



POSITION STATEMENT

21 October 2015

Relating to the recommended cash offer by Tennessee Acquisition B.V. (the "**Offeror**"), for all the issued ordinary shares (the "**Shares**") in the share capital of Koninklijke Ten Cate N.V. ("**TenCate**, or "**the Company**").

This position statement is published in accordance with article 18 paragraph 2 and Annex G of the Dutch Decree on public offers Wft (*Besluit openbare biedingen Wft*, as amended from time to time, the "**Takeover Decree**").

The extraordinary general meeting of the Company will be held at 14:00 hours, CET, on 7 December 2015 at the Polman Stadium, Stadionlaan 1, Almelo, the Netherlands.

IMPORTANT INFORMATION

This position statement has been published by the Company for the sole purpose of providing information to its shareholders (the "**Shareholders**") on the recommended public cash offer by the Offeror for all issued Shares in TenCate at an offer price of EUR 24.60 (cum dividend), as required pursuant to article 18 paragraph 2 and Annex G of the Takeover Decree (the "**Position Statement**").

Any capitalised terms in this Position Statement (other than in Schedule 1 (*Fairness opinion Rabobank*), Schedule 2 (*Fairness Opinion NIBC*) and Schedule 3 (*Agenda Extraordinary General Meeting of Shareholders*) of this Position Statement) have the meaning attributed to them in the offer memorandum relating to the public offer by the Offeror for all the Shares in TenCate, as made available by the Offeror on or around the same date as this Position Statement (the "**Offer Memorandum**"). Any reference in this Position Statement to defined terms in plural form constitutes a reference to such defined term in singular form, and vice versa. All grammatical and other changes required by the use of a definition in singular form will be deemed to have been made in this Position Statement and the provisions will be applied as if those changes had been made.

In relation to the Offer, an extraordinary general meeting of Shareholders (the "**EGM**"), as described in Section 3.6 of the Offer Memorandum, will be held at 14:00 hours, CET, on 7 December 2015 at the Polman Stadium, Stadionlaan 1, Almelo, the Netherlands.

This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities to any person in any jurisdiction. This document is not for release, publication or distribution, in whole or in part, in or into Canada and Japan.

The information included in this Position Statement reflects the situation as of the date of this Position Statement. TenCate does not undertake any obligation to publicly release any revisions to this information to reflect events or circumstances after the date of this document, except as may be required by applicable securities laws or by any appropriate regulatory authority. TenCate accepts responsibility for the information contained in this Position Statement. Copies of this Position Statement can be obtained free of charge via the website of TenCate (www.tencate.com).

This Position Statement includes "forward looking statements" including statements about the expected timing and completion of the Offer. Forward looking statements involve known or unknown risk and uncertainty because these statements relate to events and depend on circumstances that all occur in the future. Generally, words such as "may", "should", "aim", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "seek", "continue" or similar expressions identify forward looking statements. Although TenCate believes the expectations reflected in such forward looking statements are based on reasonable assumptions and to the best of its knowledge and

beliefs, as of the date of this Position Statement, are true and accurate in all material respects, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements. Any such forward looking statements must be considered, together with the fact that actual events or results may vary materially from such forward looking statements due to, among other things, political, economic or legal changes in the markets and environments in which TenCate does business, to competitive developments or risks inherent to TenCate's business plans and to uncertainties, risk and volatility in financial markets and other factors affecting TenCate.

This Position Statement is governed by the laws of the Netherlands. The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Position Statement. Accordingly, any legal action or proceedings arising out of or in connection with this Position Statement may be brought exclusively before those courts.

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1 LETTER TO SHAREHOLDERS

21 October, 2015

Dear TenCate shareholder,

It is our pleasure to provide you with further information on the recommended cash offer announced by a consortium led by Gilde Buy Out Partners at an offer price of € 24.60 (cum dividend) per ordinary share. You herewith find our Position Statement and the Offer Memorandum as published by Tennessee Acquisition B.V. We refer to the Offer Memorandum for the proposed future shareholder structure.

By means of the Position Statement we would like to provide you with more insight into the support for the Offer, the process followed by the Supervisory Board and the Executive Board, including key events that occurred, the strategic and financial merits and the considerations of our Boards in recommending the Offer. The Boards have given this transaction due and careful consideration. In this letter we would like to briefly highlight the key aspects of our Position Statement.

Benefits

During the entire process, the starting point of the Boards has been to maximize value for TenCate's shareholders while safeguarding the interests of all other stakeholders involved. The offer price of € 24.60 represents a premium of 26.8% to the closing price per share on 17 July 2015. This premium is in line with public offers by financial investors for Dutch companies listed on Euronext Amsterdam in the last decade. With the positive track record of the members of the Consortium and committed financing in place, the Offer provides a high level of deal certainty.

In addition, as part of the non-financial covenants as included in the Offer Memorandum (the "**Non-Financial Covenants**") the Offeror acknowledges the importance of research & development for the operation of the Group and shall allow the Group to keep investing in research & development, in accordance with the Business Strategy, taking into account current practice. At the same time, parties have agreed that TenCate shall remain prudently financed to safeguard the continuity of the business and to continue the execution of TenCate's business strategy. Furthermore, the Offeror aims to maintain TenCate's corporate identity, values and culture with its central management and key support functions and headquarters in Almelo, the Netherlands, and no reorganization or restructuring plan resulting in significant job losses as a direct consequence of the Offer have been negotiated. In addition, all employee rights and benefits will be respected.

TenCate's central works council supports the Offer.

Process

Details of the process that the Boards have followed are set out in the Position Statement. The Boards followed a thorough process and a step by step approach in order to comply with their fiduciary duties to all stakeholders. Gilde Buy Out Partners sent a letter confirming an indicative offer on 14 January 2015 to the Supervisory Board and Executive Board, following an initial draft letter submitted at the beginning of December 2014 and an exploratory follow-up meeting with management.

After receipt of the proposal a Steering Committee led by the chairman of the Supervisory Board, Jan Hovers, was formed. The combination of the immediate liquidity to shareholders at a fair price together with support for the company's strategy and growth objectives prompted the Boards to seriously investigate in detail the potential benefits of the proposed transaction. As part of the evaluation process by the Boards, other options were analyzed against the current position of the company as a standalone listed company. During this process, each of the Boards reconfirmed its strategic intentions that an immediate break up scenario was not the most preferred option for both the company and its stakeholders.

After careful consideration a due diligence process was started, at customary terms and conditions for unsolicited friendly public offerings. After finalizing the due diligence process the Consortium reconfirmed its indicative offer and agreed to a Merger Agreement within a short period of time in order to prevent leakage. This agreement resulted in the announcement of an intended public offer to shareholders on 20 July 2015.

Good corporate governance

The Supervisory Board took strict measures to guarantee an independent evaluation and good corporate governance. The Position Statement highlights the various actions which were taken. Among others, the Supervisory board received a Fairness Opinion from NIBC, and the Boards received a fairness opinion from Rabobank. Jan Hovers, chairman of the Supervisory board, led the process. Egbert ten Cate, who had previously been a member of the Steering Committee removed himself from the process, as from the moment it became clear that a Ten Cate family investment company was invited to discuss a participation in the transaction as an equity investor. Egbert ten Cate will remain as an independent member of the Supervisory board according to article III.2.2. of the Corporate Governance Code.

Recommendation

The support of the Consortium regarding the strategy, identity and corporate culture of TenCate with a high level of technological synergies between the various entities, is a key element for the continuity of the entire business of TenCate. The Boards fully support this offer, since it provides the most preferred conditions for technological developments leading to future growth

and provides immediate cash returns towards shareholders at an attractive premium. The positive track record of the members of the Consortium and its execution power provides a high level of transaction certainty. Therefore, the Boards fully support and unanimously recommend the Offer for acceptance by its shareholders.

Extraordinary General Meeting of Shareholders (EGM)

An EGM will be held on 7 December, 2015 (14:00 CET) at the Polman Stadion in Almelo. Instructions will be included in the EGM announcement and can be found on the corporate website (www.tencate.com).

We look forward to discussing the Offer with you at the EGM.

Yours sincerely,

Jan Hovers
Chairman of the Supervisory Board

Loek de Vries
President and CEO

2 PROCESS AND DECISION-MAKING BY THE BOARDS

The Boards regularly review all strategic alternatives (including a standalone scenario) available to TenCate, in each case taking into account the Company's mid- to long term interests as well as the interests of the Company's employees, shareholders and other stakeholders including governmental organisations, customers, suppliers, R&D partners and others. In recent years, TenCate has from time to time been approached by parties which have expressed a potential interest in exploring a transaction. These approaches have never led to a firm and concrete proposal.

In the fall of 2014, TenCate was approached by Gilde Buy Out Partners ("**Gilde**") which expressed an interest in making an offer for the Shares in TenCate.

On 3 December 2014 TenCate received a draft letter with an indicative offer by Gilde to acquire the entire outstanding ordinary share capital of TenCate. On 14 January 2015, following preliminary discussions between management and Gilde, Gilde submitted a letter confirming its indicative offer (the "**Indicative Offer**") including the basis on which Gilde would contemplate making an offer in cash to acquire the entire outstanding ordinary share capital of TenCate. Besides an indicative price range, the Indicative Offer further included, among others:

- support by Gilde for the Company's current strategy to leverage off its advanced textiles and composites technology in its various end markets and further capitalization on its market leading technology- and product portfolio;
- the Company's management team under the leadership of current CEO L. de Vries will remain in place after closing of the Proposed Transaction to continue to drive the Company's potential in partnership with Gilde;
- the intention to fund the proposed transaction through a prudent mix of debt and equity financing; and
- an emphasis on employees and customers who stand to benefit from the longer-term horizon the Consortium will bring, while customers will continue to be offered high quality products and services at competitive pricing.

Following receipt of the Indicative Offer by Gilde, a steering committee ("**Steering Committee**") was established with a view to investigating the Indicative Offer. The Steering Committee comprised of Mr J.C.M. Hovers,

chairman of the Supervisory Board, and Mr E. ten Cate, member of the Supervisory Board, Mr L. de Vries, Chief Executive Officer, and Mr E.J.F. Bos, Chief Financial Officer. The Steering Committee was assisted by the Company's Corporate Staff, including Mr R. Janse, Director Corporate Legal Affairs, and Mr F. Spaan, Corporate Director Business Development. The Boards retained external advisors including Rabobank and ABN AMRO as financial advisors and De Brauw as legal advisors. Representatives of these financial and legal advisors supported the Steering Committee.

The chairman of the Supervisory Board kept the other members of the Supervisory Board regularly updated and the full Supervisory Board remained actively involved throughout the process (except for Mr E. ten Cate as described further on).

After a thorough review, the Boards decided, acting in conformity with their fiduciary duties towards all stakeholders of TenCate, that the Indicative Offer provided a favourable combination of, on the one hand, an attractive and immediate liquidity event for shareholders of TenCate while at the same time securing the mid- to long term interests of the Company, its management, employees and customers in the best possible manner. The Boards considered, after obtaining advice from their financial advisors, that given the premium offered, the Indicative Offer was of such a nature that it merited a response from the Company. Also, the Indicative Offer was well reasoned and concrete enough to move forward with the next steps of the process, including a due diligence exercise. This resulted in the Company and Gilde entering into a confidentiality and standstill agreement, effective 27 February 2015, to allow for further discussion and due diligence between the parties.

Initially, TenCate only provided limited financial information to Gilde for analysis by Gilde and its advisors. On the basis of this analysis, Gilde reconfirmed its Indicative Offer on 8 April 2015.

Following this reconfirmation by Gilde of its Indicative Offer, TenCate made available a more complete data room, from 29 May 2015 to 6 July 2015, to facilitate confirmatory due diligence, and arrangement of financing on a "certain funds" basis, of the Offer.

Throughout the entire process, the Boards have met on a frequent basis to discuss the progress of the discussions with the Offeror and the key decisions in connection therewith. The Supervisory Board held various meetings with and without the Executive Board being present to deliberate on and assess the merits of the proposed transaction. The Boards have received extensive legal and financial advice and have given careful consideration to all aspects of the Offer, including strategic, financial, operational and social points of view.

In their decision making process regarding the Offer, the Boards have in particular carefully considered the following aspects:

- the continuity of the Company;
- the strategic rationale of the Offer;
- the interests of shareholders;
- the price and cash character of the consideration;
- the execution risks and the conditions to completion of the Offer;
- the interests of all employees and other social aspects;
- the future governance of the Company;
- the future financing of the Company; and
- the interests of governmental organisations, customers, suppliers, R&D partners and other third parties.

The Boards received a fairness opinion from Rabobank. Additionally, the Supervisory Board engaged NIBC to issue a fairness opinion to the Supervisory Board. The Supervisory Board also engaged Allen & Overy for legal advice.

The Supervisory Board remained focused on carefully managing any (potential) conflict of interest at all stages of the process. The following measures were taken by the Steering Committee in this regard:

- The members of the Executive Board were required to engage their own independent legal advisor in relation to discussions regarding possible management equity participation.
- From early June 2015, Mr E. ten Cate withdrew from the Steering Committee as he believed that he could be perceived to have a conflict of interest given his involvement with a Ten Cate family Investment company that was invited to discuss an investment in the proposed bidding entity to be controlled by Gilde. For this reason, Mr Ten Cate was also not involved in the deliberations and resolutions of the Supervisory Board regarding the Offer.
- In accordance with market practice for public to private transactions with a private equity party, the members of the Executive Board have discussed the terms on which Gilde would expect each of them to

invest in the capital of the bidding entity in the event the Offer was settled. These discussions have taken place during the final stage of negotiations between TenCate and Gilde on the Merger Agreement, at a time when the key terms of the Merger Agreement had been agreed between the parties and only minor details remained to be finalized by the Steering Committee on behalf of TenCate. In order to avoid any perceived conflict of interest, the members of the Executive Board withdrew from the Steering Committee as soon as discussions with Gilde regarding possible management equity participation started and were from then on no longer involved in discussions of the Steering Committee. The Steering Committee (without their involvement) subsequently finalised the Merger Agreement.

- In accordance with applicable law and regulations, there are strict information barriers between ABN AMRO Bank N.V. in its capacity as financial advisor to TenCate and ABN AMRO Participaties in its capacity as member of the Consortium making the Offer.

Major shareholders of TenCate (Delta Lloyd Deelnemingen Fonds N.V., Delta Lloyd Levensverzekeringen N.V. and Delta Lloyd L European Participation Fund) have irrevocably undertaken to support and accept the Offer. In addition, Mr. L. de Vries, President and CEO of TenCate, has also irrevocably agreed with the Offeror that, provided the Boards of TenCate continue to unanimously recommend the Offer, he will support and accept the Offer. These irrevocable commitments together represent approximately 16% of all issued and outstanding Shares.

Shortly before entering into the Merger Agreement, the Executive Board and the Supervisory Board have each, separately, formally resolved to enter into the Merger Agreement and to make the Recommendation (see paragraph 15).

On Sunday 19 July 2015, TenCate and the Offeror signed the Merger Agreement pursuant to which the Offeror, amongst others, agreed to make the Offer subject to certain conditions and the Boards agreed to recommend the Offer.

On 20 July 2015, TenCate and the Offeror issued a joint press release before the opening of the stock market in Amsterdam, announcing the execution of the Merger Agreement.

3 FINANCIAL ASSESSMENT OF THE OFFER

The Offer as announced on 20 July 2015 values 100% of the issued Shares at approximately EUR 675 million. The Offeror has financing in place and will finance the proposed transaction with a combination of equity and debt financing as described in paragraph 9 (*Certainty of funding*).

The Offeror and TenCate have reached an agreement on the Offer and the Offer Price following negotiations between themselves and their respective advisors. In assessing the Offer, the TenCate Boards carefully considered the interests of all stakeholders concerned, including those of the TenCate shareholders. The Boards have considered a number of key financial aspects associated with the Offer as described in the following paragraphs 3.1 to 3.4.

3.1 Premium to market price

The offer price of EUR 24.60 (cum dividend) in cash per Share (the "**Offer Price**") represents a premium of:

- 26.8% to the closing price per Share on Euronext Amsterdam on 17 July 2015 (the last trading date prior to the Announcement, the "**Reference Date**");
- 30.7% to the average closing price per Share on Euronext Amsterdam for the one (1) month prior to and including the Reference Date;
- 24.3% to the average closing price per Share on Euronext Amsterdam for the three (3) months prior to and including the Reference Date;
- 27.1% to the average closing price per Share on Euronext Amsterdam for the twelve (12) months prior to and including the Reference Date; and
- 7.0% to the median of the latest analyst price targets for the Shares, issued before the Reference Date (median analyst price target of EUR 23.00). The research analysts considered comprise ABN AMRO Bank, ING Bank, KBC Securities, Kempen & Co, Kepler Cheuvreux, Petercam and Rabobank.

By comparison, the median premium to the unaffected share price (closing price one day prior to the earlier of transaction announcement or material, public speculation of a transaction, if any) is 28.6% for public offers by financial investors for 100% of the share capital of Dutch companies listed on the Euronext Amsterdam with equity values in excess of EUR 250 million that were

announced and completed in the period from 1 January 2004 up to and including the Reference Date.¹

3.2 Implied Multiples

At the Offer Price of EUR 24.60 (cum dividend) per Share, the following implied multiples apply:

- Enterprise Value of 10.8 times EBITDA for the 12 month period ending 31 December 2014 of EUR 84.6 million, based on net interest bearing debt of EUR 235.6 million as at 31 March 2015;
- Enterprise Value of 9.8 times EBITDA for the 12 month period ending 30 June 2015 of EUR 92.7 million, based on net interest bearing debt of EUR 235.6 million as at 31 March 2015; and
- Enterprise Value of 9.3 times estimated EBITDA for the financial year 2015 based on the median analyst estimate at the Reference Date of EUR 97.8 million², based on net interest bearing debt of EUR 235.6 million as at 31 March 2015.

3.3 Rabobank Fairness Opinion

Rabobank has provided financial advice and issued a Fairness Opinion dated 19 July 2015 to the Executive Board and the Supervisory Board (included as Schedule 1 (*Fairness Opinion Rabobank*) of this Position Statement). The Fairness Opinion from Rabobank states that – subject to the assumptions made, matters considered and limitations on the review undertaken in connection with such opinion – the Offer Price to be received by the Shareholders pursuant to the Offer was, as of the date of the relevant opinion, fair from a financial point of view to the Shareholders.

3.4 NIBC Fairness Opinion

NIBC has issued a Fairness Opinion dated 18 July 2015 to the Supervisory Board (included as Schedule 2 (*Fairness Opinion NIBC*) of this Position Statement). The Fairness Opinion from NIBC states that – subject to the assumptions made, matters considered and limitations on the review undertaken in connection with such opinion – the Offer Price to be received by

¹ The selected transactions include: Exact/Apax, Unit4/Advent, DEMB/JAB, Mediq/Advent International, Stork/Candover, Univar/Ulysses (CVC and Parcom Capital), Endemol/Cyrte, GSCP and Mediaset Nedschroef/ Gilde Buy Out, VNU/Valcon Acquisition and Vendex KBB/VDXK (KKR/Alpinvest).

² The research analysts taken into consideration comprise ABN AMRO Bank, ING Bank, KBC Securities, Kempen & Co, Kepler Cheuvreux, Petercam and Rabobank.

the Shareholders pursuant to the Offer was, as of the date of the relevant opinion, fair from a financial point of view to the Shareholders.

