



**ONTEX GROUP**

Limited Liability Company (*naamloze vennootschap*)  
Korte Keppestraat 21, 9320 Erembodegem (Aalst), Belgium  
VAT BE 0550 880 915 RLE Ghent (division Dendermonde)

**Minutes of the Ordinary Shareholders' Meeting  
held at the registered office on 25 May 2018**

The Ordinary Shareholders' Meeting (the "Meeting") of Ontex Group NV (the "Company") is held on 25 May 2018 at the registered office of the Company at Korte Keppestraat 21, 9320 Erembodegem (Aalst), Belgium.

**A. COMPOSITION OF THE BUREAU**

The Meeting is opened at 14.07 p.m. under the chairmanship of Mr. Luc Missorten (permanent representative of Revalue BVBA), chairman of the board of directors of the Company (the "Chairman").

The Chairman appoints Mr. Jonas Deroo as secretary of the Meeting (the "Secretary").

The Chairman proposes to appoint Mr. Martin Doyen and Mr. Philippe Agostini as vote counters (each a "Vote Counter" and, together the "Vote Counters"). The Meeting unanimously marks its consent with these appointments.

The Chairman, the Secretary and the Vote Counters together form the bureau of the Meeting (the "Bureau").

**B. VERIFICATIONS BY THE BUREAU**

The Chairman reports to the Meeting on the findings and verifications made by the Bureau regarding the registration of the participants, with a view to the composition of the Meeting.

**(i) Convening of the Meeting**

The Chairman explains that the convening notice with the agenda of the Meeting and the proposals for resolutions, have been communicated, as follows:

- 1° with a posting on the Company's website;
  - 2° by publication in the newspaper De Tijd;
  - 3° by publication in the Belgian Official Gazette;
  - 4° by notice to holders of registered shares;
  - 5° by notice to the Directors and to the Statutory Auditor; and
  - 6° with a press release;
- all of which happened on or before 25 April 2018.

The convening notice included the invitation of the shareholders.



Furthermore, the Company has also sent the convening notice and the agenda of the Meeting, for information purposes, to the FSMA and to Euronext, by e-mail of 25 April 2018.

All documents in connection with the invitation for the Meeting have been made available on the Company's website as from 24 April 2018, and reference to this posting and the website address have been made in all the aforementioned publications and communications. These documents include the proxy forms, participation forms, the 2017 Annual Review, the consolidated and non-consolidated annual accounts, and the reports of the Board of Directors and of the Statutory Auditor on both the consolidated and non-consolidated annual accounts, and a document stating the total number of shares and voting rights of Ontex Group NV on 25 April 2018.

Copies of the convening notice, the 2017 Annual Review, the consolidated and non-consolidated annual accounts and the slide presentation were made available to the shareholders as they entered the Meeting.

Proof of the aforementioned publications and letters are available with the Secretary for review.

The Meeting unanimously marks its consent that the Meeting has been validly convened.

#### **(ii) Admission formalities for the Meeting**

The Chairman explains that various documents have been submitted to the Company justifying the attendance of the shareholders or their representatives at the Meeting, in particular (i) written notices to the Company of the shareholders' intention to participate in the Meeting and of the number of shares for which they wish to participate in the Meeting, (ii) proxies, (iii) the shareholders register, and (iv) for the holders of dematerialized shares, a certificate issued by the recognized account holder or the settlement institution certifying the number of dematerialized shares recorded in the shareholders' account on the record date, *i.e.* May 11, 2018, and in respect of which the holders has indicated his/her/its intention to participate in the Meeting. These documents were submitted to the Bureau with a view to the verification of the compliance with the admission formalities for the Meeting.

An attendance list has been drawn up indicating the name and address of all shareholders present or represented at the Meeting, and signed by or on behalf of each of them. The attendance list is signed by the members of the Bureau and will be and remain attached to the minutes of the Meeting.

#### **(iii) Valid composition of the Meeting**

The attendance list shows that shareholders are present or represented at the Meeting holding a total of 63,756,376 shares of the Company, out of a total of 82,347,218 issued and outstanding shares, *i.e.* 78 % of all shares of the Company.

