

Minutes

legal affairs

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Of the Annual General Meeting of Shareholders of Royal Ten Cate nv, held on Thursday 29 March 2007 at the Muziekcentrum in Enschede

1 Opening of the meeting

The Chairman opened the meeting and welcomed all those present, in particular Mr Jan Wegstapel, future member of the Executive Board.

Mr H. van der Laan, authorized representative of the Association of Securities Holders, was unable to attend the meeting owing to illness and had sent his apologies. Likewise Mr F.A. van Vught, member of the Supervisory Board, was unable to attend the meeting and had sent his apologies. As advisor to the chairman of the European Union, his presence was urgently required elsewhere in Europe.

2 Announcements

The Chairman announced the following formalities:

General meetings of shareholders are chaired by the Chairman of the Supervisory Board, in accordance with article 30 paragraph 1 of the articles of association. The Chairman confirmed that the meeting had been convened by the Supervisory Board and the Executive Board by an announcement on Wednesday 14 March 2007 in

- Het Financieele Dagblad
- De Twentsche Courant Tubantia and in
- The Official Price List of Euronext Amsterdam nv, being the fifteenth day before the day of the meeting and thus in accordance with the requirements of the articles of

association.

The business to be transacted was contained in the notice convening the meeting. This also stated that the complete text of the agenda, with explanatory notes, and the annual report and accounts had been made available for inspection in the prescribed manner, and were obtainable free of charge. The documents referred to had been made available for inspection at the company's offices from the day the meeting was convened and would be available there until the end of the present meeting.

The Chairman recorded that the meeting had been convened in accordance with statutory requirements and with the requirements of the articles of association. Legally valid resolutions could therefore be adopted in this meeting in regard to all the business announced. No request from shareholders had been received either by the Executive Board or by the Supervisory Board to place items on the agenda other than those that were already on the agenda.

23,169,621 ordinary shares of Eur 2.50 had been issued by the company. There were 88 people in attendance as shareholders or as representatives of shareholders, with all those present being jointly entitled to cast 4,548,940 votes, together representing approximately 19.6% of the issued share capital.

Those present were given the opportunity to ask questions or make remarks about each of the items on the agenda. To enable the meeting to proceed in an orderly manner, the Chairman requested that questions and remarks be limited to the business in hand.

Minutes of the meeting would be prepared. Mr A.J. ten Cate had expressed his willingness to co-sign the minutes.

3 Discussion of the 2006 annual report

The Chairman called on Mr De Vries, Chairman of the Executive Board, to provide a commentary on the performance, prospects and strategy as stated on pages 20 to 65 of the 2006 annual report. The Chairman added that this commentary could also be followed via internet.

Mr De Vries, with the aid of transparencies, gave a commentary on the organization, market positions, the most important developments, financial data, developments per sector and acquisitions.

As a result of the strategy formulated earlier, injected in the fix it/exit of the components sector and the buy and build of the core activities, the structure of the organization has been adapted and has consequently become more transparent. A clear focus has been placed on the core activities, so that within these core activities TenCate is striving to dominate the value chain and the position of market leader.

Quite a lot has happened in the Advanced Textiles & Composites sector over the last few years. Southern Mills, now called Ten Cate Protective Fabrics USA, was acquired – a company that is showing excellent results. In addition, the acquisition of the Roshield company in Denmark was finalized in February 2007. This acquisition falls under the Aerospace & Armour group. As stated earlier, companies that TenCate acquire should have synergy in the field of technology with the existing companies within the group. Furthermore, product and market positions should be shared.

The Polyfelt company was added to the Geosynthetic & Grass sector in 2005 and this company has now been integrated into the TenCate Geosynthetic group. In addition, the acquisition of the Mattex company, located in Dubai, has almost been completed. This company will be incorporated in the TenCate Grass Group.

As far as the Technical Components sector is concerned, it can be noted that, following the sale of Plasticum and Mega Valves and the fairly recent sale of Business Key within this sector, only Ten Cate Enbi is still operating. Summing up in brief, Mr De Vries said that TenCate would further structure the company around two basic activities, namely Advanced Textiles & Composites and Geosynthetic & Grass, and the buy and build strategy would be further applied to these sectors.

