

REGULATIONS OF THE SUPERVISORY BOARD OF ROYAL TEN CATE NV

These Regulations have been drawn up 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 Audit Committee:	the audit committee of the Supervisory 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 Supervisory Board;
the Combined Committee:	the combined selection, appointments and remuneration committee of the Supervisory Board;
the Remuneration Report:	the Remuneration Report of the Supervisory 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 Vice-Chairman:	the vice-chairman of the Supervisory Board;
the Chairman:	the Chairman of the Supervisory 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 SUPERVISORY BOARD

- 3.1 The Supervisory Board shall supervise the policy of the Executive Board and the developments in the Company and the business associated with it. The Supervisory Board shall also support the Executive Board by providing advice, both at the request of the Executive Board and on its own initiative. In performing its duties, the Supervisory 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 and shall take as its guideline the elementary principles of sound entrepreneurship. The Supervisory Board shall be responsible for the quality of its own operation.
- 3.2 The duties of the Supervisory Board shall include in any case:
- 3.2.1 supervision of the Executive Board with regard to:
 - a. the achievement of the objectives of the Company;
 - b. the strategy and the risks associated with the business activities;
 - c. the structure and operation of the internal risk management and control systems;
 - d. the financial reporting process; and
 - e. compliance with legislation and regulations.
 - 3.2.2 the nomination of members of the Executive Board in accordance with the Articles of Association and the setting of the remuneration of the individual members of the Executive Board on the proposal of the Combined Committee and in accordance with the remuneration policy adopted by the General Meeting.
 - 3.2.3 dealing with reported irregularities concerning the performance of members of the Executive Board;
 - 3.2.4 if necessary suspending members of the Executive Board;
 - 3.2.5 drawing up a Remuneration Report. The main points of the Remuneration Report shall be included in the report of the Supervisory Board as referred to in article 3.4 of these Regulations;
 - 3.2.6 the nomination of members of the Supervisory Board in accordance with the provisions of the Articles of Association and on the basis of the current profile of the Supervisory Board and the drawing up of proposals for the remuneration of the individual members of the Supervisory Board;
 - 3.2.7 the corporate governance structure of the Company and compliance with and maintenance of these Regulations and the regulations of the Executive Board.
- 3.3 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.

- 3.4 The Supervisory Board shall draw up a report which shall be included in the annual report of the Company. The report shall provide information on the work of the Supervisory Board during the respective financial year.

4. COMPOSITION AND EXPERTISE OF THE SUPERVISORY BOARD

- 4.1 The Company has a Supervisory Board consisting of three or more supervisory directors. If the number of supervisory directors is less than three, the Supervisory Board shall immediately take measures to supplement its membership. All natural persons are eligible to be supervisory directors.

- 4.2 The Supervisory Board shall draw up a profile specifying its size and composition, taking into account the nature of the Company's business, its activities and the required expertise and background of the supervisory directors. The Supervisory Board shall discuss and evaluate the profile each year and ensure that the profile is regularly updated and adapted in accordance with the applicable legal provisions. The Supervisory Board shall discuss the profile in the General Meeting and with the Works Council, first when it is drawn up and subsequently whenever it is amended.

- 4.3 All members of the Supervisory Board shall be independent.

A member of the Supervisory Board shall be deemed not to be independent if the respective member of the Supervisory Board, or his spouse, registered partner or other life companion, foster child or relation by blood or marriage up to the second degree:

- a. has been an employee or a member of the Executive Board (including associated companies within the meaning of article 1 of the Disclosure of Major Holdings in Listed Companies Act 1996) in the five years prior to the appointment;
- b. receives personal financial remuneration from the Company or from a company associated with it, other than the remuneration which is received for the work carried out as a member of the Supervisory Board and to the extent that it does not fall within the scope of the normal conduct of the business;
- c. has had an important business relationship with the Company or with a company associated with it in the year prior to the appointment. This shall include cases in which the member of the Supervisory Board, or a firm in which he is a shareholder, partner, employee or adviser, has acted as an adviser to the Company (consultant, external auditor, notary or lawyer) and cases in which the member of the Supervisory Board is a member of the executive board or an employee of a bank with which the Company maintains a significant, long-term relationship;

