

## **AGENDA FOR THE GENERAL MEETING OF SHAREHOLDERS OF ROYAL TEN CATE**

- 1. Opening of the meeting**
- 2. Announcements**
- 3. Discussion of the 2009 annual report**  
(for discussion)
- 4. 2009 financial statements and appropriation of profit**
  - a. Adoption of the 2009 financial statements (for decision)
  - b. Adoption of the appropriation of profit (for decision)
- 5. Granting of discharge to members of the Executive Board and the Supervisory Board**
  - a. Discharge of members of the Executive Board (for decision)
  - b. Discharge of members of the Supervisory Board (for decision)
- 6. Corporate Governance Code**  
(for discussion)
- 7. Composition of the Supervisory Board**
  - a. Notification of vacancies on the Supervisory Board  
(for discussion)
  - b. Opportunity for the General Meeting to make recommendations  
(for decision)
  - c. Notification by the Supervisory Board of the persons nominated  
for (re)appointment (for discussion)
  - d. Proposal to appoint the persons nominated by the Supervisory  
Board (for decision)
- 8. Composition of the Executive Board**  
(for decision)
- 9. Authorisation to repurchase own shares (for decision)**
- 10. Delegation of authority to issue shares and limit the pre-emptive right**
  - a. Extension of the assignment of authority to issue shares  
(for decision)
  - b. Extension of the assignment of authority to limit  
the pre-emptive right (for decision)
- 11. Appointment of auditor (for decision)**
- 12. Any other business**
- 13. Close of the meeting**

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### **Agenda for the General Meeting of Shareholders of Royal Ten Cate**

to be held at 2 pm on 8 April 2010 in the Polman Stadium in Almelo

## **NOTES TO THE AGENDA AND MEETING DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS OF ROYAL TEN CATE**

### **3 DISCUSSION OF THE 2009 ANNUAL REPORT**

Under this agenda item the meeting will discuss the report of the Executive Board which appears on pages 25 to 55 inclusive of the 2009 annual report, as well as the report of the Supervisory Board which appears on pages 16 to 18 inclusive of the 2009 annual report.

Mr L. de Vries, CEO and Chairman of the Executive Board, will give a commentary on the performance of Royal Ten Cate during the 2009 financial year, the outlook and the strategy.

### **4 2009 FINANCIAL STATEMENTS AND APPROPRIATION OF PROFIT**

#### **4.a Adoption of the 2009 financial statements**

Under agenda item 4.a the meeting will discuss the 2009 financial statements which appear on pages 82 to 145 inclusive of the 2009 annual report, comprising a balance sheet, a profit and loss account and the accompanying notes. The financial statements have been signed by the members of the Executive Board and the Supervisory Board. KPMG Accountants N.V., the company's auditor, has issued an unqualified auditors' report, which appears on pages 146 and 147 of the 2009 annual report. It is proposed to the General Meeting of Shareholders that the 2009 financial statements be adopted.

#### **4.b Adoption of the appropriation of profit**

It is proposed to distribute a dividend of € 0.60 per ordinary € 2.50 par value share in respect of the 2009 financial year, payable optionally in cash or in the form of a stock dividend. The dividend will be made payable on 6 May 2010. In the case of bearer shares, the dividend will be made payable through the affiliated institutions.

### **5 GRANTING OF DISCHARGE TO MEMBERS OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD**

The granting of discharge to the members of the Executive Board and the granting of discharge to the members of the Supervisory Board will be put to the vote as two separate agenda items. It is proposed that discharge be granted to the members of the Executive Board in respect of their management during the 2009 financial year and to the Supervisory Board in respect of its supervision thereof during the 2009 financial year.

### **6 CORPORATE GOVERNANCE CODE**

In June 2008, the Corporate Governance Code Monitoring Committee (the 'Committee') issued a proposal to update and improve the Dutch

Corporate Governance Code introduced in 2003 (the 'Code') and submitted this proposal for consultation. After taking stock of various responses to this consultation, the Committee drew up an amended Code. The amended Code replaces the 2003 Code and is applicable to the company with effect from the 2009 financial year. The Committee recommended that the section of the 2009 annual report concerning the main points of the corporate governance structure and compliance with the amended code be submitted to the General Meeting separately for discussion. Reference is made to the Corporate Governance section (page 56) of the 2009 annual report. The Supervisory Board and the Executive Board propose to discuss the corporate governance section with the General Meeting.

