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**RESPONSES TO SHAREHOLDER’S FOLLOW-UP WRITTEN QUESTIONS**


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*Ontex Group NV (“Ontex”) has received certain follow-up questions to the written responses it provided to the written questions that were submitted by certain shareholders in the context of the annual shareholders’ meeting and extraordinary shareholders’ meeting of May 25, 2020. Ontex has decided to provide the following written responses, which are published in English and Dutch on Ontex’s website.*

Follow-up Questions submitted to the Board of Directors by a Shareholder		
#	Shareholder Question	Ontex Response
1.	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?	The discount rate or Weighted Average Cost of Capital (WACC) applied by the company has been consistently calculated in 2018 and 2019, both in terms of the calculation method as well as in terms of the underlying data sources. The data themselves are inherently subject to market fluctuations over the years. As such, the decrease in WACC between 2018 and 2019 was mainly caused by a decrease in (i) the risk free rate (EURIBOR) and (ii) the local market premium (country risk factor determined for the countries in the CGU).
2.	If Brazil was its own CGU and tested for an impairment, would the goodwill have been impaired?	Brazil cannot be considered a standalone CGU and therefore any such impairment test would be irrelevant.
3.	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?	The main portion of the increase originates from France (review of past tax losses in 2019) and from Belgium (as a result of reorganization expenses being recorded in the Belgian books). Only a minor part of the increase originates from Brazil.
4.	In relation to your answer to question n° 16: Your response states that notwithstanding the conflict of interest of the CEO in this matter, the CEO was in contact with PAI in relation to its due diligence on the operations. In addition, the Board gave a mandate to probe other interested parties. Please clarify if the CEO was involved with the probing of such potentially interested parties, and if so, how can this be justified in the context of the CEO’s conflict of interest in this process? Please confirm by asking the CEO directly, that the CEO did not contact or hold discussions with any other potentially interested party (being a strategic or financial investor) outside of the PAI approach. Your answer clearly states that no such mandate was given by the board while we have reasons to believe that the CEO did so apparently without the board’s mandate. In case the CEO confirms that such interactions have taken place, please describe which disciplinary actions you intend to take against the CEO upon this.	<p>The mandate given by the Board to probe other interested parties was given to the financial advisor. The CEO was not involved in such probing process.</p> <p>Ontex receives regular inquiries from potential investors (private equity, family office or others) who are looking for opportunities to invest. Such inquiries are being handled by the CEO, the CFO and the investor relations team as part of the company’s investor relations program, and reporting to the Board takes place as appropriate.</p>

5.	In relation to your answer to question n° 19: It is troubling to hear that the Board did not conduct any investigations as to whether the CEO shared any information with PAI outside of their approach. Given it was known to the Board that the CEO had and has a relationship with PAI, the Board should have taken a prudent approach and launched an investigation despite not having an apparent reason. Please start this investigation now and inform shareholders about the outcome.	As mentioned in our earlier responses ( <i>cf.</i> #19), the Board considered that there were no reasons which would warrant an investigation at the time of the PAI approach and considers there are no reasons to do so today. Thus, no investigation was conducted or will be initiated.
6.	In relation to your answer to questions n° 26 and n° 27: Please share with shareholders the main results from the Russell Reynolds review and the Board's plan to further enhance effectiveness. Was this review conducted before or after the search for a new Chairman?	We refer to slide 29 of the 2020 AGM presentation, which sets forth the main conclusions of the assessment carried out by Russell Reynolds. The implementation of the recommendations is ongoing and the Board will report on the initiatives in the next Corporate Governance Statement of the company.
7.	In relation to your answer to questions n° 29 to 37: Please explain how it is possible that, whilst the due diligence of the Brazilian acquisition is stated to have been based on best practices and the CEO and the COO and CFO visited the Brazilian operations respectively four and three times, the flaws affecting the operations that are now the object of arbitration proceedings were not identified. Did the Board launch an investigation into whether the due diligence procedures have indeed been executed sufficiently and did the Board try to obtain indemnity from the advisors (e.g. financial, commercial, legal, etc.) for any due diligence shortcomings that led to the loss resulting from the Brazilian acquisition? If not, please explain why this has not been done and please launch this investigation as soon as possible and inform shareholders about the progress and the outcome.	<p>To clarify, the issues in relation to the Hypermarcas business in Brazil do not relate to operational flaws. As mentioned in our earlier responses (<i>cf.</i> #30), the due diligence for the acquisition of the Hypermarcas business in Brazil was based on best practices, and the issues discovered after the acquisition were of such a nature that they could not have been discovered during a best practice due diligence exercise.</p> <p>All options to best protect the interests of Ontex were reviewed, and the necessary steps were taken to adequately defend them (<i>cf.</i> #36 of our earlier responses).</p>
8.	In relation to your answer to question n° 41: What were the reasons for the very low attendance rate of director Aldo Cardoso in 2019? Did the Board take action to mitigate this failure to fulfill Mr. Cardoso's fundamental responsibility to represent shareholders at such meetings? If not, please describe the Board's plan to mitigate this shortcoming?	<p>Mr. Cardoso joined the Board mid-2019, <i>i.e.</i>, on May 24, 2019. At such time, the meeting schedule of the Board for 2019 had already been established. Unfortunately Mr. Cardoso had a number of conflicts with other business commitments which could not be resolved and therefore Mr. Cardoso could not attend two of the remaining Board's meetings in 2019.</p> <p>Mr. Cardoso has attended all Board meetings that took place in 2020 so far.</p>
9.	In relation to your answer to question n° 48: When was the plan last updated? How long is the current plan still valid? When does the Board expect to receive the next update from management?	Information in relation to the company's internal strategy preparation process is considered confidential and will not be provided. The plans are reviewed as appropriate, based on the needs of the company, the evolution of the business or material changes in the environment. The company will communicate to its shareholders on changes in the strategy if and when appropriate.
10.	In relation to your answer to question n° 54: Please quantify in EUR terms the size of the T2G incentive. You reference 8% of the recurring EBITDA improvement but the expected size of the recurring EBITDA improvement is unclear.	The profitability improvement targets constitute highly sensitive competitive information and will not be provided.

