RESPONSES TO SHAREHOLDERS' WRITTEN QUESTIONS

In accordance with article 6 of the Royal Decree nr. 4 of 9 April 2020 on various provisions on co-ownership and company and association law within the framework of the fight against COVID-19, Ontex Group NV ("Ontex") and its statutory auditor are providing the following written responses to the written questions that have been submitted by certain shareholders. These responses have been published in English and Dutch on Ontex's website prior to the voting in the context of the annual shareholder's meeting and extraordinary shareholders' meeting of May 25, 2020.

Questions submitted to the Board of Directors		
#	**Shareholder Question**	**Ontex Response**
Questions submitted by Shareholder 1		
1.	Wouldn't it be an opportunity for Ontex to start producing not only chirurgical masks but also other high-quality ("Made in Belgium") protective disposable gear (blouses, hats, etc…) destined to care-givers?	We have been considering making other types of personal protection equipment based on our capabilities and technologies. The assessment revealed that making protective disposable gear other than masks is not to be further pursued as it does not fit in our core competence. We don't have expertise in designing, modelling and production of clothing (such as blouses, hats, aprons, ...).
2.	Shouldn't Ontex create an "innovation cell"?	Ontex has innovation teams consisting of R&D and Marketing as main functions but working in a cross-functional approach on incremental, break-through and disruptive innovations. The first pillar is innovation for the retail brand segment. For this segment the innovation team is organized per product category. The second pillar is innovation for our own brands and the innovation teams are organized by region. The third pillar is Product Technology Innovation. These teams are working on product technology platforms for the company. Ontex has 9 R&D centers across the world.
Questions submitted by Shareholder 2		
3.	What was the procurement process for engaging management consultancy McKinsey as consultant for the 2018/2019 strategic review?	After the PAI approach, Ontex indicated that it would conduct a comprehensive review of the available options to accelerate the delivery of value for the benefit of the company's shareholders. In this regard, McKinsey assisted Ontex with designing a transformational program ("T2G") aimed at improving commercial and operational performance at Ontex. McKinsey did not

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		carry out a strategic review but focused on possible changes to the processes and building capabilities. McKinsey was mainly involved during the initial phases of the program, *i.e.*, the design and the first implementation steps. Their involvement has been gradually diminished throughout the program. T2G is currently still in full implementation modus whereas McKinsey's involvement is limited.
4.	How many, and which other, firms participated in the process?	Management first identified a longlist of potential candidates, from which ultimately two firms (including McKinsey) were invited to pitch their proposal. The names of the other potential candidates is considered confidential information.
5.	Who decided on the selection of McKinsey?	The selection of McKinsey was co-decided between the Management Committee and the Board. The firms who were invited to pitch presented their approach, credentials and fee estimates to the Management Committee. The Management Committee then decided, based on the materials presented to them, to select McKinsey, which was confirmed during a subsequent Board meeting (as is required pursuant to the division of powers between the Board and the Management Committee).
6.	On what basis was McKinsey selected?	McKinsey was selected, among others, in light of (i) their credentials and experience with transformational programs, (ii) their ability to generate value on top of traditional cost cutting, (iii) their cultural fit with the company and (iv) their fee proposal.
7.	How was the McKinsey fee negotiated?	The Board approved the principles underlying the remuneration framework prior to the commencement of the negotiations. The CTO and the Head of Strategy conducted the negotiations on behalf of the company, with assistance of the CEO, CFO and the General Counsel as appropriate. The main components of such negotiations were (i) the total amount of fees vs. the scope of the engagement, (ii) a fixed vs. variable model, (iii) the payment terms and (iv) other contractual terms. All four elements were negotiated extensively to reach the best possible outcome for Ontex. The Board was informed on the progress of the negotiations and ultimately also approved the fee arrangements.

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		The fee includes a significant variable element which is dependent on KPIs being achieved. The final amount of the fee is therefore not yet known.
8.	What role did the prior relationship between the CEO and the responsible McKinsey partner play? What was his influence on the McKinsey fee?	There is no prior relationship between the responsible partners of McKinsey and the CEO. One of the responsible partners of McKinsey had been involved in a previous (unrelated) assignment that McKinsey carried out for Ontex. In relation to the negotiation of the McKinsey fee, we refer to the response provided above.
9.	Does the Board feel that the appointment of McKinsey serves the corporate benefit of Ontex, and in particular that the McKinsey fee is justified? Did the Board investigate this engagement?	As explained above, the selection of McKinsey was co-decided by the Board who is focused on the delivery of value for the benefit of the company's shareholders and acts in the corporate interest of the company. McKinsey also made presentations to the Board at several occasions. The engagement of McKinsey cannot be viewed separately from the T2G program, which is well underway as further explained below.
10.	Has the Board reviewed the minutes of the Management Committee meeting which discussed hiring McKinsey and the associated fee as per the company's corporate governance charter's article 5.4?	The Board was informed and consulted on a regular basis about the selection of, negotiation process with, and performance of McKinsey, and approved the engagement of McKinsey and the fee arrangements.
11.	What was the exact scope given to McKinsey? Were any potential areas excluded (i.e., limitations to the scope of the strategic review)? Please provide a copy of McKinsey's engagement letter, and copies of the reports produced (redacted as appropriate).	The scope of McKinsey's engagement supported all areas of Ontex, except the Brazilian business, procurement for specific raw materials (Fluff, SAP, non-woven, PE and elasticized materials), SG&A, Commercial AMEAA, Commercial Health Care and Innovation. However, while these areas were excluded from the scope of McKinsey's engagement, they are nevertheless part of the T2G program (but with no or limited involvement of McKinsey), as T2G is a company-wide program. The McKinsey contract and the various deliverables prepared by them constitute confidential information and will not be provided.
12.	How frequently does the Board review the progress of T2G? Please provide copies of Board minutes during which progress is reviewed/discussed (redacted as appropriate).	The Board reviews the T2G progress at each regularly scheduled Board meeting, including an overall update and "deep dives" into specific aspects of the project. Supporting materials are shared with the Board ahead of the Board meetings. Similar follow-up of the T2G progress is undertaken at a more granular level within the T2G Steering Committee. These meetings were held weekly during 2019 and monthly as from 2020.

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		In addition, each workstream has a weekly meeting with the Transformation Office where the TO team is following up on the implementation. The Board minutes constitute confidential information and will not be provided.
13.	Does the Chief Transformation Officer/the McKinsey team report directly to the Board or is this done through the CEO?	The CTO is a member of the Management Committee, and, as such, is appointed by the Board. The CTO reports directly to the Board.
14.	What metrics are used to monitor progress against the almost 2,000 initiatives?	There are eight workstreams that group the various T2G initiatives, which are led by a workstream leader. Each initiative has its own business case, specific milestones and a set of specific KPIs to follow the operational improvements, and is being monitored by a designated person. Ontex uses a specific project management tool to keep track of the progress made by the initiatives.
15.	How do you judge the progress versus your expectations now that the program has been running for almost a year?	T2G is delivering the value that was expected from the program and a majority of the initiatives are in implementation mode. COVID-19 will have an impact on the timeline of implementation of some initiatives, but has not led management to re-question any of the initiatives of the program. Furthermore, the company is working on mitigation plans in order to limit the effects of COVID-19. Overall the transformation is well underway across all areas of the company and Ontex clearly sees the effects in the results.
16.	Outside of the period of the PAI approach, did the Board approve the CEO's actions to engage with potential private equity investors (including PE investors other than PAI)?	To clarify, in relation to PAI, the CEO did not engage with PAI: (i) as a member of PAI's supervisory board (of which the actions are limited to supervising the management of PAI and which is not involved in the review of or decisions on investment opportunities), the CEO recused himself from such board for the duration of the process and (ii) as the CEO, he was not involved in any deliberations on the merits of PAI's approach and was only in contact with PAI in connection with the due diligence exercise approved by the Board. The Board did not approve any engagement with other private equity investors. The Board did gave a mandate to probe other interested parties at the time of the PAI approach.
17.	What discussions did the Board have about a potential sale of the business, before or after the PAI approach?	In accordance with its obligation to act in the best interest of the company, the Board evaluates strategic opportunities as they arise.

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18.	Did the Board obtain a fairness opinion for the PAI approach and, if so, from whom? Please provide a copy.	As no offer was made by PAI, the Board did not consider it necessary to obtain a formal fairness opinion. However, throughout the entire process, the Board was assisted by financial advisors who, together with management, advised on the fundamental value of the company.
19.	Please explain the investigations that the Board conducted into what information the CEO shared with PAI before and/or during their approach during the summer of 2018? We understood that the CEO recused himself from the PAI Board and the discussions with Ontex during the approach, but we would like to know what the Board did to investigate the discussions that took place before that time and how it ensured the CEO actually adhered to the recusal, acting at arm’s length.	The Board considered that there were no reasons which would warrant an investigation. Hence, no investigation was conducted.
20.	When did the search process that resulted in the nomination of Hans van Bylen start?	The Remuneration and Nomination Committee initiated the succession process upon being informed by the current Chair of the Board of his resignation.
21.	Which headhunter firms were involved? Please provide a copy of the instructions given to the headhunter.	No headhunter firms were involved in the search process.
22.	How many candidates were interviewed?	Mr. Van Bylen was the only candidate interviewed by the Remuneration and Nomination Committee.
23.	What criteria were defined that framed the selection process?	The assessment of Mr. Van Bylen was performed on the basis of the Board Competency Profile developed by the company together with an external consultant in 2017 (as updated in 2018 – see our responses below).
24.	Did Hans van Bylen meet with other shareholders before he was nominated?	Subsequent to Mr. Van Bylen’s decision not to extend his agreement at his previous employer, through a mutual connection, Mr. Van Bylen was introduced to GBL. This meeting occurred outside and prior to the initiation of the Chair succession process by the Remuneration and Nomination Committee. Mr Van Bylen had no meetings with GBL or any other shareholder whilst the Chair succession process was underway. Mr. Van Bylen indicated and the Remuneration and Nomination Committee, after having carried out the various interviews, confirmed that Mr. Van Bylen satisfies the independence criteria of Article 7:87 of the Belgian Code of Companies and Associations.

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25.	Why did the Remuneration and Nomination Committee not reach out to other large shareholders in order to consider their views or alternative proposals (as per their responsibility in article 4.3.1. of the company's corporate governance charter)?	The Remuneration and Nomination Committee advises the Board on matters regarding the appointment of directors and in such capacity acts in accordance with all responsibilities attributed to it by the company's Corporate Governance Charter. This means that, as contemplated by Article 4.3.1 of the Corporate Governance Charter, the Remuneration and Nomination Committee considers proposals and advise of shareholders ("*the Remuneration and Nomination Committee shall consider and advise on proposals made by relevant parties, including management and shareholders*") but is not required to (and does not) proactively reach out to shareholders.
26.	Has any evaluation of the composition and performance of the Board taken place? If not, why? Was an external consultant involved? If so, please provide the findings in this respect.	The Board frequently evaluates its composition and functioning. At the time the GS and TPG representatives resigned from their position as Board member, a first evaluation of the composition of the Board took place. Next, in 2016, the Board carried out a self-assessment. In 2017, the Board, together with an external consultant, drew up a competency profile for future directors (including "general" competencies and "Ontex specific" competencies). This profile was subsequently updated in 2018. Each time the Board considers a new Board member, a mapping exercise is performed with regard to the competencies of the Board and the complementary of the new member, taking into account the Board Competency Profile. In the beginning of 2020, Russell Reynolds was engaged to carry out an independent, external review to assess overall performance and effectiveness of the Board.
27.	If applicable, what were the results of the latest evaluation and what measures, if any, were proposed to remedy the weaknesses identified. What were the findings in relation to: i. The company's lack of strategic direction and poor operating performance; ii. The high turnover of senior leadership in recent years; iii. The authoritarian culture of the CEO.	Pursuant to the Russell Reynolds assessment, the Board of Ontex was classified between "developing" and "advanced", with some elements of "leading-edge" boards. For each of the five areas in the Russell Reynolds framework for an effective board, strengths and development opportunities were identified. This resulted in recommendations made to further enhance board effectiveness. The Board is committed to continue its development and will follow up on these recommendations

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28.	We understand an employee survey was run in the last few years (you last reported that one was completed in 2017 per that year's Annual Report). We would like to see the results of that survey and any thereafter, as well as understand what actions the Board has taken in response to the review.	Employee surveys are typically run every 18 months. In 2019, the employee survey was ran as part of the T2G program, *i.e.*, in a different format but including the same questions that are normally part of the employee survey. The 2019 survey showed that, overall, engagement remains very high although there is a small decline compared to the 2017 survey. Executive summaries, highlighting the key findings, of the employee survey are shared with the Board, after which a discussion takes place within the Board. The responsibility of following up on the results of the survey and formulating specific follow-up actions lies with the operational level. *E.g.*, for the 2019 survey, 6 global initiatives and 91 local initiatives have been identified.
29.	As part of this evaluation, did the Board examine transactions/decisions such as: i. the Hypermarcas acquisition in Brazil, which did not achieve the anticipated results and resulted in significant financial losses for Ontex;	The Board evaluation performed by Russell Reynolds was an evaluation of the Board's overall performance and effectiveness. The findings and recommendations therefore did not address any individual decision or transaction.
30.	1. What due diligence was conducted? Please provide us with a copy of the due diligence reports (redacted if needed).	The due diligence for the acquisition of the Hypermarcas business in Brazil was based on best practices and followed the same approach as was followed for the other acquisitions by Ontex in the past. The process was conducted in cooperation with external advisors and included due diligence in relation to financial, legal, tax, environmental, commercial, IT, procurement, R&D, supply chain and manufacturing matters. The due diligence reports constitute confidential information and will not be provided.
31.	2. Which individuals (Board, executive team, senior management) were part of the due diligence team?	The different work streams of the due diligence were supported and/or coordinated by one or more members of the Management Committee and/or senior managers, depending on the person(s) most suitable within the company to do so. The Board was kept apprised of the conduct and progress of the due diligence.
32.	3. Which external advisors did you employ?	External advisors were retained in relation to the following fields: M&A, commercial, environmental, financial, tax and legal. All external advisors retained are reputable firms within their respective field. The names of these advisors are considered confidential information.

