

Ontex Group
Public limited Company
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RPR Dendermonde
(the “Company”)

**BOARD OF DIRECTORS REPORT OF NV ONTEX GROUP TO THE ORDINARY SHAREHOLDERS MEETING
OF MAY 26, 2015**

1. General

The Board of Directors presents you the separate annual accounts and reports to you in respect of its management during the financial year started on April 24, 2014 and ended on December 31, 2014.

2. Introduction

The Group - Ontex Group NV

2014 was an outstanding year for Ontex. (hereafter ‘Ontex’), of which Ontex Group NV is the mother entity. We grew revenue like-for-like at 7%, above the top end of our medium-term model. All Divisions and categories contributed positively the year, demonstrating the strength of Ontex’s balanced portfolio: growing competitive retailer brands in developed markets, and offering our own brands for institutional channels and retail in developing markets. And we delivered profitable growth, with Adjusted EBITDA margin improving by 50 basis points while maintaining a disciplined commercial approach and continued to invest in the business.

2014 was also a significant year as we completely transformed our financial structure through a successful IPO and a subsequent refinancing.

2014 was also the year we transformed the company from an R&D and manufacturing company operating in the consumer goods business, into a more consumer-focused company. We have worked hard to put the consumer at the center of our organization and increased efforts to work with our customers.

The Company - Ontex Group NV

Ontex Group NV was founded in April 2014 to act as new holding company for the business of Ontex. The previous holding company for Ontex’s operations, Ontex I S.à r.l., was contributed to Ontex Group NV immediately prior to and subject to the close of the IPO of Ontex Group NV in June 2014.

In the course of 2014, the headquarters of Ontex were moved from Zele to Erembodegem.

3. Comments to the statutory accounts per December 31, 2014

3.1 Financial year

The financial year started on April 24, 2014 and ended on December 31, 2014, which is a shortened financial year following the foundation of the company in April 2014.

The next financial years will each have a duration of 12 months, starting on January 1 and ending on December 31.

3.2 Balance Sheet

The most important sections are disclosed here below

The section 'Financial fixed assets' includes the participation in Ontex I S. à r.l. for an amount of € 1,180,000,000 and amounts receivable from affiliated enterprises for an amount of € 630,000,000 per December 31, 2014..

The section "Amounts receivable within one year – trade debtors" amounts to € 4,313,634 and consists mainly out of amounts receivable from affiliated enterprises.

The section "Amounts receivable within one year - Other amounts receivable" amounts to € 133,314 per December 31, 2014 and consists mainly of recoverable VAT.

The accrual accounts of the assets mainly include accrued interests of the above mentioned loans.

De section "Capital" amounts to € 680,650,828 per December 31, 2014.

On April 24, 2014, Ontex Group NV was founded, with a capital of € 70.000, represented by 7.000 shares.

On June 30, 2014, the share capital increased to € 680,650,828 represented by 68,055,555 ordinary shares, pursuant to:

(A) The following contributions in kind involving € 499,930,000 in share capital, and € 400,070,000 in share premium, by way of issuance of 49,993,000 shares, resulting in a capital of € 500,000,000, represented by 50,000,000 shares;

(i) all ordinary shares in Ontex I s. à r.l. held by Whitehaven B s. à r.l.;

(ii) all options over Ontex I s. à r.l. shares held by the Ontex group's current executive management team and

(iii) all ordinary shares in Ontex I s. à r.l. held by the Ontex group's 2010 executive management team.

(B) The incorporation of share premium of € 400,070,000 in capital, resulting in a capital of € 900,070,000;

(C) A capital decrease of € 400,000,000 resulting in a capital of € 500,070,000 in order to create distributable reserves for the same amount;

(D) A capital increase in cash of € 180,580,828 in share capital, and € 144,419,162 in share premium, by way of issuance of 18,055,555 shares, resulting in a capital of € 680,650,828 represented by 68,055,555 shares.

The Share premium accounts amounts to € 144,419,162 per December 31, 2014 and the available reserves amount to € 387,100,000.

The section “Provisions for other liabilities and charges” amounts to € 2,811,884 and consists of the provision in view of the Long Term Incentive Plan (LTIP), based on a combination of stock options and restricted stock units. For more information on this incentive plan, we refer to chapter 15.5 of this report.

The section ‘Amounts payable after more than one year” amounts to € 630,000,000.00 per December 31, 2014 and is composed of the issued bond (€ 250,000,000) and a Senior Term Loan Facility (€ 380,000,000)

The section ‘Amounts payable within one year” is composed of the current account with Ontex Coordination Center BVBA for an amount of € 900,891 and trade debts for an amount of € 4,507,922 per December 31, 2014.

The section ‘other amounts payable” amounting to € 12,900,000 , relates to the dividend to be paid through withdrawal from available reserves.

The accruals and deferred income consists mainly of the accrued interests on the mentioned loans.

3.3 Income Statement

The operational loss amounts to € 2,386,908 at the end of 2014 and is composed of management costs of the group.

The financial result at the end of 2014 amounts to a loss of € 722,918. This is mainly the result of the interests charged on the amounts payable after more than one year included on the balance sheet.

The exceptional result amounts to a loss of €46,543,530 as a result of the expenses related to the IPO of the company in June 2014.

The company closes the year 2014 with a loss of € 49,653,356.

4. Reporting & Analysis required by Article 96 § 1, 1° Belgian Companies Code.

With regard to the analysis & reporting requirement as stated in Article 96 §1, 1° of the Belgian Companies Code, the following can be stated:

Considering the activity of the company, rendering of services within the Ontex group, the company stand alone is not exposed to operational risks other than those applicable for the Ontex Group. For an overview of the risks and uncertainties of the Ontex Group, we refer to chapter 18 of this report.

5. Events after the end of the reporting period ended December 31, 2014 (Article 96 § 1 ,2° Belgian Companies Code)

There are no significant events after the reporting period that could have a significant impact on the annual accounts per December 31, 2014, presented in this report.

In the course of financial year 2015, Ontex Group NV has the intention to simplify the company structure of the group.

Following the dissolution of the Luxembourg companies, such as Ontex IV SA , the shareholder of ONV Topco NV, the following actions will be taken:

- The shares of Ontex Coordination Center BVBA will be sold by Ontex BVBA to Ontex Group NV and subsequently Ontex Coordination Center BVBA will be absorbed through a merger by acquisition by Ontex Group NV (Article 719 of the Belgian Companies Code)
- Subsequently ONV Topco NV will be absorbed through a merger by acquisition by Ontex Group NV. (Article 719 of the Belgian Companies Code)
- Subsequently Ontex International BVBA will be absorbed through a merger by acquisition by Ontex Group NV. (Article 719 of the Belgian Companies Code)

6. Circumstances that may have a material impact on the development of the company (Article 96 § 1,3° Belgian Companies Code)

Unless mentioned otherwise in this report, no circumstances have occurred that could affect the company's development considerably.

7. Research and Development expenses (Article 96 § 1, 4° Belgian Companies Code)

Given the holding activity of the company, there were no significant expenses related to research and development in 2014.

8. Information in relation to branch offices (Article 96 § 1, 5 Belgian Companies Code)

The company does not have any branches.

9. Continuity of the company (Article 96 § 1, 6° Belgian Companies Code)

The balance sheet shows an accumulated loss per December 31, 2014, in which case accountability has to be given on the valuation rules in place , under the assumption of continuity in accordance with art. 96 § 1 6° of the Belgian Companies Code.

The company is subject to the same risks related to the continuity of the group as a whole. Ontex obtained positive operational & net results for the year ended December 31, 2014, which is continued in the budgets and plans for the coming years. Therefore, the board of directors considers it justified to continue to apply the valuation rules under the assumption of continuity.

10. Financial Instruments (Article 96 § 1, 8° Belgian Companies Code)

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate-, foreign exchange rate- and commodity price risks. Therefore interest rate CAP contracts are used to limit the interest charges on the long term loans with variable interest rate.

During 2014, the group decided to enter into interest rate SWAP's and commodity hedging contracts for the raw material prices. The policy related to the currency risk hedging was followed appropriately

11. Acquisition own shares

The company does not have own shares per December 31, 2014. No transactions occurred during the year involving own shares.

12. Compliance with the 2009 Belgian Code on Corporate Governance (Article 96 §2, 1° & 2° Belgian Companies Code)

Ontex is committed to high standards of corporate governance and relies on the Corporate Governance Code as a reference code. The Corporate Governance Code is based on a "comply or explain" approach. Belgian listed companies must comply with the Corporate Governance Code but may deviate from those provisions which are not otherwise contained in the Belgian Companies Code, provided they disclose the justification for any such deviations in their corporate governance statement included in the annual report in accordance with Article 96 §2, 2° of the Belgian Companies Code.

