



Corporate Governance Statement Annual Report 2009

This corporate governance statement contains the information regarding corporate governance pursuant to the Dutch governmental decree of 23 December 2004 establishing further instructions concerning the content of the annual report (Besluit 23 december 2004 tot vaststelling van nadere voorschriften omtrent de inhoud van het jaarverslag, Staatsblad 2004, 747) as amended in April 2009 (Staatsblad 2009, 154) and in December 2009 (Staatsblad 2009, 545). This statement is deemed to form part of the CSM Annual Report 2009.

The information included in this corporate governance statement pursuant to articles 3, 3a and 3b of the abovementioned decree can be found, where applicable, in the Annual Report, in the Remuneration Report or in the Articles of Association, all of which are published on the CSM website (www.csmglobal.com).

I. Compliance with the Corporate Governance Code.

General

CSM endorses the importance of good corporate governance and the principle of the Dutch corporate governance code of 2008 (the “Code”), namely that a company is a long-term partnership between various parties related to the company. Corporate management bears overall responsibility for balancing the interests of these parties, mostly with the aim of ensuring continuity of the company. At the same time, CSM aims to create value for its shareholders in the longer term. CSM is committed to embedding the Code firmly in the company, thereby according a central place to the core concepts of good business practices, integrity, openness, and transparent and well-supervised management. The text of the Code can be consulted on the following website: www.commissiecorporategovernance.nl.

Main Features of Corporate Governance

In accordance with the Code, CSM's Annual Report contains a section describing the main features of its corporate governance structure and compliance with the Code. Any departures from the best practices are explained. Important changes in the corporate governance structure are presented to the General Shareholders Meeting for discussion. Our corporate governance policy, including the relevant regulations and reports, can be consulted on the CSM website.

With the exception of the deviations set forth in the next paragraph CSM endorses and adheres to the principles and best practices of the Code.

Deviations from the Dutch Corporate Governance Code

CSM departs from the provisions of the Code with regard to (a) the severance arrangements in the event of non-voluntary resignation by members of the Board of Management and (b) the possible financing of income tax on vested shares under the share plan by selling part of the vested shares.

A severance pay arrangement has been agreed with the members of the Board of Management. This severance pay deviates from provision II.2.7 of the Code. This deviation originates from the time of the appointment of Mr Hoetmer in 2005, enabling CSM to offer him a competitive package of employment conditions. The same severance pay arrangement was offered to the members of the Board of Management appointed shortly after Mr Hoetmer. The agreed severance pay can amount to a maximum of 1.5 times the sum of the annual base salary and the most recently determined short-term incentive. In addition, contributions to the base pension plan and the Commitment Award will be paid for a further two years.

New appointments to the Board of Management will be treated in accordance with the practice of good governance and regulations in force at the time of the appointment.

There are two other situations in which CSM departs from the Code.

The members of the Supervisory Board and the Board of Management are appointed by the General Shareholders Meeting on the basis of nominations by the Supervisory Board. The CSM Articles of Association state that the General Shareholders Meeting can overrule any such nomination by an absolute majority of the votes cast, provided the said majority represents at least 1/3 of the issued capital. In contrast with the Code, no second meeting will be convened if there is no quorum, as a second meeting is not required by law.

The General Shareholders Meeting may decide to suspend or dismiss a member of the Board of Management or the Supervisory Board by an absolute majority of the votes cast, provided the said majority represents at least 1/3 of the issued capital. This quorum requirement does not apply if the proposal for suspension or dismissal is submitted by the Supervisory Board. In contrast with the Code, no second meeting will be convened if there is no quorum, as a second meeting is not required by law.

II. Risk management and control systems

Risk Management Approach

The approach to risk management is aligned with the Enterprise Risk Management framework of the Committee of Sponsoring Organisations of the Treadway Commission (COSO – ERM), which aims to achieve a reasonable level of assurance. Our risk management approach is aimed at embedding risk awareness and risk management at all levels of CSM to ensure that risk decisions are taken and evaluated consciously and properly. The risk management approach covers Strategic/Market, Operational and Financial/Compliance risks and can be illustrated as follows:



Driven by CSM Corporate in 2009 bi-annual risk management workshops were held to identify the critical risks for all Business Units. Action plans to mitigate the risks are/will be developed and the progress of the risk mitigation actions will be followed periodically. Risks are being discussed on an ongoing basis during quarterly meetings between the Business Units and the Board of Management.

