Corporate Governance Statement

In accordance with the Belgian Companies Code (wetboek van vennootschappen) and the 2009 Belgian Code on Corporate Governance (hereafter the 'Corporate Governance Code', the following section provides information about Ontex Group NV's (also referred to herein as the 'Company') corporate governance.

This section includes changes to Ontex Group NV's corporate governance, together with the relevant events that took place during 2017, such as changes in Ontex Group NV's capital or shareholder structure, modifications in Ontex Group NV's governance and in the composition of the Board of Directors of Ontex Group NV (hereafter the 'Board') and its committees, the main features of the Remuneration Report, and the internal control and risk management systems of the Ontex group. This chapter also includes explanations, where applicable, of any deviations from the Corporate Governance Code (see section 7 of this Corporate Governance Statement).

1. Reference Code

Pursuant to Article 96, § 2 of the Belgian Companies Code and the Royal Decree of June 6, 2010 designating the Corporate Governance Code to be complied with by listed companies, Ontex Group NV has adopted the Corporate Governance Code as its reference code on corporate governance.[1]

As appropriate for a Belgian listed company with a commitment to high standards of corporate governance, the Board adopted a Corporate Governance Charter in June 2014 (hereafter the 'Corporate Governance Charter'), as required by the Corporate Governance Code. The Board amended the Corporate Governance Charter on June 28 2016. The Corporate Governance Charter can be consulted on the Company's website.[2]

The Corporate Governance Charter describes the main aspects of Ontex Group NV's corporate governance, including its governance structure and the terms of reference of the Board, as well as those of the Board committees and of the Management Committee. The Corporate Governance Charter is regularly updated and will be annually reviewed by the Board to be in line with applicable laws and regulations, the Corporate Governance Code, and their interpretation.

2. Capital and Shareholders

2.1. Capital and capital evolution

2.1.1. Capital and capital evolution during 2017

As at December 31, 2017, the capital of Ontex Group NV amounted to €823,587,466.38 and was represented by 82,347,218 shares without nominal value. Each share represents 1/82,347,218th of the capital and carries one vote. The shares are listed on Euronext Brussels.

On March 22, 2017, the Board resolved to increase the share capital in the framework and within the limits of the authorized capital, through a capital increase in kind as described below.

The Company has entered into a transaction (the 'Ontex Brazil Transaction') whereby it, through Ontex BVBA, a wholly-owned subsidiary of the Company, and certain subsidiaries of Ontex BVBA, has directly or indirectly acquired all outstanding shares of Falcon Distribuidora Armazenamento E Transporte, a Brazilian company which manufactures disposable hygienic products ('Falcon').

[1] The '2009 Belgian Code on Corporate Governance' is available on the website of the Belgian Corporate Governance Committee (http://www.corporategovernancecommittee.be).
[2] The English version of Ontex's Corporate Governance Charter is available on the Ontex website (http://www.ontexglobal.com/sites/default/files/20170509_ontex_corporate_governance_charter_e.pdf).

As a consequence of the above, on March 22, 2017, the Board confirmed the realization of a capital increase in cash in an amount of €74,871,580.58 (excluding issue premium in an amount of €145,968,664.42), from €748,715,885.80 to €823,587,466.38, represented by a total number of 82,347,218 shares.

In addition, the Board approved in 2017 a new grant under the Long Term Incentive Plan (as defined below) (the 2017 grant being referred to as the 'LTIP 2017'). In 2014, the Company adopted a Long Term Incentive Plan approved by the Board and the Shareholder Meeting on June 3, 2014 and June 10, 2014 respectively (the 'Long Term Incentive Plan') which consists of a combination of stock options and restricted stock units (hereafter 'RSUs'). The Board has previously approved grants under the Long Term Incentive Plan, in 2014, 2015, 2016 and 2017 (respectively the 'LTIP 2014', the 'LTIP 2015', the 'LTIP 2016', the 'LTIP 2017', and the Long Term Incentive Plan including the LTIP 2014, the LTIP 2015, the LTIP 2016 and the LTIP 2017 being referred to as the 'LTIP'). The stock options and RSUs granted under the LTIP do not confer any shareholder rights, and the shares to be delivered to participants upon exercise of their stock options or upon vesting of their RSUs are existing shares of the Company with all rights and benefits attached to such shares. A more detailed description of the LTIP and the LTIP 2017 is set out in the Remuneration Report.

The grants made by Ontex under its LTIP provide for a three-year vesting period. Accordingly, the grants that were made in 2014 vested as from July 31, 2017. In order to meet its obligations thereunder, Ontex has partially exercised a forward purchase agreement with the following characteristics:

Date	Number of shares	Strike Price	Highest price	Lowest price
Originally entered into on 21 July 2015	274,439	€ 29.070	€ 28.685*	€ 25.800*

* The highest price and lowest price, respectively, reflects the highest price and lowest price of Ontex shares on Euronext Brussels during the period 1 July 2015 until 21 July 2015 during which underlying Ontex shares were bought by its counterparty under the forward purchase agreement and on the basis of which the strike price of € 27.070 was determined.

More details about the vested Stock Options and RSUs can be found in the Remuneration Report.

More details about the forward purchase agreement can be found in the financial statements, note 7.4.6.

Pursuant to the above, on December 31 2017, 208,291 shares of the Company were held by the Company.

On December 31 2017, 11,185,038 shares of the Company were registered shares.

2.2. Shareholder evolution

Pursuant to the Company's Articles of Association and the Corporate Governance Charter, the applicable successive thresholds as regards the application of the Law of May 2, 2007 on the disclosure of significant shareholdings in issuers whose shares are admitted to trading on a regulated market and other provisions (hereafter the 'Law of May 2, 2007') and the Royal Decree of February 14, 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 2017, the Company received the following transparency declarations:

On January 25, 2017, the Company received a transparency declaration from Allianz Global Investors GmbH stating that, on January 20, 2017, it crossed below the threshold of 3% of the total number of voting rights in the Company.

On February 9, 2017 BlackRock, Inc., and its affiliated entities, notified the Company that BlackRock, Inc. and Blackrock Investment Management (UK) Limited had, as a result of sales of shares, crossed below the threshold of 5% and 3% respectively, of the total number of voting rights in Ontex.

On March 2, 2017, BlackRock, Inc., and its affiliated entities, notified the Company that BlackRock, Inc. had, as a result of sales of shares, crossed below the threshold of 3% of the total number of voting rights in Ontex, excluding equivalent financial instruments.

On June 20, 2017, Allianz Global Investors GmbH notified the Company that it had acquired 2,521,427 shares in Ontex and so had crossed the threshold of 3% of the total number of voting rights in Ontex to 3.06%.

On June 22, 2017, Norges Bank notified the Company that it had, as a result of sales of shares, crossed below the threshold of 3% of the total number of voting rights in Ontex.

On June 30, 2017, Black Creek Investment Management Inc. notified the Company that it holds, as a result of the acquisition of voting securities or voting rights, 2,612,528 shares in Ontex and so had crossed the threshold of 3% of the total number of voting rights in Ontex to 3.17%.

On October 3, 2017, Aviva plc, and its affiliated entities, notified the Company that Aviva plc had, as a result of sales of shares, crossed below the threshold of 3% of the total number of voting rights in Ontex, excluding equivalent financial instruments.

We refer to our website for transparency declarations received after December 31, 2017.

2.3. Shareholder structure

The shareholder structure of the Company on December 31, 2017 was, based on the transparency declarations received by the Company, as follows:

Shareholders	Shares	%[1]	Date threshold crossed
Groupe Bruxelles Lambert SA[2]	11,239,897	19.98%	May 17, 2016
Janus Capital Management LLC	3,424,055	4.75%	November 10, 2015
The Pamajugo Irrevocable Trust	2,722,221	3.64%	February 29, 2016
Black Creek Investment Management Inc.	2,612,528	3.17%	June 27, 2017
Allianz Global Investors GmbH	2,521,427	3.06%	June 16, 2017
AXA Investment Managers SA	2,053,236	3.02%	August 07, 2014

1 Percentage based on the outstanding share capital of the Company at the time of the declaration.
2 The actual percentage of GBL per December 31, 2017 adds up to 15.01%.

2.4. Dealing and Disclosure Code

On June 3, 2014, the Board approved the Ontex Dealing and Disclosure Code (the 'Dealing and Disclosure Code') in accordance with provision 3.7 of the Corporate Governance Code. The Dealing and Disclosure Code was subsequently amended on April 2, 2015 and most recently on June 28, 2016. The Dealing and Disclosure Code restricts transactions in Ontex Group NV securities by members of the Board and of the Management Committee, and by certain senior employees of the Ontex Group during closed and prohibited periods. The Dealing and Disclosure Code also contains rules concerning the internal approval of intended transactions, as well as the disclosure of executed transactions through a notification to the Belgian Financial Services and Markets Authority, and disclosure of inside information. The Corporate Legal Counsel is the Compliance Officer for purposes of the Dealing and Disclosure Code.

