

**Minutes of the Annual General Meeting of Shareholders of Royal Ten Cate nv,
held at 2 pm on Thursday 24 March 2005 at the Muziekcentrum in
Enschede**

1. Opening of the meeting

The Chairman opened the meeting and welcomed all those present to the Annual General Meeting of Shareholders of Royal Ten Cate nv.

Before continuing, the Chairman announced the following formalities:

General meetings of shareholders are chaired by the Chairman of the Supervisory Board, in accordance with article 31, paragraph 1 of the articles of association of Royal Ten Cate nv.

The Chairman confirmed that the meeting had been convened by the Supervisory Board and the Executive Board by an announcement on Wednesday 9 March 2005 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 the explanatory notes, the annual report and accounts and the integral text of the proposed amendment to the articles of association had been made available for inspection, free of charge, in the prescribed manner. The documents referred to had been made available 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. He also recorded that 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.

The company had issued 5,118,015 ordinary shares with a nominal value of €10.

There were 50 people in attendance as shareholders or as representatives of shareholders, with all the holders of voting rights, both those present and those represented, being jointly entitled to cast 1,958,487 votes, together representing approx. 38 % of the total issued share capital.

Those present were given the opportunity to ask questions or to 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 and that other subjects be kept until the final item on the agenda: Any Other Business.

Minutes of the meeting would be prepared. Mr Hattink had expressed his willingness to co-sign the minutes.

The Chairman then devoted attention to the death of Mr O. Vogelenzang, a former member and chairman of the Supervisory Board. Mr Vogelenzang had supported the company with his knowledge and experience during a period of 29 years.

The Chairman announced that Mr van Gestel, member of the Supervisory Board, was unable to attend the meeting owing to illness.

2. Announcements and Explanation of the Corporate Governance Policy

The Chairman announced that, as recommended by the Corporate Governance Code, also known as the Tabaksblat Code, this subject had been placed on the agenda in order to discuss the corporate governance policy of Royal Ten Cate nv with its shareholders. The company was complying with almost all the recommendations of the Code. The annual report contained details of the points on which the company diverged from the principles and best-practice provisions of the Code and the reasons for such divergence. The Chairman referred to pages 73 to 78 inclusive of the annual report. When stating the divergences, it was assumed that the two-tier board structure, if in a mitigated form, would be retained at the level of Royal Ten Cate nv. This would be examined in more detail under agenda item 7.a. The annual report also specifically indicated the risks confronting the company and how it was dealing with them.

Regulations had been drawn up and the existing regulations modified, as recommended by the Corporate Governance Code. The regulations provide rules of conduct for the operation of the Executive Board and the Supervisory Board. Other regulations give further rules concerning the duties of the various committees of the Supervisory Board. The securities trading rules set out how the members of the Executive Board and the Supervisory Board are required to handle securities transactions.

Both the annual report and the regulations drawn up by the company are published on the company's website.

The Chairman then gave those present the opportunity to respond to the manner in which the corporate governance policy had been structured and communicated to them.

Mr G. Kroon of the VEB (Dutch Association of Securities Holders) remarked that considerable attention had been devoted to corporate governance in the annual report and on the website and asked the following questions:

1. Does the company follow the recommendation of the Corporate Governance Code as regards the appointment of members of the Executive Board for a period of four years, as well as the recommendation concerning the remuneration in the event of dismissal?
2. What are the performance criteria that are employed as regards the variable remuneration of the Executive Board? You do not intend to publish these, as stated in the annual report.
3. Can you inform me whether you endorse the recommendation regarding the maximum term of office of 3 x four years for members of the Supervisory Board?
4. Are you following the recommendation that, in the event of financing preference shares being issued, voting rights will be granted in accordance with capital contribution?
5. Why do you not follow the recommendation in regard to the registration date? This is a splendid instrument to enable shareholders to participate in a shareholders' meeting in a simple manner.

Re 1 The Chairman answered that the annual report was clear on this matter. This recommendation would be complied with, provided that existing agreements with members of the Executive Board were respected and that the recommendation of the Corporate Governance Code were observed for future executive directors, both in respect of the length of the appointment, and what was recommended concerning the remuneration in the event of dismissal.

Re 2 The Chairman answered that the company had a relatively simple performance remuneration structure, linked to the annual budget. At the end of the year an assessment was made as to whether the performance set out in the budget had been met and, based on this, the short-term variable remuneration was determined. When it was a matter of long term variable remuneration, option rights, a performance criterion was operated to determine whether these rights were unconditional or not. The performance condition is that over a period of three years the earnings per share per year must increase by a percentage equal to inflation plus 3%. Only then could the option rights granted be exercised. The Chairman promised to provide more detailed information on the variable remuneration structure and the performance criteria to be employed in the next annual report.

- Re 3 The Chairman answered that the company followed this recommendation, which, it should be pointed out, was contained in the Supervisory Board profile.
- Re 4 The Chairman answered that the issue of financing preference shares as a financing instrument was declining. There was no mention of this in the current annual report. In the next annual report greater clarity would be provided about the recommendation of the Corporate Governance Code in relation to this matter.
- Re 5 The Chairman remarked that the company currently did not have a registration date. For small-cap companies like Ten Cate, the company felt that at this moment this was less relevant. If it became clear that shareholders predominantly expressed a preference to convert to this registration procedure, Ten Cate would agree to this.