3.5 Other considerations

The Boards have also considered the following in their financial assessment of the Offer:

- The Boards have negotiated a minimum acceptance condition of 95% of the fully diluted share capital (excluding any Shares then held by the Company or its group companies). The Offeror has the right to reduce this percentage, however, in order to ensure that the Offeror is only able to declare the Offer unconditional and complete the deal with substantial support from the Shareholders, the Boards have negotiated that the Offeror may not reduce the minimum acceptance condition below 66.67% without the prior written approval of the Boards.
- The Offeror has provided documentation which indicates its ability to fulfil its obligations under the Offer through a combination of binding and irrevocable equity commitment letters from entities managed, controlled and/or advised by each of Gilde, Parcom Capital and ABN AMRO Participaties, as well an investment company of the Ten Cate family and binding debt commitment letters from a group of reputable banks.
- Certain major shareholders (Delta Lloyd Deelnemingen Fonds N.V., Delta Lloyd Levensverzekeringen N.V. and Delta Lloyd L European Participation Fund) have irrevocably undertaken to support and accept the Offer. In addition, Mr. L. de Vries, President and CEO of TenCate, has also irrevocably agreed with the Offeror that, provided the Boards of TenCate continue to unanimously recommend the Offer, he will support and accept the Offer. These irrevocable commitments together represent approximately 16% of all issued and outstanding Shares.
- The form of consideration to be paid to the Shareholders in the Offer is cash, which will provide certainty of value and liquidity to Shareholders.
- The possibility of third parties making a competing offer if certain customary thresholds (as set out in paragraph 10.2 under "Potential Competing Offer") are met.
- At the time of this Position Statement, there are no Competing Offers.

3.6 Position of the Boards based on their financial assessment

Based on the above, the Boards have concluded that the Offer Price is fair to the Shareholders from a financial point of view.

4 STRATEGIC RATIONALE

The Boards are of the opinion that the strategic rationale and fit of the Consortium's Offer for TenCate is compelling and will provide significant benefits to all TenCate's stakeholders. These reasons fall into three main categories: strategic, financial and social aspects. Each of those aspects is elaborated on below.

4.1 Strategic – full support for and continuation of Business Strategy

Buy and build

As part of the Non-Financial Covenants, the Offeror agreed to support and respect the buy and build strategy of the Group, which means that the Offeror shall allow the group to invest in the existing five (5) market groups (“**Divisions**”) and these Divisions may, apart from improvements and/or investments in the existing businesses, be further strengthened through acquisitions.

The Offeror furthermore acknowledges in the Non-Financial Covenants, that the Group may require additional capital in order to pursue add-on acquisitions as part of its buy and build strategy and intends to make additional equity capital available in order to finance such add-on acquisitions, subject to the Group's applicable approval policies and (financial) parameters as applicable from time to time, and in order to use a balanced combination of debt and equity.

In addition, the current portfolio of product-, market-, and technology positions will in principle be strengthened by means of investments with a focus on organic growth as well as acquisitions.

Strategic context

As part of the Non-Financial Covenants, the Offeror and TenCate agreed that the strategic context will be part of the buy and build strategy, whereas the value chain model of the Group will be leading. This model consists of four elements: investments in technology development (*Technological Innovation*) in order to develop new applications and or functionalities within the product portfolio (*Product Differentiation*) and process improvements (*Production Cost Control*) are key in order to improve the Group's long term competitive position. In this strategic context the fourth element *End User Marketing* supports the

value proposition of the Group's solutions driven approach towards key markets.

Reinvesting free cash flow

As part of the Non-Financial Covenants, the Offeror and TenCate agreed that the Group's active portfolio strategy provides the business focus which is needed to accelerate growth through divestments of business entities with less attractive returns in favour of business entities with a more positive growth perspective and yield. This means that financial returns from divestments will, with due consideration to the terms and conditions of the Group's debt arrangements from time to time, in principle be used for investments in existing businesses with above average growth and returns outlook,. Through a gradual phasing-out and phasing- in approach the Group will enhance its growth profile and at the same time increases its profit generating capacity.

The Offeror acknowledges in the Non-Financial Covenants, the importance of research & development for the operation of the Group and shall allow the Group to keep investing in research & development, in accordance with the Business Strategy, taking into account current practice.

As part of the Non-Financial Covenants, the Offeror and TenCate agreed that the Offeror shall ensure that no substantial part of the Group's assets shall be sold or transferred (whether directly or indirectly, whether by a sale or transfer of shares or assets or otherwise, whether in a single transaction or a series of related transactions) to any person if such sale or transfer results in a reduction of consolidated annual revenue of the Group of more than twenty percent (20%), calculated on the basis of the latest adopted consolidated annual accounts for the Group.

4.2 Financing – TenCate to remain prudently financed

Financing is needed to fund investments and acquisitions that are required for TenCate's buy and build strategy, but, at the same time, excessive financial exposure must be avoided. Over the years, TenCate has been prudently financed and managed within a strict financial framework. TenCate and the Offeror have agreed in the Non-Financial Covenants that TenCate shall remain prudently financed to safeguard the continuity of the business and to continue the execution of TenCate's Business Strategy. Prudent financing will enable the continuation of TenCate's trade relationships, but also provide the ability to execute its Business Strategy.

The Offeror values 100% of the Shares at approximately EUR 675 million. The Offer will be financed with a prudent combination of debt and equity. The equity

component comprises of EUR 362.5 million in equity commitments from the members of the Consortium.

Additionally, the Offeror has secured debt financing in place for an amount up to EUR 520 million. The Term Loan will be provided by ABN AMRO Bank N.V., Bank of America Merrill Lynch International Limited, BNP Paribas Fortis S.A./N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank) and ING Bank N.V.

4.3 Social – TenCate retains core corporate identity and culture

The Offeror has agreed in the Non-Financial Covenants to aim to maintain TenCate's corporate identity and culture recognising TenCate's history, role and position as employer in the Nijverdal region. Also, the Offeror has agreed to aim to maintain TenCate's culture of excellence, which requires highly talented employees, and employees will be appropriately trained and provided with clear career progression. The support for the values of TenCate are also captured in the recognition of the importance of TenCate's employees and their rights as described in paragraph 5.2.

4.4 Structure and governance of the Group

The Offeror has agreed in the Non-Financial Covenants to ensure that the Company will remain a separate legal entity and will remain the holding company of the Company's subsidiaries and operations from time to time. The Offeror has agreed to further ensure that the corporate name of the Company will remain unchanged and include the name "TenCate", it being understood that the Offeror has no control over the Company continuing to be entitled to use "Royal" or "Koninklijke" in its corporate name and the "TenCate" brand will remain a key aspect of the Group's branding and marketing strategy.

TenCate will continue to voluntarily apply the mitigated structure regime (*gemitigeerd structuurregime*).

The Offeror has acknowledged that sustainability policies form an integral part of the Group's common goal to protect people and their professional environment.

4.5 Position of the Boards based on the strategic rationale

In addition to the financial assessment described in paragraph 3, the strategic, financial and social considerations as listed above have brought reassurance to the Boards that TenCate's future, as a stand-alone entity with the backing by the Consortium, is guaranteed and that the Offer will have a positive impact on

TenCate and its stakeholders including employees, governmental organisations, customers, suppliers and R&D Partners.

5 EMPLOYMENT AND WORKS COUNCILS

5.1 Employees

Employees are important stakeholders for TenCate. The culture and values of TenCate as well as in-depth knowledge of its products, customer needs and processes are carried by its employees.

The Boards expect that career opportunities within TenCate will not be affected as a direct consequence of the transaction.

The Offeror shares TenCate's views on the importance of TenCate's corporate identity, values and culture.

The relevant and applicable employee consultation procedures have been completed. The secretariat of the Social Economic Council (*Sociaal Economische Raad*) has been informed in writing of the Offer in accordance with the Rules relating to Mergers of the Social and Economic Council (*SER Fusiegedragsregels 2000*). See also par 5.3 (*Works Councils Supportive*) below.

5.2 Important undertakings by the Offeror

In view of the above, TenCate and the Offeror have agreed certain important non-financial undertakings in connection with TenCate as an organization and employer and the rights of its employees. These non-financial covenants are as follows (for the period and subject to arrangement for deviation as described in paragraph 10.1):

- (a) the existing arrangements with the Group's works councils and relevant trade unions will be respected and not changed unilaterally;
- (b) there will be no reorganisation or restructuring plan resulting in significant job losses in any country in which the Group operates, taking into account the total number of employees of the Group in that country, as a direct consequence of the Offer;
- (c) the rights and benefits of the employees of the Group, under their individual employment agreements, collective labour agreements, social plans, will be respected;

- (d) the pension arrangements between the Group and Stichting Pensioenfonds Koninklijke TenCate and non-Dutch pension-service providers will be respected; and
- (e) the Offeror has agreed to ensure that TenCate's headquarters, central management and its key support functions will remain in Almelo, the Netherlands. Also, the Offeror respects and will aim to maintain Tencate's corporate identity and culture recognising the Company's history, role and position as employer in the Nijverdal region.

These undertakings were a significant aspect in the evaluation of the Offer and the Boards' recommendation thereof.

5.3 Works Councils Supportive

The COR has rendered a positive advice in respect of the intended support, recommendation and execution by the Boards of the Offer and the Resolutions to be adopted at the EGM. In this context, TenCate and the Offeror have *inter alia* agreed with the Works Council that:

- Until the general meeting of shareholders of TenCate to be held in or around April 2016 (being the date on which the current term of Messrs Hovers and Ten Cate as members of the Supervisory Board expires), any deviation from the Non-Financial Covenants requires the prior approval of the Supervisory Board, with the affirmative vote of both Continuing Members. Following such annual general meeting, any deviation from the Non-Financial Covenants will be permitted as set out in paragraph 10.1.
- The Works Council shall be consulted on decisions of the Supervisory Board on certain deviations from the Non-Financial Covenants, including certain deviations in relation to the business strategy, structure and governance of the Group, financing, divestments and employees.
- During a 3 (three) year period from the Unconditional Date, TenCate will not close or relocate any enterprises (ondernemingen) for which a works council has been established in The Netherlands, nor will it, save for a possible divestment of 1 (one) Market Group, divest any Market Groups, notwithstanding the arrangements set out in paragraph 10.1. The Offeror confirmed to the Works Council that it currently does not have the intention to divest a Market Group.

In addition, the Works Council established in France, relating to the employees of TenCate Geosynthetics France S.A.S., has, as is customary, rendered a neutral advice in respect of the intended Offer, and the financing thereof.

5.4 Employee feedback on Offer

On the date of the initial announcement 20 July 2015, TenCate employees were informed of the Offer through a letter from TenCate's CEO, Mr L. de Vries, as well as subsequent informative meetings with local management. The feedback received by management on the Offer from employees was generally positive.

5.5 Pension Schemes

The various pension schemes within the Group are managed on a going-concern basis with TenCate as a credible employer and contributor to these schemes. The shareholding by the Offeror in combination with the prudent financing of TenCate provides comfort that this can be continued accordingly. The Offeror has entered into undertakings to ensure continuing prudent financing and to respect current and former employees' pension rights (see paragraph 5.2(d)).

6 STRUCTURE AND GOVERNANCE

6.1 Composition of the Supervisory Board

Mr. P.F. Hartman and Mrs. M. Oudeman have resigned from their positions as members of the Supervisory Board with effect from the Settlement Date, subject to Settlement taking place.

Immediately following the Settlement Date, subject to the relevant Resolutions being adopted at the EGM, the Supervisory Board will consist of:

- (i) Mr. J.C.M. Hovers and Mr. E. ten Cate; two current members of the Supervisory Board who continue to serve on the Supervisory Board as Continuing Members. The Offeror acknowledges that for as long as TenCate applies the mitigated large company regime (*gemitigeerd structuurregime*) and the Supervisory Board exists of up to five (5) members, the Works Council has a reinforced right to recommend one (1) individual for nomination as member of the Supervisory Board. The Offeror and TenCate have agreed that this shall at all times be one of the Continuing Members; and
- (ii) Mr B.T. Molenaar, Mr E.J. Westerink and Mr J.H.L. Albers, who have been nominated for appointment by the Offeror, whereby Mr J.H.L. Albers shall

be the Chairman of the Supervisory Board (who is not a director or employee of the Offeror);

The Offeror shall nominate the Chairman of the Supervisory Board as referred to in Paragraph 6.1(ii) above, as well as any successor Chairman of the Supervisory Board to be appointed prior to the third (3rd) anniversary of the Settlement Date, after consultation with the Supervisory Board and the Executive Board.

In addition to their normal duties as members of the Supervisory Board, the Continuing Members shall monitor and protect the interests of TenCate and all of its stakeholders, including in particular, compliance with the Non-Financial Covenants set out in Section 3.4 of the Offer Memorandum.

6.2 Future composition of the Supervisory Board

The Offeror and TenCate agree that as of the Settlement Date, the Offeror may at its discretion, procure any subsequent appointments and dismissals of Supervisory Board members, provided the Offeror shall ensure that:

- (i) the Supervisory Board will not exceed five (5) members;
- (ii) the Supervisory Board will include at least two (2) independent board members, being Mr. J.C.M. Hovers and Mr. E. ten Cate, or their successors (the "**Continuing Members**"), whereby 'independent' will have the meaning as described in the Dutch Corporate Governance Code, until three (3) years after the Settlement Date, and
- (iii) a Continuing Member can only be appointed by the general meeting of shareholders upon nomination of the Supervisory Board. The resolution of the Supervisory Board to make a nomination for the appointment of a Continuing Member requires the vote in favour of such nomination by a Continuing Member, except in the event that it concerns his or her own re-appointment and except in the event that no Continuing Members are in office.

The current term of both Mr Hovers and Mr Ten Cate as member of the Supervisory Board expires on the general meeting of shareholders to be held in or around April 2016. Mr Ten Cate has indicated that he will not be available for re-appointment as member of the Supervisory Board in 2016. Mr Hovers has indicated that he expects to be available for a possible re-appointment as member of the Supervisory Board. In line with article 2:158 paragraph 6 DCC and the Merger Agreement, the Works Council shall have a reinforced nomination right in respect of the appointment of 1 (one) Continuing Member.

6.3 Composition of the Executive Board

The current members of the Executive Board shall upon Settlement continue to serve as members of the Executive Board.

6.4 Key management

The Offeror has agreed to procure that key management of the Group is retained as much as reasonably possible.

7 MINORITY PROTECTION

7.1 Independence of certain Supervisory Board members

The Supervisory Board shall have no more than five (5) members. At least for three (3) years after the Settlement Date, two (2) members (the Continuing Members) must be 'independent' within the meaning as described in the Dutch Corporate Governance Code. This ensures that, on all matters under consideration by the Supervisory Board, the interests of all stakeholders, including minority shareholders, will be heard without undue weighing of the Offeror's interests.

Although these arrangements deviate from the Dutch Corporate Governance Code with respect to the number of independent supervisory board members, the Continuing Members have greater powers than envisaged under the Dutch Corporate Governance Code. This includes veto rights in respect of certain matters as described in paragraphs 7.2 and 7.3, which continue, even after the listing of the Shares of TenCate on Euronext Amsterdam has been terminated, for as long as minority shareholders remain.

7.2 Approvals required for Post-Closing Restructuring Measures

As described by the Offeror in Section 3.15 of the Offer Memorandum, the Offeror seeks to acquire 100% of the Shares and/or the business and operations of TenCate. If necessary, the Offeror may pursue any Post-Closing Restructuring Measures.

The implementation of any Post-Closing Restructuring Measure (e.g. a sale of assets or a legal (de)merger) shall be subject to the approval of the Supervisory Board, which will be required to weigh up the interests of all stakeholders. Moreover, as an additional safeguard, such proposed Post-Closing Restructuring Measure will be subject to the approval of each Continuing Member in the event that it could reasonably be expected to lead to a dilution of the shareholdings of the remaining minority shareholders of TenCate or any other form of unequal treatment which could prejudice or negatively affect the value of the Shares held by the remaining minority shareholders or their reasonable interests, other than to the extent such measure is (i) a rights issue or any other share issue where they have been offered a reasonable opportunity to subscribe *pro rata* to their then existing shareholding (ii) a compulsory acquisition procedure (*uitkoopprocedure*) in accordance with article 2:92a DCC, article 2:102a DCC or the takeover buy-out procedure in accordance with article 2:359c DCC, which approval shall not unreasonably be withheld or delayed by the Continuing Members. The Continuing Members will have the opportunity to engage for the account of the Company their own financial and legal advisors, if and to the extent they believe that the advice of such advisors is reasonably necessary to assist them in reviewing and assessing matters that come before the Supervisory Board..

7.3 Other specific minority protection

TenCate also agreed with the Offeror to enter into specific undertakings for the protection of minority shareholders, as set out in the Non-Financial Covenants as described in Section 3.4 of the Offer Memorandum. These specific undertakings will continue for as long as the Company has minority shareholders.

In particular, TenCate may not issue additional shares for a cash consideration to any person (other than any member of the Group) without offering pre-emption rights to minority shareholders.

Also, TenCate shall not agree to and enter into, or procure that any member of the Group agrees to and enters into, a related party transaction with any material shareholder or other person which is not at arm's length.

Generally, TenCate shall not take any action which disproportionately prejudices the value of, or the rights relating to the shareholdings of the minority shareholders.

8 LIKELIHOOD OF COMPLETION

The Boards believe that, subject to certain Offer Conditions (as included in Section 3.9 of the Offer Memorandum) being satisfied or waived, the Offer will likely be completed based on, among other things, the following:

- the Offeror has financing in place consisting of a combination of debt and equity financing up to approximately EUR 900 million;
- The Offeror has obtained unconditional clearance for completion of the Offer from the competent competition authorities in the United States, the European Union and Turkey;
- Major shareholders of TenCate (Delta Lloyd Deelnemingen Fonds N.V., Delta Lloyd Levensverzekeringen N.V. and Delta Lloyd L European Participation Fund) have irrevocably undertaken to support and accept the Offer. In addition, Mr. L. de Vries, President and CEO of TenCate, has also irrevocably agreed with the Offeror that, provided TenCate continues to recommend the Offer, he will support and accept the Offer. These irrevocable commitments together represent approximately 16% of all issued and outstanding Shares.

9 CERTAINTY OF FUNDING

The Offer for the total issued Share Capital of TenCate equals approximately EUR 675 million.

The Offeror intends to finance the Offer through a combination of shareholder funding made available on behalf of the Offeror and third party debt financing. In this context the Offeror has received binding equity commitment letters including from entities managed, controlled and/or advised by each of Gilde, Parcom Capital and ABN AMRO Participaties, as well an investment company of the Ten Cate family, for an aggregate amount of EUR 362.5 million, which are fully committed, subject to customary conditions. In addition, the Offeror has entered into binding debt commitment papers with a consortium of reputable banks for senior debt financing in an aggregate amount of EUR 520 million of term debt and a revolving facility of EUR 75 million, which is fully committed on a "certain funds" basis, subject to customary conditions. The Offeror has no reason to believe that any such conditions to the Shareholder Financing or the Debt Financing will not be fulfilled on or prior to the Settlement Date.

10 CERTAIN ARRANGEMENTS BETWEEN TENCATE AND THE OFFEROR

10.1 Non-Financial Covenants

The Offeror has undertaken to comply with various Non-Financial Covenants, described in detail in Section 3.4 of the Offer Memorandum.

TenCate has negotiated these Non-Financial Covenants with the Offeror for the protection of all stakeholders, including potential future minority shareholders. In the event that the Offeror wishes to deviate from any of the Non-Financial Covenants, the prior approval of a majority of the Supervisory Board is required, including the affirmative vote of at least one Continuing Member.

The Non-Financial Covenants have been agreed between TenCate and the Offeror on the following topics: business strategy support, structure and governance of the Group, TenCate's current and future financing arrangements, minority shareholders and employment.

The Non-Financial Covenants titled "Minority Shareholders" (described in Section 3.4.5 of the Offer Memorandum) shall continue:

- (i) until the earlier of (A) the date on which none of the Shares are held by any third party other than the Offeror or one or more of its Affiliates, (B) the date on which the compulsory acquisition procedure (*uitkoopprocedure*) is irrevocably initiated and the Consideration is deemed to be the fair price (*billijke prijs*) pursuant to section 2:92a DCC, 2:101a DCC or 2:359c(6) DCC, (C) the date on which the Enterprise Chamber has determined the price payable by the Offeror to the other Shareholders pursuant to the compulsory acquisition procedure (*uitkoopprocedure*), and (D) the 3rd (third) anniversary of the Settlement Date; or
- (ii) For such longer date as the Supervisory Board considers appropriate in order to comply with principles of good corporate governance generally accepted in the Netherlands.

All other Non-Financial Covenants shall continue for three years after the Settlement Date.

10.2 Potential competing Offer

In this paragraph 10.2, "Alternative Proposal", "Potential Competing Offer" and "Competing Offer" are used as defined in paragraph 10.2.4.

TenCate has agreed with the Offeror some important arrangements with respect to a possible Competing Offer and termination of the Merger Agreement. These arrangements are as follows.

10.2.1 Ability to engage with potential competing bidders

Approaches in general

TenCate has agreed with the Offeror that TenCate may not directly or indirectly, approach, solicit, provide confidential information to or engage in, negotiations or transactions with, or provide any non-public information relating to TenCate to any third party regarding an Alternative Proposal.

Approaches that are Potential Competing Offers

However, following receipt of an unsolicited Potential Competing Offer, TenCate may:

- (a) provide confidential information to such third party, but only if (i) the information is reasonably required for such third party to conduct a due diligence investigation for the purpose of the proposed transaction and (ii) such third party has entered into a confidentiality and standstill agreement with the Company on customary terms, provided that the Company shall not provide other information to a third party than it has provided to the Offeror, unless it provides the Offeror with a copy of such information simultaneously with providing such information to such third party. The Company agrees not to waive any of its rights under any such confidentiality and standstill agreement without the prior written consent of the Offeror, such consent not to be unreasonably withheld or delayed;
- (b) engage in discussions or negotiations regarding such Potential Competing Offer;
- (c) consider such Potential Competing Offer; and
- (d) make public announcements in relation to a Potential Competing Offer to the extent required by law;

for a period of no longer than thirty (30) calendar days immediately following execution of the relevant confidentiality and non-trading undertakings mentioned above, provided that TenCate shall continue to cooperate with the Offeror in accordance with the terms of the Merger Agreement.

Approaches that are, or have become, Competing Offers

TenCate may agree to a Competing Offer in the event that (i) the Offeror has not exercised its Matching Right, as described in paragraph 10.2.2, by (timely) matching a Competing Offer or (ii) the Offeror has informed TenCate that it does not wish to exercise its Matching Right, as described in paragraph 10.2.2.

The threshold for Competing Offers is 7.5%.

10.2.2 Matching Right

The Offeror has the right to revise its Offer and/or match any Competing Offer within five (5) business days following the date on which the Offeror has received written notice from TenCate of such Competing Offer. If the Offeror matches such Competing Offer, TenCate shall not be entitled to accept and/or recommend such Competing Offer and TenCate cannot terminate the Merger Agreement.

10.2.3 Termination

TenCate and the Offeror may terminate the Merger Agreement:

- (a) in the event of a Material Breach, provided that such Material Breach (i) has not been waived by the non-defaulting Party, or (ii) has not been remedied by the Defaulting Party within ten (10) Business Days after the Defaulting Party has obtained actual knowledge of such Material Breach;
- (b) if TenCate agrees to a Competing Offer; and
- (c) in the event that Settlement has not occurred on or before 31 March 2016.

If the Merger Agreement is terminated in accordance with (a) by the Offeror or (b) above, TenCate shall pay the Offeror an amount equal to 0.75% of the aggregate consideration for all issues and outstanding shares for loss of management time and other costs and expenses which it has already incurred and will continue to incur in connection with the Offer and the preparation of the Offer.

10.2.4 Definitions

An "**Alternative Proposal**" is a potential offer or proposal for a potential offer for all, or substantially all of the Shares or for all or substantially all of the businesses or assets and liabilities of TenCate, any proposal involving the potential acquisition of a substantial interest in TenCate, a legal merger or

demerger involving TenCate, a reverse takeover of TenCate or a reorganisation or re-capitalisation of TenCate, or any other transaction, that could result in a change of control (including through a spin-off) of TenCate or all or substantially all of the businesses or assets and liabilities of the Company, or otherwise preventing the Offer from being consummated.

A "**Potential Competing Offer**" is an unsolicited communication from a *bona fide* third party containing an Alternative Proposal, if in the reasonable opinion of the Boards, after having consulted their financial and legal advisors and considering, among others, level and character of consideration, certainty of financing, conditionality, track record of the bidder, integrity of the business and position of employees, such Alternative Proposal could reasonably be expected to qualify as or evolve in a Competing Offer.

A "**Competing Offer**" is a written proposal by a *bona fide* third party, which qualifies as a Potential Competing Offer, which is in the reasonable opinion of the Boards, on balance, after having consulted their financial and legal advisors and considering, among others, level and character of consideration, certainty of financing, conditionality, track record of the bidder, integrity of the business and position of employees a more beneficial offer than the Offer as contemplated in the Merger Agreement, and exceeds the original Consideration which was included in the Announcement (excluding, for the avoidance of doubt, any increases pursuant to any Matching Offers) by seven and a half percent (7.5%) or more. To the extent that the Potential Competing Offer is an offer for all or substantially all of the assets of TenCate, or is an intention to enter into, a transaction, whether through a legal merger, spin-off, asset sale, capital injection, offer to purchase or otherwise, that may result in a change of control over all or substantially all of the assets of the Group, the calculation shall be made on the basis of the net proceeds to be distributed to TenCate's shareholders resulting from such a transaction calculated on a per Share basis. The consideration payable in the Competing Offer may not consist of any securities that are not publicly traded on a regulated market.

11 FINANCIALS

Reference is made to Sections 13 (*Selected Consolidated Financial Information TenCate*), 14 (*Unaudited (But "Reviewed") Consolidated Interim Statements*), and 15 (*Financial Statements 2014 of TenCate*) of the Offer Memorandum. TenCate reminds Shareholders that a Q3 trading update is currently scheduled to be made available on its website on 22 October 2015.

12 NO TRANSACTIONS

No transactions or agreements in respect of shares or share options have been effected or have been concluded by any member of the Boards, nor by any of

their spouses (*echtgenoten*), registered partners (*geregistreeerde partners*), under aged children (*minderjarige kinderen*) and any entities over which these members or other persons referred to have control (*zeggenschap hebben in*), during the year preceding the date of publication of the Offer Memorandum.

13 FINANCIAL ADVISORS TO TENCATE

ABN AMRO Bank N.V. is acting as financial advisor exclusively to TenCate and to no one else in connection with the Offer. ABN AMRO Bank N.V., acting solely in its capacity as financial advisor in connection with the Offer, has provided advice and assistance to TenCate on the financial aspects of the Offer and in preparation thereof. There are strict information barriers between ABN AMRO Participaties in its capacity of member of the Consortium and ABN AMRO Bank N.V. in its capacity as financial advisor to TenCate: (i) no individuals involved in the financial advisory team of ABN AMRO Bank N.V. advising the Company were involved with ABN AMRO Participaties' team that was involved with ABN AMRO Participaties' participation in the Consortium, (ii) no information in respect of the Offer was shared between the members of the financial advisory team of ABN AMRO Bank N.V. advising the Company and the members of the ABN AMRO Participaties' team that was involved with ABN AMRO Participaties' participation in the Consortium, (iii) no members of the financial advisory team of ABN AMRO Bank N.V. advising the Company were involved in the decision by the management board of ABN AMRO Participaties to participate in the Consortium and (iv) the financial advisory team of ABN AMRO Bank N.V. advising the Company and the ABN AMRO Participaties' team that was involved with ABN AMRO Participaties' participation in the Consortium are physically separated, as well as other measures required pursuant to applicable laws and regulations.

Rabobank is acting as financial advisor exclusively to TenCate and to no one else in connection with the Offer. Rabobank, acting solely in its capacity as financial advisor in connection with the Offer, has provided advice and assistance to TenCate on the financial aspects of the Offer and in preparation thereof. In addition, Rabobank issued a Fairness Opinion to the Boards attached to this Position Statement as Schedule 1 (*Fairness Opinion Rabobank*).

Rabobank acted as financial advisor to TenCate at the time of issuing the Fairness Opinion. Rabobank also had a broad corporate banking relationship with TenCate. This included taking part in the revolving EUR 350 million Syndicated facility for an amount of EUR 58 million, Rabobank is the administrative agent for the facility, and providing a bilateral EUR 25 million credit facility which can be used for money market drawings. Other services include risk management (FX and interest) services.

NIBC was engaged by the Supervisory Board of TenCate to provide a Fairness Opinion to the Supervisory Board attached to this Position Statement as Schedule 2 (*Fairness Opinion NIBC*). At the time of providing its Fairness Opinion, NIBC was not involved in any other role.

14 OTHER INFORMATION IN CONNECTION WITH THE OFFER

14.1 Commitments from Mr L. de Vries

Mr Louis (Loek) de Vries (as President and CEO of TenCate) has irrevocably agreed with the Offeror to tender the Shares held by him under the Offer, subject to the Boards continuing to support and recommend the Offer.

14.2 Shares held by members of the Boards

The Shares held by Members of the Boards as at the date of the Offer Memorandum are specified in Section 6.3 of the Offer Memorandum.

14.3 Extraordinary general meeting of Shareholders of TenCate

In accordance with article 18, paragraph 1 of the Takeover Decree, TenCate shall convene an extraordinary general meeting of Shareholders ("**EGM**") to discuss the Offer. The EGM shall be held at 14:00 hours, CET, on 7 December 2015 at the Polman Stadium, Stadionlaan 1, Almelo, the Netherlands.

At the EGM, the Shareholders shall be requested to vote, subject to Settlement of the Offer and effective as per the Settlement Date, on the following resolutions:

- (a) Conditional discharge, as per the Settlement Date and conditional upon Settlement taking place, of Mr L. de Vries and Mr E.J.F. Bos with respect to their duties and obligations performed and incurred as members of the Executive Board up to the EGM;
- (b) Conditional discharge, as per the Settlement Date and conditional upon Settlement taking place, of Mr E. ten Cate, Mr J.C.M. Hovers, Mr P.F. Hartman and Ms M.J. Oudeman with respect to their duties and obligations performed and incurred as members of the Supervisory Board up to the EGM; and
- (c) the conditional appointment, as per the Settlement Date and conditional upon Settlement taking place, of Mr B.T. Molenaar, Mr E.J. Westerink and Mr J.H.L. Albers as members of the Supervisory Board.

Reference is made to Schedule 3 (*Agenda Extraordinary General Meeting of Shareholders*).

15 RECOMMENDATION

Subject to a Competing Offer and after having given due and careful consideration to the strategic rationale and the financial and non-financial aspects and implications of the proposed transaction, both the Executive Board and the Supervisory Board are of the opinion that the Offeror makes a compelling offer representing a fair price and attractive premium to TenCate's shareholders, as well as favourable non-financial terms. The Boards consider the Offer in the best interest of TenCate and all its stakeholders, also including employees, governmental organisations, customers, suppliers and R&D partners.

In addition, the Boards have received a fairness opinion from Rabobank and the Supervisory Board has also received a fairness opinion from NIBC. Both Rabobank and NIBC have opined that the Offer Price is fair to the Shareholders from a financial point of view. Further reference is made to the fairness opinions, which are included in Schedule 1 (*Fairness Opinion Rabobank*) and Schedule 2 (*Fairness Opinion NIBC*) of this Position Statement.

Taking all these considerations into account, and without prejudice to the terms and conditions of the Offer Memorandum, both the Executive Board and the Supervisory Board fully support and unanimously recommend the Offer for acceptance to the Shareholders, and unanimously recommend that the Shareholders vote in favour of the Resolutions to be taken at the TenCate EGM (the "**Recommendation**").

Schedule 1 Fairness Opinion Rabobank

Rabobank Corporate Finance Advisory
Mergers & Acquisitions



Rabobank

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STRICTLY PRIVATE AND CONFIDENTIAL

**The Supervisory Board and Executive Board of
Koninklijke Ten Cate N.V.**

Wierdensestraat 40
7607 GJ Almelo
The Netherlands

Date: 19 July 2015

Subject: Fairness Opinion

Dear Sir / Madam,

You, the Supervisory Board and Executive Board of Koninklijke Ten Cate N.V. (the “**Boards**”, the “**Client**” or “**you**”) have requested the opinion of Rabobank, hereby acting through its Corporate Finance Advisory – Mergers & Acquisitions department, a division of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., (“**Rabobank**”), pursuant to the engagement as set out in the engagement letter dated 28 January 2015 (the “**Engagement Letter**”), to give you our opinion (the “**Opinion**”) with respect to the fairness of the proposal by the consortium led by Gilde Buy Out Partners B.V. (the “**Offeror**”) to offer each holder of one ordinary share, nominal value EUR 2.50 per share, in the capital of Koninklijke Ten Cate N.V. (the “**Company**”) (each a “**Share**” and each beneficial owner of a Share a “**Shareholder**”), EUR 24.60 in cash for each Share (the “**Consideration**”) (the “**Transaction**”).

In arriving at our Opinion, we have:

- a) Reviewed certain publicly available financial and business information relating to the Company which we deemed relevant for the purposes of providing the Opinion, including annual reports, company presentations, press releases and research analyst reports relating to the expected future financial performance of the Company;

- b) Reviewed certain internal (unaudited) financial and operating information furnished to us by the Company, including financial forecasts, analyses, projections and assumptions relating to the business, operations and prospects of the Company;
- c) Considered current and historical market prices of the Share;
- d) Reviewed certain publicly available external research reports concerning the lines of business we believe to be generally comparable to the business of (divisions of) the Company;
- e) Reviewed certain publicly available financial and other information about certain publicly traded companies engaged in business comparable to (divisions of) the Company that we deemed to be relevant;
- f) Reviewed the financial terms, to the extent publicly available, of certain recent transactions involving companies we deemed relevant and the consideration paid for such companies;
- g) Reviewed the merger protocol between the Company and the Offeror dated the same as this letter; and
- h) Conducted such other financial studies, analyses and investigations and considered such other information as we deemed appropriate for the purposes of the Opinion.

The Company has confirmed to Rabobank that (i) the Company has provided Rabobank with all material information relating to the Company, which it understands to be relevant for the Opinion and have not omitted to provide Rabobank with any information relating to the Company that would render the provided information inaccurate, incomplete or misleading or may reasonably have a material impact on the Opinion, (ii) after delivery of aforementioned information, as far as the Company is aware, no events have occurred that may reasonably have a material impact on the Opinion, (iii) all confirmations and financial and other information provided by the Company to Rabobank in relation to the Opinion is true and accurate and no information was withheld from Rabobank that could reasonably affect the Opinion, and (iv) financial forecasts and projections of the Company provided by the Company to Rabobank have been reasonably prepared on a basis reflecting the best currently available information, estimates and judgments of the management of the Company as to the future financial performance of the Company.

The Opinion is subject to the above confirmation and is furthermore subject to the following:

- a) Rabobank has relied on the accuracy and completeness of all the financial and other information used by it without any independent verification of such information, and assumed such accuracy and completeness for the purposes of rendering this Opinion and therefore does not accept any responsibility regarding this information;
- b) Rabobank has not provided, obtained or reviewed on your behalf any specialist advice, including but not limited to, legal, accounting, regulatory, actuarial, environmental, information technology or tax advice and as such assumes no liability or responsibility in connection therewith. Accordingly, in providing the Opinion, we have not taken into account the possible implications of any such advice;

- c) Rabobank has not made any evaluation or appraisal of the assets and liabilities (including any derivative or off balance sheet assets, liabilities, and assets or businesses held for sale or disposal) of the Company;
- d) Rabobank has not conducted a physical inspection of the properties and facilities of the Company;
- e) Rabobank has not evaluated the solvency or fair value of the Company under any laws relating to bankruptcy, insolvency or similar matters;
- f) With respect to the financial forecasts provided, Rabobank has assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgements of the management of the Company as to the expected future results of operations and financial condition of the Company and that no event subsequent to the date of any such financial forecasts and undisclosed to us has had a material effect to the Company.

We do not accept or assume any liability or responsibility whatsoever for the foregoing information or forecasts and do not express any view thereto or to the assumptions on which such forecasts are made.

Our Opinion is based on the economic, monetary, market and other conditions as prevailing on, and the information made available to us up to and including, the date hereof. It should be understood that subsequent developments or circumstances and any other information that becomes available after this date may affect our Opinion. We expressly disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting our Opinion of which we become aware after the date hereof and we have not assumed any responsibility to update, revise or reaffirm our Opinion.

In preparing our Opinion, we have assumed that all material governmental, regulatory or other approvals and consents required in connection with the consummation of the Transaction, if any, will be obtained without any impact on the financial benefits of the Transaction.

This Opinion is solely for the use and benefit of the Client (solely in its capacity as such) in connection with its evaluation of the Transaction and shall not be used for any other purpose. We accept no responsibility or liability to any person in relation to the contents of this letter other than the Client, even if it has been disclosed with our consent. In addition, you agree that our liability to you will be limited to the manner set out in the Engagement Letter. This Opinion is not intended to be relied upon or confer any rights or remedies upon, nor may it be relied on by the Company or any other party or any of their employees, creditors or shareholders (except for the Client).

Our Opinion is limited to the fairness, from a financial point of view to the Shareholders, of the Consideration offered to the Shareholders pursuant to the Transaction and does not address the merits of the underlying decision of the Company or the Client to engage in, recommend or proceed with the Transaction and does not constitute a recommendation to whether the Company or the Client should accept the Offer. We have also not been requested to opine on, and no opinion is expressed on, and our Opinion does not in any other manner address, any alternatives available to the Transaction and whether any alternative transaction might be more beneficial to the Company or the Client than the Transaction. We have also not been requested to opine as to, and our Opinion does not in any manner address, (i) the likelihood of the consummation of the Transaction or (ii) the method or form of payment of the Consideration. We express no opinion as to the fairness of the Transaction to, or any consideration of, the holders of any other class of securities, creditors or other constituencies of the

Company. In addition, we express no opinion on, and our Opinion does not in any manner address, the fairness of the amount or the nature of any compensation to any officers, directors or employees of any parties to the Transaction, or any class of such persons, relative to the Consideration payable in the Transaction.

Rabobank will receive a fee upon the issue of the Opinion, irrespective of the contents of the Opinion and/or the Transaction being completed. Hence, in respect of this Opinion, we will receive a fee from you which will not be conditional upon completion of the Transaction. We have also been engaged by the Company to act as the Company's financial advisor for the purpose of producing certain services in connection with the Transaction. We will receive a success fee from the Company for these services pursuant to and subject to the terms of the engagement agreement. Such success fee is contingent on the consummation of the Transaction.

Rabobank is involved in a wide range of banking and other financial services business, both for its own account and for the account of its clients, out of which a conflict of interest or duties may arise. Rabobank may, from time to time, (i) provide financial advisory services and/or financing to the Company, the Offeror and/or parties involved with the Offeror, (ii) maintain a banking or other commercial relationship with the Company, the Offeror and/or parties involved with the Offeror, and (iii) trade shares and other securities of the Company in the ordinary course of business for our own account and for the accounts of our customers and may, therefore, from time to time hold long or short positions in such securities. Within Rabobank practices and procedures, including 'Chinese walls', are maintained, designed to help ensure the independence of advice and to restrict the flow of information and to manage such conflicts of interests or duties.

This Opinion is strictly confidential and may not be used or relied upon, or disclosed, referred to or communicated by you (in whole or in part) to any third party for any purpose whatsoever without our prior written authorisation. Reference to this opinion can be made in press releases in connection with the Transaction, the offer memorandum and the position statement of the Supervisory Board and Executive Board in connection with the Transaction (the 'Position Statement'). This Opinion may only be made public through publication of the complete contents of this letter in the Position Statement.

The legal relationship between you and Rabobank with respect to this Opinion shall be governed by and construed in accordance with Dutch law and any claims or disputes arising out of, or in connection with, this Opinion shall be subject to the exclusive jurisdiction of the competent courts in Amsterdam. The English text of this Opinion is the only binding text and prevails over any translation (if any).

Based on and subject to the foregoing, we are of the opinion that, as at the date of this letter, the Consideration is fair, from a financial point of view, to the Shareholders.

