution in Renminbi of RMB300 million or more; (ii) RMB FDI in financing guarantee, financing lease, micro financing or auction industries; (iii) RMB FDI in foreign invested investment companies, venture capital or equity investment enterprises; or (iv) RMB FDI in cement, iron & steel, electrolytic aluminium, shipbuilding or other policy sensitive sectors. In addition, RMB FDI in real estate sector is allowed following the existing rules and regulations of foreign investment in real estate, although Renminbi foreign debt remains unavailable to foreign invested real estate enterprises. The proceeds of RMB FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies through private placements or share transfers by agreement under the PRC strategic investment regime.

On 13 October 2011, PBOC promulgated the Measures on Administration of the RMB Settlement in relation to Foreign Direct Investment (外商直接投資人民幣結算業務管理辦法) (the "**PBOC RMB FDI Measures**"), pursuant to which, PBOC special approval for RMB FDI and shareholder loans which is required by the PBOC Notice concerning Clarification of Certain Issues on Cross-border RMB Settlement (《中國人民銀行關於明確跨境人民幣業務相關問題的通知》) (the "**PBOC Notice**") promulgated on 3 June 2011 is no longer necessary. The PBOC RMB FDI Measures provide that, among others, foreign invested enterprises are required to conduct registrations with the local branch of the PBOC within 10 working days after obtaining the business licenses for the purpose of Renminbi settlement, a foreign investor is allowed to open a Renminbi expense account (人民幣前期費用專用存款賬戶) to reimburse some expenses before the establishment of a foreign invested enterprise and the balance in such an account can be transferred to the Renminbi capital account (人民幣資本金專用存款賬戶) of such foreign invested enterprise when it is established, commercial banks can remit a foreign investor's Renminbi proceeds from distribution (dividends or otherwise) by its PRC subsidiaries out of the PRC after reviewing certain requisite documents, if a foreign investor intends to use its Renminbi proceeds from distribution (dividends or otherwise) by its PRC subsidiaries, the foreign investor may open a Renminbi re-investment account (人民幣再投資專用賬戶) to pool the Renminbi proceeds, and the PRC parties selling stake in domestic enterprises to foreign investors can open Renminbi accounts and receive the purchase price in Renminbi paid by foreign investors. The PBOC RMB FDI Measures also state that Renminbi debt and foreign currency debt of a foreign invested enterprise from its offshore shareholders, offshore affiliates and offshore financial institutions constitute its foreign debt quota, and a foreign invested enterprise may open a Renminbi account (人民幣一般存款賬戶) to receive its Renminbi proceeds borrowed offshore by submitting the Renminbi loan contract to the commercial bank and make repayments of principal of and interest on such debt in Renminbi by submitting certain documents as required to the commercial bank.

As new regulations, the SAFE Circular, the PBOC Notice, the MOFCOM RMB FDI Circular and the PBOC RMB FDI Measures will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions, registrations or approvals set out in such rules.

TAXATION

Netherlands Taxation

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of a Note , and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

For the purpose of the paragraph " Taxes on Income and Capital Gains" below it is assumed that a Holder, being an individual or a non-resident entity, does not have nor will have a substantial interest (aanmerkelijk belang), or - in the case of a Holder being an entity - a deemed substantial interest, in the Issuer and that no connected person (verbonden persoon) to the Holder has or will have a substantial interest in the Issuer.

Generally speaking, an individual has a substantial interest in a company if (a) such individual, either alone or together with his partner, directly or indirectly has, or is deemed to have or (b) certain relatives of such individual or his partner directly or indirectly have or are deemed to have (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of such company

Generally speaking, a non-resident entity has a substantial interest in a company if such entity, directly or indirectly has (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of such company. An entity holding a Note has a deemed substantial interest in a company if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.

For the purpose of this summary, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.

Where this summary refers to a holder of a Note, an individual holding a Note or an entity holding a Note, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Note or otherwise being regarded as owning a Note for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.

Where the summary refers to "The Netherlands" or "Dutch" it refers only to the European part of the Kingdom of the Netherlands.

Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of a Note

1. WITHHOLDING TAX

All payments made by the Issuer of interest and principal under the Notes can be made free of withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes qualify as debt that effectively functions as equity for purposes of article 10, paragraph 1, sub d of the Corporate Tax Act (*Wet op de vennootschapsbelasting 1969*).

2. TAXES ON INCOME AND CAPITAL GAINS

Residents

Resident entities

An entity holding a Note which is, or is deemed to be, resident in The Netherlands for corporate tax purposes and which is not tax exempt, will generally be subject to corporate tax in respect of income or a capital gain derived from a Note at the prevailing statutory rates.