Mr J.M. van Beek, on behalf of Orange Fund nv and Orange Deelnemingen Fund nv, remarked that he was pleased that Ten Cate had followed the recommendations of the Corporate Governance Code on so many points. Mr Van Beek asked the following question:

It is indicated that the internal risk control system operates at an acceptable level and that possible improvements will be implemented. Could you give a more concrete indication of what is meant by acceptable level and the intended improvements?

The Chairman answered that one could speak of an acceptable level in the spirit of the Corporate Governance Code when all activities had been screened for every type of risk. After all, the company had many activities and various products, and operated in a large number of countries. The company had been working with every possible form of risk management for many years. Operational and financial audits were carried out very regularly and discussed in the Audit Committee. There were, however, still a number of aspects that required attention, such as improvements in risk awareness at operating company level and the timely reporting of any matters relating to risk. Attention was currently being devoted to this in such a way that in the years ahead less reserved statements could be made about the control of risks.

Mr C.S.M. Molenaar, Hidden Value Fund bv, remarked that the use of the term earnings per share, as applied as a criterion for the long-term variable remuneration, was rather subject to change, for example, the way in which extraordinary items and the introduction of IFRS were handled. He assumed that these changes were being taken into account.

The Chairman answered that these aspects were receiving attention and that this was the reason why the criteria applicable to short and long-term variable remuneration would be reassessed in 2005 partly in the light of the changes outlined.

The Chairman concluded that, as there were no further questions or remarks, the company's Corporate Governance policy had been sufficiently discussed. He added

that next year the remuneration report would reflect more clearly the criteria on which the variable remuneration of the members of the Executive Board were set.

3. Discussion of the 2004 annual report

The Chairman called on Mr De Vries, chairman of the Executive Board, to provide a commentary on the performance, prospects and strategy.

Mr de Vries, with the aid of transparencies, gave the following commentary: “In recent years you have become used to my providing you with a very detailed explanation of the financial year. This year I should like to do it differently and to give a brief, somewhat more formal explanation, so that you have more opportunity to ask questions.

We are increasingly emphasising that Ten Cate is building an image of itself with “Advanced Materials” instead of textiles. This not only sounds better, but it also better reflects our areas of operation. Products and materials with a high distinctive capacity, which are functional and geared to the requirements of the specific niche market in which we are operating.

Our profile is in part determined by the innovative nature of our organisation. We continue to amaze the market with the diverse application of our core competencies: textile technology and the control of chemical processes. This was also the theme of Ten Cate’s 300th anniversary year “Just Imagine”.

Just imagine in what products or systems Ten Cate materials are currently to be found: Marslanders, aircraft, dykes, motorways and even in your backyard or on your wash basin.

These are the strategic themes that bring coherence to our wide range of applications. The outside world sometimes thinks that Ten Cate is too diverse and that product/market combinations have no relationship. It is, however, the technological basis that forms the binding factor together with the strategic themes, with safety and protection being the most prominent.

Our market strategy is also characterised by end-user marketing. This stems from our objective of being a defining player in the value chain and this requires control, critical mass and market pull. We realise that this makes different demands of our positioning, our company culture, our organisational structures and, last but not least, our marketing and sales discipline. This is, however, a gradual process.

The cohesion in our strategic objectives is to be found in the model-based reflection of value chain management. Ten Cate aims to be a determining link in the value chain. End-user marketing and product differentiation are the commercial means to achieve this; technological innovation and cost control, the internal policy management tools. Our operating companies continue to be measured by their performance as regards differentiation and efficiency (costs).

A major project began in 2004 that is required to support end-user marketing. Creativity is also being stimulated within the organisation to achieve technological breakthroughs.

The organisation has been divided into three sectors for financial reporting. The two strategic core areas are currently of equal size, partly based on the acquisition of Southern Mills, which has provided us with a leading position in America in the field of safety fabrics. Technical Components occupies an ever smaller share, for reasons of which you are well aware.

In brief, the year 2004 has produced the following:

- After a somewhat hesitant start in the European artificial grass market, sales have developed rapidly in a relatively sober economic climate and with a sharp decline in the dollar. The financial year ended with a strong fourth quarter, and we are thus able to look back on a good year in terms of sales and profit.
- At the level of the operating result, we have also turned in a good performance.
- The growth in activities in America was particularly noteworthy, in spite of the lower rate of the dollar. Ten Cate occupies an excellent position there.

You will undoubtedly have noticed the sharp rise in the Ten Cate share price. We have not only conducted an active IR policy but have also found support in the increased market interest in mid and small-cap companies. Developments within Ten Cate also attracted attention. A number of key events took place that were regarded by the market as value drivers:

- Firstly, in October 2004 we announced the introduction of Ten Cate I-Tex, a new digital finishing technology, patented by Ten Cate. Although this is still in its infancy, we have put forward the project under the European subsidy programme, for which purpose Ten Cate formed a European consortium.
- Then, approval of the use of artificial grass at top level. We can now see the first developments beginning in countries in southern Europe and Scandinavia. In Central Europe they are still hesitant, after all, grass usually grows well there. We are convinced that artificial grass will undoubtedly be accepted within the world of technical football as it is played today. The Dutch Football Association no longer accepts bad weather as a reason for match cancellations. For this reason alone therefore artificial grass offers a good alternative. It is important to record that Ten Cate occupies an excellent market position worldwide, although we are not blind to other suppliers and remain alert.
- We live in a risk society. This means that safety and protection are becoming increasingly important, not only in striking army applications, such as the American Hummers, but also at the workplace, on the sports field and at home. All of this demands safe, high-quality, functional materials: products and markets in which Ten Cate feels at home.
- The trend in the civil aviation industry towards building and flying aircraft more economically is proving beneficial to Ten Cate's Cetex material. In 2004 we saw increasing sales of Cetex and therefore foresee further growth in the sales of this composite in the future. And certainly now that Ten Cate Cetex is certified for

use in the new Airbus (A350-380) and Boeing (787) aircraft.

