

In compliance with section 161 and section 19(2) of schedule 19 Finance Act 2016, the following companies (hereafter the “UK companies”) are publishing their tax strategy for the year ending 31 December 2018:

- Ontex Healthcare UK Ltd
- Ontex Retail UK Ltd

The UK companies are part of the Ontex Group (hereafter the “group” or “Ontex”), a Belgian headquartered group quoted on the Brussels exchange through its ultimate parent company, Ontex Group NV.

Ontex is a leading international producer of hygiene solutions for babies, women and adults. Our business activities around the world incur a substantial amount and variety of business taxes. We pay corporate income taxes, customs duties, employment and many other business taxes in all jurisdictions where applicable. In addition, we collect and pay employee taxes and indirect taxes such as Value Added Tax (VAT). The taxes we pay and collect represent a significant contribution to the countries and societies in which we operate.

Ontex has a strong focus on corporate responsibility, and Ontex sees responsible administration and payment of taxation as a responsibility of all our subsidiary companies.

Our overall tax strategy is to:

- Meet all legal requirements and to make all appropriate tax returns and tax payments.
- Seek to utilize available tax reliefs and incentives where available to increase shareholder value but in a manner which is consistent with the government’s policy objectives.
- Consider the tax impact in major or complex business decisions, for example acquisitions.
- Operate in an environment where we consider tax in the context of our reputation and brand.
- Comply with appropriate tax risk processes, and ensure there is Group oversight into this compliance.

Governance, risk management and compliance

We want our tax affairs to be transparent and compliant with tax legislation, and recognize that managing tax compliance is increasingly complex.

For that reason Ontex has installed an Audit and Risk Committee that is responsible within the group to manage and review risk in all areas, including tax, and to coordinate and manage the relationship with our auditor, which is currently PwC. The Audit and Risk Committee consists of independent and non-executive directors of the Board of Directors of Ontex Group NV.

Our internal structure is set up to ensure:

- The Audit and Risk Committee understands the importance of tax compliance, and how it is achieved.
- There is a constant dialogue between the Audit and Risk Committee and those individuals tasked with the operation of our finance function, such as the CFO, Corporate Finance Director, Tax Director and Group Legal Counsel, regarding the way our business manages its tax risk.

- The business portrays a positive view towards tax compliance and the importance of meeting our obligations.

We keep under review how we meet our tax obligations, by seeking external tax advice where appropriate and by managing our relationship with tax authorities.

Tax planning

We undertake tax planning as part of our overall business strategy, with the interest of our shareholders in mind. Substantive business transactions, for example acquisitions, intragroup trade and expansion in global markets, determine our approach to tax planning and consequent tax liabilities.

We do not undertake tax planning if there is no underlying business rationale or commercial driver for performing a given transaction. We only access government sponsored tax incentives or tax benefits if this is in line with the policy behind those tax benefits of tax incentives (eg tax credits for investments in new plants or machines in countries where the group is expanding).

As a listed company, we have an important responsibility to minimize our tax risk and our exposure to negative publicity due to non-compliance.

Attitude towards risk

Ontex sees compliance with tax legislation as key to managing our tax risk. The company's approach to tax risk is integrated within our broader business risk management and compliance framework.

We understand the importance of tax in the wider context of business decisions and have internal processes in place to ensure tax is considered as part of our decision making process.

We have relationships with professional advisers that allow us to seek expert advice on specialist areas of tax or uncertainties that result from unclear laws and regulations as well as differences in interpretation, such as when two or more governments adopt different interpretations in relation to pricing inter-company cross border transactions.

Ontex is conscious of the negative publicity attracted by a bad attitude towards tax, and sees strong internal processes and a good relationship with our professional advisers as the best way to manage this reputational risk.

These strong internal processes consist, inter alia, of a delegation of authority charter where decisions regarding tax are escalated to the appropriate level within the organization, be that the group tax director, CFO or Audit and Risk Committee, depending on the importance of the transaction.

This delegation of authority process ensures that the group has full oversight and control over tax matters and subsidiaries are not allowed to make important tax decisions on their own.

Relationship with HM Revenue & Customs (HMRC)

Our communication with HMRC is focused around timely tax compliance, for example meeting relevant filing and payment deadlines for taxes the company

pays.

We employ the services of professional tax advisers to act as our agents, and in a number of cases they liaise with HMRC on our behalf. This is seen by Ontex as a way to ensure we get the most out of our relationship with HMRC, thus reducing our tax risk.