[Note: certain governance and remuneration matters mentioned within this report are still subject to board discussion/decision]

Ontex Group
Public limited Company
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RPR Dendermonde
(the "Company")

BOARD OF DIRECTORS REPORT OF NV ONTEX GROUP TO THE ORDINARY SHAREHOLDERS MEETING OF MAY 25, 2021

1. General

The Board of Directors presents you the separate annual accounts and reports to you in respect of its management during the financial year started on January 1, 2020 and ended on December 31, 2020.

2. Introduction

2020 was marked by volatility in demand, operating conditions and currencies related to the COVID-19 pandemic from March onwards

After a surge in demand drove our first quarter sales to record levels, in particular in Europe, activity dropped sharply in the second quarter, and demand across the traditional distribution channels did not return to pre-pandemic levels. In the second half, our sales were impacted by the pandemic-related shift to online sales, where retail brands are less present. Furthermore, demand decreased in several emerging markets due to economic downturn. Our reported sales also reflect the steep and lasting depreciation of most emerging market currencies.

Revenue of €2,087 million was down 3.1% LFL for the full year 2020, and down 8.5% on a reported basis. This includes a €130 million unfavorable currency effect from the major depreciation of several key functional currencies against the euro, notably the Mexican Peso, Brazilian Real and Turkish Lira. The decrease in LFL sales mainly reflects lower demand for personal hygiene products in tracked retail channels from the second quarter onwards as well as contract losses in Europe, partly offset by a resilient performance in Healthcare and growth in Brazil, Turkey and the US.

Adjusted EBITDA of €236 million in 2020 was down 3.9% compared with prior year, and Adjusted EBITDA margin was up 55 bps to 11.3%. At constant currencies, Adjusted EBITDA stood at €310 million (up 26.4%): Strong procurement savings and lower raw material indices outweighed the impact of lower sales and operating leverage, inflation on costs and COVID-19 related costs for €14 million. The full year currency impact was €74 million unfavorable.

Free cash flow stood at €60 million, down €50 million compared with 2019, on lower cash generation from recurring trade activities and higher outflows related to non-recurring items. Capital expenditure net of disposals was €105 million.

Net debt stood at €848 million at December 31, 2020, a reduction of €30 million vs. September 30, 2020 and €14 million vs. December 31, 2019. Leverage remained under control at 3.60x at December 31, 2020, and we remained in full compliance with our bank debt leverage covenant at December 31, 2020. Net debt excluding IFRS 16 Lease liabilities was €715 million at year-end.

3. Comments to the statutory accounts per December 31, 2020

3.1 Financial year

The financial year started on January 1, 2020 and ended on December 31, 2020, which is a period of 12 months.

3.2 Balance Sheet

The most important sections are disclosed here below.

The section 'Formation expenses' amounts to €414,748 and consists out of the issuance costs of the new shares issued in view of the capital increases realized in previous years.

The section 'Intangible fixed assets' includes the concessions and licenses for the SAP and Microsoft software for an amount of €16,984,199.
The section 'Tangible fixed assets' amounts to €1,584,120 and mainly consists out of IT servers and IT related material (€1,374,805).

The section 'Financial fixed assets' includes the participation of Ontex Group NV in Ontex BV for an amount of €1,907,965,289. This section also includes loans to affiliated companies for an amount of €1,347,777,804 and guarantees for an amount of €140,677 per December 31, 2020.

The section 'Amounts receivable within one year – trade debtors' amounts to €53,086,227 and consists mainly of factored trade receivables.

The section 'Amounts receivable within one year - Other amounts receivable' amounts to €29,660,688 per December 31, 2020 and consists mainly of current accounts with other members of the Ontex Group, which are managed on a daily basis and on which monthly interests are charged.

The accrued income and deferred expenses mainly include accrued interests of the above mentioned loans.

The section 'Current investments – Own shares' consists out of an amount of €15,791,952 of treasury shares. The Group implemented a full hedging program through a total return swap on June 1, 2015 for the share-based payments following the Long Term Incentive Plans

This is extended on annual basis. As a consequence, Ontex Group NV recognized treasury shares for the above-mentioned amount.