The first two developments afford opportunities for the longer term. The latter two had a major positive effect on sales and results in 2004.

Looking at the results in somewhat more detail, the 15% autonomous increase in EBIT is especially noteworthy. The fourth quarter in particular, which ended more than €3 million higher, contributed to this improvement, which took place in all sectors.

The dollar had a negative effect on sales and result, and Ten Cate conducted an active hedging policy here. A substantial amount of net profit contribution from American operating companies has now also been hedged against a decline in the dollar below the €1 = \$ 1.35 level. I would refer you here to the section on risks in our annual report.

The tax charge was at a somewhat high level, but will decline again to some extent in the years ahead. This, we believe, will be below the level of 30%.

Net profit increased above earlier expectations, in part due to the excellent results recorded in the fourth quarter. The American companies in particular put in a strong performance, with Southern Mills showing a good profit contribution.

Confidence in developments is in part expressed in the dividend proposal of €2 per share.

Ten Cate has worldwide operations. Asia is occupying an increasing proportion of these. We see Asia as an opportunity rather than a threat. It is logistically attractive, both as a sourcing area and as a market. The Asian market now represents 10% of our sales. In absolute terms growth has thus also been achieved there. There was strong growth in America as a market, also in a relative respect.

The operating result increased mainly as a result of the continuing recovery in the Technical Components sector and the Industrial Fabrics & Grass sector. It should be pointed out that Southern Mills has as yet only been able to make a limited annual profit contribution, because of a number of accounting adjustments to the valuation following its acquisition (fair value method). Consequently, the EBIT margin of the Advanced Textiles & Composites sector declined to slightly below 5%.

When we look at the net earnings performance per quarter, we can see a profit contribution of €2.9 million in the fourth quarter, which is €700,000 higher than in 2003. This has brought total net profit to €23 million, or 14% higher than in 2003.

After a fuller analysis of the figure, analysts indicated Ten Cate's hidden performance. Here they not only looked at the lower rate of the dollar and rising raw materials prices, but also at the cost of the reorganisation carried out at Taxy (over € 3 million), the loss of contribution at Permess (transformation to trading activity), the increase in the provisions on the balance sheet and the extra holding costs (anniversary celebrations and vendor due diligence costs, the costs of corporate governance and legal costs relating to the amendment to the articles of association). I

can only echo the fact that Ten Cate is in a good position both strategically and financially. I would therefore like to briefly devote some attention to the various sectors in order to indicate what we have achieved and where our strategic challenges lie.

Advanced Textiles & Composites

The acquisition of Southern Mills is a perfect fit in the field of product, market and technology positions. The year 2005 is seeing the implementation of a number of projects designed to achieve synergy. This cooperation looks very promising. In 2004 a start was made on turning Permess into a predominantly trading company. We were compelled to take this measure due to the performance of the dollar. Permess is commercially well positioned, with a high-quality product range and high brand awareness in the market for topfuse. The process of transferring personnel, and the training time they require, is a gradual one.

We are seeing a growing interest in high-grade safety fabrics - multi-risk fabrics such as TecaSafe. Ten Cate is involved in a number of major projects both at home and abroad. The brand name of Ten Cate and its product labels are making an increasingly great impact within Europe and in America. Ten Cate has shown the market that it is very committed in this market segment and has now become one of the largest global players in this market. The challenge for us lies particularly in the outdoor segment, where profitability must be further improved.

We have made a successful start in the US in the field of antiballistics. Outside the traditional European market area for antiballistics, Ten Cate also received major orders which will also be of importance to us in the months ahead. In addition Ten Cate is strongly represented as a supplier of composites for the aviation sector both in Europe and the US. These activities are receiving our particular attention and Ten Cate aims to achieve strong growth here, partly through acquisitions.

Industrial Fabrics & Grass

The American market for industrial fabrics is actually a mature, stable market, which is partly determined by government expenditure (in particular infrastructure). As a result of Ten Cate's commitment in this market, new niches have been developed and Ten Cate has been able to take over the products of other suppliers (niche-picking strategy) to complete its product range.

The growth in artificial grass sales in Europe is slightly disappointing. We are devoting attention to the performance of this market, in particular to the emergence of new suppliers of grass fibres, as well as to our visibility in the chain and the possibilities of end-user marketing.

Ten Cate is endeavouring to introduce more structure to the market, with our particular focus on quality and on the performance of the total system. Ten Cate aims not only to guarantee a high-quality pitch, but also to supply a sub-base, with the safety of players being our prime concern. This can only be achieved based on a total approach to the overall system, enabling the system to be optimised. In the US the

Synthetic Turf Council was established for this purpose and major players from the supply chain have become members. Although Ten Cate is currently achieving excellent results in the artificial grass market, this development is mainly of importance for our position in the longer term. The market structure as well as the position of Ten Cate within it constitutes one of our most important future challenges.

Technical Components

The fix it–exit strategy is on schedule. The companies are showing ongoing improvement: there have been a number of developments not only in figures, but also from a strategic point of view. At Ten Cate Enbi technical rollers are becoming an increasingly important part and the company has entered the after-market with its own technology. Ten Cate Plasticum has developed new packaging in cooperation with customers (co-design).

The Mega Valves group has been completely cleaned up and is in principle ready for divestment. The challenge here is to gradually implement the exit process.

Finally, the outlook

Although Ten Cate operates in a number of extremely interesting growth markets, including antiballistics and artificial grass, these are markets with a dynamism entirely their own.

The growth potential in antiballistics is tempered by a shortage of capacity in the chain, but growth will also be substantial in 2005. The modernisation of army equipment requires lighter and high-quality protective materials, an area in which Ten Cate is a specialist.

Artificial grass in football at all levels is on its way in; of this we are certain. More important factors, however, are how the market will formulate its quality standards and whether it is prepared to act accordingly, as well as how the chain will organise itself. In the US they appear to be much more interested in durability and safety than in Europe, where price is the main consideration in the decision-making process.

In general, we anticipate good market prospects in Asia on a broad front, as well as continued growth.

Ten Cate will invest more in future growth in 2005, with digital process technology and an increased capacity for composites forming a significant part of the investment programme. This will be approximately double the level of depreciation.

I can be brief about the profit outlook. This has not yet been issued, partly because such statements at an early stage are both uncustomary and undesirable.”

The Chairman thanked Mr De Vries for his commentary and gave those present the opportunity to ask questions.

Mr G. Kroon, on behalf of the Dutch Association of Securities Holders, asked the

following questions:

1. In Europe and the USA the company is strongly represented, even though you have discontinued the Mega Valves activities in Italy and France. There are also operations in Australia. I assume that the company only intends to be in those countries where there are good opportunities. Is Australia of interest in that case? In brief, on which countries are you focusing?
2. Do you still expect autonomous growth in the months ahead or can the shareholder expect growth as a result of the purchase of a large number of companies?
3. The company's rate of return objective is 15%. An average of almost 11% is currently being achieved. When will the objective of 15% be achieved?

Mr De Vries answered:

- Re 1 The company in Australia is a sales office, which sells in particular geotextile materials for the American companies. It is one of the most profitable sales offices within Ten Cate. Geographically, Ten Cate tries not to make a breakdown by country; we prefer to think in terms of global niches. If something happens in America this has consequences for Asia and Europe. Ten Cate conducts a three-continent policy and endeavours to organise its portfolio as far as possible by continent. This is why Ten Cate is currently investigating in the place where Ten Cate Enbi is based in China the possibility of also manufacturing geotextile products and trampoline cloth there for the American and European markets. This three-continent policy fits exactly into our buy and build strategy.
- Re 2 Ten Cate has made a number of acquisitions in recent years, which have proved to be successful. These include Ares in France and Bryte in America. Ares produces antiballistic materials for both personal and vehicle protection. Bryte supplies composites to the aerospace industry. In addition, we acquired Ten Cate Thiolon USA (formerly Polyloom), which manufactures artificial grass fibres, and recently we took over Southern Mills in the USA. All of these are companies that are complementary within our strategy, whether it is from a product, market or a technological position. It is thus a matter of business logic. Looking back, these acquisitions have greatly improved Ten Cate's validity and have provided it with good prospects for growth. Finding good acquisitions is not easy. Nevertheless, we are currently working on a number of possibilities, with the aim of strengthening our product, market and technology combinations, and this is where our focus lies.
- Re 3 There are still a small number of operating companies that are currently not achieving the rate of return objective of 15% and which therefore depress the average. We are striving to achieve the average return of 15%. We are unable to make any statement as to when this will be achieved.

1. Mr W.F. Burgers complimented the board on the company's performance and then raised the issue of the associated company Synbra. Rises in the price of raw

materials had led to a considerably lower result at Synbra. Mr De Vries has indicated that the level of investment in 2004 was double the level of depreciation, which makes the position of Synbra in this connection somewhat more problematic, now that Synbra's results are under strong pressure. This begs the question of what Ten Cate's investment share in Synbra is, since Synbra will have to invest in order to maintain its position.

2. Under market risks on page 22 of the annual report, I see that, in the context of product differentiation and cost reduction, production and logistics in the textiles sector will be based in part in Asia. Such a strategic repositioning may well lead to the results in this sector coming under pressure. Can we expect this to happen in the year 2005?

3.

Southern Mills has in the past year been dominated by an adjustment to its stocks to meet Ten Cate standards and upon the acquisition of Southern Mills its sales amounted to US\$ 100 million. What now remains of the US\$ 100 million sales and what will the autonomous growth be in the next few years?

Mr De Vries answered:

Re 1 Ten Cate is clear in its message that it is conducting a buy and build strategy, with a focus on high-quality textile materials, and anything that is not a part of this will be divested. This message has also been communicated to the management of Synbra. Our funds are going to our basic strategy and Synbra will have to provide investment resources on its own. This is also our position in respect of the joint shareholder in Synbra.

Re 2 We are set to leave the bottom end of the market within this sector and Ten Cate will increasingly move up to the top end of textile materials in Europe. Now that Ten Cate indeed intends to retain the market in Europe our aim is to outsource the 100% cotton and 50/50 polyester/cotton products to China in particular. This outsourcing will involve costs and possibly some risk of claims.

Re 3 Mr Lock answered: there is now estimated to be a decline of approx. 10% in sales to close on US\$ 90 million. Southern Mills currently has a market share in the USA of approx. 55%, which means that growth will be difficult within the current market. There are, however, other market segments still open in which Southern Mills has no position or virtually none, namely the process industry. This is where the opportunities for growth are to be found.

Mr A.J. Ten Cate asked the following questions:

1. Southern Mills made an eight-month contribution to the 10% rise in sales in 2004. As a result of this acquisition, the proportion of group sales generated by the

American operating companies rose to 36% and their profit contribution was even higher, as can be seen on page 16 of the annual report. On the same page it is reported that Southern Mills was only able to make a limited profit contribution because of a number of accounting adjustments and various restructuring measures. How can this be reconciled?

2. Mr De Vries in his commentary indicated that Permess will become more of a trading company and in the annual report I read that Permess Xishan is engaged in production and sales. Does this mean that the production of Permess will be transferred to Asia?

Mr De Vries answered:

Re 1 The 36% contribution to group sales and the higher profit contribution were generated by all the American operating companies. The passage about Southern Mills on this page in this connection is a little confusing.

Re 2 The production will not be transferred to Asia. There is production there already. Production in the Netherlands will be scaled back.

There were no further questions and the Chairman concluded that the annual report 2004 had been discussed.

4. 2004 Financial statements, reserves and dividend policy and appropriation of profit

4.a Adoption of the 2004 financial statements

The Chairman announced that this agenda item related to the proposal to adopt the 2004 financial statements as appears on pages 47 to 72 inclusive of the 2004 annual report, consisting of a balance sheet, a profit and loss account, and the accompanying explanatory notes. The contents of the financial statements were jointly discussed by the Executive Board and the Supervisory Board and were endorsed by them. The financial statements were signed by the members of the Executive Board and the Supervisory Board. KPMG Accountants nv, the company's auditor, issued an unqualified auditors' report that appears on page 79 of the 2004 annual report.

Unlike in previous financial years, the financial statements are no longer adopted by the Supervisory Board and approved by the General Meeting of Shareholders. On the basis of the Two-tier Entity Act, which came into force on 1 October 2004, the General Meeting of Shareholders is now authorised to adopt the financial statements.

The Chairman asked if anyone wished to speak about the financial statements or had any questions on this matter. The company's accountant, Mr W. van Hulsebeek, representing KPMG Accountants nv, was present to answer questions if necessary.

Mr G. Kroon, on behalf of the Dutch Association of Securities Holders, asked the following questions:

1. I note that in 2004 there was a 50% increase in the pension contribution. What is the reason for this and can a rise be expected again in 2005 and what is the funding ratio of the pension fund?
2. What effect did the performance of the pension fund have on the company's balance sheet and profit and loss account in 2004 as a result of IFRS?

The Chairman remarked that in general the effects of IFRS in relation to the pension fund had had a positive impact on the financial statements, now that accounting in this area had been harmonised at an international level and thus become more comparable. What might be viewed as a disadvantage was that the performance of the pension fund would have an impact on the company's balance sheet and profit and loss account. If there were major fluctuations in the performance of pension funds, these would also be reflected in the company's financial statements. There would be further discussions on the way in which measures would have to be taken and when this would occur.

Mr Lock then answered:

Re 1 The substantial rise in pension contribution in 2004 is a result of the fact that in previous years there has been a considerable reduction in the pension contribution, as was also the case in 2003. In 2004 the full pension contribution was once again paid. For that reason no major increase in the pension contribution is expected in 2005. The funding ratio of the pension fund is approx. 110% and changes in the method of insuring pensions are not being considered.

Re 2 IFRS may lead to fluctuations in the value of the investments and in that sense also to fluctuations in the result of the pension fund and the financial statements. In this connection a corridor of 10% is being operated. If there is a difference of more than 10% of the pension commitments or of the investment results, this could have an effect on the company's results. The effect of the influence of IFRS on the 2004 result is still not shown in the 2004 annual report. This will first occur with effect from the first quarter of 2005.

Mr W.F. Burgers asked the following questions:

1. The tax charge was high in 2004, as a result of losses in countries where no compensation was as yet possible, namely France, Hungary and Singapore. Are the losses in those countries the result of provisions that were taken there in order to achieve better operation in the longer term?
2. In the 10-year summary on pages 86 and 89 of the annual report I read that in 2005 the company intends to invest approximately the same amount as in 1995 (the highest level in those 10 years). Could you tell me which

substantial investments you are considering making?

Mr Lock answered:

Re 1 Things are not going entirely our way as regards taxes. In Singapore we made large profits in the past, but it is not possible there to set off a loss made today against a profit made in the past. In Hungary we are in a loss situation. No provisions have been made in Singapore, Hungary or France. In France the Tax company was closed down and that cost approx. €3 million.

Mr De Vries answered:

Re 2 A study is being carried out with a view to making a major investment in China, which will involve approx. €20 million. This relates to the construction of a factory.

As there were no further questions and no vote had been requested, the Chairman concluded that the 2004 financial statements had been unanimously adopted.

4.b Discussion of the reserves and dividend policy

The Chairman announced that Royal Ten Cate nv's current policy on reserves and dividends had been adopted by the Executive Board with the approval of the Supervisory Board on 22 February 2005, as appears on page 8 of the 2004 annual report. The policy is the result of Royal Ten Cate nv's desire to finance the growth that it envisaged as far as possible from its own cash flow. For this purpose our policy is to retain and reserve approx. 60% of the profit achieved and to distribute approx. 40% to shareholders.

The Chairman asked if there were any questions on the reserve and dividends policy.

Ms P.S.M. Westerling, an authorised representative of Deutsche Bank, stated that, should this agenda item be eligible for voting, there were 1,408 abstentions on behalf of the above-mentioned Bank.

Mr H.F. Tiemstra wondered if the company would continue to offer the option of payment of the dividend in cash or in the form of a stock dividend in the future.

The Chairman answered that this agenda item related to the reserves and dividend policy: the extent to which the company wished to retain the result within the company in order to enable growth. The manner in which the dividend would be distributed would be discussed in the next agenda item.

The Chairman concluded that, as there were no further questions, the policy on reserves and dividends had been sufficiently discussed.

4. c Adoption of the appropriate of profit

As appears on page 85 of the annual report, the Chairman announced, 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 approx. € 12.7 million would be reserved. The Supervisory Board approved this resolution in its meeting of 22 February 2005.

The remaining portion of the profit was available to the General Meeting of Shareholders. The Executive Board and Supervisory Board proposed to distribute this amount as a dividend, resulting in a dividend of €2.00 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 and be made payable on 18 April 2005. In recent years an option had always been offered. However, the way in which the dividend would be paid would be examined anew each year. This was because the option of stock or cash dividend had not been made policy.

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

5. Remuneration of members of the Executive Board

5.a. Adoption of the remuneration policy for members of the Executive Board

The Chairman remarked that, on the basis of the Two-tier Entity Act referred to above, the company had drawn up a policy on the remuneration of the members of the Executive Board.

The policy can be found on page 11 of the 2004 annual report. The aim of the remuneration policy is to recruit, motivate and retain qualified persons for the Executive Board. The remuneration of the Executive Board is therefore based as a minimum on the Hay median with variable remuneration in the short and long term, taking into account the best-practice provisions of the Corporate Governance Code. The total remuneration is based on a comparison with the relevant market, with the scale, complexity and international nature of the position playing an important role in terms of both sites and the number of product/market combinations. On the basis of these criteria the company has been placed in the B category according to the Hay Group methodology.

The remuneration package consists of fixed and variable components and a pension component. For the main points of the remuneration policy, he referred those present to what was written in respect of the remuneration report on pages 11 and 12 of the annual report.

The Chairman asked if anyone wished to speak about the proposed remuneration policy or the remuneration report and whether there were any questions on this subject.

Mr C.S. M. Molenaar observed that the remuneration of the members of the Executive Board in the year 2004 was almost the same as in the year 2003 and found this rather curious. Mr Molenaar asked if the remuneration system in operation had already come into effect in the year 2003 or whether this had been introduced in 2005. If this remuneration system was to apply to the year 2005, what percentage should be taken into account?

The Chairman answered that it was correct that the remuneration policy in 2004 was the same as in 2003. It was clear that, as a result of the application of the same methodology, the remuneration level had been placed under the Hay median. This had led to the Supervisory Board deciding to increase the remuneration level of the Chairman of the Executive Board by 10% for the year 2005.

Mr G. Kroon, on behalf of the Dutch Association of Securities Holders, remarked that, as the performance criteria were not being published for competitive reasons, the Dutch Association of Securities Holders would abstain in relation to this agenda item, since the Corporate Governance Code recommended that these criteria be revealed.

The Chairman responded by stating that the performance criteria were linked to the annual budget. An assessment of whether and to what extent the operational budget had been achieved would be made at the end of the year. It was not the company's intention to reveal to the competition sensitive elements, which unavoidably came under discussion in this context. The Chairman promised that in future annual reports the remuneration report would show more clearly which aspects had been taken into consideration when adopting the variable remuneration of the members of the Executive Board.

Mr G. Kroon then stated that the Dutch Association of Securities Holders would nevertheless abstain on this agenda item (5 votes).

The Chairman concluded that, as there were no further questions and no vote had been required, the remuneration policy had been adopted by 1,958,482 votes in favour and 5 abstentions.

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

The Chairman stated that the proposal under discussion was to grant 12,500 option rights to the Chairman of the Executive Board on a conditional basis. The performance condition of these option rights is that over a period of three years earnings per share must have increased by 3% above inflation per year.

The Chairman concluded that, as there were no further questions and no vote had been required, the proposal to approve the rules for the granting of share acquisition rights to the Chairman of the Executive Board had been unanimously adopted.

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

The Chairman stated that the granting of discharge to the members of the Executive Board and the granting of discharge to the members of the Supervisory Board would be put to the vote as two separate agenda items on the basis of best-practice provision IV.1.6 of the Corporate Governance Code.

6.a Granting of discharge to members of the Executive Board

The Chairman concluded that, as there were no questions and a vote was not required, the resolution to grant discharge to the members of the Executive Board in respect of their management during the 2004 financial year had been unanimously adopted.

6.b Granting of discharge to members of the Supervisory Board

The Chairman concluded that, as there were no questions and a vote was not required, the resolution to grant discharge to the members of the Supervisory Board in respect of their supervision during the 2004 financial year had been unanimously adopted.

7. Maintenance of voluntary two-tier board structure and amendment of the articles of association

7.a Resolution to maintain the voluntarily two-tier board structure

The Chairman stated that, as reported in the explanatory notes to the agenda item, the Two-tier Entity Act, which had come into force on 1 October 2004, had been substantially modified.

The General Meeting of Shareholders had acquired more rights under the new two-tier board structure. The General Meeting of Shareholders

- now adopts the financial statements;

- appoints the supervisory directors; and
- has acquired the right to move a vote of no confidence in the whole Supervisory Board.

Under the mitigated two-tier structure the General Meeting of Shareholders had the right to appoint and to dismiss the members of the Executive Board.

In the opinion of the Executive Board and the Supervisory Board, there were no longer any major differences for shareholders between the new-style statutory two-tier board structure and a mitigated structure with a supervisory board at the level of Royal Ten Cate nv

However, the abolition of the two-tier board structure at the level of Royal Ten Cate nv would mean that the two-tier structure would apply at Ten Cate Nederland bv. Consequently, a supervisory board would have to be established at the level of Ten Cate Nederland bv. This would so complicate the structure of the Royal Ten Cate group that the Executive Board and the Supervisory Board proposed that the two-tier board structure be maintained voluntarily at the level of Royal Ten Cate nv, provided that the mitigated structure was adopted, whereby the General Meeting of Shareholders had the right to appoint and dismiss the members of the Executive Board.

The result of this proposal was that the employee participation would remain at the level of Royal Ten Cate nv. The Central Works Council had issued a positive opinion with regard to the proposal to voluntarily adopt the mitigated two-tier structure.

The Chairman remarked, however, in this regard that last year's annual report stated that the idea had been to abolish the two-tier board structure at the level of Royal Ten Cate nv and thus statutory application of the two-tier structure at one or more subsidiaries. Because – now that the legislation had been adopted – it had become clear that the rights of the shareholders were almost the same as in a group structure where the two-tier structure was established at subsidiary level, they now emphatically wished to deviate from what had been discussed last year. The shareholders would not have fewer rights – with the exception of the right to dismiss individual supervisory directors - and there would be great benefits for Royal Ten Cate from maintaining the two-tier structure at nv level, from an organisational as well as a costs aspect.

The Chairman asked if anyone wished to speak.

Mr G. Kroon, on behalf of the Dutch Association of Securities Holders, remarked that the Dutch Association of Securities Holders was simply against maintaining the voluntary two-tier structure and would therefore vote against. In addition, the position of Ten Cate in the Netherlands was relatively small and it was therefore also of importance how foreign investors regarded the two-tier structure, and that was not in a positive light.

The Chairman responded to this, stating that it was difficult to explain to a

foreigner who was not used to thinking in terms of a Dutch system the advantages of maintaining the two-tier board structure. The company would, however, do its best in this respect.

The Chairman concluded that, as there were no further questions and no vote was required, the General Meeting of Shareholders had resolved to voluntarily adopt the mitigated two-tier board structure by 1,958,482 votes in favour and 5 votes against (Dutch Association of Securities Holders).

7.b Resolution to amend the articles of association

The Chairman put forward for discussion the proposal of the Executive Board to amend the articles of association of Royal Ten Cate nv in accordance with the amendment proposal drawn up by Loyens & Loeff nv. The proposal of the Executive Board had been approved by the Supervisory Board.

The proposed amendments related to the amended rules of the mitigated two-tier board structure in accordance with the Two-tier Board Act, which came into effect on 1 October 2004, as well as with the principles and best-practice provisions included in the Corporate Governance Code. A number of obsolete provisions had also been adapted to previous legislative changes or brought into line with the law and the other provisions of the articles of association.

The proposal to amend the articles of association was accompanied by general notes on the background to the amendment. The third column of the proposal to amend the articles of association also contained, where relevant, a brief explanatory note for each article.

At the time of convening the meeting it was stated that copies of the proposal to amend the articles of association, incorporating the integral text of the proposed amendments, together with explanatory notes to the proposal, would be made available for all, free of charge, in the locations stated from the day the meeting was convened.

The resolution to amend the articles of association also authorised each member of the Executive Board and each notary and junior notary associated with Loyens & Loeff nv, either jointly or individually, to request the required ministerial statement that no objection had been recorded with regard to the amendment to the articles of association and to have the deed of amendment of the articles of association executed.

The Chairman asked if anyone wished to speak on this matter.

Mr G. Kroon stated that, in view of its standpoint relating to agenda item 7.a, the Dutch Association of Securities Holders would abstain in the matter of the present resolution. On the other hand, Mr Kroon remarked that the proposal to

amend the articles of association also contained many positive amendments.

The Chairman concluded that, as there were no further questions or remarks, the General Meeting of Shareholders had resolved to adopt the proposal to amend the articles of association by 1,958,482 votes in favour and 5 abstentions (Dutch Association of Securities Holders).

8. Discussion of the Supervisory Board profile

The Supervisory Board had drawn up a profile, taking into account the nature of the company and its activities.

The profile appears on page 81 of the 2004 annual report and has also been published on the company's website.

The Chairman asked if anyone wished to speak on the profile.