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33.	4. How many times did the CEO and the Board visit the operations in Brazil ahead of the acquisition?	The CEO visited the operations in Brazil four times and the COO and CFO visited the operations in Brazil three times prior to signing.
34.	5. How many interviews with customers, suppliers and competitors were conducted ahead of the investment?	As is standard in these types of acquisition processes, the company was precluded from conducting these interviews as per the NDA which required the company to keep the sales process and its participation in such process confidential.
35.	6. Could you please provide us with the minutes of the respective Board meetings in which the acquisition was discussed?	The Board was consulted and deliberated on the transaction during various Board meetings. The minutes of the Board constitute confidential information and will not be provided.
36.	7. Could you please provide us with the minutes of the Audit & Risk Committee meetings when the accounting issues were discovered and discussed following the acquisition?	As disclosed in the Ontex 2017 Trading Update published on January 30, 2018, certain issues related to commercial practices in our Brazilian business had been identified. Management has duly informed the Board of these issues as soon as they were discovered. The Board and the Audit and Risk Committee have continued to follow up on, and pay close attention to, the Brazil business. In September 2019, the Board also did a site visit of the operations in Brazil. The minutes of the Board and the Audit and Risk Committee constitute confidential information and will not be provided.
37.	9. Could you please provide us with an update on the litigation against the seller?	The Board is complying with its fiduciary duties and is asserting all available rights in the interest of the company. The dispute is now subject to a confidential arbitration proceeding.
38.	ii. the management's private equity discussions with PAI? At what point did the CEO declare his conflict of interest with regards to his affiliation with PAI Partners (as required in the company's corporate governance charter's article 5.5.1)? Please provide the minutes of the respective meeting in which the conflict was declared, as an excerpt was not provided in the annual report.	Article 5.5.1 of the Ontex Corporate Governance Charter refers to Article 524ter of the (old) Companies Code. Such article applies to decision-making by the Management Committee. However, in connection with the PAI approach, the Board (and not the Management Committee) was the relevant forum where the PAI approach was discussed. The CEO is not a formal member of the Board – he is a permanent invitee, entitled to attend Board meetings in an advisory capacity but is not entitled to vote. Nevertheless, the CEO's position at PAI Partners was flagged immediately following the approach and, as indicated above, (i) the CEO recused himself from his position as a member of PAI's supervisory board for the duration of the process and (ii) the CEO was not involved in any deliberations by the Board on the merits of PAI's approach.