Then Mr De Vries turned his attention to developments within the TenCate Protective Fabrics group, which is represented in Europe, the USA and Asia. The companies in this group

manufacture protective and safety fabrics (multi-risk fabrics). This group is expected to realize further growth because of a substantial increase in legislation in the field of personal protection in industry, among other developments. As already announced, a major order has now been received from the American army. Furthermore, TenCate is expressly focusing on the end-market as a way of ensuring that TenCate specifications and materials are chosen. Moreover, it is important to continue to focus attention on the TenCate business model, which is based on four keystones, namely cost leadership, product differentiation, end-user marketing and technology development. The thing is to devote extensive attention to cost management, particularly in Europe. That is why ITX, which stands for a technological development in the field of digital finishing, has been introduced at TenCate. The implementation of this technology should ensure that the so-called break-even level of our companies within this group remains at an acceptable level.

The TenCate Antiballistic Composites group makes plate material that ensures not only personal protection (bullet-proof vests and helmets) but also heavy-duty protection as applied in armoured vehicles, tanks and cars. It is expected that a respectable autonomous growth will be realized in this group too. The materials that are manufactured within this group are a combination of textile and chemical technology and knowledge of materials. Which brings us to the brand names Liba and Ceraflex. Liba relates to a product that is a combination of rubber inlay and ceramics, fixed on a Dyneema plate material. At the end of 2005 TenCate received a substantial order from the KLPD (Korps Landelijke Politie Diensten: national police force in the Netherlands) to design and supply vests that provide protection against bullets, knives and needles. This group focuses on developing a material that, while being as light as possible, yet provides adequate protection for people and vehicles.

TenCate Aerospace supplies the Cetex materials (thermoplastics) that find their way into the aircraft industry, for example, Airbus, Boeing, Embraer and Saab Viking. Here the low weight of these materials contributes to lower construction costs and significant fuel savings. The markets in which this group operates impose high entry thresholds through lengthy certification programmes. Once certified, a company enjoys a good position with regard to the

competition for a longer period. It is mainly a question of long-term projects in these markets.

With its LSR artificial grass fibres and monofilament and multifilament fibres, the TenCate Grass Group is market leader and world market leader technologically. These products comply with the requirements set by UEFA and FIFA. Currently attention is focused on developing artificial grass systems (fully integrated systems) without the addition of infill – the so-called fourth generation of artificial grass systems.

The Grass Group has a good position in the value chain. Nevertheless, TenCate has decided to go a step further by entering into commercial alliances with marketing organizations such as Fieldturf and Greenfields. In addition, TenCate is partner of the KNVB (Royal Netherlands Football Association) and the Johan Cruyff Foundation, and participates in the Sport & Leisure Institute of the University of Twente, where research into artificial grass systems is carried out.

The TenCate Geosynthetics Group operates in the civil engineering, environmental market and agriculture sectors. Its geotube systems are applied in the fields of dewatering, erosion protection and land reclamation. For example, Hong Kong airport was constructed with the aid of TenCate geotube systems.

Next Mr De Vries gave an insight into the market positions of the various groups, which have been achieved by applying the TenCate business model based on value chain management and the buy and build strategy. Protective Fabrics is number one in the world when it comes to the markets relating to the fire services, army, police, processing industry, utilities companies, etc. Aerospace & Armour Composites occupies a position in the top three in the markets for thermoplastics for aerospace and armour. Geosynthetics is number one worldwide in infrastructure, water management and environmental solutions. Synthetics Grass is number one worldwide when it comes to sport, such as American football, rugby, hockey, golf and landscaping.

Then the most important developments in 2006 came under review.

The year 2006 was again a record year. Sales increased to € 771 million (€ 687 million in 2005). 5% autonomous increase, 8% acquisitions and divestments, and minus 1% currency movements. The operating result amounted to € 50 million (30% increase with regard to 2005, of which 18% autonomous). Net profit increased to € 76 million (€ 30.5 million in 2005). The result of divestments amounted to € 42 million (TC Plasticum and Synbra).

The company saw a strong growth in aerospace composites and protective fabrics. By contrast, autonomous growth in sales realized by Geosynthetics and Grass in the second half of 2006 was low, in particular because of economic developments in the USA. A lower result was recorded for artificial turf because of

- initial costs for expanding capacity
- the narrowing of margins in the volume sector
- insufficient production capacity for monofilament fibres in 2006
- dealing with strategic and operational measures.