The Supervisory Board and the Executive Board endorse the main principles of the amended Code. The company therefore applies the principles and best-practice provisions of the Code to a high degree. The few divergences applicable within Royal Ten Cate relate mainly to the nature and size of the company. The Supervisory Board and the Executive Board believe that these divergences do not impair the basic principles of sound corporate governance and integrity. Royal Ten Cate's divergences from the amended Code may be consulted on the company's website ([www.tencate.com](http://www.tencate.com)).

### **7 COMPOSITION OF THE SUPERVISORY BOARD; REAPPOINTMENT OF MR P.P.A.I. DEITERS AND APPOINTMENT OF MR R. VAN GELDER**

On the basis of the retirement schedule drawn up by Royal Ten Cate, Mr P.P.A.I. Deiters will retire as a supervisory director of the company at the end of the present General Meeting of Shareholders. In connection with his retirement, the shareholders will be invited to make a recommendation for a nomination for the appointment of a new supervisory director. If the General Meeting of Shareholders makes no recommendation, the Supervisory Board will nominate Mr Deiters for reappointment as a supervisory director.

Mr Deiters was appointed as a member of the Supervisory Board in 1998. He was reappointed for the first time in 2002 and for the second time in 2006. As was reported to shareholders on the occasion of his reappointments, Mr Deiters has proved to be of great value to the company. In addition to his aptitude in assessing the main lines of the company's overall policy, as required in the profile of the Supervisory Board, Mr Deiters has knowledge and experience across a wide area

of international business. Particularly in the field of textiles, he has made a substantial contribution to the further development of the company.

In April 2010, Mr Deiters will have been associated with the company as a supervisory director for three terms of four years. The best-practice provisions of the Dutch Corporate Governance Code recommend a maximum of three terms. Nevertheless, the Supervisory Board, with the backing of the Executive Board, believes that Mr Deiters' profile is perfectly suited to the role of the supervisory directors and is unique having regard to his knowledge and experience as a former entrepreneur in the textile industry. Mr Deiters' contribution is of great value to TenCate. In order to ensure a continued balanced composition of the Board, the Supervisory Board exceptionally nominates Mr Deiters for reappointment for a fourth term of four years. Under the suspensive condition that the General Meeting makes no (other) recommendation, it is proposed that Mr Deiters be reappointed as a member of the Supervisory Board for a term of four years.

If the General Meeting recommends to the Supervisory Board a person other than Mr Deiters for nomination, the Supervisory Board must adopt a resolution on the matter. In that event, discussion of agenda item 7 sections c. and d. will be suspended and postponed until a subsequent (extraordinary) general meeting.

On being asked, Mr R. van Gelder has declared his willingness to serve as a member of the Supervisory Board of the company. In accordance with best-practice provision III.3.5 of the Code and article 21.1 of the company's articles of association, Mr Van Gelder will be appointed for a term of four years. Mr Van Gelder has extensive international experience in business in the field of high-quality engineering and contracting projects, making him particularly suitable as a supervisory director of the company.

Neither the reappointment nor the appointment is subject to the enhanced right of recommendation of the Central Works Council. The reappointment of Mr Deiters and the appointment of Mr Van Gelder fit within the profile drawn up by the Supervisory Board, which was discussed with the General Meeting at the annual meeting on 24 March 2005. This profile has been posted on the company's website.

The information referred to in article 2:142 paragraph 3 of the Netherlands Civil Code in respect of Messrs Deiters and Van Gelder

is available for inspection by any person and may be obtained free of charge at the offices of the company (tel. +31 (0)546 544911 or e-mail royal@tencate.com) and at RBS Corporate Actions (tel. +31 (0)20 3836707 or e-mail corporate.actions@rbs.com). The information is also available on the company's website (www.tencate.com).

## **8 COMPOSITION OF THE EXECUTIVE BOARD; APPOINTMENT OF MR J. LOCK**

Mr J. Lock served as Financial Director of Royal Ten Cate from 1988 to May 2008. Following the retirement of the former Chief Financial Officer of the company, Mr Lock is prepared to return to the company with effect from April 2009 in order to assist the company with his financial knowledge and experience.