However, the Company holds two hundred three and five hundred thirty-three thousand own shares; consequently the voting right of these shares are suspended and shall not be taken into account for the purposes of determining the majorities to be complied with in the general meeting, in accordance with article 622, §1 juncto artikel 543,2° of the Belgian Companies Code. Consequently, only a total of eighty-two million, one hundred forty-three thousand, six hundred eighty-five (82.143.685) shares issued by the Company. No attendance quorum is required by law or by the Company's articles of association to deliberate and resolve on any item on the agenda.



The resolutions will be validly adopted by a simple majority of the votes cast. Each share carries one vote.

**(iv) Other persons attending the Meeting**

The following persons are also attending the Meeting:

- Mr. Charles Bouaziz, CEO and executive member of the Board of Directors of the Company;
- Michael Bredael and Inge Boets, non-executive respectively independent members of the board of directors of the Company.
- two other executive members of the Board of Directors of the Company: Messrs Jacques Purnode (CFO) and Thierry Navarre (COO);
- Philippe Agostini, members of the Management Committee;
- Mr. Peter Opsomer, on behalf of PricewaterhouseCoopers, our Statutory Auditor;
- a number of staff members of the Company;
- one representative of the press.

The Chairman subsequently invites the Meeting to acknowledge that it is validly constituted and asks whether there are any questions or remarks hereon. There are no such questions or remarks and the Meeting acknowledges that it can validly deliberate and vote on the items on the agenda.

**C. AGENDA**

After having confirmed that the Company has not received any requests from shareholders to add new items to the agenda, nor any proposals for resolutions for new or existing items on the agenda, and after having obtained discharge from the Meeting from reading the agenda in full, the Chairman presents the items on the agenda:

1. Presentation of the annual reports of the Board of Directors on the statutory (non-consolidated) and consolidated annual accounts of the Company for the financial year ended 31 December 2017.
2. Presentation of the reports of the statutory auditor on the statutory (non-consolidated) and consolidated annual accounts of the Company for the financial year ended 31 December 2017.
3. Communication of the consolidated annual accounts of the Company for the financial year ended 31 December 2017.
4. Approval of the statutory (non-consolidated) annual accounts of the Company for the financial year ended 31 December 2017, including the allocation of results.

*Proposed resolution: approval of the statutory (non-consolidated) annual accounts of the Company for the financial year ended 31 December 2017, including the following allocation of results:*

<i>Profit (Loss) carried forward from last year:</i>	<b>€ 482,311,587</b>
<i>Result to be appropriated:</i>	<b>€ 3,330,331</b>



Gain to be carried forward:	€ 485,641,918
Allocation legal reserves	€ 170,000
Dividend through withdrawal of available reserves (1)	€ 49,408,331
<i>(1) Taking into account payment date of dividend of 5 June 2018</i>	

5. Release from liability of the directors.

*Proposed resolution: approval of the release from liability of the persons who served as directors of the Company during the financial year ended 31 December 2017 for the performance of their duties during the financial year ended 31 December 2017.*

6. Release from liability of the Statutory Auditor.

*Proposed resolution: approval of the release from liability of the Statutory Auditor of the Company for the performance of its duties during the financial year ended 31 December 2017.*

7. Re-appointment of directors.

*Proposed resolution: approval of the re-appointment of each of the following persons:*

- (a) Revalue Bvba, with Luc Missorten as permanent representative, as independent director, for a period which will end immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year ended 31 December 2021;;*
- (b) Inge Boets Bvba, with Inge Boets as permanent representative, as independent director, for a period which will end immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year ended 31 December 2021; ; and*
- (c) Tegacon Suisse GmbH, with Mr. Gunnar Johansson as permanent representative, as independent director, for a period which will end immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year ended 31 December 2021; and*
- (d) Uwe Krüger, as independent director, for a period which will end immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year ended 31 December 2021 .*

8. Approval of the remuneration report.

*Proposed resolution: approval of the remuneration report included in the corporate governance statement of the annual report of the Board of Directors for the financial year ended 31 December 2017.*

9. Approval of the Long Term Incentive Plan.

*Proposed resolution: Proposed resolution: In accordance to article 7.13 of the Belgian Corporate Governance Code 2009, approval of the Long Term Incentive Plan for the members of the Management*



Committee and certain other senior managers. The Long Term Incentive Plan will make use of Performance shares, Stock Options and Restricted Stock Units. The first grant will take place in 2019. Grants are expected to take place each year during five years. The Performance Shares, Stock Options and Restricted Stock Units are granted for free and can be exercised after three years, provided the participant is still employed at the time of exercise. The exercise price of the Stock Options will be equal to the latest closing price of the share of the Company immediately preceding the date of grant. The Stock Options will lapse after 8 years..

**10.** Application of Article 556 of the Belgian Companies Code:

*Proposed resolution: in accordance with Article 556 of the Companies Code, approval, and to the extent required, ratification of all of the provisions granting rights to third parties that either have an influence on the assets of the Company or create a debt or obligation for the Company if the exercise of these rights is dependent on the launch of a public takeover bid on the shares of the Company or on a change of the control exercised over it, as included in;*

*a. Syndicated Facilities Agreement.*

*The Company, and certain of its subsidiaries as guarantors, entered into a new five-year multicurrency credit facilities agreement dated November 26, 2017 (the 'Senior Facilities Agreement 2017') for an amount of €900,000,000, comprising a term loan of €600,000,000 and a revolving credit facility of €300,000,000, for the purpose of among others repaying the Senior Facilities agreement 2014 as amended and/or restated from time to time, and for general corporate purposes. The Senior Facilities Agreement 2017 contains provisions that may be triggered in the event of a change of control over the Company. More specifically, the Senior Facilities Agreement provides, among others, that any person or group of persons acting in concert acquiring, directly or indirectly, beneficial ownership of the issued capital of the Company having the right to cast more than 50% of the votes capable of being cast at a shareholders' meeting ('Change of Control') may lead to a mandatory prepayment and cancellation under the Senior Facilities Agreement.*

*b. Bilateral Facilities Agreement.*

*The Company, and certain of its subsidiaries as guarantors, entered into a new seven-year multicurrency credit facilities agreement with BNP Paribas Fortis NV, dated December 4, 2017 (the 'Facilities Agreement 2017') for an amount of €250,000,000, comprising a term loan of €150,000,000 and an accordion of €100,000,000, for the purpose of among others repaying the Senior Secured Notes, and for general corporate purposes. The Facilities Agreement 2017 contains provisions that may be triggered in the event of a change of control over the Company. More specifically, the Senior Facilities Agreement provides, among others, that any person or group of persons acting in concert acquiring, directly or indirectly, beneficial ownership of the issued capital of the Company having the right to cast more than 50% of the votes capable of being cast at a shareholders' meeting ('Change of Control') may lead to a mandatory prepayment and cancellation under the Facilities Agreement.*



*c. Syndicated Factoring Agreement.*

*The Company, entered into a Factoring Agreement dated February 21, 2018 with BNP Paribas Fortis Factor N.V. and KBC Commercial Finance N.V. ('Factoring Agreement'); The Factoring Agreement contains provisions, that may be triggered in the event of a change of control over the Company. More specifically, the Factoring Agreement provides, among others, that in the event the effective control of any party is transferred to others, the other party has the right to terminate the Factoring Agreement.*

*d. Hedging Agreement.*

*The Company, entered into a ISDA FX Hedging Agreement dated March 12, 2018 with Crédit Agricole Corporate and Investment Bank ('CACIB') ('Hedging Agreement'). The Hedging Agreement contains provisions that may be triggered in the event of a change of control over the Company. More specifically, the Hedging Agreement, provides, among others, a change of control, defined as any person or group of persons acting in concert acquiring, directly or indirectly, beneficial ownership of the issued share capital of the Company, having the right to cast more than 50% of the votes, capable of being cast at the shareholders' meeting of the Company ('Change of Control'), provides CACIB the right to terminate the Hedging Agreement.*

**11. Delegation of powers.**

*Proposed resolution: approval of the following resolution:*

*The general shareholders' meeting grants a special power of attorney to each director of the Company, as well as to Mr. Jonas Deroo and Mrs. Benedicte Leroy, each acting individually and with the power of substitution, to do all that is necessary or useful to implement all of the above resolutions.*

**12. Miscellaneous.**

**D. PRESENTATIONS BY THE CEO AND CHAIRMAN**

Before proceeding with the items on the agenda and upon invitation of the Chairman, Mr. Charles Bouaziz, Chief Executive Officer, gives a presentation on the 2017 results, the results of the first quarter of 2018, and the sustainability progress within Ontex.

In addition, the Chairman presents certain corporate governance related matters, including items from the remuneration report.

**E. QUESTION AND ANSWER SESSION**

After these presentations, the Chairman invites the shareholders to ask questions and to discuss various matters relating to the items on the agenda.

The Chairman informs the Meeting that the Company has received a number of questions submitted by shareholders in writing, prior to the Meeting, pursuant to the opportunity given in the convening notice.



The questions and prepared answers are set out below:

The Chairman invites the shareholders to raise any questions in relation to the agenda items, any document provided to them, or any other topic covered so far.

[Various questions are raised during the question and answer session. The questions were answered by the Chairman and/or Mr. Charles Bouaziz.]/[The shareholders raise no questions.]

Upon proposal of the Chairman, the Meeting unanimously marks its consent to discharge the Bureau from the reading of the reports and the annual accounts mentioned in agenda items 1 through 4 and in agenda item 8, as these documents have been made available to the shareholders as from 25 April 2018 so that they have had the possibility to take note of them prior to the Meeting.

Since no further questions are raised, the Chairman acknowledges the closing of the deliberations and the Meeting proceeds with the items on the agenda.

#### **F. VOTING MODALITIES**

The Chairman explains that the voting will be conducted through a manual voting procedure. The Chairman then gives the floor to the Secretary who explains the voting modalities.

#### **G. VOTING**

The Chairman subsequently submits each of the proposed resolutions on the agenda that need to be voted to the vote of the shareholders.

**1. Presentation of the annual reports of the Board of Directors on the statutory (non-consolidated) and consolidated annual accounts of the Company for the financial year ended 31 December 2017.**

The Meeting notes that this item has been dealt with during the presentations and the question and answer session and that no vote is required with respect to this agenda item.

**2. Presentation of the reports of the Statutory Auditor on the statutory (non-consolidated) and consolidated annual accounts of the Company for the financial year ended 31 December 2017.**

The Meeting notes that this item has been dealt with during the presentations and the question and answer session and that no vote is required with respect to this agenda item.

**3. Communication of the consolidated annual accounts of the Company for the financial year ended 31 December 2017.**

The Meeting notes that this item has been dealt with during the presentations and the question and answer session and that no vote is required with respect to this agenda item.

**4. Approval of the statutory (non-consolidated) annual accounts of the Company for the financial year ended 31 December 2017, including the allocation of results:**



The Meeting resolves to approve the statutory (non-consolidated) annual accounts of the Company for the financial year ended 31 December 2017, including the following allocation of results:

<i>Profit (Loss) carried forward from last year:</i>	€ 482,311,587
<i>Result to be appropriated:</i>	€ 3,330,331
<i>Gain to be carried forward:</i>	€ 485,641,918
<i>Allocation reserves</i>	€ 10,724,391
<i>Allocation legal reserves</i>	€ 170,000
<i>Dividend through withdrawal of available reserves (1)</i>	€ 49,408,331
(1) Taking into account payment date of dividend of 2 June 2017	

The result translates into a dividend payment of € 0.60 per share.

This resolution is approved by the Meeting as follows:

Number of shares for which votes have been validly cast	63.751.526	
Percentage that these shares represent in the share capital	78%	
Votes FOR	63.666.196	99.9%
Votes AGAINST	0	0%
ABSTENTION	85.330	

**5. Release from liability of the directors.**

The Meeting resolves to approve the release from liability of the persons who served as directors of the Company during the financial year ended 31 December 2017 for the performance of their duties during the financial year ended 31 December 2017, being, Mr. Luc Missorten, as permanent representative of Revalue BVBA, Mrs. Inge Boets, as permanent representative of Inge Boets BVBA, Mr. Gunnar Johansson, as permanent representative of Tegacon AS, Mr. Uwe Krüger, Mr. Charles Bouaziz, Mr. Jacques Purnode, as permanent representative of Cepholli BVBA, Mr. Thierry Navarre, as permanent representative of Artipa BVBA and Mr. Juan Gilberto Marin Quintero, Mr. Michael Bredael, as from May 24<sup>th</sup> 2017, and Mrs. Regi Aalstad, as well as of May 24<sup>th</sup> 2017.

This resolution is approved by the Meeting as follows as follows:

Number of shares for which votes have been validly cast	63.751.526
Percentage that these shares represent in the share capital	78%





Votes FOR	62.013.602	97,3%
Votes AGAINST	1.325.425	2,1%
ABSTENTION	412.499	

**6. Release from liability of the Statutory Auditor.**

The Meeting resolves to approve the release from liability of the Statutory Auditor of the Company for the performance of its duties during the financial year ended 31 December 2017, as follows:

Number of shares for which votes have been validly cast	63.751.526	
Percentage that these shares represent in the share capital	78%	
Votes FOR	62.013.602	97,3%
Votes AGAINST	1.325.425	2,1%
ABSTENTION	412.499	

**7. Re-appointment of directors.**

Prior to moving to the vote, the Chairman explains the background to this proposed resolution

By separate votes, the Meeting then resolves to approve the re-appointment as a director, of each of the following persons:

(a) Revalue Bvba, with Luc Missorten as permanent representative, as independent director, for a period which will end immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year ended 31 December 2021 This resolution is approved by the Meeting as follows:

Number of shares for which votes have been validly cast	63.751.526	
Percentage that these shares represent in the share capital	78%	
Votes FOR	56.343.646	88,4%
Votes AGAINST	6.939.372	10,9%
ABSTENTION	468.508	



(b) Inge Boets Bvba, with Inge Boets as permanent representative, as independent director, for a period which will end immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year ended 31 December 2021; This resolution is approved by the Meeting as follows:

Number of shares for which votes have been validly cast	63.751.526	
Percentage that these shares represent in the share capital	78%	
Votes FOR	<b>62.334.310</b>	<b>97,8%</b>
Votes AGAINST	<b>1.004.717</b>	<b>1,6%</b>
ABSTENTION	<b>412.499</b>	

(c) Tegacon Suisse GmbH, with Mr. Gunnar Johansson as permanent representative, as independent director, for a period which will end immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year 2021.

Number of shares for which votes have been validly cast	63.751.526	
Percentage that these shares represent in the share capital	78%	
Votes FOR	61.919.568	97,1%
Votes AGAINST	1.419.459	2,2%
ABSTENTION	412.499	

(d) Uwe Krüger, as independent director, for a period which will end immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year ended 31 December 2021

Number of shares for which votes have been validly cast	63.751.526	
Percentage that these shares represent in the share capital	78%	
Votes FOR	62.853.084	98,6%
Votes AGAINST	485.943	0,8%
ABSTENTION	412.499	



**8. Approval of the remuneration report.**

The Meeting resolves to disapprove the remuneration report included in the corporate governance statement of the annual report of the Board of Directors for the financial year ended 31 December 2017.

The resolution is not approved by the Meeting as follows:

Number of shares for which votes have been validly cast	63.751.526	
Percentage that these shares represent in the share capital	78%	
Votes FOR	29.242.671	45,9%
Votes AGAINST	34.422.525	54,0%
ABSTENTION	86.330	

**9. Approval of the Long Term Incentive Plan.**

The Meeting resolves to approve the Long Term Incentive Plan as set out above as follows:

Number of shares for which votes have been validly cast	63.751.526	
Percentage that these shares represent in the share capital	78%	
Votes FOR	35.217.866	55,2%
Votes AGAINST	28.084.960	44,1%
ABSTENTION	448.700	