Ten Cate Enbi bv recorded a good result in 2006.

The remaining developments in the year 2006 relate to the following:

- the signing of a declaration of intent with the Province and Municipality with regard to a so-called 'Nijverdal Noord' Master Plan. TenCate realizes that considerable attention must be paid to costs, particularly in Europe too, and that consequently work should be carried out in such areas as technology development, innovations and efficient production. Therefore the production will be centralized in Nijverdal Noord and an open innovation centre will be established. To realize this, cooperation has been arranged with the Province and the Municipality. This cooperation is also important for obtaining subsidies.
- the European Commission has granted a subsidy for the so-called Digitex project of € 6.8 million (scale of project is € 12.7 million). This project on digital finishing involves 26 partners: 10 universities and 16 companies. The development of digital finishing is of major importance, because its introduction will lead to a significant reduction in quality costs, which will lessen considerably the differences in cost between Asia and Europe.

- TenCate launched a significant investment programme in 2006 (€ 43 million) to meet further growth: for example, to expand production capacity for artificial grass fibres, to buy a non-woven factory in the USA, to buy the continuous open-width bleaching machine, and for investments in expansion in Asia (production of geotextile fabrics).
- the sale of Ten Cate Nicolon Australia to Geosynthetics Australasia (a 50% joint venture).
- the sale of Ten Cate Plasticum and Synbra.
- the takeover of Roshield in Denmark.

Mr De Vries briefly evaluated the actions that had taken place in 2006.

- The corporate branding project has been completed. This concerned the restyling of the TenCate logo, a policy on corporate identity, and consistency in statements made in a business context (including use of brand). In short, a clear picture for the outside world.
- The integration of Polyfelt, which proceeded smoothly and rapidly.
- Progress was made regarding the acquisition and divestment policy. Synbra and Ten Cate Plasticum were sold, with a positive result of € 42 million. Mattex and Roshield have been acquired.
- There has been a further reinforcement and embedment of knowledge protection. Much more than before, new products, applications and formulations have been assessed to see whether they qualify for protection by patent. If so, then applications for patents are made. Furthermore, enforcement is now carried out and action taken if a breach is detected.
- Progress has been recorded in the field of digital finishing, coupled with the granting of a subsidy by the European Commission.
- Internal cooperation within the groups and across the continents has been stimulated.
- In-house training sessions for managers have been started, with the aim of teaching them skills to enable them to operate in a strongly growing and changing environment.
- Production in Asia is being extended.
- Concentration of the production in Nijverdal (Master Plan) is under preparation.

Mr De Vries remarked that the Master Plan related to unique cooperation between company and local and provincial authorities. And as such this plan has been adopted by the Ministry of Housing. The total costs of € 137 million are to be borne partly by TenCate (€ 77 million) and partly by government (€ 60 million subsidy). Within this Master Plan, considerable attention is devoted to innovation. As already mentioned, an open innovation centre will be established. After all, technological innovation and modernization is of essential importance to TenCate. It supports cost leadership in combination with product differentiation: it will focus on 'cleaner' production (meeting European guidelines); and it enables the organization of mass production, even as regards specifications, at the individual level (flexible production process); enables entry into new markets; and ultimately increases margins through a higher added value. It is expected that the new technology of digital finishing will have advanced to such a stage by the end of the year 2007 that the first products can be launched. Then TenCate will be able to profit from the above-mentioned advantages.

Mr De Vries then considered the geographical breakdown of sales according to destination and remarked that euro-related sales accounted for 45% of the total sales. The Euro/US dollar translation risk for 2007 is hedged at a rate of 1.35. The translation risk for other foreign currencies is limited. 38% of the sales have been realized in USA and Canada. Since 2002 net profit per quarter has shown a steadily rising trend.