Ontex complies with all provisions of the Corporate Governance Code, except in respect of the following:

- A. the Articles of Association allow the Company to deviate from all provisions of Article 520^{ter} of the Belgian Companies Code and hence to grant shares, stock options and other share-based incentives vesting earlier than three years after their grant. However, the LTIP 2014 described in the Remuneration Report however provides for a vesting period for the stock options and restricted stock units of three years;
- B. the CEO and certain other members of the Executive Management Team are entitled, in certain circumstances, to severance pay which is higher than 12 or 18 months of remuneration if the Company decides to apply the non-competition clauses in their respective agreements to the fullest extent provided by such agreements. In accordance with article 554 of the Belgian Company Code, with respect to the persons entitled, in certain circumstances, to a severance payment exceeding 18 months, approval will be requested at the next annual shareholders meeting ;
- C. on December 31, 2014, one of our Non-Executive Directors, Mr. Walsh, is a director in seven listed companies (including his Board membership in the Company), while the Corporate Governance Code recommends that Non-Executive Directors should not consider taking on more than five directorships in listed companies; the threshold of five

directorships in listed companies may also be exceeded in the future in respect of a limited number of other Non-Executive Directors and

- D. on December 31, 2014, the Board included six members elected upon proposal of Whitehaven B S.à r.l. out of 13 Board members in total, while the Corporate Governance Code recommends that no individual or group of directors should dominate the decision making of the Board.

13. Capital and Shareholders

13.1 Shareholder evolutions

The capital of Ontex Group NV, listed on Euronext Brussels, amounted to € 680,650,828 as at December 31st, 2014, and was represented by 68,055,555 shares without nominal value. Each share carries one vote.

On June 10, 2014, the Extraordinary Shareholders' Meeting approved a long term incentive plan consisting of stock options and restricted stock units (hereafter "LTIP 2014"). The stock options and restricted stock units do not confer any shareholder rights. The shares to be delivered to participants upon exercise of their stock options or upon vesting of their restricted stock units are existing shares of Ontex with all rights and benefits attached to such shares. For a more detailed description of the LTIP 2014, reference is made to the Remuneration Report.

For a detailed overview of the capital movements that took place during 2014, we refer to chapter 3.2 of this report.

13.2 Shareholder evolutions

Pursuant to our Articles of Association and Corporate Governance Charter, the applicable successive thresholds as regards the application of the law of 2 May 2007 (title II) on the disclosure of significant shareholdings in issuers whose shares are admitted to trading on a regulated market and other provisions and the Royal Decree of 14 February 2008 on the disclosure of significant shareholdings are set at 3%, 5%, 7.5%, 10% and any subsequent multiples of 5%.

In the course of 2014, the Company received the following transparency declarations:

On June 27, 2014, the Company received a transparency declaration from Ameriprise Financial Inc stating that, on June 25, 2014, its affiliated entity Thread needle Asset Management Holdings Limited held 2,620,726 shares of the Company, representing 3,85 % of the shares of the Company.

On June 27, 2014, the Company received a transparency declaration from GIC Private Ltd stating that, on June 25, 2014, GIC Private Ltd held 2,300,000 shares of the Company, representing 3,38 % of the shares of the Company.

On June 30, 2014, the Company received a transparency declaration from Aviva Plc and Aviva Investors Global Services Ltd stating that, on June 25, 2014, Aviva Investors Global Services

Ltd held 2,080,783 shares of the Company, representing 3.06 % of the shares of the Company.

On July 1, 2014, the Company received a transparency declaration from The Goldman Sachs Group, Inc. and TPG Group Holdings (SBS) Advisors, Inc., and their affiliated entity Whitehaven B S.à r.l., and former/current members of the Executive Management Team of Ontex, acting in concert, stating that, on June 25, 2014, on an aggregated basis they held 39,045,816 shares of the Company, representing 57.37% of the shares of the Company.

On August 4, 2014, the Company received a transparency declaration from The Goldman Sachs Group, Inc. and TPG Group Holdings (SBS) Advisors, Inc., and their affiliated entity Whitehaven B S.à r.l., and former/current members of the Executive Management Team of Ontex, acting in concert, stating that, on July 29, 2014, on an aggregated basis they held 34,723,733 shares of the Company, representing 51.02% of the shares of the Company.

On September 16, 2014, the Company received a transparency declaration from AXA Investment Managers SA stating that, on August 7, 2014, AXA Investment Managers SA held 2,053,236 shares of the Company, representing 3.02 % of the shares of the Company.

On December 4, 2014, the Company received a transparency declaration from GIC Private Limited stating that GIC Private Limited, pursuant to the sale of shares on 4 December 2014, crossed the threshold of 3% of the total number of voting rights in the Company downwards as a result of sales of shares.

On December 8, 2014, the Company received a transparency declaration from Janus Capital Management LLC stating that, on December 5, 2014, Janus Capital Management held 2,293,433 shares of the Company, representing 3,37 % of the shares of the Company.

On December 9, 2014, the Company received a transparency declaration from GIC Private Ltd stating that, on December 9, 2014, GIC Private Ltd held 2,600,783 shares of the Company, representing 3,82 % of the shares of the Company.

On December 12, 2014, the Company received a transparency declaration from The Goldman Sachs Group, Inc. and TPG Group Holdings (SBS) Advisors, Inc., and their affiliated entity Whitehaven B S.à r.l., and former/current members of the Executive Management Team of Ontex, acting in concert, stating that, on December 8, 2014, on an aggregated basis they held 18,223,733 shares of the Company, representing 26,78 % of the shares of the Company.

In the course of 2015, the Company received additional transparency declarations, available on its website.

Amongst other, On March 13, 2015, the Company received a transparency declaration from The Goldman Sachs Group, Inc. and TPG Group Holdings (SBS) Advisors, Inc., and their affiliated entity Whitehaven B S.à r.l., and former/current members of the Executive Management Team of Ontex, acting in concert, stating that, on March 10 2015, they crossed the threshold of 3% of the total number of voting rights in the Company downwards as a result of sales of shares.

13.3 Shareholder structure

The shareholder structure of the Company as at December 31, 2014, based on all transparency declarations received by the Company as at that date, was as follows:

Ownership structure	Number of shares held	Percentage (rounded)
Whitehaven B S.à r.l.	14,941,338	22,0%
Former Ontex management	1,179,111	1,7%
Directors	1,139,307	1,7%
Other members current management	963,977	1,4%
Threadneedle Asset Management Holdings Ltd	2,620,726	3,9%
GIC Private Ltd	2,600,783	3,8%
Janus Capital Management LLC	2,293,433	3,4%
Aviva Investors Global Services Ltd	2,080,783	3,1%
AXA Investment Managers SA	2,053,236	3,0%
Public	38,182,861	56.1%
Total	68,055,555	100.0%

An actual overview of the shareholder structure pursuant to the transparency declaration received during 2015 can be consulted on our website <http://www.ontexglobal.com/shares>.

14. Risk management and internal control framework (Article 96 § 2, 13° Belgian Companies Code)

14.1 Introduction

Ontex operates a risk management and control framework in accordance with the Belgian Companies Code and the Corporate Governance Code.

Ontex is exposed to a wide variety of risks within the context of its business operations that can result in its objectives being affected or not achieved. Controlling those risks is a core task of the Board of Directors, the Executive Management Team and all other employees with managerial responsibilities.

The risk management and control system has been set up to reach the following goals:

- achievement of the Company objectives;
- achieving operational excellence;
- ensuring correct and timely financial reporting;
- compliance with all applicable laws and regulations.

14.2 Control Environment

14.2.1 Three lines of defense

Ontex applies the 'three lines of defense model' to clarify roles, responsibilities and accountabilities, and to enhance communication within the area of risk and control. Within this model, the lines of defense to respond to risks are:

- First line of defense: line management is the first responsible for assessing risks on a day-to-day basis and implementing controls in response of these risks.
- Second line of defense: the oversight functions like Finance and Controlling, Quality, Compliance and Legal oversee and challenge risk management as executed by the first line of defense. The second line of defense actors provide guidance and direction and develop a risk management framework.
- Third line of defense: independent assurance providers like internal audit and external audit challenge the risk management processes as executed by the first and second line of defense.

14.2.2 Policies, procedures and processes

Ontex fosters an environment in which its business objectives and strategy are pursued in a controlled manner. This environment is created through the implementation of different companywide policies, procedures and processes such as the Ontex code of conduct, the anti-bribery policy, the anti-trust policy and the quality management system. The Executive Management Team fully endorses these initiatives. The employees are regularly informed and trained on these subjects in order to develop sufficient risk management and control at all levels and in all areas of the organization.

14.2.3 Group-wide ERP system

All significant entities operate the same group-wide ERP system which is managed centrally. This system embeds the roles and responsibilities defined at Group level. Through this system, the main flows are standardized and key controls are enforced. The system also allows detailed monitoring of activities and direct central access to data.

14.3 Risk management

Sound risk management starts with identifying and assessing the risks associated with the business in order to minimize such risks on the organization's ability to achieve its objectives and to create value for its stakeholders.

All Ontex employees are accountable for the timely identification and qualitative assessment of the risks within their area of responsibility.

Ontex has identified and analyzed its key corporate risks as disclosed under chapter 18 of this report. These corporate risks are communicated to the various levels of management.

