



ONTEX GROUP
LIMITED LIABILITY COMPANY/NAAMLOZE VENNOOTSCHAP
Korte Kepestraat 21
9320 Erembodegem (Aalst), Belgium
REGISTER OF LEGAL ENTITIES GHENT, DIVISION DENDERMONDE
Enterprise/VAT number: BE 0550.880.915

(the "Company")

**SPECIAL REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY DATED MARCH 30,
2016 IN ACCORDANCE WITH ARTICLE 559 OF THE BELGIAN COMPANY CODE**

1. INTRODUCTION

This report (hereinafter the "**Report**") has been prepared by the board of directors of the Company (hereinafter the "**Board**") in accordance with Article 559 of the Belgian Company Code (hereinafter the "**BCC**") in contemplation of proposed modifications to the corporate purpose of the Company and contains a justification for such proposed modifications.

This Report must be read together with the statement of assets and liabilities of the Company as at 29 February 2016 and the draft special report of the statutory auditor of the Company, prepared in accordance with Article 559 BCC. The statement of the assets and liabilities of the Company and the special report of the statutory auditor will be attached to this Report as Schedule 1 and Schedule 2, respectively.

2. PROPOSED MODIFICATIONS TO THE CORPORATE PURPOSE OF THE COMPANY

Currently, the corporate purpose of the Company as set forth in Article 4 of its Articles of Association is as follows:

"Article 4

The company is a holding company which has as its purpose, the direct or indirect ownership and management of shareholdings and interests in other companies or entities, in Belgium and abroad, in its own name or in the name of third parties, for its own account or for the account of third parties, including but not restricted to companies or entities involved in the manufacture, purchase, sale, import, export, treatment, processing and representation of hygiene articles, rubber, plastic, paper and metal articles, bandaging materials, cotton wadding products, medical instruments, cosmetic articles and sterile and non-sterile medical equipment.

In particular, the foregoing includes, without limitation:

- (a) investing in any companies or entities, whether with a commercial purpose or not, by subscribing, acquiring, placing, buying, selling and transferring shares, certificates or other securities or by any other means;*
- (b) managing investments and participations in any companies or entities, exercising management and director mandates, acting as liquidator, providing technical, legal, accounting, financial, commercial, administrative or management assistance or other support services;*
- (c) acquiring, hiring, leasing, maintaining and operating resources, and making these resources available to companies or entities in which it directly or indirectly owns shares, or third parties; and*

- (d) *granting of loans irrespective of form or term, to companies or entities in which it directly or indirectly owns shares or interests as well as granting guarantees and other securities to third parties for the obligations of such companies or entities.*

The company may engage in any commercial, industrial and financial activities and perform all transactions with real estate or movable property which are directly or indirectly related to its purpose or which purport to contribute to the achievement of its purpose."

The Board proposes to the shareholders of the Company to modify the Company's corporate purpose described here above and to formulate the amended corporate purpose as follows (the modified parts are underlined for ease of reference):

"Article 4

The company is a company which has as its purpose the research, development, manufacture, purchase, sale, import, export, treatment, processing and representation of hygiene articles, rubber, plastic, paper and metal articles, bandaging materials, cotton wadding products, medical instruments, cosmetic articles and sterile and non-sterile medical equipment, as well as the direct and indirect ownership and management of shareholdings and interests in companies or entities, in Belgium and abroad, involved in the same or related activities, in its own name or in the name of third parties, for its own account or for the account of third parties.

In particular, the foregoing includes, without limitation:

- (a) *investing in any companies or entities, whether with a commercial purpose or not, by subscribing, acquiring, placing, buying, selling and transferring shares, certificates or other securities or by any other means;*
- (b) *managing investments and participations in any companies or entities, exercising management and director mandates, acting as liquidator, providing technical, legal, accounting, financial, commercial, administrative or management assistance or other support services as well as all information technology services;*
- (c) *acquiring, hiring, leasing, maintaining and operating resources, and making these resources available to companies or entities in which it directly or indirectly owns shares, or third parties; and*
- (d) *granting of loans irrespective of form or term, to companies or entities in which it directly or indirectly owns shares or interests as well as granting guarantees and other securities to third parties for the obligations of such companies or entities.*

The company may engage in any commercial, industrial and financial activities and perform all transactions with real estate or movable property which are directly or indirectly related to its purpose or which purport to contribute to the achievement of its purpose."

3. JUSTIFICATION OF THE PROPOSED MODIFICATIONS

The above mentioned proposed modifications to the corporate purpose of the Company are proposed to clarify and better align the description of the corporate purpose with the present and future activities of the Company. More specifically, as a result of the merger on July 30, 2015 of Ontex Coordination Center BVBA, ONV Topco NV and Ontex International BVBA into the Company, the Company became responsible to perform the operational and other activities of these affiliates, including certain group functions, such as finance, accounting, treasury and IT. Accordingly, it is advisable to provide for a clearer and more comprehensive description of the activities that are or may be performed by the Company, through modification of the corporate purpose of the Company.

In light of the above, the Board believes that the proposed modifications to the corporate purpose of the Company are in the best interest of the Company. Therefore, the Board proposes to the extraordinary general shareholders' meeting of the Company to approve the above modifications.

4. SPECIAL REPORT OF THE STATUTORY AUDITOR

The statutory auditor of the Company, PricewaterhouseCoopers Bedrijfsrevisoren, represented by Peter Opsomer, has prepared a special report in accordance with Article 559 BCC.

A copy of this special report of the statutory auditor will be attached as Schedule 2 to this Report.

The Board agrees with the findings of the statutory auditor in its special report.

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Attachments: Schedule 1: Statement of assets and liabilities of the Company as at 29

February 2016

Schedule 2: Special report of the statutory auditor

Done in Erembodegem on March 30, 2016.

On behalf of the board of directors of the Company

(signed)

Cepholli BVBA, Director
Represented by its permanent
representative Jacques Purnode

(signed)

Artipa BVBA, Director
Represented by its permanent
representative Thierry Navarre

Schedule 1

Statement of assets and liabilities of the Company as at 29 February 2016

Schedule 2

Special report of the statutory auditor