**10. Application of article 556 of the Belgian Company Code:**

The general shareholders' meeting resolves to approve the abovementioned clauses, to the extent they include a change of control in the sense of article 556 of the Code of Companies, as follows:

Number of shares for which votes have been validly cast	63.751.526	
Percentage that these shares represent in the share capital	78%	
Votes FOR	63.077.842	98,9%
Votes AGAINST	587.054	0,9%
ABSTENTION	86.630	



**11. Delegation of powers.**

The Meeting resolves to approve the following resolution:

The general shareholders' meeting grants a special power of attorney to each director of the Company, as well as to Mr. Jonas Deroo en Mrs. Benedicte Leroy, each acting individually and with the power of substitution, to do all that is necessary or useful to implement all of the above resolutions.

This resolution is approved by the Meeting as follows:

Number of shares for which votes have been validly cast	63.751.526	
Percentage that these shares represent in the share capital	78%	
Votes FOR	63.665.896	99,9%
Votes AGAINST	0	0%
ABSTENTION	85.630	

**12. Miscellaneous.**

No other items have been brought to the table in the context of this Meeting.

**CLOSING**

Since all items on agenda have been dealt with, the Chairman asks the Meeting, who consents, to discharge the Secretary from reading the minutes, which are a true report of this Meeting. The minutes are established in Dutch (with a free translation to English for informational purposes only) and have been signed by the members of the Bureau, and by the shareholders or their proxy holders who wish to do so.

The Chairman declares the Meeting closed at 15.25 p.m.

Erembodegem (Aalst), 25 May 2018.

Vote Counter

Vote Counter

Secretary

Chairman



## Questions Value Square

**Q. As can be seen in the results of quarter 1, the turnover of the baby-category has decreased by 2.8% en by 1.5% on a LFL basis. This reduction is mainly due to the price pressure on babydiapers. Do you expect this trend to continue during the full year of 2018? Besides there is a growing trend in babypants. What is the current share of babydiapers and babypants within the baby-category? Which share does Ontex strives for? What is expected growth regarding baby-pants?**

A. In general there is pricing pressure on baby care products, both open diapers and pants, and we have no indication that this will change in 2018. The split between baby diapers and pants varies between region/countries; for example, in Western Europe it is about 20% pants, whereas in Russia it is nearly 50% according to third party market data. As announced, Ontex is investing in Baby Pants capacity to fully capture the opportunity

**Q. What are the objectives with respect to e-commerce? What would the growth be for this sales-channel? Are subscription models already being used? What is the trend within subscription models with respect to the various product categories?**

A. We see that the impact of digital is growing in importance and spreading across different areas of business in consumer staples:

- **commercially**, consumers are increasingly seeking information and exchanging view on social platforms. They can also purchase online from food retailers (such as Carrefour); from internet retailers (Amazon), internet-based sales services (e.g. Alibaba) or subscription models, where Dollar Shave Club is a good example
- in **operations**, the ability to collect and analyze large amounts of data can help us run our business more efficiently, savings costs and potentially reducing our environmental impact
- Our ambition is to make sure we have the right capabilities to capture these new opportunities across our company,
- Growth varies by country/region, but in any case is estimated to be higher than overall category growth (~17%)
- Generally in e-commerce and more specifically in subscription models, we are taking balanced actions to capture our fair share of this growth, both with partners we supply for and with our own brands.

**Q. What are the expectations concerning the capex of the group? Will this be, as was the case in 2017, approximately 5% of the turnover?**



A. Yes, and due to the same reasons: incremental capex to renew our production capabilities in Brazil, and to ensure we have sufficient capacity to serve our customers and consumers, especially in baby and adult pants

**Q.** In the Trends article, your CEO mentions that one could not have foreseen the situation in Brazil. The biggest surprise was that excessive discounts were not recording in the books. This qualifies as a blatant breach on the deontology and an important material fact. Has Ontex and its advisors not performed sufficient Due Dilligence? How will you recover this from the seller and/or your advisors? Which indemnification will you request? You have paid for – the personal hygiene business – of Hypermecas SA an Enterprise Value of 286 million EURO. Does this reflect an EBITDA estimation? Which? And how much lower is this now, taking into account the non-recorded discounts whereof you were not aware?

