

Akzo Nobel (CPS) Pension Scheme

Recovery Plan relating to the 31 March 2020 actuarial valuation

Status

This recovery plan has been prepared by the Trustee of the Akzo Nobel (CPS) Pension Scheme (“the Scheme”) after considering the advice of Gareth Oxtoby FIA, the Actuary to the Scheme, following the completion of the 2020 actuarial valuation. The Trustee has discussed and agreed this document with the Principal Employer, Akzo Nobel UK Ltd (“the Company”).

This document is dated ____ September 2021.

The actuarial valuation of the Scheme as at 31 March 2020 revealed a funding shortfall (technical provisions minus value of assets) of £62 million.

Steps to be taken to ensure that the statutory funding objective is met

- 1 A payment of £26.1m which was paid by 31 March 2021.
- 2 An amount equal to the remaining Deficit Escrow Assets following the expected release of £20 million to Akzo Nobel UK Ltd (as set out in clause 4.3 of the Framework Agreement dated ____ September 2021 between Akzo Nobel UK Ltd, Akzo Nobel N.V. and the Trustee (the “Framework Agreement”) and subject to and in accordance with the terms and conditions of that Framework Agreement), if any, is expected to be paid to the Scheme on or after 31 March 2022, as set out in clause 10.7 of the Deed of Undertaking between the Trustee, the Company and the Northern Trust Company dated 1 February 2019 (the “**Deed of Undertaking**”), subject to and in accordance with the terms and conditions of that Deed of Undertaking, and as noted at clause 4.5 of the Framework Agreement.

The parties intend that cross-references to the Deed of Undertaking and the Framework Agreement will continue to operate notwithstanding any termination, invalidity or other ineffectiveness of the Deed of Undertaking or the Framework Agreement as between the parties to those documents.

- 3 The balance of the deficit revealed by the 31 March 2020 actuarial valuation will be assumed to be met by an allowance for investment outperformance relative to the liabilities over the period from 1 April 2020 to 30 September 2021.

Period in which the statutory funding objective should be met

The funding shortfall is expected to be eliminated by 30 September 2021. This expectation is based on the assumption that the technical provisions will be calculated according to the method and assumptions set out in the Statement of Funding Principles dated ____ September 2021 and the allowance for investment outperformance referred to above.

Signed on behalf of the Company

Signature:

Signature:

Print name:

Print name:

Position:

Position:

Date:

Date:

Signed on behalf of Akzo Nobel (CPS) Trustee Limited

Signature:

Print name:

Date: