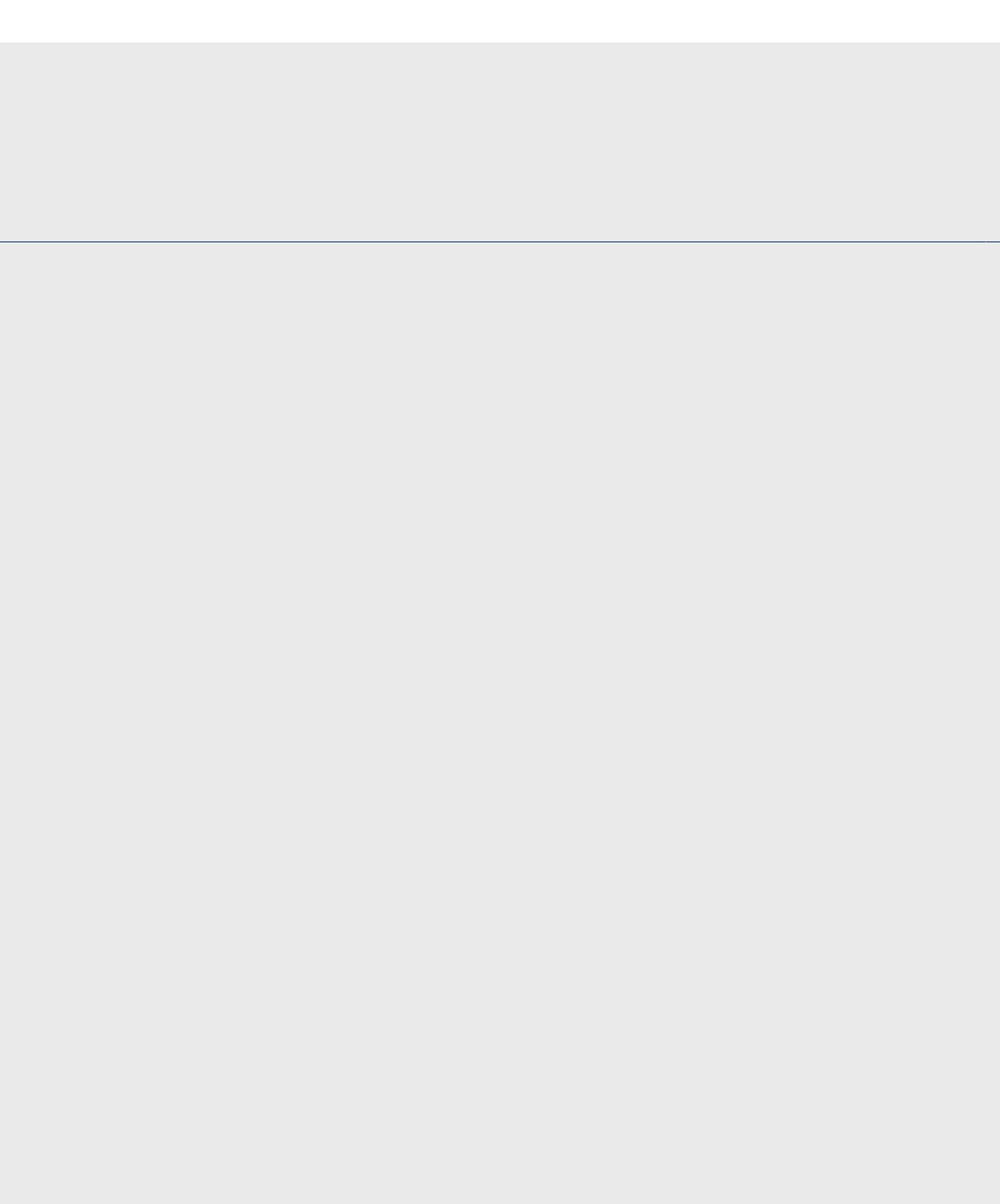


CODE OF INTEGRITY AND RULES CONCERNING PERSONS OF TRUST

(Whistleblowers scheme)

Royal Ten Cate



INTRODUCTION

This code of integrity has been drawn up by Royal Ten Cate nv. The code forms the basic principles that underlie all the actions of our operating companies, both in the Netherlands and abroad.

Royal Ten Cate is a company that produces materials with precisely defined functional characteristics. In this context we enter into relations with other parties in our vicinity as supplier, developer, partner, etc. These relations are based not only on trust, in-house technological know-how and skills and the quality of our products, but also on our method of operation, the way we treat the environment and our social objectives.