In 2009 an updated crisis manual was introduced. The crisis manual provides measures for effectively handling and managing any type of crisis. All companies are in the process of implementing the crisis manual.

Insurance

Insurance is an integral part of our risk management approach as it is an instrument to manage the financial consequences of risks. The choice to obtain external insurance cover depends on the cost efficiency of the instrument. The coverage of insurances is monitored and benchmarked regularly.

Control Measures

In order to prevent risks from occurring and to mitigate the effect of the risks if they occur, CSM has a number of control measures in place, details of which are explained below.

Entity-Wide Controls

Our entity-wide controls are not limited to those outlined in this section; in this section various examples of policies and procedures can be found which are implemented by local operating companies.

Legal and Regulatory Review

Local management is responsible for compliance. Corporate Legal is consulted by local management on various occasions. Regularly and formally every six months local management reports legal issues exceeding €100,000 to Corporate Legal and Corporate Finance.



Fraud prevention & Code of Conduct

CSM has a continuous focus on fraud prevention which is supported by the distribution of the “Good to know on Fraud!” booklet to management throughout CSM. The booklet, comprising the Code of Conduct, is also available on our intranet to all our employees. This publication creates awareness and provides examples of how to identify and respond to fraud. The Code of Conduct can be found on our website.

Whistleblower Procedure

A Whistleblower Policy and reporting system are in place to enable our employees to report potential integrity issues or violations of our Code of Conduct. During 2009 seven minor cases were reported. Each of these cases has been followed up by CIAS (Corporate Internal Audit Services) and where necessary, appropriate measures and or actions have been taken by management. The whistleblower cases including follow up are reported to the Audit Committee.

Letter of Representation

Every six months Managing Directors and Finance Directors of each reporting entity and, where applicable, other senior staff provide a Letter of Representation to the Board of Management. This letter represents compliance with financial reporting and internal controls.

Global Control Framework

As CSM operates worldwide we take the stand that we have to maintain and achieve high quality reliable financial reporting and a sound control environment. Since 2006 we have been working on the implementation of a financial control framework. In the initial phase all entities documented their internal controls on financial reporting. Since 2008 a software solution enables maintenance of the internal control documentation as well as self-assessments of operational effectiveness, reviews and audits.

All reporting entities assess operational effectiveness of their financial closing and reporting processes, at mid-year and end-of-year, confirming compliance with the relevant guidelines and IFRS. Together with the Letters of Representation this ensures the integrity of our financial reporting. During 2009 our main entities performed an assessment of the operational effectiveness of their key financial process controls. The assessments have been audited by the internal and external auditors.

The scope of our Information Security policy is fully aligned with the ISO 27002 standard and also meets our financial reporting requirements. In 2009 all entities performed assessments with the guidance to prioritize their improvements actions on nine key risk areas ranging from information system continuity to disaster recovery, and from user management to adequate design of roles and responsibilities in our application systems.

Based on the outcome of the assessments and progress made in the key risk areas we concluded that our IT security position is adequate. However, we will continue to make further improvements.



Monitoring and Audits

Business Planning, Budgeting & Management Review

Based on the CSM strategy and strategic plans, divisional targets are set for the annual budget process. After determining the divisional budgets they are rolled out to the business units, operating companies and operational levels. Quarterly updated estimates are made based on a six-quarter rolling forecast. The divisions monitor business performance on a periodic basis using a defined set of critical performance indicators and periodic divisional reviews of actual results, and by visiting local entities frequently.

Operational management meets at least once a month to discuss the strategy and related risks, the actual performance versus budget, and other significant matters.