A. As with any potential acquisition, we study potential target companies, as we did for the personal hygiene business of Hypermecas. We are reviewing all information provided during the transaction process to ensure we had access to all relevant information, and on the basis of this and any other relevant facts, we will take the learnings and actions if any in the interest of the company. We did not disclose the EBITDA at the time of the acquisition, in line with our disclosure policy. Given the magnitude of the discounts recorded at the end of last year, we did publish in the FY 2017 release that the EBITDA for March to December 2017 was 3.8% for Ontex Brazil.

**Q.** Are there plans to further reduce the fx risk and commodity risk via derivatives hedging? What are the expectations with respect to this risk? In 2017, the use of raw materials has decreased for various productcategories, is this also the case for 2018?

A. The Group monitors its foreign exchange exposure closely and will enter into hedging transactions if deemed appropriate to minimize exposure throughout the Group to foreign exchange fluctuations. All hedging decisions are subject to approval of the Board of Directors. The strategy regarding FX hedges was maintained. To manage their foreign exchange risk arising from future commercial transactions, recognized assets and liabilities, the Group uses forward exchange contracts. Foreign exchange risk arises when future commercial transactions, recognized assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group treasury is responsible for optimizing the net position in each foreign currency when possible and appropriate. The Group applies hedge accounting for the hedge-related transactions, the impact of the revaluation is recognized in other comprehensive income. The aim of hedging is to reduce short term volatility and allow the company to adjust to changes in FX rates. We have stated in our outlook that we expect FX to remain volatile and to have a negative impact on our results in



2019. One way to reduce the impact of changes in raw material prices, is to adapt and/or reduce the amount of raw materials used, a practice we have employed for years.

**Q. In Mexico is de Mexicaanse anti-concurrentiewaakhond begonnen met een onderzoek. Wat is de exacte reden voor dit onderzoek ? Als er mogelijke boetes zijn, in welke mate zijn deze geprovisioneerd of in welke mate kan u deze verhalen op de vroegere eigenaar ?**

A. COFECE, the Mexican antitrust authority, is conducting an investigation in our industry. To the best of Ontex's knowledge, the facts under investigation relate to periods prior to its acquisition of Grupo PI Mabe, S.A. de C.V. ("Mabe"). Ontex and Mabe have been proactively and fully cooperating with COFECE in the investigation and intend to continue to do so.

Based on the facts and circumstances known to it and in light of the contractual terms of the Mabe acquisition, Ontex does not expect the investigation to result in a net financial cost to it; *hence no provision has been made*. Ontex is fully committed to complying with the laws and upholding high standards of ethical business conduct in any country in which it operates.

We have no further comment to make at this time. All future communication relating to this matter will be made in accordance with applicable legal requirements.

**At the time of the IPO it was stated that the objective to let Ontex expand to an international topplayer via mergers and acquisitions. At what minimum magnitude of turnover and EBITDA do you esteem to have achieve your objective? Where is the minimum or threshold?**

A. Today we are already one of the largest companies in personal hygiene products (defined by baby care, feminine care and adult incontinence), in what is a fragmented market. We believe there are sufficient consolidation opportunities which, when combined with organic growth, means that we could substantially grow in the next years.

**Q. What are your objectives for the leverage or debt ration of Ontex. Currently, in the first quarter, it adds up to 3,06x. This is at the low end. Will you then temporarily stop the growth via acquisitions? Do you also consider capital increases to finance acquisitions? Or has the share price decreased too much for such transaction?**

A. We have consistently said that we value our improved credit rating, which has allowed us to refinance our debt for a second time since the IPO. This means we will have savings of 10 million euro before tax from 2018, an important contribution to earnings. In the case of an acquisition, we would be able to increase leverage to 3.5x including the contribution from the acquired business. In terms of how we finance, we have different options which we will consider at the appropriate time.



contribution from the acquired business. In terms of how we finance, we have different options which we will consider at the appropriate time.