11.	In relation to your answer to questions n° 54 and n° 55: Please confirm whether your statement that the target T2G incentive payment is 8% of the recurring EBITDA improvement includes the T2G incentive paid in 2019, or only refers to the remaining portions to be paid in 2021 and 2022.	Yes, it is included.
12.	In relation to your answer to question n° 67: What are the associated interest costs for the now fully drawn revolving credit facility? What covenants does this facility have?	<p>The net interest expense related to the drawings under the revolving credit facility (taking into account the utilization fee, the commitment fee as well the cost of re-investing the available liquidity) is currently below 1.5% per annum, adjusted depending on the debt leverage ratio as per the facility documentation. This is a pre-tax cost, and the net interest expense is tax-deductible.</p> <p>The revolving credit facility is subject to a general leverage covenant which is applicable to the financing facilities of the company considered as a whole.</p>
13.	In relation to your answer to question n° 71: Given you have chosen to report operating leverage under the “Volume and Price/Mix” aggregate, please break out the Volume, Price and Mix components and further break down the Volume component into an underlying Volume number and an exceptional Volume component that was driven by stock piling.	This information constitutes highly sensitive competitive information and will not be provided.
14.	In relation to your answer to question n° 72: Please further describe the nature of these investments? What part is related to hiring of Sales & Marketing staff, how much to advertising, how much to promotional activity? Also please provide a breakdown by segment and geography.	This information constitutes highly sensitive competitive information and will not be provided.
15.	Based on article 7:138 BCCA (after 16 May 2020: “ <i>An attendance list is drafted at each general meeting. Each shareholder may consult this list.</i> ”) we request that you make available the attendance list of the AGM and EGM respectively held on 25 May 2020.	The attendance list is available at the seat of the company, and any shareholder is entitled to (send a representative to) consult the attendance list.
16.	In relation to your answer to questions n° 21 and 22: Why did the Board not consider candidates other than Mr. van Bylen? We consider this highly unusual considering the importance of the role of the Chairman. It seems that the Board did not conduct an independent and objective search process (as it is obliged to do under applicable corporate governance guidelines), which is also confirmed by your answers to questions n° 24 and 25. How does the Board justify the process it undertook to appoint a new Chairman?	The candidacy of Mr. Hans Van Bylen was considered by the Remuneration and Nomination Committee and the Board, taking into account, among others, (i) Mr. Van Bylen’s profile, his extensive industry knowledge and breadth of experience spanning the FMCG sector, retail brand space, manufacturing and supply chain, (ii) the Board Competency Profile as established by Ontex, (iii) the composition of the Board and (iv) the interviews that were conducted by the members of the Remuneration and Nomination Committee and the CEO. Based on this information, the Remuneration and Nomination Committee and the Board unanimously considered that Mr. Van Bylen was the ideal candidate to succeed Mr. Luc Missorten as the chairman of the Board and that his availability and willingness to do so represented a unique opportunity, in the interest of the company. The Remuneration and Nomination Committee has discretion in determining the procedures most appropriate in the circumstances, and is not required to conduct external searches.

17.	<p>In relation to your answers to questions n° 24 and 25: It is unclear from your answer why you consider that Mr. van Bylen satisfies the independence criteria of Article 7:87 of the Belgian Code of Companies and Associations. We ask this question because you admit that he had been introduced to GBL and that GBL had at least one meeting with him prior to the commencement of the succession process when, in accordance with article 4.3.1 of the Ontex's Corporate Governance Charter, the Remuneration and Nomination Committee advises on shareholder proposals, and whilst article 3.5 (5).b of the Belgian Corporate Governance Code 2020 provides that a director cannot be considered independent if he or she has been nominated by a shareholder holding 10% or more of the voting rights. Can you explain how Mr. Van Bylen's recruitment and appointment as an independent Chairman is consistent with these procedural rules? More generally, can you describe the appointment procedures under which directors are being evaluated by the Remuneration and Nomination Committee in accordance with article 4.3.1 of Ontex's Corporate Governance Charter and confirm that this process was followed in the case of Mr. van Bylen?</p>	<p>The Remuneration and Nomination Committee and the Board have been able to satisfy themselves in full, based on the evaluation process, that Mr. Van Bylen does not have any relationship with the company or an important shareholder which would compromise his independence (article 7:87 CCA). To your specific question, while Mr. Van Bylen's possible availability was brought to the attention of the Board by GBL Board representatives, he was not nominated by GBL (provision 3.5(5)(b) 2020 CGC), nor has GBL addressed any request to the Board that he be considered. As mentioned in our earlier responses (# 24), Mr. Van Bylen had no meetings with GBL or any other shareholder whilst the Chair succession process was underway. Hence, Mr. Van Bylen was and continues to be considered an independent director under the applicable provisions.</p> <p>The procedure for the appointment of directors consists of a substantive assessment of the candidate taking into account, among others, the Board Competency Profile and the composition of the Board. Based on such assessment, the Remuneration and Nomination Committee decides whether or not to recommend the appointment of the candidate to the Board. This process was followed with respect to the appointment of Mr. Van Bylen.</p>
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