For Royal Ten Cate it is essential that our stakeholders have confidence in the company both now and in the future. The object of this code of integrity is to contribute to that confidence and Royal Ten Cate will therefore adhere to this code of integrity and expects the same of all its employees.

Because Royal Ten Cate operates in a dynamic environment, the code will if required be modified as a result of new insights, requirements or wishes. The Executive Board will communicate significant amendments to the relevant target groups.

In order to support this code a central Compliance Officer and a Person of Trust have been appointed. In addition, a Person of Trust will be appointed in the person of the social worker from the ArboUnie. These persons may be consulted should any questions or complaints arise that relate to this code.

Questions and complaints with regard to the financial and economic aspects of the code of integrity may be filed with the Compliance Officer. For questions or complaints with regard to the interpersonal aspects of this code, such as discrimination and intimidation, employees may turn to one of the Persons of Trust.

The code of integrity relates to everyone who is employed by Royal Ten Cate or its operating companies. This code forms an integral part of each individual contract of employment.

The Executive Board considers it crucial that employees understand the importance of the code of integrity and comply with it. A significant task thus falls to the supervisory managers in this respect. The code of integrity includes a whistleblowers scheme (Rules concerning Persons of Trust), intended for the reporting of abuses within Royal Ten Cate. For the procedure concerning this, please refer to Chapter 2 of these rules.

This code has been approved by the Supervisory Board of Royal Ten Cate and came into force on the 1st of July 2006.

L. de Vries
Chairman

P.H. van der Vorm

OUR MISSION

Royal Ten Cate is a technology-driven, internationally based, innovative company that strives for market leadership in its niche markets. Royal Ten Cate invests in the expansion and transfer of knowledge, in order to make maximum use of the organization's high level of expertise in textile technology and related chemical processes. The company endeavours to operate in an ethically and socially responsible manner and provides employees with a safe and inspiring work environment in which they can flourish.

Values

This mission serves as a directive for all the employees of Royal Ten Cate nv in their everyday work. In addition, core values have been formulated which are complementary to the mission. The values of 'progressive', 'knowledgeable', 'resourceful' and 'reliable' provide a good description of what Royal Ten Cate is and wants to be. In order to protect this reputation the company will at all times adhere to generally accepted social standards and values and to the local laws and regulations applying to our operations worldwide.

Employees

The company expects of its employees that they will not undertake any actions that are in conflict with our mission and core values.

- We are meticulous in meeting our commitments to our stake holders so that their confidence is not undermined.
- Royal Ten Cate and its employees will refrain from behaviour that discourages fair competition. Royal Ten Cate or its employees will acquaint themselves with information about competitors only by legal means.
- Royal Ten Cate and its employees will make no use of

customers or suppliers to breach or circumvent legislation or regulations. Neither will they act contrary to socially accepted standards.

- Royal Ten Cate and its employees will neither give nor receive gifts with the aim of influencing the other party. Small attentions as a token of appreciation are permitted, provided they represent a value of less than € 100. In the case of gifts with a higher equivalent value, the Compliance Officer is to be consulted. Gifts in money or gifts that can be converted into money are not permitted. Should an employee be embarrassed by a gift or when in doubt, the Compliance Officer is to be consulted.
- Royal Ten Cate operates on the basis of commercial considerations. Personal motives play no role in this. Competing or doing business with organizations in which family members or acquaintances have an interest may cause an entanglement of interests. Such cases, or cases that may create the appearance of an entanglement of interests, should be reported to the Compliance Officer.
- All transactions with customers or business partners will be recorded in writing in accordance with the current guidelines. The administration of every order and every project will be transparent, complete and correct. Payments in cash will not be accepted, unless the payment is made in accordance with generally accepted auditing procedures. When in doubt the Compliance Officer is to be consulted.