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39.	What was the impact, if any, of the evaluation on the remuneration? Did the Board reconsider the remuneration after shareholders voted against the remuneration report at the last two AGMs?	In relation to director remuneration, the Board carried out a benchmarking exercise focused on board fee structures in 2016 and subsequently proposed to the shareholders' meeting to adjust its fee structure (which was approved by the shareholders' meeting). In relation to executive remuneration, this is assessed each year in the framework of the remuneration report. The Board conducts benchmarking exercises with the assistance of external consultants with regard to executive compensation from time to time. The Board has been preoccupied about the lack of support for the remuneration report during the last two shareholders' meetings and has taken concrete steps to improve the remuneration structure and the transparency associated with performance related to remuneration criteria and is committed to further increasing the pay-performance correlation. We refer to the Letter to our Shareholders dated May 11, 2020, which is available on our website.
40.	How often did the Board and its committees meet during fiscal year 2019?	During 2019, the Board met ten times, the Audit and Risk Committee met four times and the Remuneration and Nomination Committee met five times.
41.	What was the attendance rate in each Board meeting?	There is a very high attendance rate for Board and Committee meetings. Please refer to pages 57-58 of our annual report for a more detailed overview.
42.	How often did the management committee meet during fiscal year 2019?	During 2019, the Management Committee met nearly monthly.
43.	What was the attendance rate in each meeting?	There is a very high attendance rate for Management Committee meetings, with an average overall attendance rate of 96% during 2019.
44.	To what extent did the Board review the minutes of each management committee meeting as per the company's corporate governance charter's article 5.4?	A management report is presented to the Board at each regularly scheduled Board meeting. Discussion within the Board occurs on the basis of such management report and not the minutes of the Management Committee.
45.	Did the Board always grant discharge to all actions of the management committee as per the company's corporate governance charter's article 5.4? If yes, on what basis was the discharge granted?	The Board grants discharge to the members of the Management Committee from time to time. Such discharge is granted *mutatis mutandis* in the same way as discharge is granted by the shareholders' meeting to the directors.
46.	What measures did the Board take to monitor and review the effectiveness of the Audit and Risk Committee and the Remuneration and Nomination Committee as per the company's corporate governance charter's article	The Audit and Risk Committee and the Remuneration and Nomination Committee were also part of the assessment carried out by Russell Reynolds.

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	3.1.2.? Please provide us with details of the minutes of these committees that the Board reviewed.	The Audit and Risk Committee and Remuneration and Nomination Committee do not take decisions but advise the Board on the matters that fall within the scope of their responsibilities. After each Audit and Risk Committee and Remuneration and Nomination Committee meeting, the Chairs of the respective Committees provide a debrief of the Committees' discussions to the full Board. The Board then engages in a discussion before making a decision. In addition, the materials shared with the committee members are also shared with the other Board members when necessary.
47.	How did the Audit and Risk Committee assess the quality of the financial information furnished to shareholders and the market (as per their obligation according to article 4.2.1 of the company's corporate governance charter) in light of the information and guidance that management provided during the 2019 Capital Markets Day and the subsequent meetings with shareholders?	The Board reviewed and approved the Q1 2019 trading update and the Investor Update presentation materials that were shared during the 2019 Capital Markets Day. After the 2019 Capital Markets Day, the Board, together with its financial advisors, analyzed the feedback received from investors and discussed opportunities for future communication vis-à-vis the market.
48.	Did management provide the Board with a precise 3-year plan?	The Management Committee on a regular basis prepares a strategy and three-year financial plan which are discussed with, and reviewed by, the Board in accordance with an agreed timeline. By definition, both the strategy and business plans are available at all times, as they remain valid until the scheduled next update.
49.	If this is the case, why does management only communicate vague 2021 targets as part of T2G instead of making the 3-year plan public? Please provide a copy of this plan.	Management communicated clear and specific targets with regard to EBITDA, working capital and capital expenditure on May 8, 2019 as part of its Investor Update. Beyond the targets communicated, further details of the company's strategy and T2G program are confidential and highly sensitive from a commercial perspective and therefore cannot be disclosed.
50.	What measures did the Board take over the past years to ensure the improvement of the financial planning system at Ontex?	The Board receives detailed monthly management reports on the historical and forecast financial performance. This reporting has been enhanced over time, including on the basis of requests made by the Board. A monthly reforecasting process provides management and the Board with an updated view on the expected performance of the company for the full current year.
51.	Could you please provide a sensitivity for material (i) currencies and (ii) raw materials (fluff pulp, superabsorbent polymers, etc.), to help investors understand the impact to financial performance (revenue, gross profit and EBITDA) from a given percentage move in a particular currency or raw	The sensitivity analysis included in the Annual Report is not an overall impact analysis of foreign currency exchange rate fluctuations on the EBITDA, but an overview of the estimated impact of foreign currency exchange rate fluctuations on outstanding receivables/payables and related derivative positions in foreign currency on the date of the annual accounts. Such