3. Board and Board Committees

3.1. Board composition

Pursuant to the Corporate Governance Code, at least half of the directors should be non-executive and at least three directors should be independent in accordance with the criteria set out in Article 526ter of the Belgian Companies Code and the Corporate Governance Code. The composition of the Board as at December 31, 2017 complies with these recommendations.

On December 31, 2017, the Board was composed as follows:

Name	Mandate Board	Other mandates per December 31, 2017	Mandate since	Mandate expires
Revalue BVBA, represented by Luc Missorten	Chairman, Independent Director	Barco NV, Corelio NV, GIMV, Recticel NV, Scandinavian Tobacco Group	2014	2018
Regi Aalstad	Independent Director	A Drop in the Ocean	2017	2021
Inge Boets BVBA, represented by Inge Boets	Independent Director	Euroclear plc, Econopolis Wealth Management NV, QRF Management NV, La Scoperta BVBA, VZW Altijd Vrouw, Van Breda Risk & Benefits, Triginta	2014	2018
Charles Bouaziz	Chief Executive Officer	ESSEC Business School Alumni, Les Amis de Vaulserre et du Trieves, PAI partners	2014	2018
Michael Bredael	Non-Executive Director		2017	2021
Tegacon Suisse GmbH, represented by Gunnar Johansson	Independent Director	Laeringsverkstedet AS	2014	2018
Uwe Krüger	Independent Director	SUSI Partners, Aggreko plc, Swiss Nuclear Commission	2014	2018
Artipa BVBA, represented by Thierry Navarre	Chief Operating Officer		2014	2018
Cepholli BVBA, represented by Jacques Purnode	Chief Financial Officer	John Martin's Breweries	2014	2018
Juan Gilberto Marín Quintero	Non-Executive Director	Member of the World Economic Forum	2016	2020

Jonas Deroo was appointed as Corporate Secretary by the Board on May 8, 2015.

The following paragraphs set out the biographical information of the current members of the Board, including information on other director mandates held by these members.

Luc Missorten
Independent Director
Chairman

Luc Missorten was appointed as Independent Director of Ontex Group NV as of June 30, 2014. On April 10, 2015, Luc Missorten was appointed Chairman, as replacement for Paul Walsh. On May 26, 2015, Revalue BVBA, with Luc Missorten as its permanent representative, was appointed as Independent Director to replace Luc Missorten who resigned. Luc Missorten holds a law degree from the Catholic University of Leuven, a Certificate of Advanced European Studies from the College of Europe, Bruges and an LL.M from the University of California, Berkeley. In the past, Luc Missorten served as a Vice President of Citibank from 1981 to 1990, and held the function of Corporate Finance Director for Interbrew from 1990 to 1995. From 1995 to 1999, he served as CFO for Labatt Brewing Company. Afterwards, Luc Missorten held the function of CFO at Interbrew (now AB InBev) from 1999 until 2003, and of CFO at UCB from 2003 to 2007. Luc Missorten has been the Chief Executive Officer and a board member of Corelio from 2007. As from September 2014, he resigned as Chief Executive Officer from Corelio but remains a board member of Corelio to date.

Currently, Luc Missorten is also an Independent Director of Barco, chairs its audit committee and is a member of its remuneration committee. In addition, he is an Independent Director of GIMV, where he chairs the audit committee. Further, Luc Missorten is an Independent Director at Recticel, where he chairs the audit committee and is a member of its remuneration committee. Luc Missorten is also Independent Director at Scandinavian Tobacco Group. He is also an independent board member at Mateco.

Inge Boets
Independent Director

Inge Boets BVBA, with Ms. Boets as its permanent representative, was appointed as Independent Director of Ontex Group NV as of June 30, 2014. Ms. Boets currently also serves as Chairman of the Audit and Risk Committee. She holds a master degree in applied economics from the University of Antwerp, Belgium. Ms. Boets was a partner with Ernst & Young from 1996 through 2011 where she was the Global Risk leader and held several other roles in audit and advisory. Currently, Ms. Boets is also an independent director at Euroclear, Econopolis Wealth Management, VZW Altijd Vrouw, and Chairs the boards of Triginta and QRF. In addition, Inge Boets BVBA, with Ms. Boets as its permanent representative, is a board member of Van Breda Risk & Benefits and La Scoperta BVBA.

Michael Bredael
Non-Executive Director

Michael Bredael is Investment Officer at Groupe Bruxelles Lambert (GBL) since 2016. He started his career at Towers Watson as a consultant in the United States (Atlanta and New York) in 2003 before joining the BNP Paribas Group in 2007. Mr. Bredael held various Investment Banking positions at BNP Paribas, across different offices (New York, Paris, Brussels and London), particularly focusing on cross-border M&A transactions. From 2014 to 2016, he was Head of the M&A Execution Group of BNP Paribas London. Mr. Bredael holds a masters degree in applied economics from EHSAL (KU Leuven).

Regi Aalstad
Independent Director

Regi Aalstad has over 25 years of experience in global FMCG. Ms. Aalstad has held Regional General Manager and Vice President positions with Procter & Gamble in Asia, Europe, Middle East and Africa. She joined P&G in the Nordics in 1988 and from 1996 to 2014 held leadership roles in emerging markets. Ms. Aalstad chairs the humanitarian organization 'A Drop in the Ocean', supporting refugees in Greece. She advises and helps to found digital start-ups from Switzerland, where she resides. Ms. Aalstad has non-executive director experience with public industry-leading companies operating globally in telecom, digital services and sanitary sector. She holds a Master of Business Administration in International Business from University of Michigan, USA.

Charles Bouaziz
Chief Executive Officer

Charles Bouaziz joined the Ontex Group in January 2013, and was appointed as an Executive Director of Ontex Group NV as of April 24, 2014. Charles Bouaziz graduated from École Supérieure des Sciences Economiques et Commerciales (ESSEC). Prior to joining the Ontex group, Charles Bouaziz held a number of senior positions during his 25 years in the consumer goods industry. He spent his early career at Michelin (in Canada) and Procter and Gamble before joining PepsiCo in 1991. Charles Bouaziz joined PepsiCo as Marketing Director of France & Belgium and in 1996 became General Manager for France. In 2006, he became General Manager of a group of countries including France, Germany, Italy, Switzerland and Austria. In 2008, Charles Bouaziz was appointed President of PepsiCo Western Europe. In 2010, he left PepsiCo and became CEO of Monoprix. Charles Bouaziz joined PAI Partners in 2010 as member of the Food & Consumer Goods sector team and later as head of the Portfolio Performance Group. In addition, Charles Bouaziz is President of the ESSEC Business School Alumni and also holds position at Les Amis de Vaulserre et du Trieves.

Gunnar Johansson
Independent Director

Gunnar Johansson was appointed as Independent Director of Ontex Group NV as of June 30, 2014. Gunnar Johansson was appointed Chairman of the Remuneration and Nomination Committee on April 10, 2015, replacing Luc Missorten. On May 26, 2015, Tegacon AS, with Gunnar Johansson as its permanent representative, was appointed as Independent Director to replace Gunnar Johansson who resigned. He holds an MBA from Norges Handelshøyskole in Bergen, Norway. Gunnar Johansson has vast experience in emerging markets, business-to-business and FMCG. Prior to starting Tegacon Suisse GmbH, he held a number of positions within SCA AB, a global company in the tissue, femcare, baby diaper and incontinence care industries. Gunnar Johansson worked with SCA from 1981 to 2009, the last years as Global President of the Hygiene Category. He was also a member of the board of Orkla Brands, the largest FMCG company in Norway. Currently, Gunnar Johansson works as a Senior Executive Advisor at his own company, Tegacon Suisse GmbH. He is also Non-Executive Chairman of Laeringsverkstedet, Norway.

Uwe Krüger
Independent Director

Prof. Dr. Krüger was appointed as Non-Executive Director of Ontex Group NV as of June 2, 2014. The appointment of Uwe Krüger as Independent Director was approved by the Annual Shareholders' Meeting held on May 25, 2016. Uwe Krueger is Head of Business Services and Senior Managing Director at Temasek INTL., Singapore since January 1, 2018. Temasek is a leading globally diversified investment company headquartered in Singapore with a net portfolio of S$275 billion. From June 2011 to July 2017 he was CEO of WS Atkins plc. (London, UK). He is a physicist who graduated from the University of Frankfurt, Germany, with a PhD in complex system theory. He also studied at Columbia University (New York, USA), the Ecole Normale Supérieure (Paris, France) and at Harvard (Boston, USA). Uwe Krüger has spent the majority of his career leading engineering and consulting organizations globally. He began his career at AT Kearney, followed by leadership positions at Hochtief AG in central and eastern Europe and at Turner International in Dallas, USA. More recently he was Chief Executive Officer of Swiss company, Oerlikon. Currently, Uwe Krüger is also on the board of Aggreko plc (Glasgow, UK), SUSI Partners AG (Zurich, Switzerland) and the Swiss Nuclear Commission (Zurich, Switzerland). As an honorary professor of physics he lectures at the University of Frankfurt, Germany. He also holds a Honorary Doctorate at Heriot-Watt University, Edinburgh. In 2016, he won the ACE European CEO of the Year award.

Jacques Purnode
Chief Financial Officer

Jacques Purnode joined the Ontex Group in August 2013, and Cepholli BVBA, with Jacques Purnode as its permanent representative, was appointed as an Executive Director of Ontex Group NV as of April 24, 2014. Jacques Purnode holds a degree of Civil Engineer in metallurgy and a Master of Business Administration from the Université de Liège, Belgium. Prior to joining the Ontex Group, Jacques Purnode held a number of senior positions at AB InBev in various roles in finance as well as in information technology. From 2007, he worked for Coca-Cola Enterprises, Inc. in London, where he most recently held the position of CFO for Europe. Currently, Jacques Purnode also holds a position at John Martin's Breweries.

Thierry Navarre
Chief Operating Officer

Thierry Navarre joined the Ontex Group in May 2006 as the Group Supply Chain Director and was appointed Chief Operating Officer in February 2009. Artipa BVBA, with Thierry Navarre as its permanent representative, was appointed as an Executive Director of Ontex Group NV as of April 24, 2014. Thierry Navarre holds a degree in Business Administration from École Supérieure de Commerce de Nantes (AUDENCIA), France, and also has a master's degree in Industrial Logistics from the Institut Supérieur de Logistique Industrielle (Groupe École Supérieure de Commerce), Bordeaux, France. Before joining the Ontex Group, he was Director of Strategy and Development at InBev in France (now AB InBev), between July 2005 and May 2006, and held other senior management positions in supply and distribution at InBev, between 2001 and 2005. Prior to that, he held various roles in logistics and distribution at Fort James (now Georgia Pacific), between 1997 and 2001, and at Jamont (now Georgia Pacific) between 1991 and 1997.

Juan Gilberto Marín Quintero
Non-Executive Director

Juan Gilberto Marín Quintero was appointed as Non-Executive Director of the Ontex Group as from May 25, 2016. Juan Gilberto Marín Quintero is the founder and former chairman of Grupo Mabe. He holds a degree in Business Administration from Universidad Iberoamericana, Mexico City, Mexico, an MBA from Instituto Panamericano de Alta Direccion, Mexico City and a postgraduate in International Business from the British Columbia University, Vancouver, Canada as well as a diploma in Mergers and Acquisitions from Stanford University. Formerly, Juan Gilberto Marín Quintero has been the President of the National Council of Foreign Trade, Conacex, former President of the Advisory Board of Citibanamex in Puebla, and former President of the Advisory Board of NAFINSA in Puebla and Tlaxcala, member of the Advisory Board of Telmex and Bancomext. In addition, Juan Gilberto Marín Quintero is a member of the World Economic Forum and has been president at the Latin America Entrepreneur Council, and has been president of the board of Universidad de las Americas. Furthermore, Juan Gilberto Marín Quintero currently also develops Eolic Energy, consumer products, restaurants, textile industry and real estate in Mexico.

3.2. Board: evolution in composition during 2017

On December 31, 2017, the Board of the Company was composed of ten members. With the exception of the CEO, COO and CFO, all Board members are Non-Executive Directors.

There are currently five Independent Directors within the meaning of Article 526ter of the Belgian Companies Code: Revalue BVBA (with Luc Missorten as its permanent representative), Tegacon Suisse GmbH (with Gunnar Johansson as its permanent representative), Inge Boets BVBA (with Inge Boets as its permanent representative), Uwe Krüger and Regi Aalstad. Further there are currently two non-executive non-independent directors: Gilberto Marin Quintero and Michael Bredael.

The annual shareholders' meeting held on May 24, 2017 appointed Regi Aalstad as independent director and Michael Bredael as non-executive director of the Company upon recommendation of the Board and the Remuneration and Nomination Committee.

3.3. Diversity Policy

Ontex has adopted a diversity policy. In terms of aims, with respect to all employees, including the Board, the Management Committee and the senior management, Ontex recognizes the benefits of having a diverse Board and Leadership Team to enhance the quality of its performance. Secondly, increasing diversity at the Board, Management Committee and senior management is an essential element in supporting the attainment of our strategic objectives and our sustainable development.

In designing the Board's, Management Committee's and senior management composition, diversity is considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, Management Committee or Extended Leadership Team.

As at December 31, 2017, the Company had two female Board members, i.e. Inge Boets, as permanent representative of Inge Boets BVBA, and Regi Aalstad, representing 20% of the Board members. Since its establishment, 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 that by January 1, 2020 at least one-third of the members of the Board is of the opposite gender as the gender of the majority of the Board in accordance with Article 518bis, §3, of the Belgian Companies Code (stating that companies whose securities are admitted for the first time for offering for negotiation on a regulated market should meet the quota from the first day of the sixth financial year beginning after this admission).

3.4. Functioning of the Board

During 2017, the Board met 15 times. The attendance rate was as follows:

Name	Board attendance	Attendance rate
Revalue BVBA, represented by Luc Missorten	15/15	100%
Charles Bouaziz	15/15	100%
Cepholli BVBA, represented by Jacques Purnode	14/15	93.33%
Artipa BVBA, represented by Thierry Navarre	15/15	100%
Inge Boets BVBA, represented by Inge Boets	15/15	100%
Tegacon Suisse GmbH, represented by Gunnar Johansson	15/15	100%
Uwe Krüger	13/15	86.66%
Juan Gilberto Marín Quintero	14/15	93.33%
Regi Aalstad	6/6	100%
Michael Bredael	6/6	100%

[1] Six meetings of the Board were held since the appointment of Michael Bredael and Regi Aalstad on May 24, 2017.

On June 28, 2016 the Board established a management committee (the 'Management Committee') to which it has delegated all its management powers, except (i) those powers expressly reserved to the Board of Directors by law, (ii) matters belonging to the general policy of the Company, and (iii) the supervision of the Management Committee, such powers being further described under section 3.5. of this Corporate Governance Statement.

Major matters reviewed by the Board during 2017 include, among others:

- the integration of Ontex Brazil;
- refinancing;
- the approval of the half-year and quarterly financial statements and corresponding financial reports;
- the financial and overall performance of the Ontex Group;
- various investments and M&A projects; and
- general strategic, financial and operational matters of the Company.

3.5. Board Committees

3.5.1. Audit and Risk Committee

In compliance with Article 526bis¸ §2 of the Belgian Companies Code and the Corporate Governance Code, all members of the Audit and Risk Committee are non-executive and at least one Director is independent in accordance with the criteria set out in Article 526ter of the Belgian Companies Code and the Corporate Governance Code.

On December 31, 2017, the Audit and Risk Committee was composed as follows:

Name	Mandate A&R Committee	Mandate since	Mandate expires
Inge Boets BVBA, represented by Inge Boets	Chairman of the Committee, Independent Director	2014	2018
Tegacon Suisse GmbH, represented by Gunnar Johansson	Member, Independent Director	2014	2018
Revalue BVBA, represented by Luc Missorten	Member, Independent Director	2014	2018

During 2017, the Audit and Risk Committee met eight times. The attendance rate was as follows:

Name	A&R Committee meetings attended	Attendance Rate A&R Committee
Inge Boets BVBA, represented by Inge Boets	8/8	100%
Tegacon Suisse GmbH, represented by Gunnar Johansson	8/8	100%
Revalue BVBA, represented by Luc Missorten	8/8	100%

All members attended all meetings. Marc Gallet, Corporate Finance Director, is appointed as Secretary of the Audit and Risk Committee.

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 its meetings, and reviewed the external and internal audit plan, the half year financial statements and the external review on the half-year financial statements, the quarterly financial information contained in the Q1 and Q3 trading updates, the key risks, and their role and responsibility.

As required by the Belgian Companies Code, Ontex Group NV confirms that (i) the Audit and Risk Committee is composed of Non-Executive Directors only and (ii) the Audit and Risk Committee possesses the adequate expertise and experience in the field of the activities of the Company and (iii) Inge Boets, as permanent representative of Inge Boets BVBA, Chairman of the Audit and Risk Committee, is an Independent Director and possesses the adequate expertise and experience in the field of accounting and audit. Reference is made to her biography under chapter 3.1. of this Corporate Governance Statement. The mandate of PricewaterhouseCoopers Bedrijfsrevisoren BV CVBA ('PwC') as statutory auditor of the Company has been renewed in 2017, on May 24, 2017.