14.4 Control activities

Control measures are in place to minimize the effect of risk on Ontex' ability to achieve its objectives. These control activities are embedded in the Company's key processes and systems to assure that the risk responses and the Company's overall objectives are carried out as designed. Control activities are conducted throughout the organization, at all levels and within all departments.

The Legal Compliance Manager supports the adoption of clear processes and procedures for a wide range of business operations related to compliance and export control. The Legal Compliance Manager reports on his activities to the Executive Management Team.

In addition to these control activities, an insurance program is being implemented for selected risk categories that cannot be absorbed without material effect on the Company's balance sheet.

14.5 Information and communication

Ontex recognizes the importance of timely, complete and accurate communication and information both top-down as well as bottom-up. The Company therefore put several measures in place to assure amongst others:

- security of confidential information;
- clear communication about roles and responsibilities;
- timely communication to all stakeholders about external and internal changes impacting their areas of responsibility.

14.6 Monitoring of control mechanisms

Monitoring helps to ensure that internal control systems operate effectively.

The quality of Ontex' risk management and control framework is assessed by the following actors:

- Internal Audit. The tasks and responsibilities assigned to Internal Audit are recorded in the Internal Audit Charter, which has been approved by the Audit and Risk Committee. The key mission of Internal Audit as defined in the Internal Audit Charter is "to add value to the organization by applying a systematic, disciplined approach to evaluating the internal control system and providing recommendations to improve it".
- External auditor: in the context of its review of the annual accounts. The statutory auditor focusses on the design and effectiveness of internal controls and systems relevant for the preparation of the financial statements. The outcome of the audits, including work on internal controls, is reported to management and the Audit Committee and shared with Internal Audit.
- Audit and Risk Committee: the Board of Directors and the Audit and Risk Committee have the ultimate responsibility with respect to internal control and risk management. For more detailed information on the composition and functioning of the Audit and Risk Committee, see chapter 16.6.1 of this Corporate Governance Statement.

14.7 Risk management and internal control with regard to the process of financial reporting

The accurate and consistent application of accounting rules throughout the Company is assured by means of a Finance and Accounting Manual.

On a quarterly basis, a bottom-up risk analysis is conducted to identify current risk factors. Action plans are defined for all key risks. Specific identification procedures for financial risks are in place to assure the completeness of financial accruals.

The accounting teams are responsible for producing the accounting figures, whereas the controlling teams check the validity of these figures. These checks include coherence tests by comparison with historical and budget figures, as well as sample checks of transactions according to their materiality.

Specific internal control activities with respect to financial reporting are in place, including the use of a periodic closing and reporting checklist. This checklist assures clear communication of timelines, completeness of tasks, and clear assignment of responsibilities.

Uniform reporting of financial information throughout the organization ensures a consistent flow of information, which allows the detection of potential anomalies. The group-wide ERP system and management information tools allow the central controlling team direct access to disaggregated financial and non-financial information.

An external financial calendar is planned in consultation with the Board and the Executive Management Team, and this calendar is announced to the external stakeholders. The objective of this external financial reporting is to provide Ontex stakeholders with the information necessary for making sound business decisions. The financial calendar can be consulted on <http://www.ontexglobal.com/calendar>

15. Remuneration Report (Article 96 §3 Belgian Companies Code)

15.1 Remuneration policy and procedure for the Board of Directors

The remuneration of the non-executive members of the Board was decided by way of written shareholders' resolutions dated June 2, 2014. It takes into account the responsibilities and the commitment of the Board members to develop the Ontex group and is intended to attract and retain individuals who have the necessary experience and competencies for this role.

Non-Executive Directors receive an annual fixed fee compensation of €150,000 for the Chairman and €75,000 for all other non-executive members. The Chairman of the Audit and Risk Committee and the Chairman of the Remuneration and Nomination Committee each receive an additional fee of €25,000. None of the Non-Executive Directors receives any variable remuneration.

The remuneration of the Executive Directors is described below under chapter 15.4. No director fee is paid to the Executive Directors.

The remuneration policy will be reviewed on a regular basis by the Remuneration and Nomination Committee in line with prevailing market conditions for listed companies in Belgium and companies of similar size in the European FMCG market.

In 2014, the Non-Executive Directors received 50% of their annual remuneration.

2014 Non-Executive Director remuneration overview (by member, in Euros)

Name	Position	Amount (€)
Paul Walsh	Chairman of the Board	75,000
Inge Boets BVBA, Represented by Inge Boets	Chairman of the Audit and Risk Committee, Independent Director	50,000

Luc Missorten	Chairman of the Remuneration & Nomination Committee, Independent Director	50,000
Kite Consulting Ltd , Represented by Richard Butland (*)	Non-Executive Director	37,500
Antonio Capo (**)	Non-Executive Director	-
Stockbridge Mgt Ltd , Represented by Simon Henderson (*)	Non-Executive Director	37,500
Tegacon AS , Represented by Gunnar Johansson (*)	Independent Director	37,500
Uwe Krüger	Non-Executive Director	37,500
Alex Mignotte (***)	Non-Executive Director	37,500
Michele Titi-Capelli (***)	Non-Executive Director	37,500

(*)the fees for Richard Butland, Simon Henderson and Gunnar Johansson were paid to their respective companies as of Q4

(**) Antonio Capo waived his fee

(***) the fees for Alex Mignotte and Michele Titi-Capelli are paid to Goldman Sachs Group, Inc.

15.2 Remuneration policy and procedure for the Executive Management Team

The Ontex remuneration policy for the Executive Management Team was developed in order to attract, motivate and retain talented executives who have the necessary drive to deliver results towards our growth ambitions. The remuneration policy aims at creating a high performance culture to achieve long-term profitable growth. Growth is defined by financial growth, but also in terms of organizational transformation and people development. To achieve this goal, the Executive Management Team members are evaluated against business objectives and people development objectives.

The structure of the executive remuneration package is based upon the following principles:

- rewarding successful execution of the Ontex strategy: executive remuneration is strongly linked to the achievement of targets in line with the Ontex financial plan approved by the Board;
- internal consistency: the structure of the remuneration package is in reasonable proportion and consistent with that of the line management reporting to them, to ensure equity and cultural alignment
- pay for performance: an important part of remuneration is linked directly to group and divisional performance and is consequently variable and at risk. At the Executive Management Team level, the target variable remuneration is at least equal to 50% of the fixed base salary;
- long-term shareholder value creation: the remuneration package aims at aligning the interests of the executives with those of the shareholders by granting them share-based remuneration which can lead to the executives holding shares in the Company.

Base salaries for the members of the Executive Management Team are reviewed annually by the Remuneration and Nomination Committee with salary adjustments becoming effective from January 1 each year. The Remuneration and Nomination Committee considers:

- the average salary increase in the country in which the executive is employed;
- the market positioning of the executive's compensation package;
- the different tenure and experience of each executive
- changes in the scope and responsibility of the executive; and
- the executive's individual performance.

The target short term variable remuneration (bonus) of the members of the Executive Management Team is at least 50% of their fixed base salary. The target percentage is based on the level of each executive. An important part of the short term variable remuneration is linked to the group's performance and achievement of its growth targets. The composition of the bonus is as follows:

- 70% (or 80% for the CEO) is determined by financial objectives that are required to achieve the Ontex long term plan and growth ambition. In 2014, these targets were revenue, EBITDA and free cash flow. Below 90% of the achievements of the targets, no bonus is paid out. The business part of the bonus is capped at 150% of target.
- 30% (or 20% for the CEO) is determined by the achievement of the business and people development objectives that every executive agrees with the CEO and the Chairman of the Board at the start of the performance year. The objectives for the CEO are agreed with the Chairman of the Board. This part of the bonus is calculated based on the performance evaluation of each executive at the end of the year. The evaluation scores are recommended by the CEO and approved by the Board. The performance score for the CEO is recommended by the Chairman and approved by the Board. This part of the bonus is capped at 150% of target.

For 2014, the Board considered the exceptional performance of the Executive Management Team, both with respect to operational results, the successful implementation of the IPO and refinancing program, and the transformation of the group.

15.3 Fixed and short term variable remuneration 2014 of the CEO (total cost)

- fixed base remuneration: € 803,400
- 2014 short term variable remuneration (paid out in 2015): € 964,080

There are no other elements of remuneration or contributions within the meaning of Article 96, § 3, 6°, c) and d) of the Belgian Companies Code, except for the Long Term Incentives Plan grant described under chapter 15.5. The assessment of performance is based on audited results and the evaluation of the Board of the individual performance of the CEO. There is no claw back provision or deferral with respect to the variable remuneration in case such variable remuneration has been granted on the basis of inaccurate financial data.

