



Ontex Group

Limited liability company/Naamloze Vennootschap

Korte Kepestraat 21

9320 Erembodegem (Aalst), Belgium

Register of Legal Entities Ghent, division Dendermonde

Enterprise/VAT number: BE 0550.880.915

**CONVENING NOTICE TO THE ANNUAL AND EXTRAORDINARY GENERAL
SHAREHOLDERS' MEETINGS TO BE HELD ON 25 MAY 2018**

The board of directors of Ontex Group NV (the "**Company**") is pleased to convene the annual and extraordinary general shareholders' meetings of the Company that will be held at the registered office of the Company, Korte Kepestraat 21, 9320 Erembodegem (Aalst), Belgium on Friday 25 May 2018 at 2 p.m., with the agenda and proposed resolutions set out below. In order to facilitate the registration at the meetings, the shareholders or their representatives are invited to be present at 1.15 p.m.

In order for the extraordinary general shareholders' meeting to be validly constituted to deliberate and vote upon the proposed resolutions described under point II below, shareholders representing at least half of the registered capital of the Company must be present or represented at the meeting. If this attendance quorum is not reached, a new extraordinary general shareholders' meeting will be convened at the registered office of the Company, with the same agenda and proposed resolutions. This second extraordinary general shareholders' meeting will be able to validly deliberate and vote irrespective of the portion of the registered capital present or represented.

Agenda and proposed resolutions

I. Annual general shareholders' meeting

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 board report 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:

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|--|----------------------|
| <i>Profit (Loss) carried forward from last year:</i> | <i>€ 482,311,587</i> |
| <i>Result to be appropriated:</i> | <i>€ 3,330,331</i> |
| <i>Gain to be carried forward:</i> | <i>€ 485,641,918</i> |
| <i>Allocation to reserves</i> | <i>€ 10,724,391</i> |
| <i>Allocation to legal reserves</i> | <i>€ 170,000</i> |
| <i>Dividend through withdrawal available reserves ⁽¹⁾</i> | <i>€ 49,408,331</i> |

⁽¹⁾ Taking into account Payment date of dividend of June 5, 2018

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;*
 - (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.*
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Explanatory note:

The abovementioned mandates will expire at this General Meeting. Upon recommendation of the Nomination and Remuneration Committee, the Board proposes the renewal of all such mandates for a term of 4 years. All of these directors meet the independence criteria stipulated by article 526ter of the Belgian Companies Code and the Corporate Governance Code.

The mandates of the executive directors, i.e. Charles Bouaziz, Cephulli Bvba, represented by Jacques Purnode and Artipa Bvba, represented by Thierry Navarre will expire at this General Meeting.

In this respect, we tend to highlight the upcoming revision of the Belgian Company Code, expected to enter into force as of 1 January 2020. The last draft version of the amended Belgian Company Code provides that in case of a two-tier structure, members of the board of directors cannot be a member of the management committee at the same time. Ontex intends to maintain its two-tier structure. In anticipation of the upcoming revision of the Belgian Company Code, as explained above, the executive directors have opted not to candidate for renewal. Going forward, the CEO, CFO and COO will all be designated as permanent invitees at the Board of Directors as of 25 May 2018.

Subject to the abovementioned renewal by the general meeting of shareholders, the Board will be composed of a majority of independent directors.

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.

Explanatory Note:

9. Amongst other items, The remuneration report elaborates on the existing LTIP; Ontex has been granting Stock Options and Restricted Stock Units to its Executives and Senior Management since 2014. The LTIP plan was approved by the shareholders for a period of 5 years, from 2014 to 2018, included. Approval of the Long Term Incentive Plan.

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.

Explanatory note:

Ontex is seeking shareholder approval for a new LTIP plan, again for a period of 5 years, starting in 2019. The plan will make use of Performance shares, Stock Options and Restricted Stock Units, each accounting for one third of the grant. The key objective is to focus the efforts of Executives and Senior Managers on the creation of long-term value for the shareholders. This objective is realized by deferring the pay-out of the LTIP plan over a period of at least three years, and by making the pay-out of a significant portion of the LTIP plan dependent on reaching long-term performance targets (share price appreciation for Stock Options, other financial growth criteria for Performance Shares). The performance criteria and performance targets for the Performance Shares will be determined by the Board of Directors for each grant. The plan contains instruments (Stock Options and Performance Shares) which provide significant leverage, both positive and negative, tightly linked to the achievement of long-term performance goals.

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 shareholders' meeting grants a special power of attorney to each director of the Company, as well as to Mr. Jonas Deroo, Ms. 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.