De section 'Capital' amounts to €823,587,466, represented by 82,347,218 shares without nominal value.

The 'Share premium' amounts to €412,742,142 per December 31, 2020.

The section 'Reserves' amounts to €273,428,773 per December 31, 2020 and consists out of the following reserves:

- Legal Reserve for an amount of € 29,660,184.
  This reserve was established based on art. 7:211 of the Belgian company code. Each year, the annual shareholders should allocate at least 5% of the net result to a legal reserve. The obligation to provide for this reserve ends when 10% of the issued capital is reached.
- Unavailable reserves for own shares for an amount of € 15,791,952.
  In view of the recognition of own shares, the company formed an unavailable reserve in accordance with art. 7:217 of the Belgian company code. An unavailable reserve should be formed equal to the value of the own shares included on the balance sheet of the company.
- Available reserves for an amount of € 227.976.637.

The section 'Provisions for other liabilities and charges' amounts to €4,936,513 and consists of the provision in view of the Long Term Incentive Plan (LTIP), based on a combination of stock options, Restricted Stock Units – RSUs and Performance Stock Units – PSUs. For more information on this incentive plan, we refer to chapter 15 of this report.

The section 'Amounts payable after more than one year' amounts to € 1,044,228,726 per December 31, 2020 and is composed of Senior Term Loan Facilities (€ 600,000,000 and € 150,000,000); loans received from members of the Ontex Group (€263,000,000) and a loan issued by ING in view of the total return swap (€31,228,726) for share-based payments.

The section 'Amounts payable within one year' amounts to €743,020,475 and mainly consists out of the outstanding debt in view of the factoring agreements in place for all the members of the Ontex Group (€146,539,923), revolving credit facility (€300,000,000), trade debts (€12,559,037), tax payables (€202,051) and payables with regard to remuneration and social security (€3,027,652).

The section 'other amounts payable' amounts to €280,691,812 and mainly consists out of current accounts with other members of the Ontex Group (€280,623,482).

The accrued expenses and deferred income consist mainly of the accrued interests on the above-mentioned borrowings.

3.3 Income Statement

The operational loss amounts to €7,710,150 at the end of 2020.

The financial result at the end of 2020 amounts is a loss of €5,880,955. This is mainly the result of amounts written off own shares (€10,660,045) and of interests calculated on loans issued to different members of the Ontex Group (€23.018.235) and interest charges on the debt and current account positions with the different members of the Ontex Group.

The company closes the year 2020 with a loss of €13,730,349.

4. Reporting & Analysis required by Article 3:6§ 1, 1° Belgian Companies Code

With regard to the analysis & reporting requirement as stated in Article 3:6 §1, 1° of the Belgian Companies Code, the following can be stated:

Considering the activity of the company, rendering of services within the Ontex group, the company stand alone is not exposed to operational risks other than those applicable for the Ontex Group. For an overview of the risks and uncertainties of the Ontex Group, we refer to chapter 21 of this report.

5. Events after the end of the reporting period ended December 31, 2020 (Article 3:6§ 1 ,2° Belgian Companies Code)

No significant events occurred after the end of the reporting date which would affect the information mentioned in these consolidated financial statements.

6. Circumstances that may have a material impact on the development of the company (Article 3:6§ 1,3° Belgian Companies Code)

Unless mentioned otherwise in this report, no circumstances have occurred that could affect the company's development considerably.

7. Research and Development expenses (Article 3:6 § 1, 4° Belgian Companies Code)

Given the holding activity of the company, there were no significant expenses related to research and development in 2020.

8. Information in relation to branch offices (Article 3:6 § 1, 5° Belgian Companies Code)

The company does not have any branches.

9. Continuity of the Company (Article 3:6, §1 6° Belgian Companies Code)

Since the results of the financial years as per December 31, 2019 and 2020 close with a loss, the application of the valuation rules on the assumption of continuity, in accordance with article 3: 6, §1 6° New Companies Code, must be justified.