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	material. While this sensitivity is provided for 4 select currencies in the annual report, more detail is necessary given the increasing importance of Ontex's global footprint. For example, in the 2018 annual report, Ontex's largest single country of revenues is Mexico, but a P&L sensitivity to fluctuations in the Mexican peso is not included.	analysis only includes the impact of balances in foreign currencies other than the reporting currency of the related group company. Sensitivity analyses of the impact of foreign currency exchange rates and raw material indices on revenue and EBITDA performed by the company are highly sensitive from a commercial perspective and therefore cannot be disclosed.
52.	We understand that the target of flat constant currency EBITDA was only achieved because of significant raw material tailwinds. How did you account for the fact that management achieved their 2019 guidance only because of these external market factors rather than underlying business performance?	The EBITDA targets are set annually by the Board, based on the best and latest available indices on the prices of raw materials and expected currency rate evolutions. At the end of the year, a recalculation of the financial results occurs to neutralize the FX movements that occurred during the year but not for fluctuations in raw materials pricing. The rationale for this set-up is that the company has a large exposure to these FX movements due to the diversity of currencies, which management cannot influence. There is less diversity of raw materials, the price of the main raw materials is derived from an index, and the prices for these materials are negotiated for a long term with a limited number of suppliers. Hence, as management has no control over currencies, the impact of currency fluctuations compared with the parities used to set the EBITDA targets is neutralized to assess the achievement of such targets.
53.	Which adjustments with regard to external factors such as raw materials and FX does the Board make when determining management remuneration?	See our responses above.
54.	Please provide details regarding size and structure of T2G incentive remuneration of the Management Committee for which ~€1.5m was paid in 2019 per page 72 of the 2019 annual report given previous company communication indicated T2G incentive compensation was primarily not for the top management.	As indicated before, the T2G incentive is a programme with over 120 participants, including the members of the Management Committee. Hence, it is not a programme exclusively for top management, but targeting people in all ranks of the organization holding important levers of T2G value creation. As indicated in the Letter to our Shareholders dated May 11, 2020, which is available on our website, the T2G incentive is estimated to represent, at target level, a one-time payment equal to 8% of the recurring EBITDA improvement generated through the programme.
55.	What is the maximum T2G incentive remuneration available for the Management Committee during the entire T2G execution period?	As communicated before, the incentive targets are based on EBITDA margin and the realization of recurring incremental absolute gross EBITDA improvement compared to a 2018 base line. Payout will range between 0% to 200% depending on the actual recurring incremental EBITDA achieved and spread over two installments, 40% in Q1 2021 and 60% Q1 2022. Even if the stretched incremental absolute gross EBITDA is reached, the second

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		payment in 2022 can only be made subject to the company achieving a minimum of a reported EBITDA margin improvement of +150 basis points, even in the case that raw materials or foreign exchange would have a material negative impact. If achieved, the Board estimates that the one-time payment would equate to 8% of the recurring incremental EBITDA. We will publish ex post the actual targets, the actual result and the subsequent reward.
56.	Please explain the decision to increase the CEO's remuneration from €1.6m in 2018 to €2.6m in 2019, including a 10% increase in the fixed base remuneration, as disclosed in the respective annual reports given: (i) reported EBITDA dropped by 27% from €239.3m (pro forma for IFRS 16) to €174.8m per page 18 of the Q4 2019 presentation, (ii) Ontex reduced its workforce by 1,000 people, (iii) share price underperformance led to Ontex's removal from the Bel20 index in March, and (iv) shareholder distributions have been suspended.	The decision to adapt the CEO's remuneration was taken in 2018, *i.e.*, prior to Ontex's removal from the BEL-20 index and the suspension of the dividend due to the COVID-19 pandemic (both 2020 events). We refer to the Letter to our Shareholders dated May 11, 2020, which is available on our website. The total remuneration for the CEO was furthermore impacted by: • Increase in variable remuneration payout: for performance year 2018, the variable short term remuneration for the CEO was 656.199. 80% of the bonus of the CEO is determined by the financial KPI's of the business plan (Revenue, EBITDA and FCF). In 2018 the financial KPI's resulted in 60% of the target payout for this part of the bonus. For performance year 2019, the financial KPIs resulted in 86% of the target payout for this part of the bonus. Also note that the base for calculating the target impacted the amount due to the increase in base salary; • Changed base for the calculation of the LTI; and • Extraordinary item (EUR 344,000): first payment related to the special T2G incentive scheme. The payment of the first part of this T2G incentive scheme was conditional upon the approval by the Board of the bankable plan, based on an assessment by an external consultant that management has delivered the bankable plan which would result in the EBITDA improvement related to T2G.
57.	What is the procedure of the Board when it comes to approving capital investment decisions by the company?	See the responses below.
58.	i. What is the threshold of capital investment for which the management team need Board approval?	As per the division of powers between the Board and the Management Committee, the Board has the power to approve capex investments above EUR 5 million.
59.	ii. Does the Board have an investment committee and if not which expertise does the Board rely on in determining the appropriateness of investment proposals by the management?	The Board does not have an investment committee but a Capex Committee is established at management level. The Capex Committee reviews and approves capex proposals before they go to the Board.