The Board of Management meets at least once a month, has a bi-weekly conference call, and reviews the divisional businesses on a quarterly basis. Next to this, members of the Board of Management regularly visit to our main local business operations.

Internal Audit

The objective of CIAS (Corporate Internal Audit Services) is to provide a broad range of audit services designed to help CSM meet its objectives. CIAS evaluates risks and ensures that the controls in place are adequate to mitigate those risks. Next to the “assurance role” the second role of CIAS is to provide value to the business of CSM through tailor-made operational audits, identifying best practices and indicating improvement opportunities to business management.

Internal Audit at CSM is based on co-source: a small department in combination with external parties, providing specialised knowledge and flexibility. In 2009 35 audits were performed and reported on. The focus of CIAS is evenly spread over the following areas:

compliance of the operating companies with the Global Control Framework;

value-added audits (focused on business processes);

special projects (due diligence, post mortems, fraud prevention and others).

Audit results are reported to the Board of Management and discussed with the Audit Committee.

External Audit

Our external financial audit engagement ensures that all main entities are audited by the external auditor either for statutory and/or group purposes. The focus of the external auditor's work is the financial reporting with the objective of providing a reasonable basis for the audit opinion on the fairness of the presentation of the financial position.

Management Representation

CSM's risk management and internal control system are designed to identify in a timely manner the risks inherent to our strategic, operational and financial business objectives and to determine appropriate risk responses as generally described above. Risk management and actions taken in the year under review were reported to and discussed in the Supervisory Board and Audit Committee.

Internal representations received from management, regular management reviews, reviews of the design and implementation of our risk management and internal control systems, and reviews in business and the Audit Committee are an integral part of the company's risk management approach.

III. Shareholders meeting

Structure

CSM nv is an international holding company as understood by Section 153, subsection 3 paragraph b, of Book 2 of the Dutch Civil Code. The "large company" regime therefore does not apply at the level of CSM nv.

The main powers of the General Meeting of Shareholders relate to:

- the appointment, suspension and dismissal of members of the Board of Management and Supervisory Board;
- approval of the remuneration policy of the Board of Management;
- approval of the remuneration of the Supervisory Board;
- the adoption of the annual financial statements and declaration of dividends;
- release from liability of the members of the Board of Management and Supervisory Board;
- issuance of shares or rights to shares, restriction or exclusion of pre-emptive rights of shareholders and repurchase or cancellation of shares;
- amendments to the Articles of Association;
- decisions of the Board of Management that would entail a significant change in the identity or character of CSM or its business.

The annual General Shareholders Meeting will be held within six months of the close of the financial year. At this meeting the Annual Report and Financial Statements drawn up by the Board of Management will be presented for adoption, amongst other things.

If requests are received from shareholders who individually or collectively represent one percent (1%) of the issued capital or at least €50 million of market capitalization, to place items on the General Shareholders Meeting agenda, these will be honored provided they are submitted to CSM at least 45 days prior to the date of the meeting, unless such items are deemed incompatible with important company interests.

Extraordinary General Shareholders Meetings will be held as often as the Board of Management and Supervisory Board so desire. An extraordinary General Shareholders Meeting must also be held if one or more shareholders who collectively represent at least 1/10 of the issued capital submit a written request to this effect to the Board of Management or the Supervisory Board enclosing a detailed list of agenda items.

If neither the Board of Management nor the Supervisory Board – which have equal powers in this matter – responds in such a way that this extraordinary General Shareholders Meeting can be



convened within six weeks of the request, the applicants are at liberty to convene the meeting themselves and appoint a Chairman.

Common shares in CSM are listed on Euronext Amsterdam. The financing preference shares are not listed. No restrictions apply for the transfer of shares. If a shareholder or group of shareholders acquires 30% or more of the share capital, the said shareholder or group of shareholders is required by law to make an offer for the entire outstanding capital.

Shareholders have voting rights in proportion to the number of shares held.

With the exception of cases in which a larger majority is required by law or the Articles of Association, decisions at the General Shareholders Meeting will be taken by an absolute majority of the votes cast.