The company is subject to the same continuity risk as the group as a whole. The Ontex group achieved positive net results in 2020, which is reflected in the budgets and plans for the coming years. The Board of Directors therefore considers it justified to continue to apply the valuation rules in the assumption of continuity.

10. Financial Instruments (Article 3:6 § 1, 8° Belgian Companies Code)

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate-, foreign exchange rate- and commodity price risks. Therefore, interest rate SWAP’s and cross currency interest rate SWAP’s contracts are used to fix the interest charges on the loans with variable interest rate. During 2019, the Group decided to enter into cross currency interest rate SWAP’s and commodity hedging contracts for the raw material prices. The policy related to the currency risk hedging was followed appropriately. The Group also has a full hedging program for the share-based payments through a total return swap. The purpose of this financial instrument is to effectively hedge the risk that a price increase of the Ontex shares would negatively impact future cash flows related to the share-based payments.

11. Acquisition own shares

The company has own shares per December 31, 2020 for an amount of €14,453,153 and were obtained in view of the full hedging of the share-based payments. We refer to paragraph 3.2 of the Corporate Governance Statement.

Further details with respect to the acquisition of own shares can be consulted within chapter 2.1 of the annual report.

12. Compliance with the 2020 Belgian Code on Corporate Governance (Article 3:6 §2, 1°& 2° 11. Belgian Companies Code)

The Company is committed to high standards of corporate governance and relies on the 2020 Corporate Governance Code as its reference code. The 2020 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 Code of Companies and Associations, and provided they disclose the justification for any such deviations in their corporate governance statement included in the Annual Report in accordance with Article 3:6, §2, first paragraph, 2° of the Belgian Code of Companies and Associations.

On 9 October 2020, when the Company's Corporate Governance Charter was amended to comply with the requirements of the 2020 Corporate Governance Code, the Board opted to implement a one-tier governance structure. Ontex's prior governance structure, consisting of a board of directors and a management committee (*directiecomité*) within the meaning of article 524*bis* of the (former) Belgian Companies Code, is no longer available under the Belgian Code of Companies and Associations. After careful deliberation, the Board came to the conclusion that a one-tier structure most adequately responds to the principal considerations of (i) preserving the *status quo* with regard to the existing allocation of powers between the Board and management and (ii) maintaining its current practices of good governance. The Board thus is the highest administrative body of the Company. It is authorized to perform all acts that are necessary or useful for the realization of the object of the Company, except for those powers that are reserved by law to the shareholders' meeting. The Board decides on the strategy of the Company and takes all important investment and divestment decisions. The Board has delegated the operational management of the Company to the Executive Committee, which will exercise such operational management within the framework of the strategy determined by the Board. While the new governance model is slightly different from a legal perspective, there are little practical implications, as the powers delegated to the Executive Committee will mirror the powers that were previously exercised by the management committee.

The Company complies with all provisions of the 2020 Corporate Governance Code, except in respect of the following:

- Provision 2.10 and 2.13 of the Corporate Governance Code provides that the Board should ensure that there is a succession planning in place for the Board members, for the CEO and for the other members of the Executive Committee, as well as periodic evaluation thereof. A succession planning is part of the action plan as adopted by the Board, pursuant to the Board review and assessment conducted in the first quarter of 2021.
- Provision 7.6 of the Corporate Governance Code provides that a non-executive board member should receive part of their remuneration in the form of shares in the Company. After due consideration, it has been decided that the remuneration of the Non-Executive Directors will continue to be paid fully in cash, because of the complex tax and social security consequences of paying part of the remuneration in shares, both for the beneficiaries and for the Company. We are, however, of the opinion that share ownership by Non-Executive Directors can have a positive impact on their commitment and engagement. Therefore, the Company has issued a recommendation to Non-Executive Directors to build, over their four-year tenure, an Ontex

equity stake equivalent to one time the Non-Executive Director's fixed fee, and to keep this equity stake during at least one year following the end of their Board mandate.

