

Heerlen, 13 April 2010

Dear Sir/Madam,

In its meeting of 30 March 2010 the PDN board made decisions about the granting of supplements for indexation of the pensions of pensioners, the pension entitlements of former members and the pension accrual of DSM employees, the so-called back service. With this letter we would like to inform you about these decisions.

Supplements ensure that the pensions of pensioners increase with rising prices. The back service is a supplement that ensures that the pensions so far accrued by employees increase in line with wage developments at DSM. Said supplements and back service can be granted only if the financial situation of the pension funds permits this. The board may decide to grant non-granted supplements at a later moment if the financial situation permits this.

The funding level is the main indicator of the pension fund's financial situation, and this level is one of the factors determining whether supplements can be granted. The PDN board has established that the funding level at year-end 2009 was 111%, which is higher than the so-called Minimum Regulatory Own Funds (this being 104.2% for PDN). In view of the foregoing, and taking into account the PDN regulations, the board has decided that the supplements and back service not granted in the past will as of 1 January 2010 again be granted, in their entirety or in part. We will therefore resume the practice of granting supplements and back service that was no longer possible in 2008.

The supplements granted are not the same for all groups, there being different rules for the various groups. The decisions made with regard to supplements and back service are as follows:

#### Pensioners

The PDN rules for pensioners stipulate that no supplements are possible if the funding level is lower than the Minimum Regulatory Own Funds (which is 104.2% for PDN). If the funding level is higher than the so-called Regulatory Own Funds (which is 114% for PDN), full indexation can in principle take place. If the funding level is between these limits, a partial supplement is possible.

Since the funding level on 31 December 2009 was 111%, the PDN board has decided that partial indexation will take place. This implies that pensioners will receive a 1% (catch-up) supplement with retrospective effect up to 1 January 2010. This is the part of the 1.91% supplement that was not granted in 2008 and that can now be granted in part. This 1% supplement will be paid for the first time at the end of May, inclusive of the arrears payment as of 1 January 2010.

At a later point in time the board may decide, if the financial situation at such time allows this, to also grant a supplement covering the remaining 0.91%. The same holds for the non-granted supplements in 2009 and 2010, relating to price rises of 1.44% and 0.69%, respectively.

#### Former members

The pension entitlements built up in the past by former members will be adjusted in the same way as the pensioner benefits (as explained above). As a consequence, they, too, will receive a 1% catch-up supplement as of 1 January 2010.

#### DSM employees

For employees the PDN rules stipulate that no back service is possible if the funding level is lower than the Minimum Regulatory Own Funds (104.2% for PDN). If the funding level is higher than 104.2%, full back service is possible.

Since the funding level on 31 December 2009 was 111%, the PDN board has decided that the 3.5% back service relating to the general wage increase in 2008, which was not granted as of 1 January 2009, will as yet be granted now.

For executives the equivalent, in so far as applicable, amounted to 2% at the time. In the relevant situations 2% back service will as yet be granted now.

There having been no general wage increase in 2009, therefore no back service is granted as of 1 January 2010.

The general wage increase by 2% effective 1 February 2010 does not result in back service this year. In conformity with the regulations, a decision about any back service for this general wage increase will not be taken by the board until early 2011.

#### No longer employed by DSM on or after 1 January 2009

Members who were employed by DSM on or after 1 January 2009 and left the company at a later date are also eligible for the 3.5% back service in connection with the general wage increase in 2008. This increase will be granted with effect from 1 January 2010.

The same holds for surviving relatives whose respective partners were employed by DSM on or after 1 January 2009 and died after that date.

Anyone qualifying for the 3.5% back service will not receive the 1% catch-up supplement as of 1 January 2010, while they are also not eligible for the 0.91% (catch-up) supplement, either, should this later be granted.

#### Pre-pension/early pension and voluntary pension saving

The interest rate on the pre-pension/early pension capital, the pre-pension saving balance and the voluntary pension saving (VPS) balance for the period from 1 July 2010 to 1 July 2011 has been set at 0%. This rate is determined on the basis of the overall return on investments over the past year. Although this return amounted to 16.9%, this is 1.9% too low to compensate for the negative result of the preceding year (-18.8%). As a consequence, the pre-pension benefits in payment will not be increased as of 1 January 2011, either.

Please note that the above-mentioned decisions about (catch-up) supplements have not yet been processed in the 2010 Uniform Pension Statements sent out in the course of April.

We trust that the above information on indexation and back service meets your needs.

With kind regards,  
On behalf of the board of PDN,

Jos L. Schneiders  
Chairman

John van Engelen  
Deputy Chairman