- d. is an executive director of a company in which a member of the Executive Board is a supervisory director;
 - e. holds at least ten per cent of the shares of the Company (including the shareholdings of natural persons or legal entities which co-operate with him on the basis of an explicit or tacit oral or written agreement);
 - f. is an executive director or supervisory director or other representative of a legal entity which holds at least ten per cent of the shares of the Company, except in the case of group companies.
- 4.4 Supervisory directors shall be appointed by the General Meeting, on the recommendation of the Supervisory Board, in accordance with the provisions of article 19 of the Articles of Association.
- 4.5 The number of supervisory directorships of a member of the Supervisory Board in the case of Dutch listed companies shall be limited in such a way as to guarantee proper performance of duties and shall not exceed five, with chairmanship of a supervisory board counting double.
- 4.6 Each member of the Supervisory Board shall report any other positions he holds and any changes therein to the chairman of the Supervisory Board.

5. CHAIRMAN AND VICE-CHAIRMAN

- 5.1 In accordance with the provisions of article 23, paragraph 2 of the Articles of Association, the Supervisory Board shall appoint a Chairman from among its members. The Chairman shall not be a former member of the Executive Board. The Supervisory Board shall also appoint a Vice-Chairman from among its members.
- 5.2 The Chairman shall determine the agenda and conduct the meetings of the Supervisory Board, shall oversee the proper operation of the Supervisory Board, shall ensure that sufficient time is available for the decision-making, shall bear responsibility for providing the members of the Supervisory Board with sufficient information and for the orientation programme for the members of the Supervisory Board, shall serve on behalf of the Supervisory Board as the main point of contact for Executive Board, shall initiate assessments of the operation of the Supervisory Board and of the Executive Board and, as Chairman, shall be responsible for the orderly and efficient progress of the General Meeting.

6. COMMITTEES

- 6.1 The Supervisory Board has established an Audit Committee and the Combined Committee from among its members.
- 6.2 The Supervisory Board has drawn up Regulations for the Audit Committee and for the Combined Committee.

- 6.3 From each of the above committees the Supervisory Board shall receive a report of its deliberations and findings.

7. APPOINTMENT AND RETIREMENT SCHEDULE

- 7.1 Supervisory directors shall be appointed for a term of four years, on the understanding that unless a supervisory director 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 Supervisory Board may be reappointed, subject to the provisions of the previous sentence.
- 7.2 The Supervisory Board shall draw up a retirement schedule. Any amendments to the retirement schedule must not result in a sitting supervisory director having to depart from office against his will before the expiry of the term for which he has been appointed. A supervisory director appointed to fill an interim vacancy shall retire at the time at which the person whose place he has taken would have retired, unless the General Meeting decides otherwise.
- 7.3 Notwithstanding the provisions of 7.2, a member of the Supervisory Board shall retire early in the event of inadequate performance, structural incompatibility of interests or whenever this is necessary for any other reason in the judgment of the Supervisory Board.
- 7.4 If a member of the Supervisory Board is designated to serve temporarily in an executive function in the absence of members of the Executive Board, he shall retire from the Supervisory Board in order to take on the executive duties.

8. REMUNERATION

- 8.1 On the proposal of the Supervisory Board the General Meeting shall set the remuneration of the individual members of the Supervisory Board. This remuneration shall not be dependent on the results of the Company. The notes to the financial statements shall include the legally required information on the amount and structure of the remuneration of each member of the Supervisory Board.
- 8.2 All expenses which are reasonably associated with attendance at meetings of the Supervisory Board shall be reimbursed by the Company to the members of the Supervisory Board. All other expenses which are incurred by the members of the Supervisory Board in the context of their supervisory directorship shall be reimbursed by the Company, fully or otherwise, if such expenses are incurred after prior consultation with, and with the consent of, the Chairman.

9. MEETINGS

- 9.1 The Supervisory Board shall meet at least four times per year and additionally as often as it deems necessary. It shall also meet whenever the Chairman, two

other members of the Supervisory Board or the Executive Board judge it to be necessary. The meetings shall be held in principle at the offices of the Company, but meetings may also be held elsewhere. Unless the Supervisory Board resolves otherwise, the members of the Executive Board shall take part in these meetings.

