

ROYAL TEN CATE NV REGULATIONS ON INSIDER TRADING

Introductory article

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

DEFINITIONS

- a. KTC: Royal Ten Cate N.V., the issuing institution;
- b. KTC Securities: shares in the capital of KTC and other securities whose value is partly influenced by shares in the capital of KTC (such as options on shares in the capital of KTC, pre-emptive rights, stock options and warrants issued by KTC and optional dividends in respect of shares in the capital of KTC);
- c. KTC shares: shares, or depositary receipts for shares, in the capital of KTC and rights resulting from an agreement to acquire shares, or depositary receipts for shares, in the capital of KTC as well as rights resulting from an agreement to acquire votes in respect of KTC shares;
- d. Listed Securities: securities issued by a Company having its registered office in the Netherlands which are included in the listing on an officially recognised securities exchange, other than KTC shares;
- e. person required to disclose: a person who under the Securities Transactions Supervision Act 1995 and the Rules on the Disclosure and Regulation of Securities Transactions 1999 is designated as a person required to disclose transactions performed by him in KTC Securities;
- f. person not required to disclose: any employee of KTC who is not a person required to disclose;
- g. price-sensitive information: information which qualifies as inside information within the meaning of article 46 of the Securities Transactions Supervision Act 1995;

- h. employees: persons required to disclose and persons not required to disclose;
- i. Compliance Officer: the officer appointed as such by the Executive Board of KTC;
- j. AFM: the Netherlands Authority for the Financial Markets;
- k. Executive Board: the executive board of KTC;
- l. Supervisory Board: the supervisory board of KTC;
- m. Adjacent Companies: the group of companies with which KTC has an important direct business relationship, or companies which belong to the same business sector (technical textiles), which group may be determined by the Supervisory Board.

1. PERSONS REQUIRED TO DISCLOSE

- 1.1 The disclosure requirement applies to KTC as the issuing institution; the definition of person required to disclose therefore includes KTC.
- 1.2 The persons required to disclose by virtue of the Securities Transactions Supervision Act 1995 are:
 - a. members of the Executive Board and any other persons who determine or co-determine the day-to-day policy of KTC;
 - b. members of the Supervisory Board.
- 1.3 The persons required to disclose by virtue of the Rules on the Disclosure and Regulation of Securities Transactions 1999 are:
 - a. executive and supervisory directors of KTC group companies if the most recently determined sales of such group company account for at least 10% of the consolidated sales of the group;
 - b. persons who directly or indirectly acquire more than 25% of the capital of KTC and, in the case of a legal person, the executive and supervisory directors of such legal person;
 - c. spouses of the persons referred to above under 1.2a, 1.2b, 1.3a and 1.3b;
 - d. relations by blood or marriage in the first degree and other persons who maintain a joint household with the persons referred to above under 1.2a, 1.2b, 1.3a and 1.3b;
 - e. Relations by blood or marriage in the first degree of the persons referred to above under 1.2a, 1.2b, 1.3a and 1.3b who do not maintain a joint household with such

- persons, if such relations by blood or marriage have at their disposal or acquire as a result of the transactions at least 5% of KTC Securities;
- f. members of the (Central) Works Council of KTC.

2. DUTIES AND POWERS OF THE COMPLIANCE OFFICER

- 2.1 KTC has appointed Mr J. Lock as Compliance Officer. In the event of the absence of Mr Lock, Mr H. Scheppink shall act as Compliance Officer. KTC shall ensure that employees are given timely notification of any change in the appointment of the Compliance Officer and/or the appointment of the person who shall fulfil the function in the absence of the Compliance Officer.
- 2.2 The Compliance Officer shall have the duties and powers allocated to him on the basis of these regulations. KTC may allocate supplementary duties and powers to the Compliance Officer.
- 2.3 In consultation with the Executive Board, the Compliance Officer may appoint one or more deputies. Employees shall be given timely notification of such appointment.
- 2.4 The Compliance Officer is authorised to arrange or conduct an investigation with regard to transactions in KTC Securities performed by, on the instructions of or for the benefit of the employee.
- 2.5 The Compliance Officer is authorised to report to the chairman of the Executive Board in writing on the results of this investigation. Before the Compliance Officer reports in writing on the results of the investigation, the employee must be given an opportunity to respond to the results of the investigation. The employee shall be notified by the chairman of the Executive Board of the final result of the investigation on the basis of the reports of the Compliance Officer.