The members of the Supervisory Board and the Board of Management are appointed by the General Shareholders Meeting on the basis of nominations by the Supervisory Board. The CSM Articles of Association state that the General Shareholders Meeting can overrule any such nomination by an absolute majority of the votes cast, provided the said majority represents at least 1/3 of the issued capital. In contrast with the Code, no second meeting will be convened if there is no quorum, as a second meeting is not required by law.

The General Shareholders Meeting may decide to suspend or dismiss a member of the Board of Management or the Supervisory Board by an absolute majority of the votes cast, provided the said majority represents at least 1/3 of the issued capital. This quorum requirement does not apply if the proposal for suspension or dismissal is submitted by the Supervisory Board.

Decisions to amend the Articles of Association and/or dissolve the company may only be taken at a General Shareholders Meeting in which at least 2/3 of the issued capital is represented and by a majority of at least 3/4 of the votes cast, unless the proposal has been submitted by all incumbent members of the Board of Management with the collective approval of all incumbent members of the Supervisory Board, in which case the decision may be taken by an absolute majority of votes, regardless of the represented capital.

General Shareholders Meeting held in 2009

On 22 April 2009 the Annual General Shareholders Meeting was held.

The agenda with explanatory notes and the 2008 annual report were sent free of charge to shareholders requesting so. They were also available at the offices of CSM and the Royal Bank of Scotland and on the website of CSM.

In accordance with the Articles of Association, a registration date for the exercise of voting rights was determined.

All shares, both common and financing preference shares carry equal voting rights at the General Meeting of Shareholders. Votes may be cast directly, through a proxy or by voting instructions via internet through the website of the Royal Bank of Scotland (www.rbs.com/evoting).

The Articles of Association do not provide the possibility to issue depository shares (“certificaten”). During the Shareholders Meeting of 22 April 2009, a total of 35.803.091 common shares and 2.983.794 financing preference shares were represented.

The attendance rate to this meeting was 59.81%.

The Dutch version of the minutes was available as a draft on the website within the requisite time of three months. No comments on the draft were received and the minutes were adopted.

The following resolutions were adopted by the Shareholders Meeting of 22 April 2009:

1. Adoption of the financial statements 2008.
2. Determination of the dividend on common shares of €0.88 per share of which 50% in cash and 50% in stock. The determination of the statutory dividend on financing preference shares.
3. Discharge of the Board of Management in respect of its management duties.
4. Discharge of the Supervisory Board in respect of its supervisory duties.
5. Appointment of Mr. G.J. Hoetmer as member of the Board of Management for a new four year term as of 22 April 2009.
6. Authorization of the Board of Management to issue shares:

It was agreed to

A. extend the period during which the Board of Management is authorized to issue ordinary shares, which includes the granting of rights to take up ordinary shares as provided for in Article 5 of the Articles of Association, to a date 18 months from the date of this Shareholders Meeting (i.e. up to and including 22 October 2010) on the understanding that this authorization of the Board of Management – in conjunction with decision C – is limited to 10% of the total number of shares outstanding as at the date of the decision to issue shares. This percentage may be increased to 20% in the event of mergers and acquisitions.

B. extend the period during which the Board of Management is authorized to restrict or exclude the statutory pre-emptive rights when issuing ordinary shares, including the granting of rights to take up ordinary shares as provided for in Article 5 of the Articles of Association, to a date 18 months from the date of this Shareholders Meeting (i.e. up to and including 22 October 2010).

C. to extend the period during which the Board of Management is authorized to issue cumulative financing preference shares as provided for in Article 5 of the Articles of Association, to a date 18 months from the date of this Shareholders Meeting (i.e. up to and including 22 October 2010) on the understanding that this authorization of the Board of Management – in conjunction with decision A – is limited to 10% of the total number of shares outstanding as at the date of the decision to issue shares. This percentage may be increased to 20% in the event of mergers and acquisitions.

7. Authorization of the Board of Management to acquire shares in the share capital of the Company on behalf of the Company.