Yours sincerely,

RABOBANK

Schedule 2 Fairness Opinion NIBC



Koninklijke Ten Cate N.V.
Attn. Supervisory Board
Wierdensestraat 40
7607 GJ ALMELO
The Netherlands

DATE
18 July 2015
PAGE
1/3

Dear Sirs, Madam,

It is understood that a consortium of Dutch-based investors led by Gilde Buy Out Partners B.V., through a NewCo bidding vehicle (collectively referred to as the "**Offeror**"), intends a public offer for all issued and outstanding common shares with a nominal value of EUR 2.50 each (the "**Shares**", each a "**Share**") of Koninklijke Ten Cate N.V. ("**Ten Cate**" or the "**Company**") (the "**Offer**"). The Offeror is understood to offer for each Share tendered under the terms of the Offer, an amount of EUR 24.60 per Share (the "**Offer Price**"), payable in cash upon completion.

You have requested NIBC Bank N.V. ("**NIBC**") to provide you with an opinion regarding the fairness, from a financial perspective, to the holders of (one or more) Shares (the "**Shareholders**") that receive the Offer Price (the "**Fairness Opinion**" or the "**Opinion**").

In arriving at the Opinion, we have:

- i. reviewed the terms and conditions of the Offer as set out in the draft merger protocol, substantially in the form of the draft of 18 July 2015, 11.00h (the "**Draft Merger Protocol**");
- ii. reviewed certain publicly available business and audited and unaudited financial information relating to Ten Cate, such as annual reports, company presentations and press releases;
- iii. reviewed certain non-publicly available business and audited and unaudited financial information relating to Ten Cate, including documents made available to NIBC by the Company through a virtual data room and unaudited financial information relating to the 'Period 5 financials' (May 2015);
- iv. reviewed internal current-year financial budgets, latest estimate and financial outlook until 2018 relating to Ten Cate, prepared by management of Ten Cate;
- v. held discussions with senior representatives of Ten Cate regarding certain aspects of the Offer, the past and current business operations of Ten Cate, the financial condition and future prospects of Ten Cate, and the matters referred to under (iii) to (iv) above;
- vi. reviewed reported historical market prices of the Shares;
- vii. reviewed valuation multiples and trading of companies engaged in businesses we believe to be generally relevant to or comparable to Ten Cate;
- viii. reviewed information from a financial point of view, to the extent publicly available, relating to certain transactions we believe to be generally relevant to or comparable to the Offer;

- ix. considered such other factors and information and conducted such reviews, valuation methodologies and analyses as we, in our absolute discretion, deem relevant and appropriate for the purpose of this Opinion.

Our view is based on:

- i. our independent consideration of the information Ten Cate has supplied to us to date;
- ii. our understanding of the terms upon which the Offeror intends to make the Offer, including the terms and conditions set out in the Draft Merger Protocol;
- iii. the Offer being declared unconditional in accordance with its terms;
- iv. there not occurring any material change in the assets, financial condition, results of operations, business or prospects of Ten Cate since 6 July 2015, the date of the most recent financial and business information relating to the Company made available to us;
- v. all governmental, regulatory or other consents and approvals necessary for the consummation of the Offer being obtained without any material effect on Ten Cate or the Offer.

In performing our analysis, we have used such valuation methodologies as we have deemed necessary or appropriate for the purposes of this Opinion. Our Opinion is based on our understanding of the terms of the Offer as set out in the Draft Merger Protocol and our consideration of the financial, economic, monetary, market and other conditions in effect on, and the information made available to NIBC, or used by us up to 17 July 2015; any information after this date (whether publicly available or not) we have not considered. Subsequent developments in the aforementioned conditions might affect this Opinion and the assumptions made in preparing this Opinion, with regard to which NIBC is under no obligation to update, revise or reaffirm this Opinion.

We have relied upon and assumed, without independent verification nor assuming any responsibility therefore, the accuracy and completeness as of the date of this letter of all of the financial, accounting, tax, legal, and other information provided to, discussed with or reviewed by us. In that regard, we have assumed that the current-year financial budgets we received from and discussed with management of Ten Cate reflect the best currently available estimates and judgements of management of Ten Cate with regard to the future financial performance of the Company and that there has been no event subsequent to the date of any such budgets, estimates or judgements that has a material effect on them. We express no view as to the reasonableness of such budgets, estimates or judgements or the assumptions on which they are based. Furthermore, we did not make any independent evaluation, appraisal or physical inspection of any of the assets or liabilities (contingent or otherwise) nor did we evaluate the solvency or fair value of Ten Cate and its group companies under any law relating to bankruptcy, insolvency or similar matters, nor did we receive any such independent evaluation or appraisal.

We have received confirmation from management of Ten Cate, that the assumptions in our Opinion relied upon by us are reasonable, and that to the best of its knowledge, Ten Cate has provided to us all information which can be deemed material for preparing such Opinion and that all such information is true and accurate in all material respects and not misleading.

This Opinion focuses on the fairness, from a financial point of view, of the Offer Price, and does not address any other issues such as the underlying business decision of Ten Cate to engage in the Offer, or the relative merits of the Offer compared to any strategic alternatives that may be available to Ten Cate, which are matters solely for judgement by Ten Cate.

The valuation of securities is inherently imprecise and is subject to uncertainties and contingencies, all of which are difficult to predict and beyond NIBC's control. The Opinion is necessarily based on financial, economic,

market and other conditions as in effect on, and the information made available to NIBC as at the date hereof. Events occurring after the date hereof may affect this Opinion and the assumptions used in preparing it and NIBC does not assume any obligation to update, revise or reaffirm this Opinion. In addition, NIBC cannot provide any assurance that this Opinion could be repeated by the facts and circumstances in existence at any future date, and in particular on any date on which this Opinion is included in an offer memorandum or is disclosed pursuant to any legal or regulatory requirement.

This letter and the Opinion are provided solely for the benefit of the Supervisory Board of Ten Cate in connection with the Offer. It does not constitute any advice by us to the Supervisory Board with respect to the Offer. It is not provided for, and shall not confer rights or remedies upon and does not constitute a recommendation or advice to any Shareholder as to how such Shareholder should vote or act with respect to the Offer or any related transactions, or any advice as to any potential consequence of the consummation of the Offer to a Shareholder, whether or not any such Shareholder tenders its Shares under the Offer. This letter may not be reproduced, disseminated, referred to or quoted, in whole or in part, at any time and in any manner without our prior written consent, except that a copy of this letter may be printed in full in an offer memorandum to be published in connection with the Offer, when made.

NIBC and its affiliates have provided investment banking services to Ten Cate and/or its affiliates respectively and intend to do so in the future, have provided investment banking services, and are providing investment banking services to the Offeror, and/or its affiliates respectively and NIBC and its affiliates intend to continue this in the future. NIBC and/or its affiliates have received and shall receive fees for the rendering of these services, should these occur. NIBC and/or its affiliates may, from time to time, engage in transactions and perform services for Ten Cate, any of its group companies or any of its shareholders in the ordinary course of its business. In addition, in the ordinary course of its trading, brokerage and finance activities, NIBC and/or its affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of Ten Cate and/or its group companies. NIBC will receive a fixed consideration from Ten Cate upon NIBC presenting its final conclusions to the Supervisory Board, irrespective of the consummation of the Offer. In addition, Ten Cate has agreed to indemnify us for certain liabilities that may arise from the rendering of this Opinion.

On the basis of and subject to the foregoing, it is our opinion that, the Offer Price to be received by Shareholders pursuant to the Offer is fair, from a financial point of view, to such Shareholders.

This letter and NIBC's responsibilities towards Ten Cate are governed and interpreted in accordance with the laws of the Netherlands. The District Court of Amsterdam has exclusive jurisdiction on settlements of disputes that may arise from this letter.

Very truly yours,

NIBC Bank N.V.

Schedule 3 Agenda Extraordinary General Meeting of Shareholders of TenCate



Agenda for the extraordinary general meeting ("EGM") of Royal Ten Cate to be held at 2.00 pm on 7 December 2015 in the Polman Stadium, Stadionlaan 1, Almelo, the Netherlands

- 1. Opening of the meeting**
- 2. Announcements**
- 3. Explanation on the recommended public offer (for discussion)**
- 4. Conditional discharge members of the Executive Board (for decision)**
Conditional discharge, as per the Settlement Date and conditional upon Settlement (as defined in the Offer Memorandum), of Mr L. de Vries and Mr E.J.F. Bos with respect to their duties and obligations performed and incurred as members of the Executive Board up to the EGM.
- 5. Conditional discharge members of the Supervisory Board (for decision)**
Conditional discharge, as per the Settlement Date and conditional upon Settlement (as defined in the Offer Memorandum), of Mr E. ten Cate, Mr J.C.M. Hovers, Mr P.F. Hartman and Ms M.J. Oudeman with respect to their duties and obligations performed and incurred as members of the Supervisory Board up to the EGM.
- 6. Conditional composition of the Supervisory Board**
 - 6.1. Conditional resignation, as per the Settlement Date and conditional upon Settlement (as defined in the Offer Memorandum), of Mr P.F. Hartman and Ms M.J. Oudeman as members of the Supervisory Board **(for discussion)**.

- 6.2. Conditional appointment as per the Settlement Date and conditional upon Settlement (as defined in the Offer Memorandum), of Mr E.J. Westerink as member of the Supervisory Board:
- a. Notification of a vacancy within the Supervisory Board **(for discussion)**;
 - b. Opportunity to recommend a person for nomination to the Supervisory Board **(for discussion)**;
 - c. Notification by the Supervisory Board of the person nominated for appointment **(for discussion)**;
 - d. Proposal to appoint the person nominated by the Supervisory Board **(for decision)**.
- 6.3. Conditional appointment as per the Settlement Date and conditional upon Settlement (as defined in the Offer Memorandum), of Mr J.H.L. Albers as member of the Supervisory Board:
- a. Notification of a vacancy within the Supervisory Board **(for discussion)**;
 - b. Opportunity to recommend a person for nomination to the Supervisory Board **(for discussion)**;
 - c. Notification by the Supervisory Board of the person nominated for appointment **(for discussion)**;
 - d. Proposal to appoint the person nominated by the Supervisory Board **(for decision)**.
- 6.4. Conditional appointment as per the Settlement Date and conditional upon Settlement (as defined in the Offer Memorandum), of Mr. B.T. Molenaar as member of the Supervisory Board:
- a. Notification of a vacancy within the Supervisory Board **(for discussion)**;
 - b. Opportunity to recommend a person for nomination to the Supervisory Board **(for discussion)**;
 - c. Notification by the Supervisory Board of the person nominated for appointment **(for discussion)**;
 - d. Proposal to appoint the person nominated by the Supervisory Board **(for decision)**.

