

REGULATIONS OF THE EXECUTIVE BOARD OF ROYAL TEN CATE NV

These Regulations have been drawn up by the Executive Board and approved by the Supervisory Board.

1. DEFINITIONS

In these Regulations the following terms shall have the meanings shown:

the General Meeting:	the General Meeting of Shareholders of the Company;
the Annual Report:	the annual report of the Company drawn up by the Executive Board;
the Works Council:	the works council of the Company;
the Executive Board:	the executive board of the Company;
the Supervisory Board:	the supervisory board of the Company;
the Regulations:	the regulations of the Executive Board;
the Articles of Association:	the articles of association of the Company as specified from time to time;
the Company:	the public limited company Royal Ten Cate N.V., having its registered office in Almelo;
the Chairman:	the chairman of the Executive Board.

2. REGULATIONS

These Regulations shall remain in force until they are amended in accordance with the provisions set forth below.

3. DUTIES OF THE EXECUTIVE BOARD

- 3.1 The Executive Board is responsible for the management of the Company, which means among other things that the Executive Board is responsible for the achievement of the Company's objectives, the strategy and policy and the ensuing results. The Executive Board shall account to the Supervisory Board and the General Meeting in respect of these matters. In performing its duties, the Executive Board shall be guided by the interests of the Company and the business associated with it and to that end shall consider the relevant interests of

the parties involved with the Company. The Executive Board shall provide the Supervisory Board in a timely manner with all information necessary for the performance of the duties of the Supervisory Board.

- 3.2 The Executive Board shall provide the Supervisory Board with a report setting out the state of affairs of the Company each quarter.
- 3.3 The Executive Board shall draw up a business plan each year setting out the intentions with regard to the policy to be conducted in the following financial year. The Executive Board shall submit the business plan to the Supervisory Board for approval.
- 3.4 The Executive Board shall provide the Supervisory Board each year with the budget for the following financial year, the adjusted version of the long-term plan to be drawn up by the Executive Board and a declaration that during the current financial year the Executive Board has provided the Supervisory Board with all information of relevance for proper supervision by the Supervisory Board. These items shall be supplied in a timely manner in order to enable the Supervisory Board to issue its approval in the month of December prior to the forthcoming financial year.
- 3.5 The Executive Board is responsible for the corporate governance structure of the Company and for compliance with and maintenance of these Regulations. The Executive Board shall account to the General Meeting in respect of these matters.
- 3.6 The Executive Board shall draw up the Annual Report.
- 3.7 The Executive Board is responsible for compliance with all relevant legislation and regulations, for the control of the risks associated with the business activities and for the financing of the company. The Executive Board shall report on these matters and discuss the internal risk management and control systems with the Supervisory Board and its audit committee.
- 3.8 The Executive Board is responsible for the internal procedures with regard to the drawing up and publication of the Annual Report, the financial statements, the quarterly and half-year figures and ad hoc financial information. The Executive Board is responsible for the quality and completeness of the published financial reports.
- 3.9 The Executive Board is responsible for establishing and maintaining internal procedures which ensure that all important financial information is known to the Executive Board, so that the timeliness, completeness and accuracy of the external financial reporting can be guaranteed. From this perspective the Executive Board shall ensure that the financial information from company divisions and/or subsidiaries is reported directly to it, and that the integrity of the information is not impaired.

3.10 The Executive Board can convene the General Meeting.

The Chairman shall ensure that where the consideration of matters is requested in writing by one or more holders of shares who, individually or collectively, represent at least one per cent (1%) of the capital or hold shares with a value of at least fifty million euros (€50,000,000), such matters are placed on the agenda for the General Meeting. The Chairman shall only be required to place such matters on the agenda if the request has been received no later than on the sixtieth day prior to the date of the meeting and provided that there is no overriding interest in not doing so on the part of the Company. The Chairman shall consult with the chairman of the Supervisory Board in this regard.

The members of the Executive Board shall take part in the General Meeting, unless they are prevented from doing so for an important reason.

3.11 The Executive Board has adopted an internal allocation of duties for its members. Any amendment to the allocation of duties requires the approval of the Supervisory Board.

Each member of the Executive Board is responsible for the duties allocated to him, on the understanding that the full Executive Board is collectively responsible for the policy to be conducted.

4. COMPOSITION OF THE EXECUTIVE BOARD

4.1 The Executive Board shall consist of at least two members.

4.2 A member of the Executive Board shall not hold more than two supervisory directorships with listed companies and shall not be a chairman of the supervisory board of a listed company. The acceptance by a member of the Executive Board of a supervisory directorship or of an additional function in another company requires the approval of the Supervisory Board. A member of the Executive Board shall immediately report all his important additional functions to the Supervisory Board.