3. OBLIGATIONS OF EMPLOYEES

- 3.1 The employee must refrain from making any use of price-sensitive information, or from mixing any business and private interests, and must avoid giving any reasonably foreseeable appearance thereof.
- 3.2 The employee must handle with care any information which comes into his possession in the business sphere. Such information must be kept separate from his private sphere.
- 3.3 The employee accepts that the Compliance Officer is authorised to arrange or conduct an investigation with regard to transactions in KTC Securities performed by, on the instructions of or for the benefit of the employee.
- 3.4 In the context of strict compliance with these regulations, the employee is obliged upon request to provide the Compliance Officer with all information relating to a securities

transaction performed by him or for his benefit.

- 3.5 The employee is obliged upon request to give instructions to the securities institution at which he maintains his securities account to disclose all information to the Compliance Officer concerning any securities transaction performed for his benefit or on his instructions.
- 3.6 The employee is not permitted to perform a securities transaction if it might reasonably give the appearance that he possessed or might have possessed price-sensitive information in relation to the transaction.

4. DISCLOSURE REQUIREMENT ON THE BASIS OF THE SECURITIES TRANSACTIONS SUPERVISION ACT 1995

- 4.1 Persons required to disclose are obliged to make a disclosure of the transactions which have been performed in KTC Securities to the AFM within the specified periods. The persons required to disclose referred to in article 1.1 and 1.2 are required to make a disclosure to the AFM immediately. The persons required to disclose referred to in article 1.3 are required to make a disclosure to the AFM at the latest 10 days after the end of the calendar month in which the transactions to be disclosed were performed or effected.

- 4.2 In the context of a KTC personnel option scheme, the following mandatory disclosure times arise:

for KTC:

- a. the time of the granting of the personnel option;
- b. the time of the repurchase of the company's own shares in order to fulfil the delivery obligation if an option holder exercises his personnel options;
- c. the time of issue/delivery of KTC Securities in connection with the exercise of the personnel options;

for the recipient of the personnel options:

- a. the time of the acceptance of the personnel option;
- b. the time of the exercise of the personnel option;
- c. the time of the sale of KTC Securities acquired in the exercise of the personnel option.

Sale within the meaning of c. shall include a cash settlement of the personnel option.

- 4.3 There are a number of exceptions to the disclosure requirement. These are stated in the notes to these regulations.
- 4.4 The disclosures may be made:
 - by members of the Executive Board and the Supervisory Board: to the chairman of the Supervisory Board, who shall then be responsible for disclosure to the AFM, or directly to the AFM with a copy to the chairman of the Supervisory Board;

- by the chairman of the Supervisory Board: to the vice-chairman of the Supervisory Board, who shall then be responsible for disclosure to the AFM, or directly to the AFM with a copy to the vice-chairman of the Supervisory Board;
- by other persons required to disclose: to the Compliance Officer, who shall then be responsible for disclosure to the AFM, or directly to the AFM with a copy to the Compliance Officer.

The person required to disclose shall remain responsible for the disclosure to the AFM.

- 4.5 The details which must be disclosed and the method of disclosure are stated in a disclosure form drawn up by the AFM. The disclosure form, consisting of part I and part II, is appended to these regulations.