7. Any other business

8. Close of the meeting

Notes to the agenda for the extraordinary general meeting of Royal Ten Cate

3. Explanation on the recommended public offer

On 20 July 2015, Koninklijke Ten Cate N.V. (the "**Company**") and Tennessee Acquisition B.V. ("**Tennessee**") jointly announced that they reached conditional agreement in connection with a public offer by Tennessee, a subsidiary of Tennessee Acquisition Holding B.V., for all issued and outstanding ordinary shares in the capital of the Company at an offer price of EUR 24.60 (cum dividend) in cash for each ordinary share of the Company, subject to customary conditions (the "**Offer**"). Further reference is made to the Offer Memorandum (which can be consulted on the website www.tencate.com).

For the recommendation of the Offer, reference is made to the Position Statement.

In the EGM a presentation will be held on the Offer and the Offer will be discussed.

4. Conditional discharge of Mr L. de Vries and Mr E.J.F. Bos with respect to their duties and obligations performed and incurred as members of the Executive Board up to the EGM

It is proposed that, subject to Settlement (as defined in the Offer Memorandum), Mr L. de Vries and Mr E.J.F. Bos will be discharged per the Settlement Date with respect to their duties and obligations performed and incurred as members of the Executive Board up to the EGM. The discharge will take place on the basis of information available, known or presented to the EGM.

5. Conditional discharge of Mr E. ten Cate, Mr J.C.M. Hovers, Mr P.F. Hartman and Ms M.J. Oudeman with respect to their duties and obligations performed and incurred as members of the Supervisory Board up to the EGM

It is proposed that, subject to Settlement (as defined in the Offer Memorandum), Mr E. ten Cate, Mr J.C.M. Hovers, Mr P.F. Hartman and Ms M.J. Oudeman will be discharged per the Settlement Date with respect to their duties and obligations performed and incurred as members of the Supervisory Board up to the EGM. The discharge will take place on the basis of information available, known or presented to the EGM.

6.1. Conditional resignation, as per the Settlement Date and conditional upon Settlement (as defined in the Offer Memorandum), of Mr P.F. Hartman and Ms M.J. Oudeman as members of the Supervisory Board

Subject to Settlement and effective as of the Settlement Date (as defined in the Offer Memorandum), Mr P.F. Hartman and Ms M.J. Oudeman will resign as members of the Supervisory Board.

6.2. Conditional appointment as per the Settlement Date and conditional upon Settlement (as defined in the Offer Memorandum), of Mr E.J. Westerink as member of the Supervisory Board

6.2.a Notification of a vacancy within the Supervisory Board (for discussion)

The Supervisory Board has given notice of the fact that one vacancy within the Supervisory Board needs to be filled. To fill this vacancy, in accordance with the Offer Memorandum, the Supervisory Board has resolved to open up a vacancy on the Supervisory Board. This vacancy should be filled with due observance of the current profile of the Supervisory Board.

6.2.b Opportunity to recommend a person for nomination to the Supervisory Board

Pursuant to article 20, paragraph 2, of the articles of association of Royal Ten Cate, the general meeting and the works council have the right to recommend persons to the Supervisory Board for nomination as a member of the Supervisory Board. The works council has indicated that it will not exercise its right to recommend an individual pursuant to Article 2:158, paragraph 5 of the Dutch Civil Code. In the event that the general meeting does not exercise its rights to recommend a person for nomination, the Supervisory Board has the intention to nominate Mr E.J. Westerink as member of the Supervisory Board for a period of four years, or at least up to the first general meeting that will be held in the fourth year after the year of this appointment.

6.2.c Notification by the Supervisory Board of the person nominated for appointment

The Supervisory Board has discussed the appointment of Mr E.J. Westerink and is of the unanimous opinion that his knowledge and experience accord with those specified in the Supervisory Board's profile.

Mr E.J. Westerink meets the requirements of limitation of positions as prescribed in Book 2 of the Dutch Civil Code.

Details of the candidate pursuant to article 2:142, paragraph 3 of the Dutch Civil Code, regarding the proposed appointment:

Name	Erik J. Westerink
Date of Birth	25 August 1961
Nationality	Dutch
Current Position	Chief Executive Officer and Managing Partner of Parcom Capital
Previous Position(s)	Former Chief Executive Officer of the Business Group Lighting Electronics of Royal Philips and Head of Group Mergers & Acquisitions, and previously Morgan Stanley's Co-Head of the European Financial Institutions Group
Supervisory Board Appointments	Chairman of the Supervisory Board of GustoMSC and Supervisory Board Member of Bakkersland and Frames (all portfolio companies of Parcom Capital)
Other Appointments	Member of the Supervisory Boards of the Hartstichting and Amsterdam Institute of Finance
Royal Ten Cate shares and/or options	None

6.2.d Proposal to appoint the person nominated by the Supervisory Board

It is proposed to appoint Mr E.J. Westerink as member of the Supervisory Board for a period of four years, or at least up to the first general meeting that will be held in the fourth year after the year of this appointment.

6.3. Conditional appointment as per the Settlement Date and conditional upon Settlement (as defined in the Offer Memorandum), of Mr J.H.L. Albers as member of the Supervisory Board

6.3.a Notification of a vacancy within the Supervisory Board (for discussion)

A vacancy arose on the Supervisory Board as a result of the conditional resignation of two members of the Supervisory Board, as set forth under agenda item 6.1. This vacancy should be filled with due observance of the current profile of the Supervisory Board.

6.3.b Opportunity to recommend a person for nomination to the Supervisory Board

Pursuant to article 20, paragraph 2, of the articles of association of Royal Ten Cate, the general meeting and the works council have the right to recommend persons to the Supervisory Board for nomination as a member of the Supervisory Board. The works council has indicated that it will not exercise its right to recommend an individual pursuant to Article 2:158, paragraph 5 of the Dutch Civil Code. In the event that the general meeting does not exercise its rights to recommend a person for nomination, the Supervisory Board has the intention to nominate Mr J.H.L. Albers as member of the Supervisory Board for a period of four years, or at least up to the first general meeting that will be held in the fourth year after the year of this appointment.

6.3.c Notification by the Supervisory Board of the person nominated for appointment

The Supervisory Board has discussed the appointment of Mr J.H.L. Albers and is of the unanimous opinion that his knowledge and experience accord with those specified in the Supervisory Board's profile. It is the intention to, as agreed in the Offer Memorandum, appoint Mr J.H.L. Albers as chairman of the Supervisory Board as per the Settlement Date. The current chairman, Mr J.C.M. Hovers, will then remain in office as ordinary member of the Supervisory Board.

Mr J.H.L. Albers meets the requirements of limitation of positions as prescribed in Book 2 of the Dutch Civil Code.

Details of the candidate pursuant to article 2:142, paragraph 3 of the Dutch Civil Code, regarding the proposed appointment:

Name	Johannes Hermanus Lambertus Albers
Date of Birth	27 March 1952
Nationality	Dutch
Current Position	Chief Executive Officer of Gamma Holding B.V.
Previous Position(s)	Former Management Board Member of GEA Group, Former Senior Vice President and General Manager of Business Group Video Equipment within Philips Consumer Electronics
Supervisory Board Appointments	Former member of the Supervisory Board of Bekaert Textiles (chairman), Ammeraal Beltech (chairman), VANDERLANDE Industries (member)

Other Appointments	Chairman of the supervisory board of PSV Eindhoven and member of the Executive Board of the FIH (International Hockey Federation)
Royal Ten Cate shares and/or options	None

6.3.d Proposal to appoint the person nominated by the Supervisory Board

It is proposed to appoint Mr J.H.L. Albers as member and chairman of the Supervisory Board for a period of four years, or at least up to the first general meeting that will be held in the fourth year after the year of this appointment.

6.4. Conditional appointment as per the Settlement Date and conditional upon Settlement (as defined in the Offer Memorandum), of Mr B.T. Molenaar as member of the Supervisory Board

6.4.a Notification of a vacancy within the Supervisory Board (for discussion)

A vacancy arose on the Supervisory Board as a result of the conditional resignation of two members of the Supervisory Board, including the chairman, as set forth under agenda item 6.1. This vacancy should be filled with due observance of the current profile of the Supervisory Board.

6.4.b Opportunity to recommend a person for nomination to the Supervisory Board

Pursuant to article 20, paragraph 2, of the articles of association of Royal Ten Cate, the general meeting and the works council have the right to recommend persons to the Supervisory Board for nomination as a member of the Supervisory Board. The works council has indicated that it will not exercise its right to recommend an individual pursuant to Article 2:158, paragraph 5 of the Dutch Civil Code. In the event that the general meeting does not exercise its rights to recommend a person for nomination, the Supervisory Board has the intention to nominate Mr. B.T. Molenaar as member of the Supervisory Board for a period of four years, or at least up to the first general meeting that will be held in the fourth year after the year of this appointment.

6.4.c Notification by the Supervisory Board of the person nominated for appointment

The Supervisory Board has discussed the appointment of Mr B.T. Molenaar and is of the unanimous opinion that his knowledge and experience accord with those specified in the Supervisory Board's profile.

Mr B.T. Molenaar meets the requirements of limitation of positions as prescribed in Book 2 of the Dutch Civil Code.

Details of the candidate pursuant to article 2:142, paragraph 3 of the Dutch Civil Code, regarding the proposed appointment:

Name	Boudewijn T. Molenaar
Date of Birth	8 January 1953
Nationality	Dutch
Current Position	Managing Director Gilde
Previous Position(s)	ABN AMRO (Private Equity)
Supervisory Board	Novagraaf Group B.V., Teleplan
Appointments	International N.V.
Other Appointments	None
Royal Ten Cate shares and/or options	None

6.4.d Proposal to appoint the person nominated by the Supervisory Board

It is proposed to appoint Mr B.T. Molenaar as member of the Supervisory Board for a period of four years, or at least up to the first general meeting that will be held in the fourth year after the year of this appointment.