3.5.2. Remuneration and Nomination Committee

In compliance with Article 526quater, §2 of the Belgian Companies Code and the Corporate Governance Code, all members of the Remuneration and Nomination Committee are non-executive and the majority of the members are independent in accordance with the criteria set out in Article 526ter of the Belgian Companies Code and the Corporate Governance Code.

On December 31, 2017, the Remuneration and Nomination Committee was composed as follows:

Name	Position	Mandate since	Mandate expires
Tegacon Suisse GmbH, represented by Gunnar Johansson	Chairman of the Committee, Independent Director	2014	2018
Inge Boets BVBA, represented by Inge Boets	Independent Director	2014	2018
Revalue BVBA, represented by Luc Missorten	Independent Director	2014	2018

During 2017, the Remuneration and Nomination Committee met six times. The attendance rate was as follows:

Name	R&N Committee meetings attended	Attendance Rate R&N Committee
Tegacon Suisse GmbH, represented by Gunnar Johansson	6/6	100%
Inge Boets BVBA, represented by Inge Boets	6/6	100%
Revalue BVBA, represented by Luc Missorten	6/6	100%

All members attended all meetings. Astrid De Lathauwer, Group HR Director is appointed as Secretary of the Remuneration and Nomination Committee. Charles Bouaziz attended all meetings.

The Remuneration and Nomination Committee is entrusted with the tasks set out in Article 526quater, §5, of the Belgian Companies Code. It 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. The Remuneration and Nomination Committee also reviewed the performance of the Ontex Group against the key performance indicators ('KPI's') and targets determined for the 2017 performance year.

As required by the Belgian Companies Code, Ontex Group NV confirms that (i) the Remuneration and Nomination Committee is composed of Non-Executive Directors only and a majority of Independent Directors, all its members being Independent Directors, and (ii) Luc Missorten, Gunnar Johansson and Inge Boets possess the adequate expertise and experience in the field of remuneration. Reference is made to their biography under section 3.1 of this Corporate Governance Statement.

3.5.3. Management Committee

On June 28, 2016, the Board decided to establish a Management Committee (directiecomité) within the meaning of Article 524bis of the Belgian Companies Code to be effective as of July 1, 2016 which has the power to perform all actions that are necessary or useful for the realization of the Company's purpose, except for those actions that are, by law or pursuant to the Articles of Association or the Corporate Governance Charter, reserved to the shareholders' meeting or to the Board, including (i) matters belonging to the general policy of the Company, and (ii) the supervision of the Management Committee, or to other management bodies.[1]

Accordingly, the powers of the Management Committee include, without limitation, the operational management and organization of the Company, developing or updating on a yearly basis the overall strategy and business plan of the Company and submitting it to the Board for approval, monitoring the implementation of the overall strategy and business plan of the Company, supporting the CEO in the daily management of the Company and the exercise of his responsibilities, preparing the Company's financial statements and presenting accurate and balanced evaluations of the Company's financial situation to the Board and providing the Board with the information it needs in order to properly fulfill its duties, setting up and maintaining policies related to the risk profile of the Company and systems to identify, assess, manage and monitor financial and other risks within the framework set out by the Board and the Audit and Risk Committee.

The size and composition of the Management Committee is determined by the Board acting on a proposal of the CEO, who chairs the Management Committee. Members of the Management Committee are appointed by the Board based on a proposal of the CEO and upon recommendation of the Remuneration and Nomination Committee. Members of the Management Committee are appointed for an indefinite period and can be dismissed by the Board at any time or cease to be a member of the Management Committee if their management agreement with the Company terminates.

The CEO leads and chairs the Management Committee and decides on the allocation of responsibilities among the members of the Management Committee. The CEO is vested with the day-to-day management of the Company and the execution of the resolutions of the Board and the resolutions of the Management Committee, unless decided otherwise by the Management Committee. In addition, he exercises the special and limited powers assigned to him by the Board or the Management Committee. The CEO reports regularly to the Board, including on the actions taken by the Management Committee.

[1] The specific powers as well as the composition and functioning of the Management Committee are further described in the Corporate Governance Charter.

On December 31, 2017, the Management Committee, consisted of the following members:

Name	Position	Member of the Management Team since	Appointed to Management Committee
Charles Bouaziz	Chairman of the Management Committee – Chief Executive Officer	2013	2016
Philippe Agostini	Group Chief Procurement and Supply Chain Officer	2013	2016
Özgür Akyıldız	General Manager Middle East and North Africa Division	2008	2016
Armando Amselem	President of the Americas Retail Division	2016	2016
Laurent Bonnard	Group Sales Director	2013	2016
Astrid De Lathauwer	Group HR Director	2014	2016
Annick De Poorter	Group R&D and Quality Director	2009	2016
Arlipase BVBA with Arnauld Demoulin as its permanent representative[1]	General Manager – Mature Market Retail Division	2013	2016
Martin Gärtner	Group Marketing Director	2009	2016
Marex BVBA with Xavier Lambrecht as its permanent representative	General Manager – Healthcare Division	2013	2016
Artipa BVBA with Thierry Navarre as its permanent representative	Executive Director – Chief Operating Officer	2009	2016
Oriane Perreaux	Group marketing Director	2013	2016
Cepholli BVBA with Jacques Purnode as its permanent representative	Executive Director – Chief Financial Officer	2013	2016
Mauricio Troncoso	General Manager – Mature Market Retail Division	2017	1 September 2017
Thierry Viale	General Manager – Growth Markets Division and Strategic Development	2013	2016

[1] Mauricio Troncoso was appointed as General Manager of the Mature Market Retail Division, as replacement for Arlipase BVBA.

During 2017, the Management Committee met monthly and discussed strategic, business, financial and operating matters and projects of the Ontex Group.

The following paragraphs set out the biographical information of the current members of the Management Committee, including information on other Director mandates held by these members.

Charles Bouaziz
Chairman of the Management Committee and Chief Executive Officer

Charles Bouaziz was appointed Chief Executive Officer of the Ontex Group in early 2013. Prior to this, he held a number of senior positions during his 25 years in the consumer goods industry. He spent his early career at Michelin and Procter & Gamble. In 1991, he joined PepsiCo as Marketing Director for France & Belgium and held a range of senior positions until 2008, when he became President of PepsiCo Western Europe. In 2010, he left to become CEO of Monoprix, then in 2010 joined PAI Partners as member of the Food & Consumer Goods sector team and later as head of the Portfolio Performance Group. Charles graduated from Ecole Supérieure des Sciences Economiques et Commerciales (ESSEC 1985). See also chapter 3.1 of this Corporate Governance Statement.

Philippe Agostini
Group Chief Procurement & Supply Chain Officer

Philippe Agostini previously held various senior positions in Purchasing and Supply Chain for 30 years, at Mars, McDonald's, Lactalis, Pechiney-Alcan, JohnsonDiversey, and most recently Famar, where he held the position of Group Purchasing VP. Philippe holds a degree from the Engineer School École Nationale Supérieure des Arts et Métiers and a degree of Purchasing Master Management des Achats Industriels. Philippe was appointed as a manager of Ontex BVBA as of September 1, 2013.

Armando Amselem
President of the Americas Retail Division

He joined the Ontex Group from Vita Coco where he served as Global Chief Financial Officer. Prior to Vita Coco, Armando Amselem held various management positions in Europe and the US during his 20-year career with PepsiCo, including General Manager of Tropicana North America and General Manager of PepsiCo France. He also worked for Santander Investment Bank, and Alella Vinicola. Armando holds an MBA from New York University Leonard Stern School of Business, USA, and a master's degree in Enology and a bachelor's degree in Agronomic Engineering and Food Sciences from Universidad Politecnica de Barcelona in Spain.

Özgür Akyıldız
General Manager of the Middle East & North Africa Division

Özgür Akyildiz joined the Ontex Group in 2002 as an Assistant Sales and Marketing Manager and was appointed General Manager of the Middle East North Africa Division in May 2008. Before joining the Ontex group, Özgür was Product Manager at Digiturk A.S in Istanbul, Turkey, between May 2001 and August 2002, and Sales Supervisor, between October 1999 and May 2001. Özgür holds a degree in Business Administration from Boğaziçi University, Istanbul, Turkey.

Laurent Bonnard
Group Sales Director

Laurent Bonnard was appointed Group Sales Director for the Ontex Group on September 9, 2013. He has previously held various senior positions within Sales and Marketing in Mars and Quaker. Subsequently he joined PepsiCo, as Sales Director France, and last he held the function as VP Business Development for Europe.

Astrid De Lathauwer
Group Human Resources Director

Astrid De Lathauwer joined the Ontex Group after holding a number of leading human resources functions. Astrid held international HR leadership roles at AT&T in Europe, at their US headquarters and at Monsanto. For 10 years, Astrid was the Chief HR Officer of Belgacom. Before joining the Ontex Group, she was Managing Director of Acerta Consult. Astrid holds degrees in Political & Social Science and History of Art. Astrid was appointed as a manager of Ontex BVBA as of October 1, 2014. Astrid chairs the Remuneration Committee of Colruyt and Immobel.

Annick De Poorter
Group R&D,Quality and Sustainability Director

Annick De Poorter joined the Ontex Group in 2003 as the R&D Manager of Feminine Hygiene and was promoted to R&D and Quality Director in January 2009. Before joining the Group, she worked at Libeltex NV in Belgium, and prior to that, she was a Scientific Researcher at University of Ghent, Belgium. Annick holds a master's degree in Civil Engineering in Textiles from the University of Ghent, Belgium.

Martin Gärtner
Group Manufacturing Director

Martin Gärtner joined the Ontex Group in 1997 as an Assistant Production Manager and was promoted to Group Manufacturing Director in 2009. Before becoming Group Manufacturing Director, Martin held the positions of Production Manager, Plant Manager and General Manager of the Ontex Group. Prior to joining the Ontex Group, Martin spent two years as a trainee at Wirths J. Hygiene GmbH in Germany. Martin holds a Diploma–Kfm. in Production Technique and Industrial Controlling from the Technical University in Aachen, Germany.

Xavier Lambrecht
General Manager of the Healthcare Division

Xavier Lambrecht, permanent representative of Marex BVBA, joined the Ontex Group in early 2009 as Sales & Marketing Director of the Healthcare Division. Prior to that, he held different roles within Sales Development, Marketing and Business Planning at Imperial Tobacco. Xavier holds a master's degree of Commercial Engineering from the University of Leuven, Belgium. Xavier was appointed as a manager of Ontex BVBA as of February 1, 2014.

Thierry Navarre
Chief Operating Officer

Thierry Navarre, permanent representative of Artipa BVBA, joined the Ontex Group in 2006 as the Group Supply Chain Director and was appointed Chief Operating Officer in 2009. Before 2006, he was Director of Strategy & Development at InBev in France (now AB InBev), and held other senior management positions in supply and distribution at InBev between 2001 and 2005. Prior to this, between 1997 and 2001 he held various roles in logistics and distribution at Fort James (now Georgia Pacific), and between 1991 and 1997 at Jamont (now Georgia Pacific). See also chapter 3.1 of this Corporate Governance Statement.

Oriane Perreaux
Group Marketing Director

Prior to joining the Ontex Group, Oriane was Brand Building Director at Carrefour Group, in charge of Baby & Kids Retailer brands for Western Europe. From 1998 to 2010, she held a number of Marketing positions at Procter & Gamble, in France first, and as of 2005 in Switzerland, working on Central Eastern Europe and Middle East and Africa regions. Oriane graduated in 1998 from ESCP Europe Business School, Paris, France. Oriane was appointed as a manager of Ontex BVBA as of June 1, 2013.

Jacques Purnode
Chief Financial Officer

Jacques Purnode, permanent representative of Cepholli BVBA has been Chief Financial Officer of the Ontex Group since August 2013. Since 2007 he worked for Coca Cola Enterprises, Inc. in London, where his last position held was CFO for Europe. Prior to this, he held a number of senior positions at AB InBev, as well as roles in Finance and Information Technology. See also section 3.1. of this Corporate Governance Statement.

Mauricio Troncoso
General Manager of the Mature Markets Retail Division

Mauricio Troncoso joined Ontex in 2017 as General Manager of the Mature Markets Retail Division. Before joining the Group, he was Vice President and Managing Director for Western Europe at Kimberly Clark. Prior to that, he worked at Mead Johnson in Latin America. He started his career at Procter and Gamble where he held a number of different roles for 18 years, initially in Mexico and afterwards in various countries of Latin America, to finish in the P&G headquarters in Cincinnati working in the Personal Health Care division. Mauricio holds a bachelor's degree in Actuarial Sciences (Applied Math) from the Universidad Anahuac del Sur in Mexico.

Thierry Viale
General Manager of the Growth Markets Division and Strategic Development

Thierry Viale was appointed as General Manager of the Growth Markets Division and Strategic Development on October 1, 2013. Prior to joining the Ontex Group, Thierry held a number of senior positions at Procter & Gamble in Western Europe, Russia, Nigeria/West Africa, Greater China, the Balkans and in India. Thierry holds a degree of the Saint Cyr Military Academy, a degree from the Neoma Business School, and a degree from ESCP Europe. Thierry was appointed as a manager of Ontex BVBA as of October 1, 2013.

4. Relevant information in the event of a takeover bid

Article 34 of the Royal Decree of November 14, 2007 on the obligations of issuers of securities which have been admitted to trading on a regulated market, requires that listed companies disclose certain items that may have an impact in the event of a takeover bid.

4.1. Capital Structure

A comprehensive overview of our capital structure as at December 31, 2017 can be found in section 2 of this Corporate Governance Statement.

4.2. Restrictions on transfers of securities

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

4.3. Holders of securities with special control rights

There are no holders of securities with special control rights.

4.4. Employee share plans where the control rights are not exercised directly by the employees

The Company's shares to be delivered to participants upon exercise of the stock options or vesting of the RSUs in the framework of the LTIP are existing ordinary shares in the Company with all rights and benefits attached to such shares. A more detailed description of the LTIP is set out in the Remuneration Report.

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

4.5. Restriction on voting rights

The Articles of Association of the Company 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. Pursuant to Article 11 of the Company's Articles of Association, the Board is entitled to suspend the exercise of rights attaching to shares belonging to several owners. The Company is not aware of any restrictions imposed by Belgian law on the exercise of voting rights by the shareholders.

4.6. Rules on appointment and replacement of members of the Board

The term of office of directors under Belgian law is limited to six years (renewable) but the Corporate Governance Code recommends that it be limited to four years. The appointment and renewal of directors is proposed by the Board, based on a recommendation of the Remuneration and Nomination Committee and is subject to approval by the shareholders' meeting.

4.7. Rules on amendments to the Articles of Association

Save for capital increases decided by the Board within the limits of the authorized capital or a change of the registered office of the Company (such change not triggering the application of different rules on the use of languages by companies than those that currently apply to the Company), only an extraordinary shareholders' meeting is authorized to amend the Company's Articles of Association. A shareholders' meeting may only deliberate on amendments to the Articles of Association if at least 50% of the share 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 share 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.

4.8. 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 an (aggregate) 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 Company's Articles of Association and the Belgian Companies Code.

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 from July 9, 2014.

On November 9, 2015, the Company recorded the realization of a capital increase in cash, within the limits of the authorized capital, resulting in a capital increase of €40,839,036.68 (excluding issue premium in an amount of €73,902,592.52), from €680,650,828 to €721,489,864.68 as described in section 2.1.1. of this Corporate Governance Statement.

On February 29, 2016, the Company recorded the realization of a capital increase in kind, within the limits of the authorized capital, resulting in a capital increase of €27,226,021.12 (excluding issue premium in an amount of €48,451,722.68), from €721,489,864.68 to €748,715,885.80 as described in section 2.1.2 of this Corporate Governance Statement.

On March 22, 2017, the Company recorded the realization of a capital increase in kind, within the limits of the authorized capital, resulting in a capital increase in cash of €74,871,580.58 (excluding issue premium in an amount of €145,968,664.42), from €748,715,885.80 to €823,587,466.38 as described in section 2.1.2 of this Corporate Governance Statement.

4.9. Acquisition of own shares

On June 10, 2014, the extraordinary shareholders' meeting authorized the Board, in accordance with Article 620 and of the Belgian Companies Code and within the limits set out in that article, to purchase, on or outside the stock market, up to 20% of the Company's own shares, profit-sharing certificates or associated certificates, for a price not more than 10% below the lowest closing price in the last 30 trading days preceding the transaction and not more than 5% above the highest closing price during the last 30 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.

On June 22 2017, the Company bought 247,439 own shares, as further described above, cfr. section 'capital and capital evolutions during 2017'.

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

4.10.1. SFA 2014 and Senior Secured Notes

The Company and certain of its subsidiaries entered into a five-year multicurrency credit facilities agreement dated November 10, 2014 as amended and/or restated from time to time (the 'Senior Facilities Agreement 2014') with, among others, the Original Lenders as set out therein and Wilmington Trust (London) Limited as Security Agent, for an initial amount of €480,000,000.

The Company also issued €250,000,000 4.75% senior secured notes due 2021 (the 'Senior Secured Notes') pursuant to a senior secured notes indenture dated November 14, 2014 (the 'Senior Secured Notes Indenture').

The Senior Facilities Agreement 2014, as well as the Senior Secured Notes Indenture, contain provisions that may be triggered in the event of a change of control of the Company.

The relevant clauses in the Senior Facilities Agreement 2014, 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 at a shareholders' meeting of the Company, this may lead to a mandatory prepayment and cancellation under the Senior Facilities Agreement.

The relevant clauses in the Senior Secured Notes Indenture, 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.

The relevant change of control provisions have been approved by the shareholders' meeting of May 26, 2015, in accordance with Article 556 of the Belgian Companies Code.

The Senior Facilities Agreement 2014 was amended and restated pursuant to an amendment and restatement agreement dated February 25, 2016 to provide for an additional amount of €125,000,000 (or the equivalent thereof in any other currency) and for certain other amendments to the Senior Facilities Agreement.

The Senior Facilities Agreement 2014 has been supplemented by means of an additional facility notice from the Company dated January 25, 2017 to establish a new additional bridge facility for an additional aggregate amount equal to €125,000,000.

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.

4.10.2. Facilities Agreement

The Company, and certain of its subsidiaries as guarantors, entered into a new seven-year multicurrency credit facilities agreement 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.

4.10.3. 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.

4.10.4. 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.

All Change of Control provisions as listed above are subject to shareholders' consent in accordance with article 556 of the Belgian Companies Code, and such approval shall be requested during the upcoming shareholders' meeting on May 25, 2018.

4.11. Severance pay pursuant to termination of contract of Board members or employees pursuant to a takeover bid

The Company 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 or employees resign, are dismissed or their employment agreements are terminated.

Please see section 8.7. of this Corporate Governance Statement on termination provisions of the members of the Board and the Management Committee in general.

5. Conflicts of interests

Each Board member should arrange his or her personal and business affairs in such a way as to avoid any conflict of interests 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, he/she must inform the other Board members before any decision by the Board is taken and the statutory auditor must also be notified. For companies that are making or have made a public call on savings (such as Ontex Group NV), the conflicted Board member cannot be present during the deliberations of the Board relating to these transactions or decisions and cannot vote.

Conflict of interests within the meaning of Article 523 of the Belgian Companies Code arose on the following occasion in 2016, and the provisions of Article 523 Belgian Companies Code were complied with:

5.1. Remuneration of the members of the Executive Management Team/Management Committee

On March 5, 2017, respectively May 9, 2017, the Board resolved on the remuneration (including LTIP 2017) for the members of the Management Committee. Prior to discussing this item, Charles Bouaziz, Cepholli BVBA, with Jacques Purnode as permanent representative, and Artipa BVBA, with Thierry Navarre as permanent representatives, declared to have an conflict of interest in accordance with Article 523 of the Belgian Companies Code. The relevant section of the minutes can be found below in its entirety:

"Prior to discussing this item on the agenda, Charles Bouaziz, Director, Jacques Purnode and Thierry Navarre, permanent representatives of their respective management companies, Cepholli BVBA and Artipa BVBA, Directors of the Company, declared to have an interest of a patrimonial nature which is conflicting with the decisions that fall within the scope of powers of the Board of Directors.

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 members of the Executive Committee.

The remuneration proposals will have financial consequences for the Company that have been set out in the file submitted to the Remuneration and Nomination Committee and as set out below.

In accordance with Article 523 of the Companies Code, Charles Bouaziz, Cepholli BVBA (represented by its permanent representative Jacques Purnode) and Artipa BVBA (represented by its permanent representative Thierry Navarre) refrained from taking part in the deliberations and from voting on the resolutions.

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 included in the annual report of the Board of Directors."

On March 5, 2017, the Board approved the bonus and merit of the CEO, and of the Management Committee in aggregate, as set out below in the Remuneration Report.

On May 9, 2017, the Board approved the LTIP as set out in the Remuneration Report. In that framework the Board also decided to give Jacques Purnode an exception to the general policy of three-year cliff vesting for the 2016 and 2017 grant.

5.2. Deferred consideration 2015/2016 regarding acquisition Grupo Mabe

On April 4, 2017, the Board resolved on the deferred consideration 2015-2016 regarding the Grupo Mabe acquisition by the Company (through its subsidiaries).

Prior to discussing this item, Juan Gilberto Marín Quintero declared to have a conflict of interest in accordance with Article 523 of the Belgian Company Code. The relevant section of the minutes can be found below in its entirety:

"Prior to discussing the concerned agenda item, the Chairman informed the members that Mr. Juan Gilberto Marín Quintero had prior to the meeting declared a personal conflict of interest of a financial nature, within the meaning of Article 523 of the Belgian Companies Code, in respect of the sole agenda item, which relates to the amounts of 2015 and 2016 deferred consideration payable to him, among other sellers, with respect to the acquisition of Grupo Mabe by the Company (through its subsidiaries).

In light of this conflict of interest Mr. Juan Gilberto Marín Quintero did not participate in the meeting.

He will inform the Company's auditor of his conflict of interest, in accordance with Article 523 of the Belgian Companies Code, and a copy of the relevant extract of these minutes will be included in the relevant annual report.

The Chairman reminded the Board that Sellers and Buyers, subsidiaries of the Company (as defined in the Amended and

Restated Master Purchase Agreement for Project Spiral dated February 28, 2016, as further amended on April 29, 2016, the 'Master Purchase Agreement', have engaged in discussions regarding the amounts of deferred consideration due with respect to the years 2015 and 2016. The parties have now been able to reach an agreement with respect to the deferred consideration for the years 2015 and 2016 (the 'Proposed Agreement'). Pursuant to the Proposed Agreement, the Company, through its subsidiaries, will agree to pay a total amount of MXN 965,888,000 to Sellers, in full and final settlement of any and all claims, disputes or discussions with respect to the 2015 and 2016 deferred consideration. This settlement amount shall be reduced with certain transaction costs due by Sellers to Buyers pursuant to the Master Purchase Agreement, amounting to a total of MXN 3,231,762.20.

Upon discussion and deliberation; the Board considers the entry into the Proposed Agreement to be in the interest of the Company and its subsidiaries, and unanimously approves the execution thereof in the form of the draft submitted to the Board."

6. Related Party Transactions

During 2017, Ontex Group NV has not entered into transactions with related parties within the meaning of Article 524 of the Belgian Companies Code.

7. Compliance with the 2009 Belgian Code on Corporate Governance

The Company 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, and 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.

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

- The Company's Articles of Association allow the Company to deviate from all provisions of Article 520ter 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 Company has not yet made use of such authorization and the LTIP, the LTIP 2014, LTIP 2015, LTIP 2016 as well as the LTIP 2017, as described within the Remuneration Report, provides for a vesting period of three years for the stock options and RSUs.
- The CEO and certain other members of the Management Committee 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 (see section 8.7. of the Remuneration Report for a detailed description thereof). In accordance with Article 554, 4th indent, of the Belgian Companies Code, with respect to Charles Bouaziz and Artipa BVBA, with Thierry Navarre as its permanent representative, the annual shareholders' meeting of May 26, 2015 approved a severance payment exceeding 18 months, in certain circumstances. The Company deems such deviations from the Corporate Governance Code necessary to attract and retain competent executive directors and managers in the competitive environment in which the Company operates.

8. Remuneration Report

8.1. Remuneration policy and procedure for the Board of Directors

The remuneration of the Non-Executive members of the Board was amended by approval of the shareholders' meeting of May 25, 2016 as proposed by the Board of Directors, upon recommendation of the Remuneration and Nomination Committee. It took into account the responsibilities and the commitment of the Board members to develop the Ontex Group and was intended to attract and retain individuals who have the necessary experience and competencies for this role.

Pursuant to this shareholders' resolution the following remuneration policy was approved:

- Non-Executive Board member retainer: €60,000 paid out annually to each Non-Executive member of the Board of Directors, other than the Chairperson of the Board of Directors;
- Non-Executive Board member attendance fee: €2,500 paid out to each Non-Executive member of the Board of Directors, other than the Chairperson of the Board of Directors, for each Board meeting attended;
- Board Chairperson retainer: €120,000 paid out annually to the Chairperson of the Board of Directors;
- Board Chairperson attendance fee: €5,000 paid out to the Chairperson of the Board of Directors for each Board meeting attended; and
- Committee member attendance fee (with respect to the Remuneration and Nomination Committee and the Audit and Risk Committee respectively): €2,500 paid out to each Non-Executive Committee member, other than the Chairperson of the relevant Committee, for each Committee meeting attended;

- Committee Chairperson retainer (with respect to the Remuneration and Nomination Committee respectively Audit and Risk Committee): €10,000 paid out annually to the Chairperson of each Committee; and
- Committee Chairperson attendance fee (with respect to the Remuneration and Nomination Committee respectively Audit and Risk Committee): €4,000 paid out to the Chairperson of each Committee for each Committee meeting attended in his or her capacity of Chairperson of such Committee.

