

AkzoNobel N.V.
Attn. Board of Management and Supervisory Board
Christian Neefestraat 2
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By e-mail only: investor.relations@akzonobel.com

The Hague, 1 June 2026

Subject: Proposed merger with Axalta and rejection of unsolicited acquisition proposals

Dear members of the Board of Management and Supervisory Board,

Following the AkzoNobel N.V. (“**AkzoNobel**” or the “**Company**”) press release of 27 May 2026 (“the **Press Release**”) as well as the publication of the Form F-4 registration statement dated 27 May 2026 (“**Form F-4**”) relating to the proposed merger between AkzoNobel N.V. and Axalta Coating Systems Ltd. (“**Axalta**”), European Investors-VEB (“**VEB**”) would like to address several questions to the Company.

The Form F-4 provides shareholders with extensive information regarding the background to the proposed merger and reveals that AkzoNobel received two unsolicited joint proposals ‘from Party A and Party B’. In its Press Release AkzoNobel confirmed that these unsolicited, indicative proposals were made by Nippon Paint Holdings Co. (“**Nippon Paint**”) and The Sherwin-Williams Company (“**Sherwin-Williams**”), culminating in a revised joint proposal of EUR 73 per share in cash (the “**Joint Proposal**”).

Since publication of the filing, numerous investors have contacted us with questions regarding the Boards’ assessment of these proposals, the rationale for rejecting them, and the conclusion that the proposed merger with Axalta creates greater value for shareholders than an all-cash offer at a significant premium to the Company’s closing share price on Tuesday 26 May 2026.

The Supervisory Board bears a particular responsibility in safeguarding the integrity of the decision-making process and ensuring that all shareholders are treated fairly when evaluating competing strategic alternatives. This responsibility is especially important where shareholders are effectively asked to forego an immediate and certain cash premium in favour of the recommended merger of Axalta and AkzoNobel, a transaction whose benefits depend on future execution, integration and synergy realisation.

European Investors-VEB

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In anticipation of the forthcoming shareholder vote, VEB would appreciate the Company's response to the following questions as this is highly relevant for shareholders' assessment of the recommended merger vis-à-vis the joint proposal, as well as other scenarios.

Fundamental value proposition

1. AkzoNobel concluded that the proposed merger with Axalta offers superior value creation compared with the revised EUR 73 per share cash proposal submitted by Nippon Paint and Sherwin-Williams.

- a. In its Press Release, AkzoNobel states *'that the indicative offer price did not come close to adequately reflecting the value of AkzoNobel and its long-term prospects'*.

Can the Boards explain in detail the valuation framework used to conclude that the recommended Axalta transaction is superior, and disclose the implied value per AkzoNobel share under its base case, upside case and downside case assumptions?

- b. If the Boards genuinely believe that the proposal represented a substantial undervaluation of AkzoNobel, what magnitude of undervaluation do they believe existed, and within what timeframe do they expect management to eliminate that gap? If such a significant valuation disconnect exists, why should shareholders accept annual incentive payments before that value has been demonstrably realised?
 - c. Why do the Boards believe that shareholders are better off foregoing a certain cash value of EUR 73 per share today in exchange for an uncertain future value dependent on integration, synergy delivery and execution?
2. The market reacted to the disclosure of the EUR 73 proposal by adding several billion euros to AkzoNobel's market value in a single day.

Do the Boards believe the market is materially overestimating the value of the proposal, materially underestimating the value of the Axalta merger, or both? Please explain.

3. What probability weighting did the Boards assign to successful synergy realisation and what discount rate was applied to reflect the execution risks associated with a complex cross-border merger? Were these assumptions reviewed by an independent adviser and, if so, can the Company disclose the key conclusions?

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Process and consideration of alternatives

4. In the Form F-4 a background of the proposed transaction with Axalta is provided. This sequence of events, however, almost exclusively relates to Axalta's review of potential strategic alternatives to improve Axalta's business and create long-term shareholder value.

AkzoNobel's assessment of its own strategy and potential strategic opportunities is only briefly addressed.

Prior to signing the merger agreement with Axalta, did the Company perform an analysis of potential strategic alternatives, including whether other strategic or financial parties could offer superior value to AkzoNobel shareholders?

5. AkzoNobel has stated that the Joint Proposal provided insufficient deal certainty in relation to regulatory clearances and the proposed separation of the business between Nippon Paint and Sherwin-Williams.

Can the Boards explain what analysis was undertaken to assess these regulatory and antitrust risks? In particular, did the Company obtain any external legal or economic advice regarding the likelihood of obtaining the required regulatory approvals and, if so, what were the principal conclusions of that assessment?

6. Before rejecting the revised Joint Proposal, did the Boards assess whether further engagement or negotiations with the bidders could reasonably be expected to result in a Superior Proposal under the merger agreement, and what specific considerations led the Boards to conclude that further engagement was not warranted?

In that context, did the Company indicate to the bidders any valuation range, transaction terms or conditions that could have justified further engagement?

If not, how can shareholders be confident that the Boards fully tested the bidders' willingness and ability to improve their proposal?

Governance and potential conflicts of interest

7. The proposed merger would leave substantial elements of the current leadership structure in place, including the continuation of senior management roles within the combined company.
 - a. How does the Supervisory Board address concerns that executive directors and other management may have had incentives that were not fully aligned with shareholders when comparing the Axalta merger with a cash acquisition proposal?

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- b. Can the Supervisory Board explain how the anticipated remuneration and incentive structure for senior management in the combined company compares with the current arrangements at AkzoNobel?

To what extent were these prospective remuneration arrangements taken into account when evaluating the Axalta merger against the unsolicited acquisition proposals, and how did the Supervisory Board satisfy itself that they did not influence management's assessment of shareholder value?

- c. Did the Supervisory Board obtain any independent advice specifically addressing potential conflicts of interest arising from the comparison between the Axalta merger and the unsolicited acquisition proposals?
8. What safeguards were implemented by the Supervisory Board to ensure that the interests of minority shareholders were fully protected throughout the evaluation process?
9. To what extent were future management positions, compensation arrangements, retention agreements and governance structures of the combined company considered during the Boards' deliberations?

Merger terms and ownership allocation

10. The Form F-4 indicates that negotiations between AkzoNobel and Axalta repeatedly focused on ownership percentages, valuation differences and relative contributions of both companies.

Can the Company explain why the final ownership structure represents fair value for AkzoNobel shareholders and disclose the principal ownership alternatives considered during negotiations?

11. The Form F-4 further suggests that AkzoNobel initially maintained that it deserved a premium relative to Axalta because of differences in valuation multiples and business quality.

How are AkzoNobel shareholders compensated for relinquishing that premium in the final transaction structure?

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Shareholder choice

12. Given the substantial premium represented by the revised proposal from Nippon Paint and Sherwin-Williams, why did the Boards conclude that shareholders should not be given the opportunity to determine for themselves whether that proposal represented a superior alternative to the Axalta transaction?

We appreciate your attention to these questions and look forward to receiving your reply within ten business days. We remain available for any further engagement, if so desired.

We intend to publish this letter on our website so that all shareholders may take note of the information provided.

Yours sincerely,

European Investors - VEB

Gerben Everts

Executive Director

European Investors-VEB

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