- Provision 7.9 of the Corporate Governance Code provides that the Board of Directors should set a minimum threshold of shares to be held by the executives. The CEO is requested to build a shareholding of two times the annual salary, while other members of the Executive Committee are required to hold one time their annual salary in shares. Such shareholding must be gradually built up by holding on to at least 50% of the long-term incentive instruments when they vest, until the aforementioned shareholding is reached.
- Provision 7.11 of the Corporate Governance Code provides that stock options should not vest and be exercisable within less than three years. The Company's Articles of Association in principle 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, as described in further detail in the Remuneration Report, provides for a vesting period of three years for all share instruments. In practice, the Company thus complies with Provision 7.11 of the Corporate Governance Code. At the next Extraordinary shareholder's meeting, scheduled on May 25, 2021, the Board will propose, among other proposals for amendment, to delete this provision within its Articles of Association.

13. Capital and Shareholders

13.1 Capital and capital evolutions during 2020

At 31 December 2020, 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.

The Company adopted various Long-Term Incentive Plans ("LTIP"). None of the share instruments granted do confer any shareholder rights prior to the exercise or vesting of the respective instruments. The shares to be delivered to participants are existing shares of 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 and Remuneration Policy.

The grants made by Ontex under its LTIP provide for a three-year vesting period. Accordingly, the grants that were made in 2017 vested as from 2020.
Ontex has entered into the forward purchase agreements in order to hedge its obligations under grants made in the framework of its LTIP. These consist of one-year forward purchase agreements, which are being extended on a yearly basis.

As of 31 December 2020, the following purchase agreements are outstanding in respect of Ontex's own shares:

Date	Maturity	Number of shares	Strike Price	Highest Price	Lowest Price
Originally entered into on 1 July 2016 and	21 June 2021	291,757	€ 28.965	€ 30.515*	€ 27.145*

extended on 22 June 2020					
Originally entered into on 22 June 2017 and extended on 22 June 2020	21 June 2021	332,043	€ 32.298	€ 33.405**	€ 31.555**
Originally entered into on 22 June 2018 and extended on 22 June 2020	21 June 2011	536,409	€ 22.471	€ 24.240***	€ 19.200***

** The highest price and lowest price, respectively, reflects the highest price and lowest price of Ontex shares on Euronext Brussels during the period 20 June 2016 until 1 July 2016 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 € 28.965 was determined.*

*** The highest price and lowest price, respectively, reflects the highest price and lowest price of Ontex shares on Euronext Brussels during the period 7 June 2017 until 22 June 2017 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 € 32.298 was determined.*

**** The highest price and lowest price, respectively, reflects the highest price and lowest price of Ontex shares on Euronext Brussels during the period 29 May 2018 until 22 June 2018 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 € 22.4709 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.

On 31 December 2020, 284.904 shares of the Company were registered shares.

Pursuant to the above, on 31 December 2020, 16,335.273 shares of the Company were held by the Company.

13.2 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 2020, the Company received the following transparency declarations:

On 7 January 2020, Morgan Stanley notified Ontex that its wholly owned subsidiary Morgan Stanley & Co. International Plc holds, as a result of the acquisition of voting securities or voting rights, 4,173,110 shares in Ontex and so has crossed the threshold of 5% of the total number of voting rights in Ontex to 5.07%.

On 13 January 2020, Bank of America Corporation notified Ontex that it holds, as a result of the acquisition of voting securities or voting rights, 4,230,954 shares in Ontex and so has crossed the threshold of 5% of the total number of voting rights in Ontex to 5.14%. On the same date Bank of America Corporation has also notified Ontex that its wholly owned subsidiary Merrill Lynch International holds, as a result of the acquisition of voting securities or voting rights, 2,489,050 shares in Ontex and so has crossed the threshold of 3% of the total number of voting rights in Ontex to 3.02%.

On 29 January 2020, Bank of America Corporation notified Ontex that it had, as a result of the disposal of voting securities or voting rights, crossed below the threshold of 5% of the total number of voting rights in Ontex.