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

- 9.2 The meeting shall be convened on behalf of the Chairman by the officer designated in or by virtue of these Regulations. If practical, meetings shall be convened in writing and at least four working days prior to the meeting. The notice of meeting shall be accompanied by the agenda and any documents to be discussed.
- 9.3 The agenda for a meeting shall be drawn up by the Chairman.
- 9.4 The Supervisory Board shall discuss at least once per year:
- a. without the presence of the Executive Board, both its own operation and that of the individual members of the Supervisory Board and the resulting conclusions;
 - b. without the presence of the Executive Board, the required profile and the composition and competence of the Supervisory Board;
 - c. without the presence of the Executive Board, both the operation of the Executive Board as a constituent part of the Company and that of the individual members of the Executive Board and the resulting conclusions;
 - d. the strategy and the risks associated with the business and the results of the assessment by the Executive Board of the structure and operation of the internal risk management and control systems, as well as any significant changes therein;
 - e. with the external auditor, the report of the external auditor concerning the examination of the financial statements.
- 9.5 A member of the Supervisory Board may arrange to be represented at the meeting by another member of the Supervisory Board by means of a written proxy. A written proxy shall be deemed to mean any proxy issued through standard communication channels and received in writing, as well as any proxy recorded electronically.
- 9.6 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.

- 9.7 The minutes shall reflect the subjects, views, considerations and resolutions arising at the meeting and in such a way that members of the Supervisory Board and/or the Executive Board (unless the Executive Board was not invited to the respective meeting) 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 and approved 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 Supervisory Board.

- 9.8 If members of the Supervisory Board are frequently absent from meetings of the Supervisory Board, they shall be spoken to by the Chairman.

10. DECISION-MAKING

- 10.1 The resolutions of the Supervisory Board shall in principle be adopted at the meeting of the Supervisory Board.
- 10.2 The Supervisory Board may only adopt resolutions if at least three members of the Supervisory Board are present or represented at the meeting.

Resolutions shall be adopted on an absolute majority of votes. In the event of a tie on a matter related to goods, the Chairman shall have a casting vote; in the event of a tie on a matter related to persons, lots shall be drawn.

- 10.3 The Supervisory Board may also adopt resolutions outside meetings, but only in cases which, in the judgment of the Chairman, are of an urgent nature. In such cases the Chairman shall provide all members of the Supervisory Board with the agenda and any documents to be discussed. The members of the Supervisory 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 Supervisory Board have declared their view concerning the proposal and none of them objects to this form of decision-making.

11. CONFLICTS OF INTEREST IN THE SUPERVISORY BOARD AND THE EXECUTIVE BOARD

- 11.1 The members of the Supervisory Board shall avoid all forms and all appearance of conflict of interest between the Company or its subsidiaries and members of the Supervisory Board.
- 11.2 Resolutions to enter into transactions involving conflicts of interest of members of the Supervisory Board which are of material significance for the company, its subsidiary/subsidiaries and/or the respective members of the Supervisory Board require the approval of the Supervisory Board. Transactions involving material

conflicts of interest of members of the Supervisory Board shall be published in the annual report, with a statement of the conflict of interest and a declaration that the provisions of these Regulations have been complied with. All transactions involving conflicts of interest of members of the Supervisory Board shall be agreed under the normal conditions applying in the industry.

- 11.3 A conflict of interest shall exist in any case if the Company or its subsidiary/subsidiaries intend(s) to enter into a transaction with a legal entity:
- a. in which a member of the Supervisory 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 Supervisory Board; or
 - c. in which a member of the Supervisory Board serves in an executive or supervisory function.
- 11.4 Each member of the Supervisory Board (other than the Chairman) shall immediately report to the Chairman 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 Supervisory Board. The member of the Supervisory Board who has a 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 and relation by blood or marriage up to the second degree. The Supervisory Board shall assess whether there is a conflict of interest. The respective member of the Supervisory Board shall not take part in the assessment of whether there is a conflict of interest.
- 11.5 If the Chairman has a potential or actual conflict of interest which is of material significance for the Company, its subsidiary/subsidiaries and/or himself, he shall immediately report this to the Vice-Chairman and shall provide all the relevant information, including the relevant information concerning his spouse, registered partner or other life companion, foster child and relation by blood or marriage up to the second degree. The Supervisory Board shall assess whether there is a conflict of interest. The Chairman shall not take part in the assessment of whether there is a conflict of interest.
- 11.6 A member of the Supervisory Board shall not take part in the discussion and decision-making concerning a subject or transaction in relation to which he has a conflict of interest.
- 11.7 Each member of the Executive Board shall immediately report to the Chairman 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 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 assess without the presence of the

respective member of the Executive Board whether there is a conflict of interest.