By appointing Mr Lock as a member of the Executive Board with the title of Chief Financial Officer, the Supervisory Board wishes to expand the governance of the company. Mr L. de Vries will, as previously, serve as Chairman of the Executive Board (Chief Executive Officer). Mr Lock will be appointed for a term of two years. The Central Works Council has issued a positive opinion on the appointment of Mr Lock.

In consultation with the Executive Board, the Supervisory Board nominates Mr Lock for appointment as a member of the Executive Board with the title of Chief Financial Officer. This nomination by the Supervisory Board is non-binding.

Relevant information on Mr Lock is available for inspection by any person and may be obtained free of charge at the offices of the company (tel. +31 (0)546 544911 or royal@tencate) and at RBS Corporate Actions (tel. +31 (0)20 3836707 or corporate.actions@rbs.com). The information is also available on the company's website (www.tencate.com).

## **9 AUTHORISATION TO REPURCHASE OWN SHARES**

It is proposed to the General Meeting that authority be granted to the Executive Board, for a period of 18 months from 8 April 2010 to 7 October 2011, to acquire fully paid own shares or depositary receipts for such shares. The number of shares or depositary receipts to be thus acquired by the company must not exceed the maximum permitted in accordance with legislation and regulations. This authorisation also applies to any method of acquisition for which the law requires the authorisation of the General Meeting. The acquisition price of the shares or depositary receipts to be thus acquired must be between one euro cent and the amount equal, as a maximum, to the stock market price

plus 10%. The stock market price shall be taken to mean the average of the closing prices according to the Official Price List of Euronext Amsterdam N.V. on the five trading days prior to the date of acquisition. A resolution by the Executive Board to acquire own shares or depositary receipts for such shares is subject to the applicable legal provisions and is also subject to approval by the Supervisory Board.

## **10 EXTENSION OF THE ASSIGNMENT OF THE EXECUTIVE BOARD AS THE BODY AUTHORISED TO ISSUE SHARES AND THE GRANTING OF RIGHTS TO TAKE UP SHARES AND LIMIT THE PRE-EMPTIVE RIGHT**

### **10.a Extension of the assignment of authority to issue shares**

The General Meeting resolved at the annual meeting of 9 April 2009 to extend the authority of the Executive Board, subject to approval by the Supervisory Board, to decide to issue shares and the granting of rights to take up shares, for a period of 18 months, from 1 April 2009 to 30 September 2010.

The Supervisory Board and the Executive Board now propose to extend the assignment of the Executive Board to exercise these powers, subject to approval by the Supervisory Board, for a period of 18 months from the date of the General Meeting, consequently ending on 7 October 2011. The authority to issue shares concerns 10% of the issued share capital plus a further issue up to a maximum of 10% of the issued share capital in the event that the issue takes place in the context of a merger or acquisition.

### **10.b Extension of the assignment of authority to limit the pre-emptive right**

The General Meeting also resolved at the annual meeting of 9 April 2009 to extend the authority of the Executive Board, subject to approval by the Supervisory Board, to decide to exclude or limit the pre-emptive right in the issuance of shares, as specified in article 6 of the articles of association, for a period of 18 months from 1 April 2009 to 30 September 2010.

The Supervisory Board and the Executive Board now propose to extend the assignment of the Executive Board to exercise the power to decide to exclude or limit the pre-emptive right in the issuance of shares, subject to approval by the Supervisory Board, for a period of 18 months from the date of the General Meeting, consequently ending on 7 October 2011.

The assignments of the Executive Board under this agenda item are desirable in order to enable the company to respond immediately to changing developments in the capital markets if rapid action is required. In the event that the company wishes to issue new shares, the circumstances in the capital markets may be such that it is not possible to wait, or wait any longer, for a resolution by the General Meeting to issue new shares. That would, after all, first require a meeting of shareholders to be held, and the changing circumstances in the capital markets may be such that the time involved would prevent the company from responding to market conditions in an optimum way.

This disadvantage will arise even earlier in future since, in compliance with European regulations, it has been proposed to extend considerably the notice period for shareholders' meetings of listed companies.

## **11 APPOINTMENT OF AUDITOR**

In accordance with the provisions of Principle V.2(a) of the Code, article 25 paragraph 1 of the company's articles of association and article 2:393 of the Netherlands Civil Code, it is proposed – on the non-binding recommendation of the Supervisory Board, on which both the Audit Committee and the Executive Board have issued an opinion to the Board – to appoint KPMG N.V. to audit the company's financial statements for the current 2010 financial year.