Resident individuals

An individual holding a Note who is, is deemed to be, or has elected to be treated as, resident in The Netherlands for income tax purposes will be subject to income tax in respect of income or a capital gain derived from a Note at rates up to 52 per cent if:

(i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or

(ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, an individual holding a Note will be subject to income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from a Note. The deemed return amounts 4% of the value of the individual's net assets as at the beginning of the relevant fiscal year (including the Note). Subject to application of certain allowances, the deemed return will be taxed at a rate of 30 per cent.

Non-residents

A holder of a Note which is not, is not deemed to be, and - in case the holder is an individual - has not elected to be treated as, resident in The Netherlands for the relevant tax purposes will not be subject to taxation on income or a capital gain derived from a Note unless:

(i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in The Netherlands and the holder of a Note derives profits from such enterprise (other than by way of securities); or

(ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

3. **GIFT AND INHERITANCE TAXES**

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

(i) the holder of a Note is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or

(ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

4. **VALUE ADDED TAX**

There is no Dutch value added tax payable by a holder of a Note in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes, or the transfer of the Notes.

5. **OTHER TAXES AND DUTIES**

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in The Netherlands by a holder of a Note in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgement in the courts of The Netherlands) of the Notes or the performance of the Issuer's obligations under the Notes.

6. **RESIDENCE**

A holder of a Note will not be and will not be deemed to be resident in The Netherlands for tax purposes and, subject to the exceptions set out above, will not otherwise become subject to Dutch taxation, by reason only of acquiring, holding or disposing of a Note or the execution, performance, delivery and/or enforcement of a Note.

EU SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

On 10 April 2013, Luxembourg officially announced that it will no longer apply the withholding tax system as from 1 January 2015 and will provide details of payment of interest (or similar income) as from this date.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

SUBSCRIPTION AND SALE

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes may be subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it, its affiliates (as defined in Rule 405 under the Securities Act) or any person acting on its or their behalf will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the issue date, (as determined and certified by the relevant Dealer(s) or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager), of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer, its affiliates (as defined in Rule 405 under the Securities Act) or any person acting on its or their behalf have further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any Series, an offer or sale of Notes of such Series within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed that:

(a) ***No deposit-taking:*** in relation to any Notes having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;

(b) ***Financial promotion:*** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(c) ***General compliance***: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Public Offer Selling Restrictions Under The Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) *Approved prospectus*: if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved in another Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, **provided that** any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) *Qualified investors: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive*;

(c) *Fewer than 100 offerees*: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

Selling Restrictions Addressing Additional Netherlands Securities Laws/Global

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive unless:

(i) such offer is made exclusively to legal entities which are qualified investors (as defined in the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*, the "**Wft**") and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands; or

(ii) standard exemption logo and wording are disclosed as required by article 5:20(5) of the Wft; or

(iii) such offer is otherwise made in circumstances in which article 5:20(5) of the Wft is not applicable,

provided that no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive. For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in The Netherlands has the meaning given to it above in the paragraph headed with "*Public Offer Selling Restriction Under The Prospectus Directive*" under this section "*Subscription and Sale*".

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

The People's Republic of China

The Dealers and investors who are citizens of China or residents in China ("**PRC Investors**") have acknowledged that this Base Prospectus, or the Notes or any material or information contained or incorporated by reference in this Base Prospectus relating to the Notes, have not been, and will not be submitted to become, approved/verified by or registered with any relevant government authorities under PRC law. Accordingly the Notes may not be offered or sold directly or indirectly in the PRC and this Base Prospectus may not be supplied to the public in the PRC or used in connection with any offer for subscription or sale of the Notes in the PRC directly or indirectly. The material or information contained or incorporated by reference in this Base Prospectus relating to the Notes does not constitute an offer to sell or the solicitation of an offer to buy any securities by any person in the PRC. The Notes may only be offered or sold to PRC investors that are authorised to engage in the purchase of Notes of the type being offered or sold.

Each Dealer has represented, warranted and agreed to and with the Issuer that it has not made, and will not make, any offers, promotions, solicitations for sales of or for, as the case may be, any Notes in the PRC, except where permitted by the China Securities Regulatory Commission and other competent authorities or where the activity otherwise is permitted under the PRC law. PRC Investors should note that they themselves are responsible for informing themselves about observing all legal and regulatory restrictions, obtaining all relevant government regulatory approvals/licenses, verifications and/or registrations from all relevant governmental authorities (including but not limited to the China Securities Regulatory Commission and/or the State Administration of Foreign Exchange), and complying with all the applicable PRC regulations, including but not limited to any relevant PRC foreign exchange regulations and/or foreign investment regulations

Hong Kong

In relation to each Tranche of Notes, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") other than (i) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus, any Final Terms or any other offering material relating to the Notes and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefore.