The key figures per sector were then discussed:

1. The Advanced Textiles & Composites sector showed a decline in net sales from € 285.6 million in 2005 to € 279.7 million in 2006. This was caused mainly by the sale in 2005 of Permess/Multistiq. The EBIT margin, on the other hand, rose from 5.8% in 2005 to 7.5% in 2006. In view of the opportunities within the sector for protective fabrics and composites, a further rise in the EBIT margin in due course is considered realistic. Indeed there is remarkable growth in the American market for fire-resistant clothing; orders for the American army have been received; and the continuous open-width bleaching machine has been brought into use, various innovation projects have been initiated, and the technology roadmap has been launched in order to keep the cost structure in the Netherlands under control. It is

also important to report that the project-linked sales of bullet- and fragment-proof vests are increasing in the TenCate Aerospace & Armour Composites sector, as are sales in vehicle protection (Roshield takeover in 2007). The added value in vehicle protection is higher than that in personal protection. In Nijverdal there has been heavy investment in expanding the capacity for Cetex production. Sales of Cetex are now growing through continuing market penetration and product development.

2. The Geosynthetics & Grass sector shows a net rise in sales from € 273.9 million in 2005 to € 397.5 million in 2006, partly due to the acquisition of Polyfelt. The EBIT margin declined from 8.7% in 2005 to 6.4% in 2006. The RONA also showed a sharp decline, from 22.6 % in 2005 to 12.9% in 2006. All this has been brought about by the Grass group in particular. Measures have now been taken to restore the EBIT margin to the old level. Partnerships have been entered into with Fieldturf Tarkett and Greenfields. Various patents have been requested and obtained for fibres and artificial grass systems. Dramatic investments have been made to increase production capacity. The Mattex acquisition will be finalized at the end of the first quarter of 2007.
3. The Technical Components sector shows a sharp rise in the RONA, from 13.5% in 2005 to 21.55% in 2006. With regard to this sector, it should also be noted that the sale of Ten Cate Plasticum was completed in 2006. The result of Ten Cate Enbi in Europe has improved significantly. There has been a successful market development in the field of foam technology, and continuing growth in technical rollers. The replacement market, however, has been slow to get going because of long qualification procedures. It is important for Ten Cate Enbi that the number of customers increases. Ten Cate Enbi was, and still is, mainly dependent on a few customers, which is a risky situation.

Mr De Vries then turned his attention to the acquisition of Roshield (completed in February 2007) and Mattex (to be completed at the end of the first quarter of 2007). Roshield manufactures lightweight antiballistic vehicle armour. Together with Ten Cate Advanced Armour in France and Ten Cate Advanced Composites in the Netherlands, this sector is the number one supplier in Europe and Asia. This sector has a firm technological basis and engineering capacities. Purchasing

power has been strengthened as a consequence of this acquisition. The acquisition price amounted to € 34.7 million.

The assets and liabilities of Mattex in Dubai have been bought by TenCate for US\$ 178 million. Mattex specializes primarily in monofilament fibres, and as such fits in perfectly with the existing product/market and technology positions. The monofilament fibre is also the most rapidly growing fibre in the football market. In this market sector, a total growth of approximately 15% a year is expected worldwide. Expected sales in 2007 will amount to US\$ 70 million. A low level of costs and a favourable tax climate are expected to make a sizeable contribution to profits.

The future strategy for the artificial grass market encompasses:

- The complete integration of Mattex in the TenCate Grass group.
- The realization of a split in production: from the point of view of costs, large volumes in Dubai, and customer-specific operations, the marketing of systems, and the development of new products in the Netherlands and the USA. Furthermore, the protection of technological positions by patents and cooperation with marketing organizations in the form of partnerships.

Finally, Mr De Vries turned his attention to the prospects for the year 2007 and anticipated a growth in sales in all strategic core markets; an above-average growth in protective fabrics; a strengthening of the vehicle protection market sector; a positive development in the net profit through the acquisition of Mattex; and for the whole of TenCate a growth in net profit with regard to 2006, adjusted for divestments, of at least 25%.

The Chairman thanked Mr De Vries for his comprehensive commentary on the 2006 annual report and then gave those present the opportunity to ask questions on the 2006 annual report.

Mr J.H.H. Vermeer referred to page 3 of the annual report and then asked why with a healthy rise in the operating result there was yet a decline in the RONA from 15.3% to 14.4%.

Mr J. Lock answered that the RONA is the quotient of the

EBIT and the capital employed. The investments in 2006 were considerably higher than in 2005 owing, among other things, to the acquisition of Polyfelt. Thus a decline in the RONA.

After first complimenting the company on the good readability of the annual report, in which this year the new positioning of the company was reflected in a subtle way, Mr A.J. ten Cate asked the following questions.