On 10 February 2020, Morgan Stanley notified Ontex that it holds, as a result of the acquisition of equivalent financial instruments 5,281,209 voting rights in Ontex that may be acquired if the instruments are exercised and so has crossed the threshold of 5% of the total number of voting rights in Ontex to 6.41%.

On 11 February 2020, Bank of America notified Ontex that it holds, as a result of the acquisition of voting securities or equivalent financial instruments, 4,557,196 voting rights in Ontex that may be acquired if the instruments are exercised and so has crossed the threshold of 5% of the total number of voting rights in Ontex to 5.53%.

On 12 March 2020, Morgan Stanley notified Ontex that it holds, as a result of the acquisition of voting securities, and the disposal of equivalent financial instruments, 6,092,552 voting rights in Ontex that may be acquired if all of the instruments are exercised. Morgan Stanley's total holding in Ontex at the time of this disclosure remains above the 5.00% threshold previously disclosed at 7.40%; the disclosure obligation arose due to voting rights attached to shares going above 3.00% and at the same time equivalent financial instruments falling below 5.00%.

On 16 March 2020, Morgan Stanley notified Ontex that it holds, as a result of the acquisition of voting securities, and the disposal of equivalent financial instruments, 6,000,576 voting rights in Ontex that may be acquired if all of the instruments are exercised. Morgan Stanley's total holding in Ontex at the time of this disclosure remains above the 5.00% threshold previously disclosed at 7.29%; the disclosure obligation arose due to voting rights that may be acquired if the instruments are exercised falling below 3.00% and at the same time total voting rights and equivalent financial instruments held by Morgan Stanley & Co. International plc falling below 5.00%.

On 17 March 2020, Morgan Stanley notified Ontex that it holds, as a result of the disposal of voting securities and the acquisition of equivalent financial instruments, 6,029,026 voting rights in Ontex that may be acquired if all of the instruments are exercised. Morgan Stanley's total holding in Ontex at the time of this disclosure remains above the 5.00% threshold previously disclosed at 7.32%; the disclosure obligation arose due to voting rights attached to shares falling below 3.00%, voting rights that may be acquired if the instruments are exercised crossing above 3.00%, and at the same time total voting rights and equivalent financial instruments held by Morgan Stanley & Co. International plc crossing above 5.00%.

On 18 March 2020, Morgan Stanley notified Ontex that it holds, as a result of the disposal of voting securities and the acquisition of equivalent financial instruments, 5,773,806 voting rights in Ontex that may be acquired if all of the instruments are exercised. Morgan Stanley's total holding in Ontex at the time of this disclosure remains above the 5.00% threshold previously disclosed at 7.01%; the disclosure obligation arose due to voting rights that may be acquired if the instruments are exercised crossing above 5.00%, and at the same equivalent financial instruments held by Morgan Stanley & Co. International plc crossing above 3.00%.

On 20 March 2020, DWS Investment GmbH notified Ontex that it holds, as a result of the acquisition of voting securities and equivalent financial instruments, 3,308,213 voting rights in Ontex that may be acquired if all of the instruments are exercised, and so had crossed the threshold of 3.00% of the total number of voting rights in Ontex to 4.02%.

On 23 March 2020, Morgan Stanley notified Ontex that its subsidiary Morgan Stanley & Co. International plc holds, as a result of the acquisition of equivalent financial instruments, 4,332,352 voting rights attached to equivalent financial instruments in Ontex that may be acquired if all of the instruments are exercised, and so has crossed the 5.00% threshold in equivalent financial instruments in its own right to 5.26%. Morgan Stanley's total holding in Ontex at the time of this disclosure remains above the 5.00% threshold previously disclosed, at 7.43%.

On 24 March 2020, Morgan Stanley notified Ontex that its subsidiary Morgan Stanley & Co. International plc holds, as a result of the disposal of equivalent financial instruments, 3,505,732 voting rights attached to equivalent financial instruments in Ontex that may be acquired if all of the instruments are exercised, and so has crossed below the 5.00% threshold in equivalent financial instruments in its own right to 4.26%. Morgan Stanley's total holding in Ontex at the time of this disclosure remains above the 5.00% threshold previously disclosed, at 7.00%.