- The individual ambitions, values and standards of employees should fit within generally accepted values and standards.
- Employees will be judged on their performance. Any form of discrimination on grounds of race, sex, religion, life principles, political preferences, age, handicap, sexual preferences or otherwise are unacceptable within Royal Ten Cate. Physical, verbal, written and sexual intimidation will not be tolerated. In the case of complaints employees may call on one of the Persons of Trust.
- Royal Ten Cate will ensure a safe and healthy workplace for its employees. Royal Ten Cate expects all its employees, just as its business partners, to act in the spirit of the company's environmental and safety policy.
- Royal Ten Cate invests in the expansion and transfer of knowledge, in order to make maximum use of the organization's high level of expertise in textile technology and related chemical processes. The company endeavours to operate in an ethically and socially responsible manner and provides employees with a safe and inspiring work environment in which they can flourish.
- Additional functions of Royal Ten Cate employees may not contravene the law. If necessary, employees must indicate that they are speaking in a personal capacity and not make any statements on behalf of Royal Ten Cate. It is not permitted to make statements that will harm the material or immaterial interests of the company. Paid or unpaid additional activities that are contrary to the interests of Royal Ten Cate are not permitted. When in doubt the Compliance Officer is to be consulted.
- Company property such as machines, equipment, goods of fixtures and fittings should only be used for company purposes. Any other use is not permitted. This applies equally to confidential information, such as sales and profit figures, marketing plans and the like. Employees will handle both the material and the immaterial property of Royal Ten Cate with care.
- Employees of Royal Ten Cate are obliged to observe the complete secrecy of all confidential information in so far as this does not contravene a legal obligation of disclosure. When in doubt the Compliance Officer is to be consulted. The obligation to maintain secrecy will remain in force even after termination of employment.
- Royal Ten Cate operates a policy to minimize environmental impact. The company and its employees will therefore act vigorously in the spirit of this policy. Business partners are also expected to do their best to minimize environmental impact.

In addition to this code of integrity, rules concerning persons of trust, a so-called whistleblowers scheme, have also been drawn up. These rules will ensure that employees can safely report suspicions of serious abuses within the company.

Shareholders

The shareholders are the joint owners of Royal Ten Cate. They have placed their confidence in the company. Royal Ten Cate will therefore do all it can to promote the interests of its shareholders.

Compliance Officer and Person of Trust

The Compliance Officer and the Persons of Trust are appointed by the Executive Board.

The Compliance Officer is an independent reporting centre for putting questions about the code of integrity, or reporting breaches thereof in the financial and economic field.

The Person of Trust has been established for questions about or for the reporting of breaches of the code in the interpersonal sphere, for example discrimination or sexual intimidation.

The Person of Trust at central level is also responsible for the correct implementation of the whistleblowers scheme.

Every employee of Royal Ten Cate is obliged to report immediately to the Compliance Officer or Person of Trust any breach of the code of integrity discovered by him or her. The reporting will be treated confidentially.

Both the Compliance Officer and the Person of Trust have the authority to investigate breaches of the code and if required to give advice to the Executive Board or the management of the operating companies.

Both the Compliance Officer and the Person of Trust will report to the Executive Board once a year about the operation of the code and any actions taken.

If, on the basis of a report to the Compliance Officer or Person of Trust, an investigation is held, from which it appears that there has been a breach of the code, sanctions may be taken against the employee in question. These sanctions will depend on the seriousness of the offence and may vary from a reprimand, suspension, penalty or dismissal to instant dismissal. The employee concerned may be held liable for all the damage or loss that may arise for Royal Ten Cate as a result of the breach of the code.

RULES CONCERNING PERSONS OF TRUST

RULES CONCERNING PERSONS OF TRUST

(whistleblowers scheme) Royal Ten Cate

Rules relating to dealing with a suspicion of an abuse

Chapter 1 - Definitions

Article 1

In these rules the following words have the following meanings:

- the employee: the person who, whether employed on a permanent basis or not, works for the company and its operating companies;
- the company: the public limited liability company Royal Ten Cate;
- the Chairman of the Executive Board: the Chairman of the Executive Board of the company;
- the Chairman of the Supervisory Board: the Chairman of the Supervisory Board of the company;
- supervisory manager: the person who is directly responsible for the employee;
- Person of Trust: the person who has been appointed by the Chairman of the Executive Board to function as such for the company and its operating companies;
- a suspicion of an abuse: a suspicion based on reasonable grounds with regard to the company, in connection with:
 - a. an offence or threat thereof;
 - b. an infringement of legislation and regulations or threat thereof;
 - c. a deliberately incorrect informing of public bodies or constituent bodies of the company and its operating companies or threat thereof;
 - d. an infringement of rules of conduct in force within the company or
 - e. a deliberate withholding, destruction or manipulation of information about these facts or threat thereof.