1. It is stated on page 5 of the annual report that, in the context of further reinforcing and embedding knowledge protection, TenCate has taken out various patents. Surely new developments are patented as a matter of course if possible?
2. Why haven't you acquired Greenfields?
3. It is stated on page 23 of the annual report that payment is made in advance for machinery. I would hope that this advance payment is not 100%. What is common practice in situations of this kind?
4. Page 24 mentions the thought of making more use of natural materials. What is meant by this?
5. When we in Nijverdal speak of centralizing the production, does this include Nicolon Almelo?
6. Has Geosynthetics received any more orders as a result of the problems in New Orleans in the wake of Hurricane Katrina?

The Chairman thanked Mr Ten Cate for his compliments relating to the readability of the annual report.

Ad 1 Mr De Vries answered that TenCate used to be more cautious with regard to applying for patents. Publication of a patent carries the risk that people will ignore the patent and, in so doing, develop a product in a modified form. Knowledge protection is now given high priority at TenCate and, accordingly, patents are requested for new developments if possible and if commercially advisable. Patents are worthwhile only if you actually follow these patents and take action if a breach is detected. Ten Cate has appointed an industrial property manager, who is occupied with patents, patent applications and enforcement on a daily basis.

Ad 2 Mr De Vries answered that if you want to buy companies, these must of course be for sale. You

cannot simply take everything over. In this case, TenCate first sought cooperation and rendered it permanent through 20% participation. The two companies can reinforce each other through further development of existing complementary patents on artificial grass systems. Moreover, Greenfields is a marketing and sales organization, with direct access to the end-markets.

Ad 3 Mr Lock answered that, when buying capital-intensive installations, it is customary for payment to be made in instalments. After all, the installation of such machines takes quite a time and therefore payment is made in instalments. This applied to the purchase of monofilament lines for TenCate Grass, a machine for TenCate Advanced Composites, and the factory of Geosynthetics in China.

Ad 4 Mr De Vries answered that it makes sense to change dependency on oil in due course and to look for alternatives, consequently raw materials that are not oil-related but are based on natural materials. TenCate will closely follow development in this field and, if necessary, stimulate research.

Ad 5 Mr De Vries answered that the company premises of Nicolon Almelo were sold some years ago and this company will have to be relocated in a few years' time. It is intended to accommodate this production too in Nijverdal.

Ad 6 Mr De Vries answered that the major orders have not gone directly to TenCate. These have gone to companies such as Arcadis. However, TenCate does receive orders from these companies. TenCate also has contacts with the US Corps of Engineers, which is also operating in New Orleans. TenCate has received orders via this corps before, to supply geotubes for cleansing polluted ground.

Mr C.J.S. van Riet asked why TenCate was going to manufacture in China now that the risk of specific knowledge leaking out, to the advantage of the Chinese, was generally recognized.

Mr De Vries answered that TenCate would never start up a production operation in a country such as China or India if there were the chance of knowledge being leaked. Technology that goes in that direction is technology that we consider to be

generally known. Furthermore, it is important to have a presence in Asia. In four years we have built up a market share in the sale of artificial grass in China of almost 45%. TenCate has had a presence in Asia for almost 30 years, through Permess Hong Kong. There are also sales activities in India. After all, a lot will be happening in China and India in the area of infrastructure and civil engineering, and consequently we must put in an appearance.

Mr T.J.F. Egelie, on behalf of Orange Fund nv and Orange Participaties nv, complimented the company on the good results and asked the following questions:

- 1 The objective of the EBIT margin is at least 8% of the whole company. No objective is mentioned for Geosynthetics & Grass. In the past TenCate has scored quite a bit higher than 8% in this sector. What objective do you have for the TenCate Grass group in particular? After all, through the acquisition of Mattex and the strategic and operational measures taken, Ten Cate is far better positioned for the future.
- 2 Is it a good idea to increase the transparency of the TenCate company still more by reporting on the groups and not limiting this to the three sectors (two in the future)?
- 3 How do you handle the IT systems of companies that are taken over?

Ad 1 Mr De Vries answered that the EBIT margin of the Geosynthetics & Grass sector is now over 6% and that, as a result of the strategic and operational measures taken, this percentage could rise further. Certainly as far as the Grass group is concerned, we should again be able to return to old levels, and then we are talking of a percentage heading in the direction of 12%, but then over a period of some years.