It was agreed that the Board of Management is authorized for a period of 18 months, starting from 22 April 2009 and subject to the approval of the Supervisory Board to acquire on behalf of the Company, within the confines of the law and the Articles of Association: Paid-up ordinary shares in the Company at a price which is at least €0.01 and which is not higher than the market price incremented by 10%. The market price will be the average of the highest price per share as published in the Official Stock Exchange List (the Officiële Pijscourant) of Euronext Amsterdam on each of the five trading days preceding the date of acquisition, and

Paid-up cumulative financing preference shares in the Company at a price which is equal to the amount to be paid – in accordance with the Articles of Association at force.

8. Reappointment of Deloitte Accounts B.V. as the Auditor responsible for auditing the financial statements of CSM nv.

IV. Board of Management

Composition of the Board of Management

The Board of Management consists of two or more members to be determined by the Supervisory Board.

The current members of the Board of Management are:

G.J. Hoetmer (1956), Chief Executive Officer

Nationality : Dutch
 Previous position : Senior Vice President Supply Chain Unilever Foods, member of Unilever Foods Executive, Leader of Unilever's global overheads and organization restructuring
 Additional position : Chairman Spieren voor Spieren Foundation
 First appointed in : May 2005

N.J.M. Kramer (1959), Chief Financial Officer

Nationality : Dutch
 Previous position : (Interim) Director Finance Vroom & Dreesmann, CFO and member of the Executive Board Koninklijke Wessanen NV
 First appointed in : April 2006

R.P. Plantenberg (1951), member of the Board of Management, division director Bakery Supplies North America

Nationality : Dutch
 Previous position : Managing Director Mora Group Unilever
 First appointed in : April 2006



Since 2005, members of the Board of Management are appointed for a maximum period of four years. Mr. Gerard Hoetmer has been reappointed as member of the Board of Management by the General Shareholders Meeting of 22 April 2009.

Functioning Board of Management

The Board of Management develops the objectives and the strategy and implements the strategic and operational policy of the company. The independent Supervisory Board supervises and advises the Board of Management. For certain decisions the Board of Management requires the prior approval of the Supervisory Board as set forth in article 12 of the Articles of Association of the Company, which can be found on the Company's website.

The members of the Board of Management are collectively responsible for the management of the Company. Notwithstanding their collective responsibility within the Board of Management, certain tasks and responsibilities for business clusters, functional areas and regional responsibilities have been assigned to individual members.

Remuneration Board of Management

The remuneration of the Board of Management is determined by the Supervisory Board based on the remuneration policy approved by the General Meeting of Shareholders.

The remuneration policy is set out in the Section "Remuneration Policy" in the Annual Report. A full remuneration report is published on the CSM website.

Conflicts of interest

As part of the terms of their employment contract, the members of the Board of Management have undertaken not to compete with the CSM activities. CSM's Code of Conduct prevents employees, management and directors to accept gifts of commercial value for themselves or their relatives, to provide advantages to third parties to the detriment of CSM or to take advantage of business opportunities to which CSM is entitled. None of the members of the Board of Management is supplier of goods or, except as is necessary for the performance of their job, of services to CSM or its subsidiaries. During the year under review, no conflicts of interest were reported between members of the Board of Management and CSM or its subsidiaries.

V. Supervisory Board

Composition of the Supervisory Board:

The Supervisory Board consist of at least three members.

Members fo the Supervisory Board are appointed for a maximum of three four-year terms.



The current members of the Supervisory Board are:

P. Bouw (1941), Chairman

Nationality : Dutch
Previous position : President, KLM N.V.
Supervisory directorship : Nuon N.V.
Additional positions : Chairman Supervisory Board VU Windesheim/
VU Medisch Centrum
Chairman Bank Council
Board member of various Foundations
First appointed in : 1999
Current term of office : 2007 - 2011

M.P.M. de Raad (1945), Vice-Chairman

Nationality : Dutch
Previous positions : Member Board of Management Koninklijke Ahold N.V.
Member Board of Management Metro AG
Chairman Board SHV Makro N.V.
Member Board SHV Holdings N.V.
Supervisory directorships : HAL Holding N.V.
Metro AG Düsseldorf
Vion Holding N.V.
Vollenhoven Olie Groep B.V.
TiasNimbas Business School, University of Tilburg
Chairman Supervisory Board Jeroen Bosch Hospital
First appointed in : 2004
Current term of office : 2008 - 2012