II. Extraordinary general shareholders' meeting

12. Amendment to the Articles of Association of the Company with respect to the authorized capital.

Proposed resolution. Approval, of the amendment of articles 7 §1 of the Articles of Association, in accordance to article 603 of the Belgian Company Code, as follows:

The Board of Directors may increase the registered capital of the company in one or several times by an amount cumulated over 5 years of:

*-maximum 50% of the amount of the registered capital as such amount is recorded immediately after **the general meeting of shareholders of 25 May 2018, of which maximum 20% of the amount of the registered capital as such amount is recorded immediately after the general meeting of shareholders of 25 May 2018, in the event of a capital increase with cancellation or limitation of the preferential subscription rights of the shareholders,***

*This authorization may be renewed in accordance with the relevant legal provisions. The Board of Directors can exercise this power of a period of five (5 years) as from the date of publication in the Annexes to the Belgian State Gazette of the amendment to these articles of association approved by the shareholders' meeting on **25 May 2018.***

Explanatory Note:

At the time of the convening notice, the registered capital of the Company amounted to EUR 823,587,466.38 €.

13. Amendment to the Articles of Association of the Company with respect to the acquisition of own shares.

Proposed resolution: Approval, of the amendment of article 13 §1 of the Articles of Association, in accordance to article 620 ff. of the Belgian Company Code, as follows:

*§1. The company may, without any prior authorisation of the shareholders' meeting, in accordance with Articles 620 ff. of the Companies Code and within the limits set out in these provisions, acquire, on or outside the stock market, up to **10%** of its own shares, profit-sharing certificates or associated certificates for a price which will respect the legal requirements, but which will in any case not be more than 10% below the lowest closing price in the last thirty trading days preceding the transaction and not more than 5% above the highest closing price in the last thirty trading days preceding the transaction. This authorisation is valid for five years from **25 May 2018.** This authorisation covers the acquisition on or outside the stock market by a direct subsidiary*

within the meaning and the limits set out by Article 627, indent 1 of the Companies Code. If the acquisition is made by the company outside the stock market, even from a subsidiary, the company shall comply with Article 620, §1, 5° of the Companies Code.

14. Amendment to the Articles of Association of the Company with respect to the representation of the Company

Proposed resolution. Approval, of the amendment of articles 29 3° of the Articles of Association, in accordance to article 620 ff. of the Belgian Company Code, as follows:

The company is represented in all acts and at law by:

1° two directors acting jointly;

2° the chief executive officer alone, within the limits of the daily management and the other powers delegated to him/her;

3° two members of the management committee (within the meaning of Article 524bis of the Companies Code), acting jointly;

4° by every other person, acting within the limits of the mandate granted to him/her by the board of directors, the management committee or the chief executive officer, as the case may be.

Explanatory Note.

The above request is a logical consequence of the envisaged change to the board composition of the Company. Currently, article 13 § 1 3° specifies that the company can be represented by two members of the management committee, provided that one of them is an executive director. As it is envisaged that as of the Annual General Meeting of 25 May 2018, the board of directors will not contain any executive directors, the Company proposes to amend the above articles to the extent it refers to executive directors.

15. Delegation of powers.

Proposed resolution: approval of the following resolution: the extraordinary shareholders' meeting grants a special power of attorney to (i) each director of the Company, as well as to Mr. Jonas Deroo, Ms. 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 and to (ii) any Belgian notary, or any of its notarial associates, to draw up a coordinated version of the Articles of Association of the Company, to file this coordinated version with the clerk's office of the Commercial Court of Ghent, division Dendermonde and to

arrange for the completion of the necessary formalities with the Register of Legal Entities and any relevant public administration.



Registration and admission conditions

In order to be admitted to and entitled to vote at the shareholders' meetings, the holders of securities issued by the Company must comply with Article 536, §2 of the Belgian Company Code and Article 34 of the Articles of Association of the Company and with the notification formalities set forth below:

I. Holders of registered shares

In accordance with Article 536, §2 of the Belgian Company Code, shareholders holding registered shares will only be allowed to participate in the shareholders meeting if they have complied with the following conditions:

- (a) The registered shares must be recorded in the name of the shareholder in the share register of the Company on Friday 11 May 2018 at midnight (24:00h) (Belgium time) (the "**Record Date**").
- (b) In addition, the holders of registered shares must give written notice to the Company of their intention to participate in the shareholders' meetings and of the number of securities (which must all be recorded in the share register on the Record Date) for which they wish to participate in the shareholders' meetings. A standard form of this notice is available at the Company's registered office and on the Company's website under the section titled "Investors" (<http://www.ontexglobal.com/>).

This notice must be received by the Company at the address or e-mail address mentioned below **at the latest on Friday 18 May 2018**.