15.4 Fixed and short term variable remuneration 2014 for the members of the Executive Management Team (excluding the CEO)

- Aggregate fixed base remuneration: € 3,201,308
- Aggregate 2014 short term variable remuneration (paid out in 2015): € 2,005,510
- Aggregate pension & life insurance contributions: € 17.845
- Aggregate other elements of remuneration (company cars, representation allowances a.o.): € 102.541

The assessment of performance is based on audited results and the recommendation of the CEO with respect to his evaluation of the individual performance of the Executive Management Team members. There is no deferral or claw back provision or deferral with respect to the variable remuneration in case such variable remuneration has been granted on the basis of inaccurate financial data.

15.5 2014 Long Term Incentives

End of July 2014, the Company launched a Long Term Incentive Plan (“LTIP 2014”), which consists of a combination of stock options and restricted stock units. A restricted stock unit is the right to receive from the Company one share in the Company per vested restricted stock unit, for no consideration. The restricted stock units vest approximately (but not less than) three years after the grant date. A stock option gives the right to purchase from the Company one share in the Company per vested stock option, by paying an exercise price. A stock option can only be exercised as from approximately (but not less than) three years after the grant date. The vesting of the stock options and restricted stock units is subject to certain conditions, such as the participant remaining in service until the vesting date. The evolution of the share price between grant and vesting or exercise has been considered to be the relevant performance indicator and the vesting of the LTIP 2014 award is thus not subject to specific performance conditions.

The number of restricted stock units and stock options granted to the Executive Management Team is summarized below:

Name	Number of RSU's	Number of Stock options
Charles Bouaziz	7,868	38,930
Philippe Agostini	1,484	7,343
Özgür Akyildiz	1,822	9,018
Laurent Bonnard	1,491	7,379
Astrid De Lathauwer	1,399	6,922
Annick De Poorter	1,329	6,576
Arnauld Demoulin	2,270	11,230
Martin Gärtner	1,124	5,561
Xavier Lambrecht	1,498	7,414
Thierry Navarre	3,359	16,620
Oriane Perreaux	980	4,849

Jacques Purnode	2,980	14,747
Thierry Viale	1,427	7,061

During 2014, no stock options or restricted stock units were exercised and no stock options or restricted stock units lapsed.

15.6 Termination Provisions

Other than in the event of termination in certain events of breach of their management agreement, Charles Bouaziz and Thierry Navarre are entitled to a notice period of 12 months or an indemnity in lieu of notice corresponding to 12 months of fixed base remuneration (for Charles Bouaziz fixed base + short term variable remuneration). The management agreements of Charles Bouaziz and Thierry Navarre also contain a non-competition clause pursuant to which the Company may require them, upon termination, not to work for competitors for a period of up to 12 months from the date of termination or resignation as decided by the Company. Each of them is entitled to receive compensation in an amount equal to up to 12 months of fixed remuneration if this non-competition clause is applied.

Özgür Akyildiz, Annick De Poorter and Martin Gärtner are subject to the application of the ordinary rules of employment law in their country of employment.

Other than in the case of termination in certain events of breach of their management agreement, the other members of the Executive Management Team have a notice period of three months or an indemnity in lieu of notice corresponding to three months of fixed remuneration. Their management agreements also contain a non-competition clause pursuant to which the Company may require them, upon termination, not to work for competitors for a period of up to 24 months from the date of termination or resignation. They are entitled to receive compensation in an amount equal to up to 12 months of fixed remuneration if this non-competition clause is applied. If the compensation relating to the non-competition clause amounts to less than 9/12th of the annual fixed remuneration, the difference between these amounts will be paid as a supplementary indemnity in lieu of notice.

15.7 Information about the remuneration policy in the coming two years

Following the IPO, the Nomination & Remuneration Committee wishes to conduct a benchmarking exercise and review of the executive remuneration strategy and practices at Ontex in 2015. This could result in changes to the remuneration strategy and practices in the coming two years.

16. Board and Board Committees (Article 96 §2, 5° Belgian Companies Code)

16.1 Board composition

On December 31, 2014, the Board was composed as follows:

NAME	POSITION	MANDATE
Paul Walsh	Chairman	2014-2018
Charles Bouaziz	Chief Executive Officer	2014-2018

Cepholli BVBA (Represented by Jacques Purnode)	Chief Financial Officer	2014-2018
Artipa BVBA (Represented by Thierry Navarre)	Chief Operating Officer	2014-2018
Kite Consulting Ltd (Represented by Richard Butland)	Non-Executive Director	2014-2018
Antonio Capo	Non-Executive Director	2014-2018
Stockbridge Mgt Ltd (Represented by Simon Henderson)	Non-Executive Director	2014-2018
Uwe Krüger	Non-Executive Director	2014-2018
Alex Mignotte	Non-Executive Director	2014-2018
Michele Titi-Cappelli	Non-Executive Director	2014-2018
Inge Boets BVBA (Represented by Inge Boets)	Independent Director	2014-2018
Tegacon AS (Represented by Gunnar Johansson)	Independent Director	2014-2018
Luc Missorten	Independent Director	2014-2018

Marc Gallet has been appointed as corporate secretary by the Board of June 3, 2014.

16.2 Board: evolutions in composition during 2014

On December 31, 2014, the Board of the Company was composed of 13 members. With the exception of the CEO, COO and CFO, all Board members are Non-Executive Directors.

There are currently three Independent Directors within the meaning of Article 526ter of the Belgian Companies Code: Luc Missorten, Tegacon AS (with permanent representative Gunnar Johansson) and Inge Boets BVBA (with as permanent representative Inge Boets).

On April 24, 2014, on the date of the incorporation of the Company, the shareholders appointed Charles Bouaziz, Artipa BVBA (with permanent representative Thierry Navarre) and Cepholli BVBA (with permanent representative Jacques Purnode) as Board members of the Company.

On June 2, 2014, the shareholders appointed Dominique Le Gal, Simon Henderson, Richard Butland, Michele Titi-Cappelli, Antonio Capo, Uwe Krüger and Paul Walsh as Board members of the Company. On the same day, the shareholders appointed Inge Boets BVBA (with permanent representative Inge Boets), Gunnar Johansson and Luc Missorten as Board member of the Company, subject to and with effect as from closing of the IPO.

On September 9, 2014, the Board acknowledged the resignation of Dominique Le Gal with effect as of August 28, 2014 and appointed Alexandre Mignotte with effect as of September 9, 2014, in accordance with Article 519 of the Belgian Companies Code and subject to the approval of the Shareholders' Meeting.

With effect as of October 1, 2014, the Board approved the replacement of Gunnar Johansson by Tegacon AS, with permanent representative Gunnar Johansson, in accordance with Article 519 of the Belgian Companies Code and subject to the approval of the Shareholders' Meeting.

With effect as of October 1, 2014, the Board approved the replacement of Richard Butland by Kite Consulting Ltd, with permanent representative Richard Butland, in accordance with Article 519 of the Belgian Companies Code and subject to the approval of the Shareholders' Meeting.

With effect as of October 1, 2014, the Board approved the replacement of Simon Henderson by Stockbridge Mgt Ltd, with permanent representative Simon Henderson, in accordance with Article 519 of the Belgian Companies Code and subject to the approval of the Shareholders' Meeting.

16.3 Board: expected evolutions in composition during 2015

Following the sale of all remaining shares by Whitehaven B S.à r.l., the Board acknowledged the resignation of the six directors representing Whitehaven B S.à r.l., being Alex Mignotte, Antonio Capo, Michele Titi-Cappelli with effect as from March 10, 2015, and Paul Walsh, Richard Butland, as permanent representative of Kite Consulting Ltd, and Simon Henderson, as permanent representative of Stockbridge Mgt Ltd with effect as from April 10, 2015.

Subsequent to these changes, and with effect as from April 10, 2015:

- Luc Missorten has been appointed as Chairman of the Board;
- Tegacon AS, with Gunnar Johansson as permanent representative, has been appointed as Chairman of the Remuneration and Nomination Committee, in replacement of Luc Missorten;
- The Board approved the replacement of Luc Missorten by Revalue BVBA, with permanent representative Luc Missorten, in accordance with Article 519 of the Belgian Companies Code and subject to the approval of the Shareholders' Meeting.

16.4 Gender diversity (Article 96 §2, 6° Belgian Companies Code)

On December 31, 2014, Ontex had one female member on its Board, i.e. Inge Boets as permanent representative of Inge Boets BVBA, representing around 8% of the Board members. Since its incorporation on 24 April 2014, the Remuneration and Nomination Committee evaluates the composition of the Board on a yearly basis and formulates suggestions to the Board, among other things taking into account the gender composition, in order to obtain, according to article 96 § 2, 6de of the Belgian Companies' Code, that by 2020 at least one third of the members of the Board is of the opposite gender.