Ad 2 Mr De Vries answered that TenCate is also looking into the possibility of providing the most extensive information possible on the various activities. But there are limits, which are partly determined by commercial interests.

Ad 3 Mr Lock answered that in the case of takeovers the first concern is to embed the reliability of the information. Depending on the existing software and

hardware, integration with the TenCate systems will take place immediately or in due course. The whole payment system will also be quickly integrated and adapted to the TenCate systems.

Mr W.F. Burgers (on behalf of Add Value Fund bv) endorsed the remark by Mr Egelie, and in addition felt that the long-term objective of at least a net growth in profits of 10% per year came across as rather modest in view of the measures taken at TenCate Grass. Then he asked the following questions:

- 1 What of the investment level 2007 and 2008? Will this remain structurally at the high level of 2006 or is it a question of making up lost ground?
- 2 It is stated on page 14 of the annual report that there have been several opportunities for acquisition, besides Rosshield and Mattex, which have not led to a takeover or are still under investigation. Are these of a substantial character or are we talking of marginal prospects in this context?

Ad 1 Mr De Vries answered that some years ago at a meeting of analysts the reproach was made that TenCate's investment level was below the depreciation level. It was said then that the time would come when TenCate would be reproached for investing too much. Apparently that time has now come. The investments made in 2006 focused on – and it was absolutely necessary – responding to the higher autonomous growth in certain sectors and investing in technologies that would provide a future for our activities in the Netherlands. Over the past year there has been heavy investment in artificial grass (extrusion and twining lines), in Advanced Textiles (the continuous open-width bleaching machine) and in new capacity for Cetex material.

Ad 2 The Chairman answered that it speaks for itself that a company that is active on a number of fronts looks at all kinds of opportunities to expand that fit within the angle mentioned earlier by Mr De Vries. It can be reported that there have been no interesting acquisition prospects, which offered good potential for growth and fitted within the technology, which we rejected, for example, for financial reasons. A shortlist of possible acquisition candidates comes up

for discussion at every meeting of the Supervisory Board / Executive Board. The company is exceptionally active in continuing to look at new opportunities.

Mr W.H. Swarte remarked that he was pleased with the good results and the clarity of the annual report, this despite the complex legislation that both the AFM (Dutch Financial Markets Authority) and the IFRS imposed on the company, and then asked for some comfort with regard to the acquisition of Mattex. Is this only prompted by buying capacity through removing a competitor from the market and, if this is so, could he be reassured that the need to buy the next competitor out of the market would not resurface in three years' time? After all, looking at it from a negative point of view, you only need one expert, one new idea and a bag of money and over five years a company will be built up that TenCate will then have to buy.

Mr De Vries answered that TenCate had acted rather differently, and in the case of Mattex it was a strategic transaction. If it were merely a question of removing a competitor from the market, then TenCate would be doing something wrong, because another problem could indeed present itself in a few years' time. In the first place, horizontal movement is to ensure that at product level we are always the cheapest in the market. This can be realized through the acquisition of Mattex: low costs in Dubai and the creation of buying power. In addition, it is important to support the market position both with regard to the application and geographically, and the technological position should be supported.

The playing field must focus on artificial grass systems. Therefore TenCate needs partners besides Mattex in end-markets. Hence the cooperation with Fieldturf and Greenfields, technological and commercial alliances. Greenfields has excellent contacts with UEFA and FIFA. Through the cooperation with Greenfields, we are supporting the development of products for artificial grass systems. With new artificial grass systems you would be able to eliminate the intermediaries: the installer and the tufter. TenCate wants to progress to artificial grass systems that are easy to lay.

The Chairman then concluded that there were no further

questions and that the 2006 annual report had been discussed in depth.

4 **2006 Financial statements and appropriation of profit**

a. Adoption of the 2006 financial statements

The Chairman then raised the proposal to adopt the 2006 financial statements as they appear on pages 67 to 119 of the 2006 annual report, consisting of a balance sheet, a profit and loss account and the accompanying explanatory notes. The financial statements had been discussed by the Executive Board and the Supervisory Board and had their support. Moreover, the financial statements had been signed by the members of the Executive Board and the Supervisory Board. KPMG Accountants nv, the company's auditor, had issued an unqualified auditors' report, which appears on page 121 of the 2006 annual report. The Chairman asked if anyone wished to speak about the financial statements or had any questions on this matter. Mr W. van Hulsebeek, representing KPMG Accountants nv, the company's auditor, was present to answer questions if necessary.