5. DISCLOSURE REQUIREMENT ON THE BASIS OF THE CORPORATE GOVERNANCE CODE

- 5.1 Members of the Executive Board and the Supervisory Board are in principle free to invest in Listed Securities.
- 5.2 By departure from the first paragraph, members of the Executive Board and the Supervisory Board are not permitted to invest in Listed Securities of Adjacent Companies.
- 5.3 A member of the Executive Board or the Supervisory Board must not hold any KTC Securities or Listed Securities other than for investment with a term of at least one year.
- 5.4 As soon as possible after these Regulations have been adopted by the Executive Board, these regulations must be presented in writing to the members of the Executive Board and the Supervisory Board; the members of the Executive Board and the Supervisory Board shall immediately confirm in writing to the chairman of the Supervisory Board that they have taken note of them. In this confirmation, each member of the Executive Board and the Supervisory Board shall give a statement of his holding of Listed Securities. This statement may include a separate list of any Listed Securities issued by Adjacent Companies.
- 5.5 A member of the Executive Board or the Supervisory Board shall disclose changes in his holding of Listed Securities each year to the chairman of the Supervisory Board. The chairman of the Supervisory Board shall disclose changes in his holding of Listed Securities each year to the vice-chairman of the Supervisory Board.
- 5.6 A member of the Executive Board or the Supervisory Board who invests exclusively in listed investment funds or who has assigned the free management of his securities portfolio to an independent third party by means of a written mandate shall be exempt from the disclosure requirement of article 5.5.

5.7 A member of the Supervisory Board shall not be granted any KTC Securities or Listed Securities by way of remuneration.

6. DISCLOSURE REQUIREMENT ON THE BASIS OF THE DISCLOSURE OF MAJOR HOLDINGS IN LISTED COMPANIES ACT

6.1 In accordance with the provisions of article 2a, paragraphs 1, 3, 4 and 5 of the Disclosure of Major Holdings in Listed Companies Act, members of the Executive Board and members of the Supervisory Board are obliged within a specified period to disclose to the chairman of the Supervisory Board and to the AFM

- a. the number of KTC shares and the number of associated shares (as defined in the Disclosure of Major Holdings in Listed Companies Act) which they have at their disposal, and each change therein; and
- b. the number of votes they can cast in respect of the issued capital of KTC and the issued capital of associated companies (as defined in the Disclosure of Major Holdings in Listed Companies Act), as well as any change therein.

6.2 The chairman of the Supervisory Board shall make the disclosure referred to in the previous paragraph to the vice-chairman of the Supervisory Board.

7. CLOSED PERIODS IN WHICH NO TRANSACTIONS IN KTC SECURITIES MAY BE PERFORMED OR EFFECTED

7.1 A person required to disclose shall not directly or indirectly purchase or sell KTC Securities:

- a. during the period of two months immediately prior to the first publication of an annual report;
- b. during the period of 1 1/2 months immediately prior to the publication of a half-yearly or quarterly report, or the announcement of an interim or final dividend;
- c. during the period of one month immediately prior to the first publication of a prospectus for a share issue, unless KTC demonstrates that there is a shorter period of decision-making than one month, in which case this shorter period shall apply.

7.2 However, by departure from the provisions of article 7.1 above, an option holder may, even if he possesses inside information, exercise the options granted to him under a personnel scheme on the expiry date of the option right or within a period of five working days prior to the expiry date; such option holder may also sell the securities acquired upon the exercise of such option rights if, at least two months before the expiry date, the person concerned has notified KTC in writing of his intention to sell. The option holder shall then be exempt from the disclosure obligation in article 4 above.

7.3 A person required to disclose shall not sell KTC Securities within six months after the

purchase thereof and shall not purchase KTC Securities within six months after the sale thereof.

- 7.4 KTC shall announce in good time before the commencement of each calendar year which periods in the respective calendar year shall in any case apply as the period referred to in article 7.1. Amendments or additions shall be announced in the course of the calendar year in the same way to the persons required to disclose.

8. FINAL PROVISIONS

- 8.1 A copy of these regulations shall be sent to the AFM. A copy of these regulations shall also be published by the Executive Board on the KTC website (www.tencate.com).
- 8.2 The provisions of these regulations shall continue to apply to a person required to disclose for a further six months after he ceases to operate in the capacity in question.
- 8.3 The Executive Board is authorised to decide in cases which are not provided for in these regulations.
- 8.4 These Regulations shall remain in force until they are amended by virtue of a resolution adopted to that effect in writing by the Supervisory Board, in which the amended text of the regulations is included verbatim. The amendment resolution may only be adopted by the Supervisory Board once the members of the Executive Board have been given an opportunity to convey their opinion on such intended amendment to the Supervisory Board.
- 8.5 These regulations shall be governed by the law of the Netherlands.

Adopted by the Executive Board and the Supervisory Board on 22 February 2005. These regulations replace the existing regulations on insider trading dated 16 December 2002.