Save as specifically described in this Base Prospectus, neither the Issuer, the Arranger nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other or additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

GENERAL INFORMATION

Authorisation

The establishment of the Programme was duly authorised by a resolution of the Managing Board of the Issuer on 28 June 1999. The annual update of the Programme and the issue of the Notes hereunder have been duly authorised by a resolution of the Managing Board of the Issuer on 4 July 2013. All consents, approvals and authorisations required by the Issuer under the laws of The Netherlands have been given for the issue of the Notes and for the Issuer to undertake and perform its obligations under the Dealer Agreement, the Fiscal Agency Agreement and the Notes.

Ratings

The Issuer's solicited credit ratings are published by Moody's Investors Service Ltd. ("**Moody's**") and Standard & Poor's Credit Market Services Europe Limited, a division of The McGraw-Hill Companies, Inc. ("**S&P**"). The Issuer's current long-term credit ratings are A3 with a positive outlook from Moody's and A with a stable outlook from S&P.

Tranches of Notes issued under the Programme may be rated or unrated. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered (or which has applied for registration and not been refused) under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a CRA which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will be disclosed in the Final Terms.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**") unless (1) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation

Each of Moody's Investors Service Ltd. and Standard & Poor's Credit Market Services Europe Limited, a division of The McGraw-Hill Companies, Inc. are credit rating agencies established and operating in the European Community prior to 7 June 2010 and have submitted an application for registration in accordance with the CRA Regulation and, as at the date of the

Base Prospectus, such application for registration has not been refused. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Clearing Systems

The Notes have been accepted for clearance through Clearstream, Frankfurt, Clearstream, Luxembourg, Euroclear and Euroclear Netherlands. The appropriate German Securities Code ("**ISW**"), common code and the International Securities Identification Number in relation to the Notes of each Series will be specified in the Final Terms relating thereto. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear Bank S.A./N.V. is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg. The address of Clearstream, Frankfurt is Neue Börsenstrasse 1, D-60487 Frankfurt am Main, Germany. The address of Euroclear Netherlands is Damrak 70, 1000 GD Amsterdam, The Netherlands.

Legend concerning United States Persons

Notes (other than Temporary Global Notes) and any Coupon appertaining thereto will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Settlement Arrangements

Settlement arrangements will be agreed between the Issuer, the relevant Dealer and the Fiscal Agent in relation to each Tranche of Notes.

Documents Incorporated by Reference

The following documents, which have previously been published or are published simultaneously with this Base Prospectus and have been filed with The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*), shall be incorporated in, and to form part of, this Base Prospectus; this Base Prospectus should be read and construed in conjunction with such documents:

(i) the following sections of the 2011 Integrated Annual Report of the Issuer (in English): Report of the Managing Board (from and including page 26 to and including page 69), Review of Business (from and including page 70 to and including page 103), Supervisory Board and Management Board (from and including page 130 to and including page 131), the Financial Statements (from and including page 138 to and including page 215) and the Independent Auditor's Report on the Financial Statements (page 217);

(ii) the following sections of the 2012 Integrated Annual Report of the Issuer (in English): Report of the Managing Board (from and including page 10 to and including page 73), Review of Business (from and including page 74 to and including page 109), Supervisory Board and Management Board (from and including page 134 to and including page 135), the Financial Statements (from and including page 140 to and including page 215) and the Independent Auditor's Report on the Financial Statements (page 216);

(iii) the unaudited interim report of the Issuer and its consolidated subsidiaries for the first quarter of 2013 (DSM press release 2 May 2013);

(iv) the unaudited interim report of the Issuer and its consolidated subsidiaries for the second quarter of 2013 (DSM press release 6 August 2013);

(v) the DSM press releases dated 4 March 2013 on the sale of its participation in DEXPlastomers JV to Borealis, dated 14 March 2013 on the proposed appointment of Mr. Dimitri de Vreeze to the Managing Board of Directors, dated 19 March 2013 on the acquisition of an innovative light trapping technology for solar modules, dated 8 April 2013 on the acquisition of Tortuga, dated 3 May 2013 on the results of the Annual General Meeting of Shareholders, dated 7 May 2013 on the acquisition of a 19% interest in Andre Pectin (China), dated 1 July 2013 on the acquisition of Unitech (NZ) and dated 2 July 2013 on the acquisition of the animal health premix business for feed mills in the Philippines from Bayer; and

(vi) the Articles of Association (*statuten*) of the Issuer,

save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The non-incorporated parts of the documents mentioned above are either not relevant for the investor or covered elsewhere in this Base Prospectus.