Ms P.S.M. Westerling stated, on behalf of proxy clients, that there were 345,253 abstentions. Mr C.P.H. Schutter stated, on behalf of MELLON BANK, that there were 1,600 abstentions. Knowing that this agenda item was under discussion, there was, nevertheless, a request to have the abstentions noted in the minutes.

The Chairman concluded that, as there were no further remarks, the Supervisory Board profile had been sufficiently discussed.

9. Composition of the Supervisory Board

The Chairman stated that, on the basis of the retirement schedule drawn up by the company, Mr C.J.A.J.M. van Gestel would retire as a supervisory director of the company at the end of the present General Meeting of Shareholders.

In accordance with the provisions of article 19, paragraph 1 of the articles of association of the company, the Supervisory Board had resolved to reduce the number of supervisory directors from six to five. Consequently there was currently no vacancy.

The Chairman wished to draw attention to the fact that Mr van Gestel had advised and assisted the company with dedication as a member of the Supervisory Board for a period of 20 years. The company was greatly indebted to him for this.

The Chairman then announced that Mr van Gestel for his part wished to thank everyone for the confidence that had been placed in him.

10. Discussion of the report of the Committee of Shareholders

The Chairman stated that the report of the Committee of Shareholders was included on page 82 of the 2004 annual report

The Chairman of the Committee of Shareholders, Mr Hattink, was happy to answer any questions.

As there were no questions, the Chairman stated that the Committee of Shareholders had let it be known that the members of the Committee would step down at the end of the present general meeting, partly in view of the discussions on corporate governance and the amendments to be made to the company's articles of association, and the fact that the duties of the Committee of Shareholders were thus being returned to the General Meeting of Shareholders. As a consequence, the committee, despite still having a current mandate, had itself decided to return that mandate today, and thus to disband itself. The board had taken note of this and greatly appreciated what the Committee of Shareholders had done for the company over a number of years. The Chairman thanked the members of the Committee of Shareholders warmly for their contribution and time in past years.

11. Authorisation repurchase own shares

The following subject under discussion was 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 24 March 2005 to 23 September 2006, 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 ten per cent (10%) of the issued capital at the time of acquiring the shares (or depositary receipts for such shares). The price of the acquired shares or depositary receipts for such shares must be between on the one hand the amount equal to the par value of the shares or depositary receipts for such shares and on the other hand the amount equal, as a maximum, to the stock market price plus ten per cent (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 asked if anyone wished to speak on this subject.

The Chairman concluded that, as there were no questions and no vote was required, the General Meeting of Shareholders had unanimously granted the authorisation.

12. Delegation of powers to issue shares and limit the pre-emptive right

The Chairman remarked that the General Meeting of Shareholders had resolved on 27 March 2003 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 up to 1 April 2005. In order to prevent the Executive Board losing such authority for several months between 1 April 2005 and the subsequent regular meeting of shareholders, the Executive Board and the Supervisory Board proposed that, on the basis of article 5, paragraph 2 and article 6, paragraph 6 of the articles of association, the Executive Board be designated, with the approval of the Supervisory Board, for a period of 18 months from 1 April 2005 to 30 September 2006, as the body authorised 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 concerns 25 per cent of the unissued ordinary shares or in other words approx. 9.5 % of the ordinary shares issued.

12.a Resolution on the delegation of authority to issue shares

The Chairman proposed to the shareholders that they resolve to grant authority to the Executive Board for a period of 18 months from 1 April 2005 to issue shares (including the granting of rights to acquire shares) for 25 per cent of the unissued ordinary shares of the share capital at the respective time.

The Chairman then asked if anyone required a vote.

Ms P.S.M. Westerling, on behalf of proxy clients, cast 4,265 votes against, with 418,000 abstentions. Mr C.P.H Schutter, on behalf of MELLON BANK, cast 1,600 votes against.

Mr F.R. Spaan, on behalf of clients of the Northern Trust Company, cast 14,755 votes against and, on behalf of clients of Brown Brothers Harriman & Co., 2,252 votes against.

The total number of those voting against was 22,872 and the number of abstentions 418,000.

The Chairman concluded that the General Meeting of Shareholders had resolved to grant authority to the Executive Board as the body authorised to issue shares by 1,517,615 votes in favour, 22,872 votes against and 418,000 abstentions.

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

The Chairman proposed to the meeting to resolve to extend the authority of the Executive Board as the body authorised to exclude or limit the pre-emptive right for a period of 18 months from 1 April 2005, for 25 per cent of the

unissued ordinary shares of the share capital at the respective time.

The Chairman asked if anyone wished to speak.

Ms P.S.M. Westerling, on behalf of her proxy clients, cast 4,265 votes against, with 418,000 abstentions. Mr C.P.H. Schutter, on behalf of MELLON BANK, cast 1,600 votes against.

The Chairman then concluded that the General Meeting of Shareholders had resolved to grant authority to the Executive Board as the body authorised to exclude or limit the pre-emptive right, by 1,534,622 votes in favour, 5,865 votes against and 418,000 abstentions.

13. Any other business

Mr C.S.M. Molenaar expressed his great appreciation of the performance recorded by Ten Cate. A new strategy had been formulated that had now taken specific shape, and this had been translated into excellent results. The best evidence of this was the price of the share, which had almost doubled in recent years. He wished to compliment all those on the rostrum for this achievement.

The Chairman then thanked Mr Molenaar for his words of praise.

14. Closure of the meeting

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

March 2005

Approved,

A.W. Veenman

O. Hattink