Ms Prof. L.A.A. Baroness Van den Berghe (1951)

Nationality : Belgian
Current positions : Professor at the University of Gent
Partner Vlerick Leuven Gent Management School
Executive Director GUBERNA Belgium
Supervisory directorships : Belgacom
Electrabel
SHV Holdings N.V.
First appointed in : 1998
Current term of office : 2006 - 2010



In addition, certain (material) decisions of the Board of Management, as specified in the law, in the Articles of Association and in the Supervisory Board rules, are also subject to the prior agreement of the Supervisory Board. The rules of the Supervisory Board as basis for its own functioning and for its relationship with the Board of Management can be found on CSM's website.

Company Secretary

The Supervisory Board receives support from Mr. J.W.E. van der Klaauw, Company Secretary, also Director Legal and General Affairs of CSM.

Committees of the Supervisory Board

Audit Committee

The members of the Audit Committee are Mr R. Pieterse (Chairman), Ms L.A.A. van den Berghe and Mr W. Spinner.

In 2009 the Audit Committee met six times in the presence of the CFO, the internal and external auditors, the Director Financial Accounting and the Director Internal Control. The agenda at these meetings covered, amongst others, the annual and half-year figures, the interim management statements, the operation of the internal risk management and control systems, the code of conduct, evaluation of the audit committee itself, working capital control, impairments, tax matters, treasury, information technology developments and the reports of the internal and external auditors.

Nomination Committee

The Nomination Committee, consisting of Messrs P. Bouw (Chairman), M.P.M. de Raad and W. Spinner has met formally and informally a number of times in 2009. Topics discussed at these meetings covered the composition of the Supervisory Board and the Board of Management, and relevant succession issues.

Remuneration Committee

The Remuneration Committee, consisting of Messrs M.P.M. de Raad (Chairman), P. Bouw and W. Spinner, met three times in 2009. It discussed the allocated remuneration (fixed and variable) for the members of the Board of Management, the level of achievement of the 2008 targets for the members of the Board of Management, the progress of the 2009 targets, and the target setting for 2010. The Committee also looked at the remuneration structure in general. For 2010 onwards a number of specific items will be adapted to further approach competitive levels and to bring the policy in line with the updated Corporate Governance Code. This will be an agenda item for the General Shareholders Meeting to be held in April 2010.

Remuneration for the Supervisory Board

The Supervisory Board members receive a remuneration which is not dependent on the profit of CSM, which remuneration is determined by the General Shareholders Meeting.

The remuneration policy is set out in the Section "Remuneration Policy" in the Annual Report. A full remuneration report is published on the CSM website.



No loans or advance payments or any guarantees to that effect have been granted to the members of the Supervisory Board. None of the members of the Supervisory Board has shares in the company or any option rights relating thereto (as at 23 February 2010).

VI. Required information Article 10 Directive 2004/25

With regard to the information referred to in the Resolution of article 10 of the EU Directive pertaining to a takeover bid which is required to be provided according to Dutch law, the following can be reported:

The capital structure of the company

CSM nv is an international holding company as understood by Section 153, subsection 3 paragraph b, of Book 2 of the Dutch Civil Code. The “large company” regime therefore does not apply at the level of CSM nv.

Common shares in CSM are listed on Euronext Amsterdam. The financing preference shares are not listed. No restrictions apply for the transfer of shares. If a shareholder or group of shareholders acquires 30% or more of the share capital, the said shareholder or group of shareholders is required by law to make an offer for the entire outstanding capital.

As at 31 December 2009 64,977,416 common shares of €0.25 each and 2,983,794 financing preference shares of €0.25 each had been issued, including 149,334 common shares held by CSM.