Mr W.F. Burgers asked if any reduction in tax charge could be expected as a consequence of a rate cut in the Netherlands or other possible happenings?

Mr Lock answered that the tax charge had declined considerably this year. The tax charge could decline even further in the future now Ten Cate Thiolon Middle East LLC (Mattex) pays no tax and is expected to make a substantial contribution to the profit.

The Chairman concluded that, as there were no further questions and no vote was required, the 2006 financial statements had been unanimously adopted.

b. Adoption of the appropriation of profit

As appeared on page 125 of the annual report, the Executive Board had resolved, on the basis of what had been determined in the articles of association, that if the financial statements were adopted unchanged an amount

of approximately € 58.5 million would be reserved. The Supervisory Board approved this resolution in its meeting of 28 February 2007.

The remaining portion of the profit was available to the General Meeting of Shareholders. The Executive Board and the Supervisory Board proposed to distribute this amount as a dividend, resulting in a dividend of € 0.70 per share. The dividend would be payable in cash or in the form of a stock dividend to be charged against the share premium reserve.

The dividend of € 0.70 per share would be made payable on 27 April 2007 through the affiliated institutes.

The Chairman proposed the resolution that an amount of € 0.70 per share as dividend be charged against the profit apparent in the adopted 2006 financial statements.

The Chairman concluded that, as there were no questions and no vote had been required, the appropriation of profit had been adopted unanimously.

5 Approval of the rules for the granting of share acquisition rights to members of the Executive Board

The Chairman stated that, with due regard to the remuneration policy established on 24 March 2005, the remuneration of the members of the Executive Board would be established by the Supervisory Board. In the context of the remuneration, option rights would be granted to the members of the Executive Board for the acquisition of shares in Royal Ten Cate nv. The proposal is to grant 60,000 options to the Chairman of the Executive Board. This grant is provisional and is linked to further rise in the profit per share in the coming three years. Rights can be exercised between the 3rd and 6th year after granting.

The Chairman asked if anyone wished to speak about the proposed rules for granting option rights to the members of the Executive Board for the acquisition of shares or if anyone had any questions.

The Chairman concluded that, as there were no questions and

no vote had been required, the proposal to approve the rules for the granting of share acquisition rights to the members of the Executive Board had been adopted.

6 Granting of discharge to members of the Executive Board and the Supervisory Board

a. Granting of discharge to members of the Executive Board

The Chairman proposed the resolution to grant discharge to the members of the Executive Board in respect of their management of the company during the 2006 financial year.

The Chairman concluded that, as a vote was not required, the proposal to grant discharge to the members of the Executive Board in respect of their management during the 2006 financial year had been unanimously adopted.

b. Granting of discharge to members of the Supervisory Board

Next under discussion was the granting of discharge to the members of the Supervisory Board in respect of their supervision during the 2006 financial year of the management of the Executive Board during the 2006 financial year.

The Chairman concluded that, as a vote was not required, the resolution to grant discharge to the members of the Supervisory Board in respect of their supervision during the 2006 financial year had been unanimously adopted.

7 Authorization repurchase own shares

The seventh item on the agenda for this meeting related to the proposal to grant authority to the Executive Board of Royal Ten Cate nv, with the approval of the Supervisory Board, for a period of 18 months, from 1 April 2007 to 30 September 2008, to acquire fully paid own shares or depositary receipts for such shares (in a stock exchange or by other means). The maximum number of shares to be thus acquired should be equivalent to 10% of the issued capital at the time of acquiring the shares (or depositary receipts for such shares).

The acquisition price of the acquired shares or depositary receipts for such shares must be between one eurocent (€0.01) and the amount equivalent, as a maximum, to the stock market price, plus 10%. The stock market price should be taken to mean the average of the closing prices according to the Official Price List of Euronext Amsterdam nv on the five trading days prior to the date of acquisition. Any acquisition of own shares or depositary receipts for such shares should be subject to the applicable legal provisions.

The Chairman concluded that, as there were no questions and no vote was required, the authorization as appearing on the agenda had been unanimously granted.