16.5 Functioning of the Board

The Board has met 12 times, of which 7 meetings were by conference call, since the incorporation of the Company on April 24, 2014, including 9 times after the closing of the IPO. The attendance rate of its members was as follows:

NAME	BOARDS	ATTENDANCE RATE (%)
Paul Walsh	12/12	100%
Charles Bouaziz (1)	11/12	92%
Cepholli BVBA (Represented by Jacques Purnode)	12/12	100%
Artipa BVBA (Represented by Thierry	12/12	100%

Navarre)		
Kite Consulting Ltd (Represented by Richard Butland)	10/12	83%
Antonio Capo	12/12	100%
Stockbridge Mgt Ltd (Represented by Simon Henderson)	12/12	100%
Uwe Krüger (2)	12/12	100%
Dominique Le Gal	5/5	100%
Alex Mignotte	7/7	100%
Michele Titi-Cappelli	12/12	100%
Inge Boets BVBA (Represented by Inge Boets)	9/9	100%
Tegacon AS (Represented by Gunnar Johansson)	9/9	100%
Luc Missorten	9/9	100%

1 Unable to participate in 1 Board meeting due to unforeseen travel delay.

2 Participated in 1 day of a 2 day Board meeting

Major matters reviewed by the Board during 2014 included, amongst others:

- the Initial Public Offering;
- the Refinancing project, as described under VOL 7 of the Annual accounts;
- the approval of the half year and quarterly financial statement and financial report;
- the financial and overall performance of the Ontex group;
- investment and M&A projects;
- General strategic, financial and operational matters of the Company.

Under the lead of its chairman, the board will regularly (e.g. at least every two to three years) assess its size, composition, performance and those of its committees, as well as its interaction with the executive management.

16.6 Board Committees

16.6.1 Audit and Risk Committee

On December 31, 2014, the Audit and Risk Committee was composed as follows:

Name	Position	Mandate
Inge Boets BVBA, Represented by Inge Boets	Independent, Chairman of the committee	2014 -2018
Luc Missorten	Independent	2014 -2018
Tegacon AS, Represented by Gunnar Johansson	Independent	2014 -2018
Stockbridge Mgt Ltd, Represented by Simon Henderson	Non-Executive	2014 -2018

The Audit and Risk Committee of Ontex met three times during 2014. All members attended all meetings. These meetings were also always attended by Marc Gallet, Corporate Secretary.

Charles Bouaziz, Jacques Purnode, and Thierry Navarre were invited and attended two meetings. The Audit and Risk Committee is entrusted with the tasks set out in Article 526bis, §4 of the Belgian Companies Code It decided on the agenda, frequency and topics of the meetings, and reviewed the external and internal audit plan, the half year financial statements, and the external audit on the half year financial statements, the key risks, and their role and responsibility.

As required by the Belgian Companies Code, Ontex Group NV confirms that Inge Boets, as permanent representative of Inge Boets Bvba, chairman of the Audit and Risk Committee, possesses the adequate expertise and experience in this field.

16.6.2 Remuneration and Nomination Committee

On December 31, 2014, the Remuneration and Nomination Committee was composed as follows:

Name	Position	Mandate
Luc Missorten	Independent, Chairman of the committee	2014 -2018
Inge Boets BVBA, Represented by Inge Boets	Independent	2014 -2018
Tegacon AS, Represented by Gunnar Johansson	Independent	2014 -2018
Stockbridge Mgt Ltd, Represented by Simon Henderson	Non-Executive	2014 -2018
Michele Titi-Cappelli	Non-Executive	2014 -2018

Following the IPO, the Remuneration and Nomination Committee met three times during 2014. All members attended all meetings. These meetings were always attended by Charles Bouaziz, while two out of the three meetings were also attended by Astrid De Lathauwer, Group HR Director.

The Remuneration and Nomination Committee is entrusted with the tasks set out in Article 526quater, §5 of the Belgian Companies Code decided on the agenda, frequency and topics of the meetings, and reviewed the context and history with respect to board composition, executive remuneration and terms and conditions of employment before and after the IPO. The Remuneration and Nomination Committee also reviewed the performance of the group against the KPI's and targets determined for the 2014 performance year.

As required by the Belgian Companies Code, Ontex Group NV confirms that Luc Missorten and Gunnar Johansson, as permanent representative of the Tegacon AS, possess the adequate expertise and experience in this field.

16.6.3 Executive Committee

The operational management of the Company is provided by the Executive Management Team under the leadership of the CEO and in accordance with the general policy orientations determined by the Board and under its supervision. The Executive Committee exercises the duties assigned to it by the Board and the CEO, under the ultimate supervision of the Board.

The Executive Committee is composed of the CEO, who chairs the Executive Committee, and the other members of the Executive Management Team. The Executive Committee does not constitute an executive committee within the meaning of Article 524bis of the Belgian Companies Code (“*directiecomité*”).

Per December 31, 2014, the Executive Management Team and, accordingly, the Executive Committee, consisted of the following members:

Name	Position	Appointed
Charles Bouaziz	Executive Director — Chief Executive Officer	2013
Jacques Purnode	Executive Director — Chief Financial Officer	2013
Thierry Navarre	Executive Director — Chief Operating Officer	2009
Philippe Agostini	Group Chief Procurement and Supply Chain Officer	2013
Laurent Bonnard	Group Sales Director	2013
Oriane Perraux	Group Marketing Director	2013
Annick De Poorter	Group R&D and Quality Director	2009
Martin Gärtner	Group Manufacturing Director	2009
Astrid De Lathauwer	Group HR Director	2014
Özgür Akyıldız	General Manager — Middle East and Africa Division	2008
Arnauld Demoulin	General Manager — Mature Market Retail Division	2013
Xavier Lambrecht	General Manager — Healthcare Division	2013
Thierry Viale	General Manager — Growth Markets Division and Strategic Development	2013

17. Relevant information in the event of a takeover bid

Article 34 of the Royal Decree of 14 November 2007 requires that listed companies disclose certain items that may have an impact in the event of a take-over bid.

17.1 Capital Structure

A comprehensive overview of our capital structure as at December 31, 2014 can be found in chapter 13.3 of this report.

17.2 Restrictions on transfers of securities

Ontex’ Articles of Association do not impose any restrictions on the transfer of the shares in the Company. Furthermore, the Company is not aware of any restrictions imposed by Belgian law except in the framework of market abuse rules.

17.3 Holders of securities with special control rights

There are no such holders of securities.

17.4 Employee stock plans where the control rights are not exercised directly by the employees

The Ontex shares to be delivered to participants upon exercise of the stock options or vesting of the restricted stock units in the framework of the LTIP 2014 are existing ordinary shares of Ontex with all rights and benefits attached to such shares.

The Company has not set up employee share plans where control rights over the shares are not exercised directly by the employees.

17.5 Restriction on voting rights

Ontex' Articles of Association do not contain any restrictions on the exercise of voting rights by the shareholders, provided that the shareholders concerned comply with all formalities to be admitted to the Shareholders' Meeting and their voting rights are not suspended in one of the events set out in the Articles of Association or the Belgian Companies Code.

17.6 Shareholders' agreements

Whitehaven B S.à r.l. as well as certain members of the former and current management have entered into a shareholders' agreement containing restrictions on the transfer of their securities

17.7 Rules on appointment and replacement of members of the Board and amendments to the Articles of Association

The Articles of Association provide for nomination rights in favor of Whitehaven B S.à r.l. For as long as Whitehaven B S.à r.l. continues to hold at least 60% of the total number of shares it held immediately after the closing of the initial public offering of the shares of the Company, pursuant to the notification then made by such shareholder in accordance with the law of 2 May 2007 on the disclosure of significant shareholdings in issuers whose shares are admitted to trading on a regulated market and other provisions, six board members shall be elected by the Shareholders' Meeting upon its proposal. If such percentage falls below 60% but remains equal to or greater than 40%, four board members shall be elected by the Shareholders' Meeting upon proposal of Whitehaven B S.à r.l. If such percentage falls below 40% but remains equal to or greater than 10%, two board members shall be elected by the Shareholders' Meeting upon proposal of Whitehaven B S.à r.l. If the share ownership of Whitehaven B S.à r.l. falls below one of the above specified thresholds, the nomination rights relating to such threshold will continue to apply until the next Shareholders' Meeting.

In this respect, given Whitehaven B S.à r.l. has disposed of its shares in the Company a proposal has been included for approval on the agenda of the upcoming Ordinary Shareholders' Meeting of May 26, 2015, containing the amendment of the relevant provisions in the Articles of Association of the Company in order to remove the nomination rights and the references thereto.

Save for capital increases decided by the Board within the limits of the authorized capital, only an Extraordinary Shareholders' Meeting is authorized to amend Ontex' Articles of Association. A Shareholders' Meeting may only deliberate on amendments to the Articles of Association if at least 50% of the capital is represented. If the above attendance quorum is not reached, a new Extraordinary Shareholders' Meeting must be convened, which will validly deliberate regardless of the portion of the registered capital represented at the Shareholders' Meeting. As a general

rule, amendments to the Articles of Association are only adopted if approved by at least 75% of the votes cast. The Belgian Companies Code provides for more stringent majority requirements in specific instances, such as for modifications of the Company's corporate purpose clause.

17.8 Authorized capital – Acquisition of own shares

Authorized capital

On June 10, 2014, the Extraordinary Shareholders' Meeting authorized the Board, subject to and with effect as from the closing of the IPO, to increase the capital of the Company in one or several times by a (cumulated) amount of maximum 50% of the amount of the registered capital (€340,325,414) as such amount was recorded immediately after the closing of the IPO. Within the framework of the authorized capital, the Board is authorized to proceed with a capital increase in any form, including, but not limited to, a capital increase in cash or in kind and by issuance of shares, convertible bonds, warrants or other securities.