II. Holders of dematerialized shares

In accordance with Article 536, §2 Belgian Company Code, shareholders holding dematerialized shares will only be allowed to participate in the shareholders meeting if they have complied with the following conditions:

- (a) The dematerialized shares must be recorded in the name of the shareholder in the accounts of a recognized account holder or a settlement institution on Friday 11 May 2018 at midnight (24:00h) (Belgium time) (the "**Record Date**").
 - (b) In addition, the holders of dematerialized shares must provide the Company with, or arrange for the Company to be provided with, a certificate issued by the recognized account holder or the settlement institution certifying the number of dematerialized shares recorded in the shareholder's account on the Record Date and in respect of which such holder has indicated his/her/its intention to participate in the shareholders' meetings.
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- (c) In addition, the holders of dematerialized shares must give written notice to the Company of their intention to participate in the shareholders' meetings and of the number of securities (which must all be recorded in the accounts of a recognized account holder or a settlement institution on the Record Date) for which they wish to participate in the shareholders' meetings. A standard form of this notice is available at the Company's registered office and on the Company's website under the section titled "Investors" (<http://www.ontexglobal.com/>).

The certificate referred to in (b) and the notice referred to in (c) must be received by the Company at the address or e-mail address mentioned below **at the latest on Friday 18 May 2018**.

Only persons who are shareholders of the Company on the Record Date (i.e., on Friday 11 May 2018 at midnight (24:00h) (Belgium time)) and who have communicated their intention to participate in the shareholders' meetings at the latest on Friday 18 May 2018 as set out above, will be admitted to the shareholders' meetings.

The shares are not blocked as a result of the above mentioned procedure. Shareholders are thus free to dispose of their shares after the Record Date.

Right to add agenda items and to submit resolution proposals

In accordance with Article 533^{ter} of the Belgian Company Code and Article 33 of the Articles of Association of the Company, one or more shareholders holding (together) at least 3% of the share capital of the Company may have new items added to the agenda of the shareholders' meetings and may submit resolution proposals in relation to existing or new agenda items.

The additional agenda items and/or resolution proposals must be received by the Company **at the latest on Thursday 3 May 2018**. They must be sent to the Company to the address or e-mail address mentioned below.

If such requests are received by the Company, it will publish on the Company's website (<http://www.ontexglobal.com/>), **at the latest on Friday 11 May 2018**, a modified agenda of the shareholders' meetings, completed on the basis of any requests validly submitted.

More information concerning the above right and its exercise modalities is available on the Company's website (<http://www.ontexglobal.com/>) under the section titled "Investors".

Right to ask questions

In accordance with Article 540 of the Belgian Company Code, a time for questions is provided during the shareholders' meetings during which directors will respond to questions addressed to them with respect to their report or the agenda items and the statutory auditor will respond to questions with respect to his/her/its report.

Shareholders may ask questions orally during the shareholders' meetings or may submit written questions in advance of such meeting.

Written questions will only be answered if the shareholder asking them has complied with the above admission conditions in accordance with Article 536, §2 of the Belgian Company Code and Article 34 of the Articles of Association of the Company and if the written questions have been received by the Company **at the latest on Friday 18 May 2018**. Written questions must be sent to the Company to the address or e-mail address mentioned below.

Voting by proxy

In accordance with Article 547*bis* of the Belgian Company Code and Article 34 of the Articles of Association of the Company, shareholders may be represented at the shareholders' meetings by a proxy holder who does not need to be a shareholder. Except in cases provided for by law, a shareholder may designate only one person as proxy holder for a particular shareholders' meeting. Any appointment of a proxy holder must comply with the applicable Belgian legislation, notably in terms of conflicting interests and keeping a register with voting instructions. The appointment of a proxy holder by a shareholder is to be made in writing or by electronic means and must be signed by the shareholder, as the case may be with an electronic signature in accordance with the applicable legal requirements. Shareholders who wish to be represented by proxy must use the standard form of shareholder proxy (with voting instructions) that is available at the Company's registered office and on the Company's website (<http://www.ontexglobal.com/>) and are invited to comply with the instructions provided on the standard form of shareholder proxy in order to ensure they will be validly represented. Signed original proxies must be received by the Company at the address or e-mail address mentioned below **at the latest on Friday 18 May 2018**.

Availability of documents

In accordance with Article 535 of the Belgian Company Code, shareholders can upon presentation of their security or of a certificate issued by a recognized account holder or a settlement institution certifying the number of dematerialized shares recorded in the name of the shareholder, obtain at the Company's registered office, *i.e.* Korte Keppestraat 21, 9320 Erembodegem (Aalst) on business days and during normal office hours as from the date of publication of this convening notice, free of charge, copies of the documents and reports that relate to these meetings and that must be made available to them pursuant to law.

These documents and reports are also available on the Company's website (<http://www.ontexglobal.com/>).

Miscellaneous

In order to be admitted to the shareholders' meetings, security holders and proxy holders must be able to prove their identity by means of a valid ID card or passport. Representatives of legal entities must provide recent copies of documents establishing their identity and their powers to represent such entities.

Address of the Company:

Ontex Group NV
Attention of Mrs. Benedicte Leroy, Corporate Legal Counsel
Korte Kepestraat 21
9320 Erembodegem (Aalst)
Belgium
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The Board of Directors