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		For each capex investment for which Board approval is required, a template with minimum requirements is completed and a detailed business case is prepared. The Capex Committee performs a post-investment evaluation against the initial projections to verify whether there are any specific learnings.
60.	iii. What measures did the Board take in order to assess whether the investment proposals by the management are appropriate to achieve the growth and margin profile desired by the board?	See the responses above.
61.	What metrics does the Board use in order to determine the optimal capital structure of the company (mix of equity and debt, financial leverage)?	Ontex's objective is to decrease the debt leverage as a result of operational cash flows: improving the capital structure in the first place means striving for better performance. Each time a major investment (*e.g.*, M&A) is done, the debt leverage level is reassessed and, if necessary, supplemented by an equity increase (*cf.* acquisitions in Mexico and Brazil). For both the acquisition in Mexico as well as the acquisition in Brazil the optimal capital structure was determined by keeping the same credit rating (BB/Ba2) and by assuring that Ontex would rebuild in the short term acquisition capacity for the next deal (while maintaining the credit rating).
62.	Please describe the process of evaluating M&A opportunities that the Board employs.	Management reports describing potential M&A opportunities are shared from time to time with the Board prior to Board meetings. In case further attention needs to be spent on a particular M&A opportunity, a separate session or part of the Board meeting will be devoted to such case, sometimes also with the assistance of external advisors. The company uses an M&A pipeline and M&A scorecards in order to inform the Board of the progress made on each file and the added value to Ontex of each one in order to prioritize resources efficiently.
63.	On what basis did the Board decide to cancel the dividend proposal for the fiscal year 2019?	The decision to suspend the dividend was not taken lightly but after due deliberation by the Board. Given the uncertainty presented by the COVID-19 pandemic, the Board considered such decision to be in the best interest of the company and wanted to support management's initiatives to preserve cash resources and financial flexibility in the present circumstances.
64.	In relation to Covid-19; what initiatives of substance has the company taken to provide assistance to the communities it operates in?	We are determined to help address this crisis by capitalizing on our more than 40 years of experience in personal hygiene to provide products that are vital in daily use today.

Questions submitted to the Board of Directors		
#	Shareholder Question	Ontex Response
		We are supporting communities where we live and work in different ways. A few examples include donations of adult pants to nurses and doctors in Wuhan (China), purchased safety gloves to the Health Service of Castilla y León (Spain), and of adult diapers to a hospital in Karachi (Pakistan), each time helping caregivers and people in need. In total Ontex has donated over 1,711,525 products. Support is also provided by connecting caregivers with our suppliers who can source critical products that we do not produce, such as facemasks and gloves. In addition, we will start to produce around 80 million II-R type surgical facemasks per year in Eeklo. Ontex has ordered specialized machinery and is training staff to get certified for production and start producing face masks in September or earlier. More information can also be found on: https://ontex.com/company/about-ontex/covid19-how-ontex-responds/
65.	What measures has the company taken to protect its staff from Covid-19?	The health of our employees and business partners is our primary concern, and we are focused on their safety, that of their families and that of the communities in which we operate. We have taken and will continue to take the necessary measures to slow the spread of COVID-19 and protect our employees. Measures taken include, among others, the adaptation of working conditions (including social distancing, cleaning & disinfection protocols, making available soap and water, hand sanitizers, protective gloves and face masks at all sites, remote working arrangements where possible, *etc.*) and the establishment of communication channels to inform and engage employees. Ensuring the health and safety of our employees will remain our absolute priority throughout this difficult time. More information can also be found on: https://ontex.com/company/about-ontex/covid19-how-ontex-responds/
66.	What are the business continuity plans in case a plant is directly affected?	Our products ensure hygiene in healthcare and shelter-at-home situations. It is therefore essential that we continue with the production and delivery of our products to our customers and consumers. Ontex has taken measures in all production facilities and our global supply chain to keep ensuring a steady, daily flow of millions of personal hygiene products to healthcare workers and retailers on five continents while protecting the health and safety of all our employees. Measures include, among others, the daily monitoring of KPIs such as absenteeism, the predefinition of priority lines, the identification of alternatives in the event of capacity shortages and the establishment of a proficient governance and reporting structure. As such, the company has continuously been able to keep the service levels to customers up to its best standards.