The Board is authorized to limit or cancel the preferential subscription rights of the shareholders within the limits and in accordance with the provisions set out in the Articles of Association and the Belgian Companies Code.

This authorization includes the limitation or cancellation of the preferential subscription rights for the benefit of one or more specific persons and in connection with capital increases in the event of a public takeover bid.

The authorization is valid for a term of five years as from the date of the publication of the authorization in the Annexes to the Belgian State Gazette ("Belgisch Staatsblad"), i.e. five years as from July 9, 2014. In connection with capital increases in the event of a public takeover bid, the authorization is only valid for a term of three years as from the date of the Extraordinary Shareholders' Meeting of June 10, 2014.

Acquisition of own shares

On June 10, 2014, the Extraordinary Shareholders' Meeting authorized the Board to purchase up to 20% of its own shares, profit-sharing certificates or associated certificates, for a price not 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 during the last thirty trading days preceding the transaction. This authorization is valid for five years from June 10, 2014.

This authorization is also valid if the acquisition is made by one of the subsidiaries directly controlled by the Company, as set out in Article 627 of the Belgian Companies Code.

The Board is also authorized to acquire for the Company's account the Company's own shares, profit-sharing certificates or associated certificates if such acquisition is necessary to prevent a serious and imminent harm to the Company. This authorization is valid for three years as from the date of the publication of the authorization in the Annexes to the Belgian State Gazette ("Belgisch Staatsblad").

17.9 Material agreements to which Ontex is a party containing change of control provisions

The € 480,000,000 five-year multicurrency facilities agreement dated November 10, 2014 entered into by the Company as Original Borrower and Original Guarantor and, among others,

the Original Lenders as set out therein and Wilmington Trust (London) Limited as Security Agent, as well as the offering memorandum relating to the € 250,000,000 4.75% Senior Secured Notes due 2021, may be triggered in the event of a change of control over the Company. The relevant provisions have been included for approval on the agenda of the upcoming Ordinary Shareholders' Meeting of May 26, 2015, in accordance with Article 556 of the Belgian Companies Code.

The relevant clauses in the five-year multicurrency facilities agreement, among other things, provide that, in case any person or group of persons acting in concert (other than the Initial Investors and Management defined therein) 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 in a Shareholders' Meeting of the Company, this may lead to a mandatory prepayment and cancellation under the multicurrency facilities agreement. The relevant clauses in the offering memorandum relating to the € 250,000,000 4.75% Senior Secured Notes due 2021, among other things, grant the holders of the notes the right to require the repurchase of all or any part of the notes at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, in the event of a change of control of the Company as defined in the offering memorandum.

17.10 Severance pay pursuant to termination of contract of Board members or employees pursuant to a take-over bid

Ontex has not concluded any agreement with its Board members or employees which would result in the payment of a specific severance pay if, pursuant to a takeover bid, the Board members resign, are dismissed or their employment agreements are terminated.

Please see chapter 15.6 on termination provisions in general.

18. Conflicts of interests (Article 523 Belgian Companies Code)

Each Board member should arrange his/her personal and business affairs in such a way as to avoid any conflict of interest of a personal, professional or financial nature with the Company, directly or through relatives (including spouse or life companion, or other relatives by blood or marriage up to the second degree and foster children).

In accordance with Article 523 of the Belgian Companies Code, if a Board member has a direct or indirect patrimonial interest in a decision or transaction which is the responsibility of the Board of Directors, he/she must inform the other Board members before deliberation by the Board of Directors. For listed companies, the conflicted Board member cannot be present during the deliberations of the Board of Directors relating to these transactions or decisions, and cannot participate in the voting. A conflict of interests within the meaning of Article 523 of the Belgian Companies Code arose on six occasions in 2014, and the provisions of Article 523 Belgian Companies Code were complied with on such occasions.

Management agreements with Charles Bouaziz, Cephulli BVBA and Artipa BVBA

On June 3, 2014 the Board resolved on the entering into of the management agreements with Charles Bouaziz, Cephulli BVBA, represented by Jacques Purnode, and Artipa BVBA, represented by Thierry Navarre. Although Article 523 of the Belgian Companies' Code did not prevent them from attending the meeting and voting as the Company was not yet a listed

company, nevertheless Charles Bouaziz, Jacques Purnode and Thierry Navarre, as permanent representatives of their respective management companies Cephulli BVBA and Artipa BVBA decided to abstain from the deliberation and voting on this decision. The relevant section of the minutes can be found below in its entirety:

“Conflicts of interest

Prior to discussing this item on the agenda, Charles Bouaziz, director of the Company, and Jacques Purnode and Thierry Navarre, permanent representatives of their respective management companies Cephulli BVBA and Artipa BVBA, directors of the Company, declare to have an interest of a patrimonial nature which is conflicting with the decisions that fall within the scope of the powers of the board of directors, in respect of the entry into of their management agreements with the Company (the “Management Agreements”).

This conflict of interest results from the fact that Charles Bouaziz, Cephulli BVBA and Artipa BVBA are both directors of the Company and a party to the Management Agreements.

The Management Agreements will have financial consequences for the Company as they will require the Company to pay a management fee to Charles Bouaziz, Cephulli BVBA and Artipa BVBA as compensation for the provision of their services under the Management Agreements.

Under Article 523 of the Companies Code, a conflict of interest in a company not making or having made a public appeal on savings does not prevent the directors in question from taking part in the deliberations and from voting on the decision for which a potential conflict of interest exists. However, Charles Bouaziz, Cephulli BVBA (represented by its permanent representative Jacques Purnode) and Artipa BVBA (represented by its permanent representative Thierry Navarre) have decided that they will nevertheless refrain from taking part in the deliberations and from voting on the approval of the entry into of the Management Agreements.

In accordance with Article 523 of the Companies Code, the auditor of the Company, PricewaterhouseCoopers Bedrijfsrevisoren BV CVBA, permanently represented by Peter Opsomer BV BVBA, in turn represented by its permanent representative Peter Opsomer, has been informed of the existence of the conflicts of interest.

Furthermore, the relevant sections of these minutes will be entirely included in the annual report of the board of directors.

Approval of the Management Agreements

The board of directors took note of the Management Agreements.

Informed of the existence of a conflict of interest with respect to these agreements, the board of directors decided nevertheless to approve the entry into thereof. The Company requires highly qualified specialists with extensive experience and expertise in its field of business. The board of directors is of the opinion that Charles Bouaziz, Cephulli BVBA (represented by its permanent representative Jacques Purnode) and Artipa BVBA (represented by its permanent representative Thierry Navarre) have these skills.

The board of directors has concluded that the Management Agreements are in the interest of the Company, given that, even though they involve the payment by the Company to Charles

Bouaziz, Cepholli BVBA and Artipa BVBA of a management fee, those management fees are proportionate for the services to be provided by these managers to the Company.

RESOLVED that the Management Agreements be approved in the form presented to the board of directors."

Underwriting Agreement

On June 3, 2014, the Board resolved on the entering into of the Underwriting Agreement. Although Article 523 of the Belgian Companies Code did not prevent them from attending the meeting and voting as the Company was not yet a listed company, nevertheless Paul Walsh, Charles Bouaziz, Jacques Purnode and Thierry Navarre, as permanent representatives of their respective management companies Cepholli BVBA and Artipa BVBA decided to abstain from the deliberation and voting on this decision, based on their involvement in the IPO. The relevant section of the minutes can be found below in its entirety:

"Conflicts of interest

Prior to discussing this item on the agenda, Charles Bouaziz and Paul Walsh, directors of the Company, and Jacques Purnode and Thierry Navarre, permanent representatives of their respective management companies Cepholli BVBA and Artipa BVBA, directors of the Company, declare to have an interest of a patrimonial nature which is conflicting with the decisions that fall within the scope of the powers of the board of directors, in respect of certain provisions of the underwriting agreement to be entered into between the Company, Ontex I S.à r.l., the Selling Shareholders and the Underwriters with respect to the Offering (as defined below) (the "Underwriting Agreement"). All capitalised terms in sections 6.1 and 6.2 have the meaning defined in the draft Underwriting Agreement.

This conflict of interest results from the fact that Charles Bouaziz, Paul Walsh, Jacques Purnode and Thierry Navarre are, either in personal name or via their management company, both directors of the Company and also a party to the Underwriting Agreement in their capacity as a Selling Shareholder. The Underwriting Agreement (i) will require the Company to pay all expenses, fees and commissions, including those related to the initial public offering of the existing ordinary shares in the Company to be sold by Charles Bouaziz, Paul Walsh, Jacques Purnode and Thierry Navarre, and (ii) contains an indemnity from the Company in respect of the Offering that is more extensive than any indemnity given by the Selling Shareholders.