These amounts are excluding any applicable VAT.

In addition, Non-Executive Directors benefit from the D&O Policy, described under chapter 8.6 of this Corporate Governance Statement.

The remuneration of the Executive Directors is described below under chapter 8.2. of this Corporate Governance Statement. None of the Executive Directors received any director fee.

Going forward, 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 an equivalent FMCG market.

2017 Non-Executive Director remuneration overview (by member)

Name	Function	Paid Fee (in EUR)
Revalue BVBA, represented by Luc Missorten	Chairman of the Board, Independent Director	200,000
Inge Boets BVBA, represented by Inge Boets	Chairman of the Audit and Risk Committee, Independent Director	131,500
Tegacon Suisse GmbH, represented by Gunnar Johansson	Chairman of the Remuneration and Nomination Committee, Independent Director	128,500
Uwe Kruger	Independent Director	85,000
Juan Gilberto Marín Quintero[1]	Non-Executive Director	87,500
Regi Aalstad	Independent Director	42,500
Michael Bredael	Non-Executive Director	42,500

[1] Upon recommendation of the Remuneration and Nomination Committee and proposal of the Board, the annual shareholders' meeting of May 24, 2017 appointed Regi Aalstad and Michael Bredael Independent Directors.

8.2. Remuneration policy and procedure for the Management Committee

The Company's remuneration policy for the Management Committee 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 Management Committee members are evaluated against business objectives and people development objectives.

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

Base salaries for the members of the Management Committee are reviewed annually by the Remuneration and Nomination Committee. The salary adjustments, following approval by the Board, become effective as of January 1 each year. As part of this annual exercise, 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 bonus is linked to the Group performance and the divisional performance and achievement of the growth targets. The shareholders' meeting has granted the Company the authority to deviate from the requirements in relation to variable remuneration included in Article 520ter of the Belgian Companies Code, as recorded in Article 30 of the Articles of Association and as further described under section 7 of this Corporate Governance Statement.

The composition of the bonus is as follows:

- A 70% (or 80% for the CEO) collective part determined by financial objectives that are required to achieve the Company's long-term plan and growth ambition. For the General Managers of Divisions, the 70% is split into 35% Group and 35% Divisional objectives. In 2017, the targets were revenue, EBITDA and free cash flow. These targets are decided by the Board. The payout of this part of the bonus is based on the achievements of the business targets. Below 90% of the achievements of the targets, no bonus is paid out. In addition, this part of the bonus is capped at a maximum of 150%.
- A 30% (or 20% for the CEO) individual part determined by the achievement of the individual business and people development objectives. Every member of the Management Committee agrees these objectives 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, upon recommendation of the Remuneration and Nomination Committee. The performance score for the CEO is recommended by the Chairman, upon consultation with the Remuneration and Nomination Committee and approved by the Board. The payout of this part of the bonus is also capped at 150%.

8.3. Fixed and short-term variable remuneration 2017 of the CEO (total cost)

- Fixed base remuneration: €915,456.
- 2017 short-term variable remuneration (paid out in 2018): €357,028.
- Aggregate other elements of remuneration (medical insurances and car benefits): €64,794.

There are no pension contributions or other elements of remuneration 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 8.5 of this Corporate Governance Statement and the D&O Policy described under chapter 8.6. of this Corporate Governance Statement.

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 deferral with respect to the variable remuneration or claw-back provision in case such variable remuneration would have been granted on the basis of inaccurate financial data. The decrease of the CEO's remuneration for 2017 compared to 2016 is due to the reduction of the short-term variable remuneration.

8.4. Fixed and short-term variable remuneration 2017 for the members of the Management Committee (excluding the CEO)

- Aggregate fixed base remuneration: €4,265,756.
- Aggregate 2017 short-term variable remuneration (paid out in 2018): €1,186,902.
- Aggregate pension entitlements (defined contribution plan structure) and life and disability insurance contributions: €352,315.
- Aggregate other elements of remuneration (medical insurance, company cars, a.o.): €235,603.

In addition, the members of the Management Committee benefit from the D&O Policy, described under section 8.6 of this Corporate Governance Statement.

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 Management Committee members. 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. The figures are based on real remuneration paid, taking into account entry date in the Company. The decrease of the remuneration for 2017 compared to 2016 is due to the reduction of the short term variable remuneration.

8.5. 2017 Long-Term Incentive Plan

In 2017 the Company implemented the LTIP 2017, which consists of a combination of stock options and RSUs.

A RSU is the right to receive from the Company one share in the Company per vested restricted stock unit, for no consideration. The RSUs vest 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, during a predetermined timeframe, by paying a predetermined exercise price. A stock option can only be exercised not less than three years after the grant date, in accordance with the principle set out in Article 520ter of the Belgian Companies Code.

The vesting of the stock options and RSUs 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 2017 award is thus not subject to specific performance conditions.

The number of RSUs and stock options granted to the members of the Executive Management Team in 2017 as well as the number of RSUs and stock option which vested in 2017 can be summarized as follows:

	# RSU's		# Stock Options	
Name	Granted in 2017	Vested in 2017	Granted in 2017	Vested in 2017
Charles Bouaziz	10,368	7,868	45,052	38,930
Philippe Agostini	3,098	1,484	13,463	7,343
Özgür Akyildiz	2,716	1,822	11,801	9,018
Armando Amselem	3,425	0	14,882	0
Laurent Bonnard	2,443	1,491	10,616	7,379
Astrid De Lathauwer	2,430	1,399	10,559	6,922
Annick De Poorter	2,144	1,329	9,316	6,576
Martin Gärtner	1,891	1,124	8,218	5,561
Xavier Lambrecht	2,711	1,498	11,779	7,414
Thierry Navarre	4,828	3,359	20,979	16,620
Oriane Perreaux	1,705	980	7,408	4,849
Jacques Purnode	4,327	2,980	18,802	14,747
Mauricio Troncoso	3,322	9	14,436	0
Thierry Viale	1,942	1,427	8,440	7,061

8.6. D&O Policy

Ontex Group NV has entered into a directors and officers insurance policy (the 'D&O Policy') covering claims that would be made against any of the insured persons, subject to certain exceptions. Insured persons are, among others, natural persons who qualify as (i) a director or officer or (ii) an employee while acting in a managerial or supervisory capacity, of Ontex Group NV and/or of any of its subsidiaries.

8.7. Termination Provisions

Charles Bouaziz, Artipa BVBA (Thierry Navarre) and Cepholli BVBA (Jacques Purnode) may claim a termination indemnity in lieu of notice of up to 12 (3 for Cepholli) months' fixed remuneration plus bonus and a non-compete (and/or additional termination) indemnity of up to 12 months' fixed remuneration.

The other members of the Management Committee have different contractual termination provisions depending on their personal situation and (where applicable) employment location, whereby contractual termination compensation is however (contractually) capped within the limits of article 554 of the Belgian Company Code. The maximum total contractual non-compete provision combined with applicable contractual termination indemnit(y)(ies) is 18 months. Hence all contractual termination provisions, as set out below, are fully in line with Belgian corporate governance regulations.

Name	Contractual notice entitlement	Contractual non-compete and/or additional termination indemnity
Astrid De Lathauwer, Laurent Bonnard, Marex BVBA (Xavier Lambrecht), Oriane Perreaux, Philippe Agostini, Thierry Viale, Mauricio Troncoso, Özgür Akyildiz	3 months	12 months
Annick De Poorter	3 months	15 months
Martin Gärtner	12 months	6 months
Armando Amselem	90 calendar days	9 months

8.8. Information about the remuneration policy in the coming two years

In 2015 and 2016, the Remuneration and Nomination Committee reviewed the competitiveness of the total remuneration for the different levels in the organization.

The Committee reviewed and discussed an extensive benchmark study by Mercer, a global benefits consulting firm, with respect to medical, death and disability and pension benefits for all employees and all countries in the Ontex Group. Based on the results of this study, a roadmap was developed for those countries where our current benefits coverage is below the median of the local market.

In 2017, the Remuneration and Nomination Committee also contracted with Willis Towers Watson, a global advisory for executive reward, to benchmark the Ontex remuneration practices. This study reviewed the competitiveness of the total remuneration levels of the members of the Management Committee at Ontex, in comparison to:

a) A sample of companies which are active within the FMCG sector and which are comparable in size (measured in terms of revenues and number of employees) for total direct compensation (total target cash compensation plus the expected value of long-term incentives).
b) BEL20 as a validation of the market levels resulting from the international peer comparison group and as a frame of reference for the main perquisites and retirement and related risk benefits.

On a total compensation basis this benchmarking study showed that Ontex was lagging behind the benchmark for some Management Committee members. The Committee therefore has decided to recommend an enhancement of the remuneration package of some Management Committee members, in order to align the remuneration levels with the median of the market. This adaptation may be implemented over a multi-year period.