Questions submitted to the Board of Directors		
#	Shareholder Question	Ontex Response
67.	What precautions have you taken regarding working capital facilities in case credit markets are not accessible?	Ontex is focused on maintaining adequate liquidity and funding for our business at all times. Therefore, as a matter of caution, the company has drawn in full its €300 million revolving credit facility.
68.	Which risks to the supply chain does the Board see?	The company could face risks with regard to manufacturing continuity, timely supply of raw materials, availability of transportation at reasonable cost and swings in sales (given the stocking due to the quarantine). The company is monitoring each of these risks on a continuous basis and has taken all appropriate measures to mitigate these risks as much as possible.
69.	Can you provide an update on your efforts to regain market share in Europe?	The commercial workstreams launched in the context of T2G have as a key objective to strengthen or reestablish long term partnerships with our key customers, in particular in Europe. The in-depth work initiated since the beginning of 2019 is starting to translate into tangible results in this Division, on which we will communicate in due course.
70.	Can you give an indication of the expected revenue growth from the United States this year as we understand Ontex has successfully grown its relationship with a major American retailer?	This information constitutes highly sensitive competitive information and will not be provided.
71.	Please provide a breakdown of the 303bps of "Net savings in operations, procurement and R&D" shown on page 14 of the Q1 2020 earnings presentation. What portion of this savings improvement is due to the T2G program savings and what portion of this is due to operational leverage from higher volumes in Q1?	The breakdown of Net Savings in operations, procurement and R&D constitutes confidential information and will not be provided. T2G driven gains in procurement were the main drivers for the 303bps net EBITDA margin improvement. Savings in Manufacturing, Supply Chain, and Products Optimization also contributed. Operational leverage gains stemming from higher volumes manufactured (fixed cost absorption, labor efficiency, etc.) are not part of those 303bps and are reported under the "Volume and Price/Mix" aggregate in the bridge on page 14 of the Q1 2020 earnings presentation.
72.	Please provide further details regarding the 151bps of "Investment in Sales & Marketing" shown on page 14 of the Q1 2020 earnings presentation.	As indicated during the Q1 earnings presentation, we have decided to reinvest in Sales and Marketing part of the gross profit improvement generated by procurement and other T2G-related gains. This is a strategic decision that falls in the scope of the commercial initiatives of T2G in order to support, in particular, our branded business, after a period of lower investment, notably in Q1 2019. Our investment in Sales and Marketing is periodically reviewed and adjusted on the basis of market conditions and our commercial plans.
73.	Why did net debt increase from €861m at Dec-31, 2019 to €871m at Mar-31, 2020 during a quarter when Adjusted EBITDA increased from €53 in	The net debt increase in the first quarter of 2020 reflects a usual seasonal pattern at Ontex. It was significantly less marked this year compared with what was reported in the preceding

Questions submitted to the Board of Directors		
#	**Shareholder Question**	**Ontex Response**
	Q1 2019 to €66m in Q1 2020 with margins expanding by 180bps, and the CFO indicating a "very good" management of working capital on the earnings call?	years thanks mainly to the improved working capital management processes implemented in the course of 2019.

Questions submitted to the Statutory Auditor		
#	**Shareholder Question**	**PwC Response**
Questions submitted by Shareholder 2		
1.	Could you please explain auditor PriceWaterhouseCoopers's valuation methodology and key assumptions used to test for any potentially required goodwill impairments from the Brazilian acquisition given financial results have been materially below initial expectations?	We refer to our audit report included on pages 85 and following of the 2019 Annual Report and more specifically to the Key Audit Matter (1) Impairment of goodwill and indefinite useful life intangible assets.
2.	What is the goodwill on the Dec-31, 2019 balance sheet attributed to Brazil?	Please refer to the introductory statement above. Providing new financial information would constitute an infringement of our professional secrecy. We refer this question to management. The latest information published in this respect can be found back in note 7.8.1 of the 2018 Annual Report (page 119).
3.	Could you please provide details regarding the decrease in the discount rate used to test for a goodwill impairment in the Americas cash-generating unit ("CGU") from 9.5% in 2018 to 6.8% in 2019?	Please refer to the introductory statement above. Providing new financial information would constitute an infringement of our professional secrecy. We refer this question to management.
4.	If Brazil was its own CGU and tested for an impairment, would the goodwill have been impaired?	Please refer to the introductory statement above. Providing new financial information would constitute an infringement of our professional secrecy. We refer this question to management.

Questions submitted to the Statutory Auditor		
#	**Shareholder Question**	**PwC Response**
5.	Could you please explain the increase in tax losses from €378.4m in 2018 to €583.0m in 2019 described on page 108 of the annual report? Where do these losses come from? Are they from Brazil?	Please refer to the introductory statement above. Providing new financial information would constitute an infringement of our professional secrecy. We refer this question to management.

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