The Company will:

on the Closing Date of the Offering, be required to pay a commission of 1.75% of the amount equal to the final offer price multiplied by the number of Firm Shares (i.e., the new shares issued by the Company and shares sold by the Selling Shareholders in the Offering) subscribed and/or purchased by the Underwriters;

if the Over-allotment Option is exercised, the Company will pay a commission of 1.75% of the amount equal to the final offer price multiplied by the aggregate number of Option Shares (i.e. the shares sold by Whitehaven B and the MIP I Selling Shareholders (i.e., certain individual management Selling Shareholders) for the purposes of covering sales of the Shares in excess of the Firm Shares and for facilitating stabilizing activities) sold and purchased by the Underwriters.

In addition, the Company may (in its sole discretion, and subject to the Underwriting Agreement not having been terminated) also pay the Underwriters an additional discretionary fee of up to 1.25% of the amount equal to the final offer price multiplied by the number of ordinary shares issued and/or sold by the Company and the Selling Shareholders and subscribed and/or purchased by the Underwriters. All of the commissions shall be paid together with any VAT or other similar tax chargeable thereon.

Under Article 523 of the Companies Code, a conflict of interest in a company not making or having made a public appeal on savings does not prevent the directors in question from taking part in the deliberations and from voting on the decision for which a potential conflict of interests exists. However, Charles Bouaziz, Paul Walsh, Cepholli BVBA (represented by its permanent representative Jacques Purnode) and Artipa BVBA (represented by its permanent representative Thierry Navarre) have decided that they will nevertheless refrain from taking part in the deliberations and from voting on those matters described above.

In accordance with Article 523 of the Companies Code, the auditor of the Company, PricewaterhouseCoopers Bedrijfsrevisoren BV CVBA, permanently represented by Peter Opsomer BV BVBA, in turn represented by its permanent representative Peter Opsomer, has been informed of the existence of the conflicts of interest.

Furthermore, the relevant sections of these minutes will be entirely included in the annual report of the board of directors.

Approval of the provisions in the draft Underwriting Agreement for which a conflict of interest exists

The board of directors took note of the draft Underwriting Agreement.

Informed of the existence of a conflict of interest with respect to this agreement as set out above, the board of directors decided nevertheless to approve the fact that (i) the Company will pay all expenses, fees and commissions, including those related to the initial public offering of the existing ordinary shares in the Company to be sold by Charles Bouaziz, Paul Walsh, Jacques Purnode and Thierry Navarre, and (ii) the Company will grant an indemnity in respect of the Offering that is more extensive than any indemnity given by the Selling Shareholders.

The board of directors acknowledges that the terms and conditions of the draft Underwriting Agreement are part of the commercial agreement between all parties involved and are necessary to enable a successful initial public offering of the Company which the board of directors deems to be in the interest of the Company as it entails, a.o., reduced borrowing costs and future access to the capital markets. As a result, the board of directors has concluded that the entry into of the Underwriting Agreement is in the interest of the Company.

RESOLVED that the provisions in the draft Underwriting Agreement on those matters described above be approved.”

LTIP 2014

On June 3, 2014, the Board resolved on the entering into of the Long Term Incentive Plan. Although Article 523 of the Belgian Companies Code did not prevent them from attending the meeting and voting, nevertheless Charles Bouaziz, Jacques Purnode and Thierry Navarre, as permanent representatives of their respective management companies Cepholli BVBA and

Artipa BVBA decided to abstain from the deliberation and voting on this decision, based on the fact they are eligible participants in the Long Term Incentive Plan. The relevant section of the minutes can be found below in its entirety:

“Conflicts of interest

Prior to discussing this item on the agenda, Charles Bouaziz, director of the Company, and Jacques Purnode and Thierry Navarre, permanent representatives of their respective management companies Cephulli BVBA and Artipa BVBA, directors of the Company, declare to have an interest of a patrimonial nature which is conflicting with the decisions that fall within the scope of the powers of the board of directors in respect of the long term incentive plan to be adopted by the Company (the “Long Term Incentive Plan”), a term sheet of which shall remain attached to the minutes of this meeting as Annex 8.

This conflict of interest results from the fact that Charles Bouaziz, Jacques Purnode and Thierry Navarre are, either in personal name or via their management company, both directors of the Company and also potential beneficiaries of stock options and restricted stock units under the Long Term Incentive Plan.

The Long Term Incentive Plan will have financial consequences for the Company to the extent that, in respect of the stock options, it can result in a transfer of shares in the Company to the beneficiaries under the Long Term Incentive Plan at a price which is lower than the market price of those shares at the moment of the exercise of the stock options. In respect of the restricted stock units it will, upon vesting, result in a transfer of shares to the beneficiaries for no consideration.

Under Article 523 of the Companies Code, a conflict of interest in a company not making or having made a public appeal on savings does not prevent the directors in question from taking part in the deliberations and from voting on the decision for which a potential conflict of interests exists. However, Charles Bouaziz, Cephulli BVBA (represented by its permanent representative Jacques Purnode) and Artipa BVBA (represented by its permanent representative Thierry Navarre) have decided that they will nevertheless refrain from taking part in the deliberations and from voting on the approval of the Long Term Incentive Plan.

In accordance with Article 523 of the Companies Code, the auditor of the Company, PricewaterhouseCoopers Bedrijfsrevisoren BV CVBA, permanently represented by Peter Opsomer BV BVBA, in turn represented by its permanent representative Peter Opsomer, has been informed of the existence of the conflicts of interest.

Furthermore, the relevant sections of these minutes will be entirely included in the annual report of the board of directors.

Approval of Long Term Incentive Plan

The board of directors is of the opinion that the approval of the Long Term Incentive Plan is justified by the need to involve the members of the executive management team, certain other senior managers of the Company and other persons assimilated to these categories even more in the Company’s strategy and long term development. For each participant in the plan, the grant will consist for 50% of stock options and 50% of restricted stock units. The first grant is scheduled to take place in the few months following the Offering. Grants are expected to be made every year during five years. Both the stock options and the restricted stock units will be granted for no consideration and will vest after three years, subject to the

participant remaining in service at vesting. The exercise price of the stock options will be equal to the last closing price for the share of the Company immediately preceding the grant date and the stock options will expire after 8 years.

RESOLVED to approve, in the interest of the Company, the term sheet setting out the main elements of the Long Term Incentive Plan. This approval is subject to the condition precedent of the realisation of the capital increase in cash in the framework of the Offering, and will become effective as of the satisfaction of such condition precedent.”

Indemnification Agreements

On June 10, 2014, the Board resolved on the entering into of certain indemnification agreements. In relation to this decision, all Board members declared a conflict of interest in accordance with Article 523 of the Companies Code. Since Article 523 Companies Code did not prevent the Board members from attending the meeting and from voting, the Board approved the indemnification Agreements, subject to the closing of the IPO. The relevant section of the minutes can be found below in its entirety:

“Conflicts of interest

Prior to discussing this item on the agenda, all directors of the Company declared that they have an interest of a patrimonial nature which conflicts with the decisions that fall within the scope of the powers of the board of directors in respect of entry into indemnification agreements by the Company (the “Indemnification Agreements”).

These conflicts of interest result from the fact that all directors will be parties to the Indemnification Agreements, which are made for their benefit, as well as the benefit of the Company.

The Indemnification Agreements will have financial consequences for the Company as they will require the Company to pay an indemnification to the directors. The Company will indemnify each director for all expenses, costs and liabilities incurred in connection with any proceeding against such director, but only to the extent not covered by the Company’s directors and officers insurance and to the extent permitted by law. The indemnification is capped and will not apply in case of fraud, gross negligence or in the case of criminal or regulatory sanctions. It will not apply to proceedings between the Company or any subsidiary and the directors.

Furthermore, to align the interest of each director with the Company’s interest, such indemnification is subject to an obligation to consult with the Company on the organisation of the defence. The Company’s duty of indemnification will apply to proceedings arising until five years after the director ceases to be a director of the Company.

Under Article 523 of the Companies Code, a conflict of interest in a Company not making or having made a public call on savings does not prevent the conflicted directors from taking part in the deliberations and from voting on the decision for which a conflict of interest exists.

In accordance with Article 523 of the Companies Code, the auditor of the Company, PricewaterhouseCoopers Bedrijfsrevisoren BV CVBA, permanently represented by Peter Opsomer BV BVBA, in turn represented by its permanent representative Peter Opsomer, has been informed of the existence of the conflicts of interest.

Furthermore, the relevant sections of these minutes will be entirely included in the annual report of the board of directors.

Approval of the Indemnification Agreements

The board of directors took note of the Indemnification Agreements.

Informed of the existence of conflicts of interest with respect to the Indemnification Agreements, the board of directors decided nevertheless to approve them on behalf of the Company, in respect of all existing directors of the Company (including the three independent directors elected subject to the closing of the initial public offering of the Company).