On 25 March 2020, Morgan Stanley notified Ontex that it holds, as a result of the acquisition of voting securities and equivalent financial instruments, 6,307,773 voting rights and voting rights attached to equivalent financial instruments in Ontex that may be acquired if all of the instruments are exercised, and so has crossed the 7.50% threshold of the total number of voting rights in Ontex to 7.66%.

On 26 March 2020, Morgan Stanley notified Ontex that its subsidiary Morgan Stanley & Co. International plc holds, as a result of the acquisition of equivalent financial instruments, 4,445,504 voting rights attached to equivalent financial instruments in Ontex that may be acquired if all of the instruments are exercised, and so has crossed the 5.00% threshold in equivalent financial instruments in its own right to 5.40%. Morgan Stanley's total holding in Ontex at the time of this disclosure remains above the 7.50% threshold previously disclosed, at 7.72%.

On 27 March 2020, Morgan Stanley notified Ontex that it holds, as a result of the disposal of equivalent financial instruments, 4,441,711 voting rights in Ontex that may be acquired if all of the instruments are exercised, and so has crossed below the 7.50% of the total number of voting rights in Ontex to 5.39%.

On 27 March 2020, DWS Investment GmbH notified Ontex that it holds, as a result of the acquisition of voting securities, 4,147,002 voting rights in Ontex that may be acquired if all of the instruments are exercised, and so had crossed the threshold of 5.00% of the total number of voting rights in Ontex to 5.04%.

On 30 March 2020, DWS Investment GmbH notified Ontex that it holds, as a result of the disposal of voting securities, 3,874,649 voting rights in Ontex that may be acquired if all of the instruments are exercised, and so had crossed below the threshold of 5.00% of the total number of voting rights in Ontex to 4.71%.

On 31 March 2020, Morgan Stanley notified Ontex that it holds, as a result of the acquisition of equivalent financial instruments, 4,380,377 voting rights attached to equivalent financial instruments in Ontex that may be acquired if all of the instruments are exercised, and so has crossed the 5.00% threshold of the total number of voting rights in Ontex to 5.32%. Morgan Stanley's total holding in Ontex at the time of this disclosure remains above the 5.00% threshold previously disclosed, at 5.51%.

On 1 April 2020, DWS Investment GmbH notified Ontex that it holds, as a result of the acquisition of voting securities, 4,365,973 voting rights in Ontex that may be acquired if all of the instruments are exercised, and so had crossed the threshold of 3.00% of the total number of voting rights in Ontex to 5.30%.

On 15 April 2020, Morgan Stanley notified Ontex that it holds, as a result of the disposal of equivalent financial instruments, 3,636,111 voting rights attached to equivalent financial instruments in Ontex that may be acquired if all of the instruments are exercised, and so has crossed below the 5.00% threshold of the total number of voting rights in Ontex to 4.42%. Morgan Stanley's total holding in Ontex at the time of this disclosure remains above the 5.00% threshold previously disclosed, at 5.64%.

On 16 April 2020, Morgan Stanley notified Ontex that it holds, as a result of the acquisition of equivalent financial instruments, 4,205,705 voting rights attached to equivalent financial instruments in Ontex that may be acquired if all of the instruments are exercised, and so has crossed the 5.00% threshold of the total number of voting rights in Ontex to 5.11%. Morgan Stanley's total holding in Ontex at the time of this disclosure remains above the 5.00% threshold previously disclosed, at 5.97%.

On 16 April 2020, ENA Investment Capital notified Ontex that it holds, as a result of the acquisition of voting securities or voting rights, 12,345,049 shares in Ontex and has so crossed above the threshold of 10.00% of voting securities in Ontex on 15 April 2020 to 14.99%. At the same time, as a result of the disposal of equivalent financial instruments, ENA Investment Capital notified Ontex that it has crossed below the threshold of 3% on 15 April 2020. ENA Investment Capital's total holding in Ontex at the time of this disclosure remains above the 10.00% threshold previously disclosed, at 14.99%.