4.3 A member of the Executive Board shall be appointed for a term of up to four years, on the understanding that unless such member of the Executive Board retires early, his term of office shall expire on the date of the next General Meeting, to be held in the fourth year after the year of his appointment. A member of the Executive Board may be reappointed, subject to the provisions of the previous sentence. The Supervisory Board may draw up a retirement schedule for the members of the Executive Board who have been appointed for a maximum term.

Notwithstanding the provisions of this article 4.3, existing appointments of members of the Executive Board shall be respected.

5. CHAIRMAN

5.1 In accordance with the provisions of article 15, paragraph 2 of the Articles of Association, the Supervisory Board shall appoint one of the members of the Executive Board as Chairman.

5.2 The Chairman shall determine the agenda and conduct the meetings of the Executive Board, shall ensure that sufficient time is available for the deliberations and decision-making of the Executive Board and shall be responsible for the operation of the Executive Board.

6. HOLDING OF SECURITIES

6.1 The regulations which the Company has adopted in accordance with article 46d of the Securities Transactions Supervision Act 1995 include the rules governing the holding of and dealings in securities by members of the Executive Board and the Supervisory Board.

6.2 The holding of shares by members of the Executive Board in the Company shall have the purpose of long-term investment.

7. MEETINGS

7.1 The Executive Board shall meet at least twice each month and additionally as often as is required by a member of the Executive Board. The meetings shall be held in principle at the offices of the Company, but meetings may also be held elsewhere.

With the approval of the Chairman the members of the Executive Board may take part in meetings of the Executive Board by telephone or video. The chairman may decide to allow a meeting to take place by telephone or video.

7.2 The meeting shall be convened by the Chairman or by the member of the Executive Board who requests a meeting.

7.3 The agenda for a meeting shall be drawn up by the Chairman or by the member of the Executive Board who requests a meeting.

7.4 The meetings shall be chaired by the Chairman. The minutes of the meeting shall be drawn up by the minutes secretary appointed for the purpose by the chairman of the meeting and shall be signed in confirmation by the chairman of the meeting and the minutes secretary.

- 7.5 The minutes shall reflect the subjects, views, considerations and resolutions arising at the meeting and in such a way that members of the Executive Board not present at the meeting are given a clear and complete picture, to the extent relevant, of the discussions which took place at the meeting. A separate list of resolutions shall be appended to the minutes, explicitly stating the resolutions adopted at the meeting.

If resolutions are adopted outside meetings, these must be recorded in writing and this record must be appended to the documents for the next meeting of the Executive Board.

8. DECISION-MAKING

- 8.1 The resolutions of the Executive Board shall in principle be adopted at the meeting of the Executive Board.
- 8.2 The Executive Board may only adopt resolutions if at least two members of the Executive Board are present or represented at the meeting.

Resolutions shall be adopted on an absolute majority of votes. In the event of a tie, the Chairman shall contact the chairman of the Supervisory Board.

- 8.3 The Executive Board may also adopt resolutions outside meetings. In such cases the Chairman shall provide all members of the Executive Board with the agenda and any documents to be discussed. The members of the Executive Board shall voice their opinion on the proposal within a period specified by the Chairman. The resolution shall take effect if all members of the Executive Board have declared their view concerning the proposal and none of them objects to this form of decision-making.
- 8.4 In addition to the resolutions which require the approval of the Supervisory Board in accordance with the law or the Articles of Association, the approval of the Supervisory Board is required for all resolutions of the Executive Board on the following subjects:
- a. the operational and financial objectives of the Company;
 - b. the strategy by which it is intended to achieve the objectives;
 - c. the preconditions applying to the strategy;
 - d. the effecting of transactions involving conflicts of interest of members of the Executive Board, the Supervisory Board or the external auditor;
 - e. transactions between the Company and natural persons or legal entities holding directly or indirectly at least ten per cent of the shares of the company and which are of material significance for the Company and/or such persons or entities.
- 8.5 Resolutions of the Executive Board concerning the following subjects, among others, also require the approval of the Supervisory Board:

- a. issuance and acquisition of shares and debentures of the Company or debentures of a limited partnership or general partnership in which the Company is a fully liable partner;
 - b. co-operation with the issuance of depositary receipts for shares;
 - c. application for listing or delisting of the securities referred to under a. and b. in the price list of any exchange;
 - d. the commencement or discontinuation of long-term co-operation between the Company or an independent company with another legal entity or company or as a fully liable partner in a limited partnership or general partnership, if such co-operation or discontinuation is of fundamental significance for the Company;
 - e. the acquisition of a participating interest having a value equivalent to at least one-quarter of the issued capital plus reserves according to the Company's balance sheet and notes, by it or by an independent company in the capital of another company, as well as a major increase or reduction in such an interest;
 - f. investments which require an amount equivalent to at least one-quarter of the issued capital plus reserves of the Company according to its balance sheet and notes;
 - g. a proposal to amend the Articles of Association;
 - h. a proposal to dissolve the Company;
 - i. bankruptcy declaration and insolvency petition;
 - j. termination of the employment of a substantial number of employees of the Company or of an independent company simultaneously or within a short period;
 - k. a fundamental change in the working conditions of a substantial number of employees of the Company or of an independent company;
 - l. a proposal to reduce the issued capital;
 - m. the acquisition, disposal or encumbrance of register-bound goods, to the extent that a substantial interest is involved;
 - n. a proposed legal merger or legal demerger within the meaning of Title 7 of Book 2 of the Netherlands Civil Code.
- 8.6 Intended resolutions of the Executive Board which require the approval of the General Meeting on the basis of the law or the Articles of Association shall also be submitted to the Supervisory Board for approval.
- 8.7 Intended resolutions of the Executive Board for which the prior approval of the Supervisory Board is required and in respect of which the Works Council has a right of prior consultation must first be approved by the Supervisory Board. Such approval (if granted) shall be given subject to a non-negative recommendation by the works council.
- 8.8 The Executive Board shall not adopt any resolutions which require the approval of the Supervisory Board and/or the General Meeting according to the law, the Articles of Association or these Regulations until the required approval has been obtained.

9. CONFLICTS OF INTEREST

- 9.1 The members of the Executive Board shall avoid all forms and all appearance of conflict of interest between the Company or its subsidiaries and members of the Executive Board.
- 9.2 A member of the Executive Board shall;
- a. not enter into competition with the Company;
 - b. not accept any (substantial) preferential treatment from the Company for himself, his spouse, registered partner or other life companion, foster child or relation by blood or marriage up to the second degree;
 - c. not provide third parties with any unjustified benefits at the expense of the Company;
 - d. not exploit any opportunities which accrue to the company for his own benefit or that of parties other than the Company.
- 9.3 Each member of the Executive Board shall immediately report to the chairman of the Supervisory Board and to the other members of the Executive Board any potential or actual conflict of interest which is of material significance for the Company, its subsidiary/subsidiaries and/or the respective member of the Executive Board. The member of the Executive Board who has a potential or actual material conflict of interest shall provide all the relevant information, including the relevant information concerning his spouse, registered partner or other life companion, foster child or relation by blood or marriage up to the second degree. The Supervisory Board shall decide without the presence of the respective member of the Executive Board whether there is a conflict of interest.
- 9.4 A conflict of interest shall exist in any case if the Company or a subsidiary of the Company intends to enter into a transaction with a legal entity:
- a. in which a member of the Executive Board personally holds a material financial interest;
 - b. an executive director of which has a family law relationship up to the second degree with a member of the Executive Board; or
 - c. in which a member of the Executive Board serves in an executive or supervisory function.
- 9.5 A member of the Executive Board shall not take part in the discussion and decision-making on a subject or a transaction in connection with which the respective member of the Executive Board has a conflict of interest.
- 9.6 All transactions involving conflicts of interest of members of the Executive Board shall be agreed under the normal conditions applying in the industry. Resolutions to enter into transactions involving conflicts of interest of members of the Executive Board which are of material significance for the company, its subsidiary/subsidiaries and/or the respective members of the Executive Board require the approval of the Supervisory Board. Such transactions shall be

published in the Annual Report, with a statement of the conflict of interest and a declaration that articles 9.3 to 9.6 inclusive of these Regulations have been complied with.

10. INFORMATION PROVISION

- 10.1 The Executive Board shall inform all shareholders of the Company and other parties in the financial market equally and simultaneously on matters which may influence the share price.

The Executive Board shall provide the General Meeting with all relevant information which it requires to exercise its powers, unless there is an overriding interest in not doing so on the part of the Company. If the Executive Board invokes an overriding interest, this shall be explained and justified.

The Executive Board shall provide the Supervisory Board in a timely manner with all the necessary information which the Supervisory Board requires in the performance of its duties.

- 10.2 The Executive Board and the audit committee of the Supervisory Board shall report separately each year to the Supervisory Board on the developments in relation to the external auditor, in particular concerning his independence (including the desirability of rotating the responsible partners within an external auditing firm entrusted with the auditing and of the carrying out of non-audit work for the Company by the same firm).
- 10.3 The Executive Board and the audit committee of the Supervisory Board shall carry out at least once every four years a thorough assessment of the operation of the external auditor in the various entities and capacities in which the external auditor operates. The main conclusions shall be made known to the General Meeting for the assessment of the nomination for the appointment of the external auditor.

11. CONFIDENTIALITY

Unless the Regulations, the Articles of Association or applicable law or regulations specify otherwise, each member of the Executive Board undertakes to treat all information and documents which he obtains in the performance of his duties as a member of the Executive Board as strictly confidential.

This provision shall continue to apply even if a member of the Executive Board ceases to be a member of the Executive Board.

12. AMENDMENTS

These Regulations may only be amended if the Executive Board so resolves and if the Supervisory Board has approved the amendment. Any amendment shall be made in writing.