

To: The Board of Directors
Tessengerlo Chemie NV
Troonstraat 13
1050 Brussels

Brussels, 15 December 2015

Ladies and Gentlemen,

We understand that Tessenderlo Chemie NV (the "**Company**"), Picanol NV ("**Picanol**") and Verbrugge NV ("**Verbrugge**") contemplate a business combination, involving *inter alia* the contribution in kind by Picanol and Verbrugge of the shares held by them in Picanol Group NV ("**Picanol Group**") (a newly incorporated holding company that will be holding the industrial activities of Picanol and Verbrugge) into the Company (the "**Contemplated Transaction**"), as more specifically described below on the terms and subject to the conditions of a contribution agreement that will be entered into by and among the Company, Picanol, Verbrugge and Picanol Group on 15 December 2015 (the "**Contribution Agreement**").

The Contemplated Transaction more specifically comprises the contribution by Picanol and Verbrugge of the Picanol Loom Business Branch (as defined in the Contribution Agreement) and the Verbrugge Loom Business Branch (as defined in the Contribution Agreement), respectively, into Picanol Group's share capital through a so-called contribution of a business branch ("*inbreng van bedrijfstuk*") in accordance with Articles 679, 760 to 762 and 764 to 767 of the Belgian Companies Code, against the issuance of new shares by Picanol Group to Picanol and Verbrugge. Subsequently, Picanol and Verbrugge will contribute in kind the shares they hold in Picanol Group into the share capital of the Company (the "**Contemplated Contribution In Kind**") in accordance with Article 602 of the Belgian Companies Code. It is envisaged that the shareholders of Picanol Group, i.e., Picanol and Verbrugge, will receive as aggregate consideration for the Contemplated Contribution In Kind 25,765,286 new ordinary shares issued by the Company at EUR 31.50 (per share) (the "**Consideration**").

Please be advised that, while certain provisions of the Contribution Agreement are summarized herein, the terms of the Contemplated Transaction are more fully set forth in the Contribution Agreement.

You have requested the opinion of KBC Securities NV ("**KBC Securities**") as of the date hereof as to the fairness, from a financial point of view, to the Company of the Consideration for the Contemplated Contribution In Kind.

This fairness opinion ("**Fairness Opinion**") is solely addressed to the board of directors of the Company.

Also, while we understand that a committee of three independent directors of the Company, assisted by Mrs Hilde Laga as external expert, has been set up to advise in accordance with article 524 of the Belgian Company Code on the terms and conditions of the Contribution Agreement in so far as they were to exceed what would be mere preparatory actions of a decision of the shareholders meeting of the Company, this Fairness Opinion is not rendered in the context of Article 524 of the Belgian Company Code, or any other legal provision. The financial analyses and assumptions on which this Fairness Opinion is based may differ from or lead to different results, in whole or in part, as compared to the financial analyses and assumptions used by said committee and any other advisers involved in the Contemplated Transaction.



In connection with this Fairness Opinion, we have:

- (i) reviewed the financial terms and conditions set forth in the draft Contribution Agreement dated 14 December 2015;
- (ii) reviewed the following historical business and financial information relating to the Company and Picanol and their respective subsidiaries (collectively, the "**Companies**"): (a) the audited consolidated financial statements of the Company for the financial years ending on 31 December of each of the years 2012, 2013 and 2014, as well as unaudited interim financial information for the period from 1 January through 30 September 2015; and (b) the audited consolidated financial statements of Picanol for the financial years ending on 31 December of each of the years 2012, 2013 and 2014, as well as unaudited interim financial information for the period from 1 January through 30 September 2015;
- (iii) reviewed (x) the Long Range Plan (2015E-2019E) for the Company, submitted to the board of directors of the Company on 11 June 2015 (and subsequently amended from time to time) and provided to us by the senior management of the Company and (y) the Long Range Plan (2015E-2020E) for Picanol, submitted to the board of directors of Picanol on 26 October 2015 and approved on 9 December 2015, and provided to us by the senior management of Picanol, as well as (z) extrapolations of such forecasts for the years 2020E-2024E, reviewed by the senior management of the Company and Picanol;
- (iv) held discussions with members of the senior management of the Company and Picanol with respect to the business and prospects of respectively, the Company, Picanol and their respective subsidiaries in order to assess the assumptions of the Long Range Plan of the Company and Picanol;
- (v) reviewed an overview of the warrant plans "Overzicht warranten 31_10_2015" dated 4 November 2015;
- (vi) reviewed historical stock prices, trading volumes of the shares and price targets of equity research analysts covering the Company and Picanol;
- (vii) reviewed peers and transaction multiples involving companies in lines of businesses we believe to be generally relevant in evaluating the businesses of the Companies;
- (viii) reviewed the "Supplemental And Updated Legal Due Diligence Report" prepared by Stibbe CVBA, as legal adviser to the Company, dated 25 November 2015, the report on certain tax issues prepared by the tax manager of the Company, dated 12 November 2015, the "Legal Vendor Diligence on Picanol Group" prepared by Freshfields Bruckhaus Deringer LLP, as legal adviser to Picanol, dated 10 December 2015 and the report on certain tax issues prepared by the tax manager of Picanol, dated 11 November 2015, and provided to us by the Companies (the "**Reports**"); and
- (ix) conducted such other financial studies, analyses and investigations as we deemed appropriate, it being understood that we have not been provided with any documents showing the *pro forma* impact of the Contemplated Transaction on the Company.