12. CONFLICTS OF INTEREST OF THE EXTERNAL AUDITOR

The Supervisory Board shall ensure that the external auditor of the Company immediately reports to the Chairman any potential or actual conflict of interest which is of material significance for the Company and/or the respective external auditor. The Supervisory Board shall assess whether there is a conflict of interest. If the Supervisory Board concludes that there is a conflict of interest, the Supervisory Board shall determine the measures to be taken. Any measures taken shall be published in the annual report.

13. RELATIONS WITH THE EXECUTIVE BOARD AND INFORMATION

13.1 The Supervisory Board and the members of the Supervisory Board individually have their own responsibility to demand that the Executive Board and the external auditor provide all the information which the Supervisory Board requires for the proper performance of its duties as a supervisory body. If the Supervisory Board deems it advisable, it may obtain information from officers and external advisers of the Company and may also engage advisers itself. The company shall make available the necessary resources for this purpose. The Supervisory Board may demand that specific officers and external advisers attend its meetings.

13.2 Without prejudice to the general rule included in article 13.1 of these Regulations, the Supervisory Board shall receive a report from the Executive Board at the end of each quarter setting out the state of affairs of the Company. This quarterly report shall be accompanied by a letter from the Executive Board providing a more detailed explanation of its report together with information on the policy conducted by the Executive Board.

13.3 If a member of the Supervisory Board receives signals which are of importance in the context of the supervision from a source other than the Executive Board or the Supervisory Board, he shall make such information known as rapidly as possible to the Chairman, who shall then inform the Supervisory Board.

13.4 The Executive Board shall present to the Supervisory Board for approval:

- 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.

- 13.5 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 amount 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.

14. RELATIONS WITH THE SHAREHOLDERS

- 14.1 The Supervisory Board shall ensure that the General Meeting is held in a timely manner and that the necessary agenda items have been properly recorded.
- 14.2 The members of the Supervisory Board shall take part in the General Meeting, unless they are prevented from doing so for an important reason.
- 14.3 The Supervisory Board shall provide the General Meeting with all the required information to the extent that it relates to an agenda item, unless there is an overriding interest in not doing so on the part of the Company. If the

Supervisory Board does not provide information because of an overriding interest on the part of the company, it shall provide a justification for such refusal.

- 14.4 The remuneration policy for the Executive Board planned for the next financial year and subsequent financial years, as described in the Remuneration Report, shall be submitted to the General Meeting for adoption and shall be offered to the Works Council for information. Any substantive change in the remuneration policy shall also be submitted to the General Meeting for adoption. Schemes which remunerate members of the Executive Board in shares or rights to acquire shares, and amendments to such schemes, shall be submitted to the General Meeting for approval.

15. RELATIONS WITH THE WORKS COUNCIL

Each year the Supervisory Board shall draw up a schedule for the attendance of one or more members of the Supervisory Board at the consultative meetings with the Works Council, to the extent that the presence of a member of the Supervisory Board at such consultative meetings is required by law. The presence of supervisory directors is compulsory at the (half-yearly) consultative meetings referred to in article 24, paragraph 1 of the Works Councils Act and at meetings in which an intended resolution as referred to in article 25, paragraph 1 of the Works Councils Act is discussed (resolutions which involve a right of prior consultation).

16. INFORMAL CONTACTS

A member of the Supervisory Board who informally or in any other indirect way is given information in confidence on matters affecting the Company shall act with care in such contacts and shall always assume that the Supervisory Board, or in any case the Chairman, can be taken into such confidence.

17. CONFIDENTIALITY

Each member of the Supervisory Board undertakes to treat all information and documents which he obtains in the performance of his duties as a member of the Supervisory Board as strictly confidential.

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

18. AMENDMENTS

These Regulations may only be amended if the Supervisory Board so resolves. Any such amendment shall be made in writing.