The board of directors concluded that the Indemnification Agreements are in the interest of the Company for the following reasons:

- *the Company desires to attract and retain the services of talented and experienced individuals to serve as directors, from an international background, who expect to receive this type of indemnification undertaking by the Company, as for example is customary in the United States, the United Kingdom and a number of other countries;*
- *the Company recognises the increase in corporate litigation internationally;*
- *the Company wishes that directors exercise their duties for the benefit of the Company free from undue concern for claims for damages arising out of their services to the Company, by undertaking to indemnify them to the extent not covered by the directors and officers insurance;*
- *the exclusions indicated above as well as the cap and mandatory consultation ensure the alignment of the interests of the Company and the directors.*

RESOLVED that the Indemnification Agreements be approved in the form presented to the board of directors.”

Refinancing, selection Global Coordinators

On October 3, 2014, the Board ratified the decision on the selection of the Global Coordinators with respect to the Refinancing. In accordance with Article 523 of the Companies Code, Michele Titi-Cappelli, Alexandre Mignotte and Richard Butland abstained from the deliberation and voting on this decision, based on their relationship with Goldman Sachs and the involvement of Goldman Sachs International as Mandated Lead Arranger in the Refinancing. The relevant section of the minutes can be found below in its entirety:

“Preceding to the discussion and evaluation of this agenda item the Board members representing Goldman Sachs declare to have patrimonial interests conflicting with the decision regarding the envisaged selection of the Global Coordination Banks. This conflicts of interest arises from the fact that these Board members are representing Goldman Sachs and Goldman Sachs is one of the envisaged Global Coordinators. According to article 523 of the Company Code, these directors have to refrain from the discussion and the voting with respect to this decision and the relevant part of these minutes will be recorded in the annual report of the Board of Directors.

...

We are pleased to propose you that we will appoint JP Morgan and Goldman Sachs as Global Coordinators for the refinancing

..

The Board is fully aligned with the decisions taken, and is fully aware of the workload for the organization.”

Refinancing

On November 3, 2014, the Board resolved on the Refinancing, as described under chapter of the Annual Report. In accordance with Article 523 of the Companies Code, Michele Titi-Cappelli, Alexandre Mignotte and Richard Butland abstained from the deliberation and voting on this decision, based on their relationship with Goldman Sachs and the involvement of Goldman Sachs International as Mandated Lead Arranger in the Refinancing. The relevant section of the minutes can be found below in its entirety:

Conflict of interest

Prior to discussing the items on the agenda, each of the directors declared that he/she had no conflict of interest within the meaning of article 523 of the Belgian Companies Code, with respect to the matters at hand.

However, given the relationship of Mr Michele Titi-Cappelli, Mr Alexandre Mignotte and Mr Richard Butland, as permanent representative of Kite Consulting Ltd. with Goldman Sachs and given Goldman Sachs' involvement in the Transactions, these three directors have decided to abstain from voting with respect to the Transactions.

Resolutions

"The Board of Directors resolved to approve the Transactions and the terms and conditions of each of the Transaction Documents (including the issuance of the Notes) and the execution, delivery and performance of each of the Transaction Documents and any other documents that are necessary or useful for the execution and performance of the Transaction Documents and the Transactions , including, without limitation, any related utilization request, selection notice, additional facilities (or other) notice, power of attorney, confirmation, receipt, document, agreement, letter or certificate in relation herewith (including the issuance of a director's certificate) as well as any other document or transaction related or ancillary thereto, with the exception of certain provisions of the Transaction Documents which must be approved by the Company's shareholders in accordance with articles 556 of the Belgian Companies Code (change of control provisions).

19. Risks and uncertainties

We view managing risk with various stakeholders, in order to satisfy consumer and customer expectations, as an inherent part of doing business. The following summary provides the main risks we have identified and manage; however, this is not an exhaustive list, and there may be additional risks which we are not aware of.

Although for most of these risks we have set up mitigating efforts, these efforts are no guarantee that risks will not materialize. The order in which these risks are listed is not an indication of their importance or probability.

For more information about our risk management framework and internal control framework, please refer to chapter 13 of this report.

The personal hygiene industry is very competitive and features local, regional and global suppliers. For all Divisions, we face competition from branded product manufacturers who sell products under their own names or brands. In the Divisions Mature Market Retail and to a lesser extent Growth Markets, we also compete with retailer brand manufacturers who mainly or exclusively supply products to national and international retailers, who then sell the products under their own brands or labels.

We also face competition from competing manufacturers in product innovation. Rapid time to market is key to our competitiveness. If we are unable to develop innovative products, or are unable to obtain and license such proprietary rights, we may lose market share.

Revenue for our Healthcare Division is related to government spending. Governments may reduce their spending on healthcare, which could adversely affect the business that we do with public institutions.

We sell in more than 100 countries worldwide, and as a result are subject to risks associated with operating internationally. Recent and ongoing unrest in some of the countries in which we operate may adversely affect our business.

We may not be successful at retaining our key customers. Our customers range from distributors to large international retailers to institutional channels such as government healthcare organizations. Our total sales are the results of gains and losses of contracts, which are on a non-exclusive basis.

Our customers policies and requirements may change at any time, which can impact our sales.

If we are unable to maintain our on-time delivery record, this could adversely affect our ability to attract new customers and retain existing customers.

Our ability to serve our customers depends on our 15 manufacturing operations. We may experience disruptions at our production facilities or in extreme cases, our production facilities may be shut down. Should a disruption occur in one of our production facilities, we could experience temporary shortfalls in production and/or an increase in our cost of sales. We may also be subject to losses that might be completely or partially uninsured (specific cases resulting from terrorist activities and wars).

We are dependent upon the availability of raw materials for the manufacture of our products. Raw materials and packaging costs account on average for between 75% and 80% of our cost of sales. The key raw materials we use are fluff, super-absorber and non-woven fabrics.

Furthermore, the raw materials we use are subject to price volatility due to a number of factors that are beyond our control, including, but not limited to, the availability of supply, general economic conditions, commodity price fluctuations and demand in the market.

The majority of our customers contracts are based on fixed pricing models and do not contain raw materials price indexation clauses.

We make substantial sales and purchases of raw materials in currencies other than Euros, which exposes us to risks resulting from exchange rate fluctuations. We make also purchases of certain raw materials, primarily fluff, in US Dollars (USD).

The quality and reliability of our information systems and software are vital to our success, and any failure of these systems and software could adversely affect our operations.

Health, safety and environmental regulations may subject us to significant costs and liabilities.

We may fail to realize the anticipated business growth opportunities, revenue benefits, cost synergies, operational efficiencies and other benefits anticipated from, or may incur unanticipated costs associated with potential future acquisitions.

We rely on our employees to execute our strategy. Our ability to attract, retain and develop people is critical to the Group's success.

Our business could be adversely affected if we are unable to extend, renew or renegotiate our collective bargaining agreements or if our relationship with our employees or trade unions deteriorates.

Increasing labor costs may adversely affect our profitability.

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

We are subject to obligations, restrictions and covenants under our external borrowings. If we are unable to meet our obligations, restrictions or covenants, this might have a material adverse effect on our business, financial condition and results of operations.

Changes in tax rates, tax legislation, tax liabilities or accounting rules could affect future results

Changes in assumptions underlying the carrying value of our assets, including as a result of adverse market conditions, could result in impairment of such assets, including intangible assets such as goodwill.

We may be affected by product recall or liability claims or otherwise be subject to adverse publicity.

We are subject to the laws of the countries we do business in and certain competition and antitrust laws. Failure to comply in full with these laws can have a significant impact on our financial position.

20. Proposal for the resolution of the Ordinary Shareholders Meeting on May 26, 2015.

The Board of director proposes, amongst others, the following to the Ordinary shareholders meeting:

- Acknowledge the Board of Directors report and the report of the statutory auditor for the year ending December 31, 2014
- Approval of the separate annual accounts of December 31, 2014

- To appropriate the loss of the period as follows:

The Board of directors proposes to carry forward the loss of the period amounting to € 49,653,356 to next year:

Profit (Loss) brought forward from last year	€ 0
Loss to be appropriated	(€ 49,653,356)

Loss carried forward	(€ 49,653,356)
Dividend	€ 12,900,000

- Discharge for the directors for their mandate exercised in the financial year ended December 31, 2014.
- Discharge for the auditor PwC Bedrijfsrevisoren BCVBA, represented by its liable partner Peter Opsomer BV BVBA for the financial year ended December 31, 2014.

Board of Directors, April 10, 2015

Erembodegem,

(signed)

 Artipa sprl
 Director
 Represented by
 Thierry Navarre

 Cepholli bvba
 Director
 Represented by
 Jacques Purnode

 Inge Boets BVBA
 Director
 Represented by
 Inge Boets

 Tegecon AS
 Director
 Represented by
 Gunnar Johansson

Kite Consulting Ltf
Director
Represented by
Richard Butland

Charles David Bouaziz
Director

Luc Missorten
Director

Alexandre Mignotte
Director

Stockbridge Mgt Ltd
Represented by
Simon Henderson
Director

Antonio Capo
Director

Paul Walsh
Director

Uwe Krüger
Director

Michele Titi-Cappelli

Director