For purposes of this Fairness Opinion and the performance of the above-mentioned tasks, we have assumed and relied upon, without independent verification, the accuracy and completeness of all of the foregoing information, including, without limitation, all the financial and other information and reports provided to or discussed with us and all statements made to us. We have not undertaken any independent investigation or appraisal of such information, reports or statements. We have not provided, obtained or reviewed on your behalf any specialist advice, including, without limitation, legal, accounting, actuarial, zoning, environmental, IP/IT, or tax advice, and, accordingly, this Fairness Opinion does not take into account the possible implications of any such specialist advice. The engagement conferred

upon KBC Securities did not, among others, include the conduct of any due diligence or accounting review of financial or other information concerning the Company, Picanol or any of their affiliates. KBC Securities had access to a data room containing certain information with respect to the Company, Picanol and some of their affiliates, however, given *inter alia* the limited time frame in which this Fairness Opinion had to be delivered, we have reviewed only a limited number of documents contained in this data room. This Fairness Opinion should therefore not be construed as being based upon an exhaustive review of a data room.

In preparing this Fairness Opinion, we have further assumed that:

- (a) the valuation of assets and liabilities and the profit and cash-flow forecasts, including future working capital and capital expenditure projections, made by the senior management, respectively, of each of the Company and Picanol are fair and reasonable. We have not independently investigated, valued or appraised any of the assets or liabilities (contingent or otherwise) or the solvency or fair value of any of the Companies, and we have not been furnished with any such valuation or appraisal. With respect to the financial forecasts and projections utilized in our analyses, we have assumed, with the Company's consent, that they have been reasonably prepared based on the best currently available estimates and judgments of the senior management, respectively, of the Company and Picanol, as to the future results of operations and financial condition and performance of, respectively, the Company and Picanol, and their respective subsidiaries, and we have assumed, with the Company's consent, that such financial forecasts and projections, including the extrapolations thereof approved for our use by the senior management, are realistic and achievable in the amounts and at the times contemplated thereby (it being understood that during the discussions we held with management (referenced sub iv), we did not receive any information that would contradict such financial forecasts and projections). We assume no responsibility or liability for and express no view as to any such forecasts, projections or the assumptions on which they are based;
- (b) the Contemplated Transaction will be consummated on the terms and subject to the conditions set forth in the draft Contribution Agreement without any waiver or modification of any of its material terms or conditions and shall hence in any event close by no later than 30 April 2016;
- (c) all governmental, regulatory or other approvals, consents and waivers required in connection with the consummation of the Contemplated Transaction or for the continuity of material contracts of any of the Companies and which are relevant for the purposes of this Fairness Opinion, have been or will be obtained without any reduction in the benefits of the Contribution Agreement or the Contemplated Transaction to the Company or any adverse effect on the Companies;
- (d) any and all exposures or potential liabilities identified in the Reports have been appropriately dealt with pursuant to the terms the Contribution Agreement without any reduction in the benefits of the Contemplated Contribution In Kind to the Company or any adverse effect on the Company;
- (e) no consideration has or will be paid by the Company or any of its subsidiaries for the Contemplated Contribution In Kind other than the Consideration.