The Issuer will provide, without charge, to each person, upon the written request or request by email of such person, a copy of any or all of the documents which are incorporated herein by reference. Requests for such documents can be sent to investor.relations@dsm.com or to the registered office of the Issuer at Het Overloon 1, 6411 TE Heerlen, The Netherlands for the attention of Investor Relations (+31 (45) 5782864)).

The Issuer will, in the event of a significant new factor, material mistake or inaccuracy relating to the information contained in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new prospectus for use in connection with any subsequent issue of Notes to be admitted to trading on an EEA regulated market or to be offered to the public in the EEA.

Documents Available

So long as this Base Prospectus is valid as described in Article 9 of the Prospective Directive (as implemented in the legislation of The Netherlands), copies of the following documents will, when published, be available free of charge from the Issuer. Written requests for such documents should be directed to the Issuer at Het Overloon 1, 6411 TE Heerlen, The Netherlands for the attention of Investor Relations:

(i) the 2011 and 2012 Integrated Annual Reports of the Issuer (in English), including the audited consolidated annual accounts of the Issuer and its consolidated subsidiaries in respect of the financial year ended 31 December 2011 and 31 December 2012 (according to International Financial Reporting Standards) and the auditors reports thereon;

(ii) the unaudited interim report of the Issuer and its consolidated subsidiaries for the first quarter of 2013 (DSM press release 2 May 2013);

(iii) the unaudited interim report of the Issuer and its consolidated subsidiaries for the second quarter of 2013 (DSM press release 6 August 2013);

(iv) the DSM press releases dated 4 March 2013 on the sale of its participation in DEXPlastomers JV to Borealis, dated 14 March 2013 on the proposed appointment of Mr. Dimitri de Vreeze to the Managing Board of Directors, dated 19 March 2013 on the acquisition of an innovative light trapping technology for solar modules, dated 8 April 2013 on the acquisition of Tortuga, dated 3 May 2013 on the results of the Annual General Meeting of Shareholders, dated 7 May 2013 on the acquisition of a 19% interest in Andre Pectin (China), dated 1 July 2013 on the acquisition of Unitech (NZ) and dated 2 July 2013 on the acquisition of the animal health premix business for feed mills in the Philippines from Bayer;

(v) the Articles of Association (*statuten*) of the Issuer, and the English translation of the Articles of Association of the Issuer;

(vi) a copy of this Base Prospectus;

(vii) each set of Final Terms in relation to any Notes publicly offered or listed on any stock exchange;

(viii) the Fiscal Agency Agreement (which contains the forms of the Temporary and Permanent Global Notes, the Definitive Notes, the Coupons and the Talons); and

(ix) any future supplements to this Base Prospectus and any other documents incorporated therein by reference.

Litigation

The Issuer is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or its consolidated subsidiaries.

No Significant or Material Adverse Change

There has been no significant change in the financial or trading position of the Issuer and the Group and no material adverse change in the prospects of the Issuer, in each case, since 31 December 2012.

Auditors

The financial statements of the Issuer for the financial years ended 31 December 2011 and 31 December 2012 have been audited by Ernst & Young Accountants LLP, Prof. Dr. Dorgelolaan 12, 5613 AM Eindhoven, The Netherlands, who have issued an unqualified opinion in each case. The auditors of Ernst & Young Accountants LLP are members of the Dutch Organisation of Accountants (*Nederlandse Beroepsorganisatie van Accountants*, the **"NBA"**). NBA is a member of International Federation of Accountants (IFAC).

Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

Applicants will be informed of the amount allotted by the intermediary banks through which they place their orders.

Programme Limit

For the purpose of calculating the aggregate amount of Notes issued under the Programme from time to time:

(i) the euro equivalent of Notes denominated in another Specified Currency (as specified in the applicable Final Terms in relation to the Notes) shall be determined, at the discretion of the Issuer, as of the date of agreement to issue such Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the euro against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading bank selected by the Issuer on such date; and

(ii) the amount (or, where applicable, the euro equivalent) of Notes issued at a discount or premium shall be calculated (in the case of Notes not denominated in euro, in the manner specified above) by reference to the net proceeds received by the Issuer for the relevant issue.

Third party information

Where information has been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information sourced from that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Responsibility Statement

The Issuer accepts responsibility for the information contained in this Base Prospectus and for information incorporated by reference herein. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

REGISTERED OFFICES

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