Chapter 2 - Procedure

Article 2

1. Unless there are exceptional grounds as referred to in Article 4 paragraph 2, the employee will report a suspicion of an abuse internally to his supervisory manager or, should he consider reporting to his supervisory manager not desirable, to the Person of Trust. Reporting to the Person of Trust may also take place in addition to the reporting to his supervisory manager.
2. The supervisory manager or the Person of Trust will record the reporting, with the date on which this was received, if required in writing and will have this record signed for approval by the employee, who will receive a copy of it. The supervisory manager or the person of trust will ensure that the Chairman of the Executive Board is immediately informed of a reported suspicion of an abuse and of the date on which the reporting was received and that the Chairman of the Executive Board receives a copy of the record.
3. The Chairman of the Executive Board will send an acknowledgement of receipt to the employee who has reported a suspicion of an abuse. In this acknowledgement reference will be made to the original reporting. This also applies if the employee has not reported the suspicion to his supervisory manager but to the Person of Trust.
4. The Chairman of the Executive Board will start an investigation immediately upon the reporting of a suspicion of an abuse.

5. The employee who has reported the suspicion of an abuse and the person to whom the suspicion of the abuse has been reported will treat the reporting confidentially. No information will be provided to third parties within or outside the company and its operating companies without the permission of the Chairman of the Executive Board. When information is provided the name of the employee will not be mentioned and also, for that matter, the information will be provided in such a way that the anonymity of the employee will be safeguarded as far as possible.

Article 3

1. The employee will be informed in writing by or on behalf of the Chairman of the Executive Board of the standpoint of the Chairman of the Executive Board concerning the reported suspicion of an abuse within a period of eight weeks from the moment of the internal reporting. This will indicate to which measures the reporting has led.

2. If the standpoint cannot be given within eight weeks, the employee will be notified of this by or on behalf of the Chairman of the Executive Board and an indication will be given of the term within which he can expect to see a standpoint.

Chapter 3 – Reporting to the Chairman of the Supervisory Board

Article 4

1. The employee may report the suspicion of an abuse to the Chairman of the Supervisory Board, if:

a. he is not in agreement with the standpoint as referred to in Article 3;

b. he has not received a standpoint within the required term, as referred to in the first paragraph of Article 3;

c. the term, as referred to in the second paragraph of Article 3, is, in view of all the circumstances, unreasonably long and the employee has lodged an objection to this to the Chairman of the Executive Board, but the latter has not subsequently indicated a shorter reasonable term;

d. the suspicion of an abuse relates to a director of the company, or the Person of Trust;

e. there are exceptional grounds as referred to in the following paragraph.

2. Exceptional grounds as referred to in paragraph 1.e occur if there is

a. a situation in which the employee may reasonably fear countermeasures as a result of an internal reporting;

b. a previous internal reporting of essentially the same abuse in accordance with the procedure, which has not removed the abuse.

3. The Chairman of the Supervisory Board will record the reporting, with the date on which this was received, if required in writing and will have this record signed for approval by the employee, who will receive a copy of it.

4. The Chairman of the Supervisory Board will send an acknowledgement of receipt to the employee who has reported a suspicion of an abuse. If the employee has previously reported the suspicion of abuse, reference is made in this acknowledgement to the original reporting.

5. An investigation will immediately be started in connection with the reporting of a suspicion of an abuse.
6. The employee who has reported the suspicion of an abuse and the person to whom the suspicion of the abuse has been reported will treat the reporting confidentially.
7. No information will be provided to third parties within or outside the company and its operating companies without the permission of the Chairman of the Supervisory Board. When information is provided the name of the employee will not be mentioned and also, for that matter, the information will be provided in such a way that the anonymity of the employee will be safeguarded as far as possible.

Article 5

1. The employee will be informed in writing by or on behalf of the Chairman of the Supervisory Board of a substantial standpoint concerning the reported suspicion of an abuse within a period of eight weeks from the moment of the internal reporting. This will indicate to which measures the reporting has led.
2. If the standpoint cannot be given within eight weeks, the employee will be notified of this by or on behalf of the Chairman of the Executive Board and an indication will be given of the term within which he can expect to see a standpoint.

Chapter 4 - Legal protection

Article 6

The employee who, with due observance of the provisions in these rules, has reported a suspicion of an abuse in good faith will in no way be disadvantaged in his position as a result of this reporting. This protection will not apply if the suspicion of an abuse is made known in a way that is not in conformity with this procedure, but is made known at any moment (prior to, simultaneously or thereafter) to one or more third parties within or outside the company.

Chapter 5 – Coming into force

Article 7

This code has been approved by the Supervisory Board of Royal Ten Cate and came into force on the 1st of July 2006.

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