There are no special statutory rights related to the shares of the Company with the understanding that regarding dividends, if possible, a dividend shall first be paid from the profit recorded in the adopted financial statements on each cumulative financing preference share in a specific series. This dividend shall be equal to a percentage calculated on the basis of the amount paid on the cumulative financing preference shares. If the profit is insufficient the dividend on the cumulative financing preference shares shall be paid from the company reserves, with the exception of the reserves which were formed as share premium reserve upon the issue of the cumulative financing preference shares. If the dividend cannot be paid from the company reserves, it shall be paid in arrear in the subsequent financial years.

Major Holdings

Under the Listed Companies Disclosure Act of 2006, the following notifications of capital interest in CSM as at 31 December 2009 had been reported:

▪ Fortis N.V.	6.68%
▪ Franklin Mutual Series Fund Inc.	10.4%*
▪ ING Groep N.V.	5.37%
▪ Lansdowne Partners Limited	9.79%

As at 23 February 2010 CSM nv has a capital interest of 0.2%.



* As per 11 February 2010 Franklin Mutual Series Fund Inc notified a reduction of its capital interest to 9.95%.

Restrictions on the transfer of securities and on voting rights

Common shares in CSM are listed on Euronext Amsterdam. The financing preference shares are not listed. No restrictions apply for the transfer of shares.

There are no restrictions on the voting rights on the Company's shares.

Shareholders have voting rights in proportion to the number of shares held and there are no restrictions on the voting rights on the company's shares. When convening a General Meeting of Shareholders the Board of Management is entitled to determine a registration date in accordance with the relevant provisions of the Dutch Civil Code.

The rules governing the appointment and dismissal of board members and the amendment of the articles of association

The members of the Board of Management and the Supervisory Board will be appointed by the General Shareholders Meeting on the basis of nominations by the Supervisory Board. The General Shareholders Meeting can reject the nominations by an absolute majority of votes, provided this majority represents at least 1/3 of the issued capital. Members of the Board of Management are appointed, suspended and dismissed by the Supervisory Board.

Resolutions to amend the provisions in these Articles of Association and to wind up the Company may be passed only by a General Shareholders Meeting at which at least two-thirds of the issued capital is represented and by a majority of at least three-quarters of the votes cast. If however a proposal for a resolution as referred to in the preceding sentence is made jointly by all the members of the Board of Management in office and if such proposal is put to the General Shareholders Meeting with the joint approval of all the Supervisory Board members in office, the said resolution may be passed by an absolute majority of the votes cast, irrespective of the capital represented.

When a proposal to amend the Articles of Association is made, such proposal must always be mentioned in the notice convening the General Shareholders Meeting; a copy of the proposal, containing the exact wording of the amendment(s), must be deposited for perusal by any holder of participation rights at the Company's office from the time of the convening of the meeting until the time of the end of the meeting, and a free copy of the said proposal must be obtainable by any holder of participation rights at the Company's office; mention must be made of such deposit in the notice convening the meeting.

Amendments to the Articles of Association that entail changes to the rights granted to the holders of financing preference shares from one or more specific series must first be approved by the meeting of holders of such series (whether one or more) of financing preference shares.



The rules on the issuing and the repurchasing of shares by the company; significant agreements to which the company is a party and which contain change of control rights except where their nature is such that their disclosure would be seriously prejudicial to the company)

The powers of the Board of Management relating to the issue of shares of the company are set out in article 5 of the Articles of Association and those relating to the acquisition by the company of shares in its own capital are set out in article 5.14 of the Articles of Association.

CSM has two credit facilities. These facilities are described in the Financial Statements. The terms of the credit facilities include a "change of control" clause. Change of control means (1) the holding by a third party of more than half of the issued share capital or (2) "acting in concert" meaning a group of persons who, pursuant to an agreement, or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them, either directly or indirectly, of shares, to obtain or consolidate control of CSM.

In case of such a "change of control" the lenders are entitled to demand immediate repayment of the loans.

Agreements between the company and its board members or employees providing for a "golden parachute"

CSM has no agreements with its board members or employees providing for a "golden parachute".

23 February 2010