8 **Delegation of powers to issue shares and limit the pre-emptive right**

The Annual General Meeting of Shareholders on 4 April 2006 resolved to grant authority to the Executive Board, with the approval of the Supervisory Board, to issue shares and to exclude or limit the pre-emptive right for the period from 1 April 2006 to 30 September 2007. In order to prevent the Executive Board losing such authority for several months between 1 April 2007 and the subsequent regular meeting of shareholders, the Executive Board and the Supervisory Board proposed that the Executive Board be designated, with the approval of the Supervisory Board, for a period of 18 months from 1 April 2007 to 30 September 2008, as the body authorized to issue shares (including the granting of rights to acquire shares) and to exclude or limit the pre-emptive right. The authority to issue shares relates to 10% of the issued share capital, plus a further issue to a maximum of 10% of the issued share capital within the framework of a merger or acquisition. The same applies to the authority of the Executive Board, with the approval of the Supervisory Board, to limit or exclude the pre-emptive right, on the basis of article 6 of the articles of association.

a. Resolution on the delegation of authority to issue shares

The Chairman proposed the resolution, as appearing on the agenda, to extend the designation of the Executive Board as the body authorized to issue shares (including the granting of rights to acquire shares) for a period of 18 months from 1 April 2007 to 30 September 2008, and

indeed for 10% of the issued share capital, plus a further issue to a maximum of 10% of the issued share capital in the case where the issue takes place within the framework of a merger or acquisition.

The Chairman concluded that the Annual General Meeting of Shareholders had unanimously resolved to grant the designation of the Executive Board as the body authorized to issue shares, as appearing on the agenda.

b. Resolution on the delegation to limit the pre-emptive right

The Chairman proposed the resolution to extend the designation of the Executive Board as the body authorized to exclude or limit the pre-emptive right for a period of 18 months from 1 April 2007 to 30 September 2008, and indeed for 10% of the issued share capital, plus a further issue to a maximum of 10% of the issued share capital in the case where the issue takes place within the framework of a merger or acquisition.

The Chairman concluded that the Annual General Meeting of Shareholders had unanimously extended the designation of the Executive Board as the body authorized to exclude or limit the pre-emptive right, as appearing on the agenda.

9 Composition of the Executive Board

Nomination for appointment as new member of the Executive Board

Under this item on the agenda, the Chairman raised the recommendation of the Supervisory Board to the Shareholders' Meeting to appoint Mr J. Wegstapel as member of the Executive Board. Prior to arriving at this recommendation, the Supervisory Board had looked closely at the developments at TenCate and at the role and tasks of the managers in this respect. Mr Wegstapel had studied mechanical engineering and public administration, a combination eminently suitable for an appointment to the board of this company. Mr Wegstapel had also had considerable managerial experience, including experience at executive board level of a listed company.

The Chairman then proposed that Mr J. Wegstapel be appointed member of the Executive Board. As there were no

questions and no vote was required, the Chairman concluded that the Annual General Meeting of Shareholders supported the recommendation of the Supervisory Board and appointed Mr Wegstapel as member of the Executive Board.

Then the Chairman turned his attention to the standing down of Mr P.H. van der Vorm as member of the Executive Board. The Supervisory Board greatly appreciated the way in which Mr Van der Vorm had given shape to the restructuring of the company by giving substance to the fix-it/exit strategy. It was under his guidance that Ten Cate Plasticum and the Mega Valves group had been sold. Also on behalf of the Supervisory Board and the Executive Board, the Chairman thanked Mr Van der Vorm for his dedication and commitment to the company.

Mr Van der Vorm observed that it had been an honour and a pleasure to be a member of the Executive Board of this company and he looked back on the past period with satisfaction.

10 Remuneration of members of the Supervisory Board

It was proposed to increase the remuneration of the members of the Supervisory Board from the beginning of the year 2007 by 10%, and additionally to grant chairmen and members of the commission an increase of respectively € 4,000 and € 2,000 per year. This proposal was made to compensate supervisors for the increased time and attention they devoted to this fine company.

As there were no questions and no vote was required, the Chairman concluded that the proposal to increase the remuneration of the members of the Supervisory Board had been accordingly adopted.

11 Any other business

No remarks.

12 Closure of the meeting

The Chairman thanked everyone for their attendance and their commitment to the company and then declared the meeting closed.

May 2007

Approved:

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A.W. Veenman

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A.J. ten Cate