Further, this opinion is necessarily based on the financial, economic, monetary, market and other conditions as in effect on, and the information available to us as of, the date hereof. Events or circumstances occurring after the date hereof (including changes in laws and regulations) may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion. We further note that the current volatility in the credit and financial markets may or may not have an effect on the Company, Picanol or any of their affiliates and we are not

expressing any opinion as to the effects of such volatility on these Companies.

In rendering this Fairness Opinion, KBC Securities NV is acting as financial advisor to the board of directors of the Company in connection with the Contemplated Contribution In Kind and will receive a fixed fee for delivery of this Fairness Opinion. KBC Securities is part of the KBC Group, a full-service firm engaged, either directly or through their affiliates, in various activities including the trading of shares and other securities, investment management, financing and brokerage activities and financial advisory services for companies, governments and individuals. In the ordinary course of these activities, KBC Securities and/or any other entity of the KBC Group may actively trade equity, debt or other financial instruments (or related derivative instruments) of the Company or Picanol for its own account and/or for the accounts of its customers and may at any time hold long or short positions in such financial instruments. KBC Securities or other entities of the KBC Group may also in the future provide financial advisory services to the Company, Picanol, or their affiliates for which they may receive customary fees. Neither KBC Securities, nor any other entity of the KBC Group shall be liable to account to the Company for, or (to the extent permitted by law) disclose to the Company any charges or other remuneration made or received by any of it. The KBC Group has internal policies for managing conflicts of interests and the sharing of information.

This Fairness Opinion is being provided solely for the benefit of the board of directors of the Company (in its capacity as such) in connection with, and for the purposes of, its review, in its sole independence of judgment, of the Contemplated Transaction, and is not on behalf or for the benefit of, and shall not confer rights or remedies upon, (i) any shareholder or other stakeholder of the Company or any of its affiliates, or any director, shareholder or other stakeholder of any of its affiliates or (ii) any director, shareholder or other stakeholder of Picanol or any of its affiliates or any director, shareholder or other stakeholder of any of its affiliates, or any other person. This Fairness Opinion may not be used or relied upon for any purpose by any person other than the board of directors of the Company.

This Fairness Opinion addresses only the fairness to the Company as of the date hereof, from a financial point of view, of the Consideration for the Contemplated Contribution In Kind. This Fairness Opinion does not address any other aspect or implication of the Contemplated Transaction, including, without limitation, any legal, tax, regulatory or accounting matters, the form or structure of the Contemplated Transaction or any other agreements or arrangements entered into in connection with the Contemplated Transaction.

KBC Securities does not express any opinion as to the business decision of the Company or its Board of Directors to pursue (or not to pursue) any business strategy or to effect (or not to effect) the Contemplated Transaction or any other transaction. This Fairness Opinion does not address the relative merits of the Contemplated Transaction as compared to any alternative transaction or strategy that might be available to the Company. This opinion is not intended to and does not constitute a recommendation as to how any shareholder of the Company (or any shareholder of Picanol) should vote or act with respect to any matter relating to the Contemplated Contribution In Kind. KBC Securities does not express any opinion as to the price at which the shares of the Company or Picanol may trade at any time.

This Fairness Opinion is confidential and may not be disclosed, referred to or communicated by you, in whole or in part, to any third party for any purpose whatsoever without our prior written authorization. This Fairness Opinion is subject to the engagement letter entered into between the Company and KBC Securities on 15 November 2015.

This Fairness Opinion is issued in the English language and, if any translations of this Fairness Opinion may be delivered, they are provided only for ease of reference and have no legal effect, and we make no representation as to, and accept no liability in respect of, the accuracy of any such translation.

This Fairness Opinion shall be governed and construed in accordance with the laws of the Kingdom of Belgium and any claims or disputes arising out of or in connection with this engagement letter or the Fairness Opinion shall be subject to the exclusive jurisdiction of the Commercial Court of

Brussels.

Based on and subject to the foregoing, we are of the opinion, as of the date hereof, that the Consideration is fair, from a financial point of view, to the Company for the Contemplated Contribution In Kind.

In accordance with our engagement letter, we are furnishing a copy of this opinion to the board of directors of the Company in connection with and solely for the purposes of its evaluation of the Contemplated Contribution In Kind. No other person or entity may rely on this opinion.

KBC Securities NV
as represented by



Koen Hoffman
Managing Director



Umberto Arts
COO