The Remuneration Committee has also initiated discussions on a potential change of the LTIP as from 2019 onwards. The current LTIP has been approved for a five-year period, ending in 2018. In the course of 2018, the Remuneration Committee will make a recommendation for a new LTIP plan. In this context, the Committee will investigate the optimal way of linking the output of the LTIP to the long-term performance of the Company.

9. Risk management and internal control framework

9.1. Introduction

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

The Ontex Group 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 (including the Audit and Risk Committee), the Management Committee 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 Ontex Group objectives;
- achieving operational excellence;
- ensuring correct and timely financial reporting; and
- compliance with all applicable laws and regulations.

9.2. Control Environment

Three lines of defense

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

Policies, procedures and processes

The Ontex Group 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 Company-wide policies, procedures and processes such as the Ontex values, Ontex Code of Conduct, the Anti-Bribery Policy, the Antitrust Policy, the Quality Management System and the Delegation of Authorities ruleset. The Management Committee 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.

Group-wide ERP system

The main portion of the Group entities operate the same group-wide ERP systems which are managed centrally. These systems embed the roles and responsibilities defined at the Ontex Group level. Through these systems, the main flows are standardized and key controls are enforced. The systems also allow detailed monitoring of activities and direct access to data.

9.3. Risk management

Sound risk management starts with identifying and assessing the risks associated with the Company's business and external factors. Once the relevant risks are identified, the Company strives to prudently manage and minimize such risks, acknowledging that certain calculated risks are necessary to ensure that the Ontex Group achieves its objectives and continues to create value for its stakeholders.

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

The Ontex Group has identified and analyzed its key corporate risks as disclosed under the Strategic Report of this Annual Report. These corporate risks are communicated to the various levels of management.

9.4. Control activities
Control measures are in place to minimize the effect of risk on Ontex Group's ability to achieve its objectives. These control activities are embedded in the Ontex Group's key processes and systems to assure that the risk responses and the Ontex Group's overall objectives are carried out as designed. Control activities are conducted throughout the organization, at all levels and within all departments. In 2016, an Internal Controls Manager was appointed to facilitate the further development of control activities in a structured way.

Key legal compliance areas are monitored for the entire Ontex Group by Local Compliance Coordinators, the Head of Compliance, the Legal Compliance Manager and the Compliance Steering Committee. The Legal Compliance function supports the adoption of clear processes and procedures with respect to (i) the Code of Conduct, the Anti-Bribery Policy; (ii) Antitrust Policy, and (iii) insider trading, the Dealing and Disclosure Code, and other listing obligations. The Compliance Steering Committee is composed of the COO, the CFO, the Group HR Director, the Group General Counsel and the Head of Compliance and meets regularly to discuss and decide on legal compliance issues and action plans. The Compliance Steering Committee reports on its activities to the Management Committee.

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.

9.5. Information and communication
The Ontex Group recognizes the importance of timely, complete and accurate communication and information both top-down as well as bottom-up. The Ontex Group therefore put several measures in place to assure amongst others:
- security of confidential information;
- clear communication about roles and responsibilities; and
- timely communication to all stakeholders about external and internal changes impacting their areas of responsibility.

9.6. Monitoring of control mechanisms
Monitoring helps to ensure that internal control systems operate effectively.

The quality of the Ontex Group's risk management and control framework is assessed by the following functions:
- Internal Audit. The tasks and responsibilities assigned to Internal Audit are defined 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 Audit. In the context of its review of the annual accounts, the statutory auditor focuses 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 and Risk Committee and shared with Internal Audit.
- Audit and Risk Committee. The Board 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 section 3.5 of this Corporate Governance Statement.

9.7. Risk management and internal control with regard to the process of financial reporting
The accurate and consistent application of accounting rules throughout the Ontex Group is assured by means of a Finance and Accounting Manual.

On a quarterly basis, a bottom-up risk analysis is conducted to identify 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 Ontex Group ensures a consistent flow of information, which allows the detection of potential anomalies. The Group's ERP systems and management information tools allow the central controlling team direct access to desegregated financial and non-financial information.

An external financial calendar is planned in consultation with the Board and the Management Committee, 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.

The table below sets out our principal risks and examples of relevant controls and mitigating factors.

The Board considers these to be the most significant risks faced by the Group that may impact the achievement of our strategic drivers as set out on page 13. They do not comprise all the risks associated with our business and are not set out in priority order.

Description risk		Main Potential impact
Competitive environment	All Divisions face competition from branded product manufacturers and retailer brand manufacturers. We also face competition from competing manufacturers in production innovation. Rapid time-to-market is key to our competitiveness.	The fact that we would fail to deliver our value proposition and/or to adapt to the customer's needs could affect our performance, and could entail price and volume pressure, loss of market share or margin erosion.
Reputation and stakeholder management	As a public company, Ontex has stakeholders with various needs, and Ontex is subject to high transparency standard and periodic reporting obligations. Ontex may be subject to adverse publicity.	Such adverse publicity may adversely impact our reputation, and indirectly our business and financial condition.
Product quality and safety	Our reputation as a business partner relies heavily on our ability to supply quality products.	In a case of quality issues, this may lead to adverse effects to consumer health, loss of market share, financial costs and loss of turnover as well as putting the Company reputation at stake.
Intellectual Property	Although we are monitoring changes in intellectual property rights, we may inadvertently infringe intellectual property rights owned by others. Secondly, the Company may fail to register intellectual property rights in a timely manner	As a potential consequence thereof, the Company may face legal claims or have to pay royalties which erode our profit margins.
Manufacturing and Logistics	Our ability to serve our customers depends on the operation of our 19 manufacturing sites. We may experience disruptions at our production facilities or in extreme cases, our production facilities may shut down.	Such temporary shortfalls in production could affect our on-time delivery record, which could in turn adversely effect our ability to acquire new customers and retain existing customers.
Sourcing and supply chain	We are dependent upon the availability of raw materials for the manufacture of our products. On average the main raw materials and packaging costs account for between 75% and 80% of our cost of sales. Our raw materials 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 market demand.	The price volatility of the underlying commodities can affect the cost and availability of our products. We may not always succeed in passing on these costs to the customer/consumer through pricing.
Acquisitions	From time to time, we evaluate possible acquisitions that would complement our existing operations and enable us to grow our business. The success of any acquisition depends on our ability to integrate acquired businesses effectively. The integration of acquired businesses may be complex and expensive and may present a number of risks and challenges. Furthermore, there can be no assurance that we will realize any or all of the anticipated benefits of any future acquisitions, including the expected business growth opportunities, revenue benefits, cost synergies and other operational efficiencies	In case we would not be able to realise the objectives of the acquisition, the integration may lead to additional unforeseen difficulties or liabilities, failure to deliver on financial goals and internal disruption.
Information technology, data security and cyber attack	We are increasingly reliant on IT systems and information management to run our business. There is a risk of disruption of our IT systems and that sensitive data may be compromised by malicious cyber-attack or technology failure.	A disruption of our IT systems could affect our sales, production and cash flows, ultimately impacting our results. Unauthorized access and misuse of sensitive information could interrupt our business and/or lead to loss of assets. It could also lead to negative reputational impact.

Description risk		Main Potential impact
Legal and regulatory	Ontex is subject to applicable laws and regulations in the global jurisdictions in which it operates.	Failure to comply with laws and regulations could expose us to civil and/or criminal actions, and changes to laws and regulations could have an impact on the cost of doing business.
Economical and political instability	Ontex operates around the globe, and as a result is subject to risks associated with operating internationally. Recent and ongoing instability in some of the countries in which we operate may adversely affect our business.	Any such conditions or instability could impact our operations and result in additional expenditure and other commercial and financial impacts incurred in order to comply or adapt to such conditions and consequently have a material adverse effect on our business.
Recruitment and retention	A skilled workforce and agile organization are essential for the continued success of our business. Failure to identify, attract, develop and retain talents to satisfy current and future needs of the business may affect our ability to compete and grow effectively.	In case of failure to recruit and retain adequately, this may result in a decline in business performance.
Financial	As detailed in section 7.4 of the financial statements, the Group's activities expose it to a variety of financial risks including currency risk, interest rate risk and liquidity risk as well as counterparty default.	These risks may have a material adverse effect on our business, financial condition and results of operations.
Occupational health and safety	As Ontex is operating around the globe, it may fail to provide for the personal safety of employees in production and other facilities and during travel to high-risk locations.	Reputational damage and difficulties in hiring people.
Climate change	Ontex is subject to applicable laws and regulations in the global jurisdictions in which it operates. Climate change continues to be a focus for government legislators working within the sustainability agenda.	Climate change legislation (e.g. the introduction of a carbon tax) could result in making our products less affordable or less available resulting in reduced growth and profitability.