On 17 April 2020, Morgan Stanley notified Ontex that it holds, as a result of the disposal of equivalent financial instruments, 3,555,194 voting rights attached to equivalent financial instruments in Ontex that may be acquired if all of the instruments are exercised, and so has crossed below the 5.00% threshold of the total number of voting rights in Ontex to 4.32%. Morgan Stanley's total holding in Ontex at the time of this disclosure remains above the 5.00% threshold previously disclosed, at 6.00%.

On 20 April 2020, DWS Investment GmbH notified Ontex that it holds, as a result of the disposal of voting securities or voting rights, 3,258,778 shares in Ontex and has so crossed below the threshold of 5.00% of voting securities in Ontex on 15 April 2020 to 3.96%.

On 22 April 2020, DWS Investment GmbH notified Ontex that it holds, as a result of the disposal of voting securities or voting rights, 2,209,469 shares in Ontex and has so crossed below the threshold of 3.00% of voting securities in Ontex on 17 April 2020 to 2.68%.

On 22 April 2020, The Goldman Sachs Group, Inc. notified Ontex that it holds, as a result of the acquisition of equivalent financial instruments, 2,720,728 shares in Ontex and has so crossed above the threshold of 3.00% of voting rights in Ontex on 17 April 2020 to 3.30%.

On 24 April 2020, The Goldman Sachs Group, Inc. notified Ontex that as a result of the disposal of equivalent financial instruments, it has crossed below the threshold of 3.00% of voting securities in Ontex on 22 April 2020.

On 30 April 2020, ENA Investment Capital notified Ontex that it holds, as a result of the acquisition of voting securities or voting rights, 12,411,999 shares in Ontex and has so crossed above the threshold of 15.00% of voting securities in Ontex on 29 April 2020 to 15.07%.

On 14 May 2020, Zadig Asset Management SA notified Ontex that it holds, as a result of the acquisition of voting securities or voting rights, 2,651,884 shares in Ontex and has so crossed above the threshold of 3.00% of voting securities in Ontex on 13 May 2020 to 3.22%.

On 7 July 2020, DWS Investment GmbH notified Ontex that it holds, as a result of the acquisition of voting securities or voting rights, 2,528,510 shares in Ontex and has so crossed above threshold of 3.00% of voting securities in Ontex on 1 July 2020 to 3.07%.

On 17 July 2020, DWS Investment GmbH notified Ontex that it holds, as a result of the disposal of voting securities or voting rights, 2,261,451 shares in Ontex and has so crossed below threshold of 3.00% of voting securities in Ontex on 13 July 2020 to 2.75%.

On 31 July 2020, Bank of America Corporation notified Ontex that as a result of the disposal of voting rights and equivalent financial instruments, it has crossed below the threshold of 3.00% of the total number of voting rights in Ontex on 28 July 2020.

On 3 August 2020, Bank of America Corporation notified Ontex that it holds, as a result of the acquisition of voting securities and equivalent financial instruments, 8,352,436 voting rights in Ontex that may be acquired if the instruments are exercised, and so has crossed above the threshold of 10.00% of the total number of voting rights in Ontex on 29 July 2020 to 10.14%.

On 4 August 2020, Bank of America Corporation notified Ontex that it holds, as a result of the disposal of voting securities and the acquisition of equivalent financial instruments, 8,206,771 voting rights in Ontex that may be acquired if the instruments are exercised and so has crossed below the threshold of 10.00% of the total number of voting rights in Ontex on 30 July 2020 to 9.97%.

On 6 August 2020, Bank of America Corporation notified Ontex that as a result of the disposal of financial instruments that are treated as voting securities, it has crossed below the threshold of 3.00% of the total number of voting rights in Ontex on 31 July 2020.

On 7 August 2020, DWS Investment GmbH notified Ontex that it holds, as a result of the acquisition of voting securities and equivalent financial instruments, 2,641,340 voting rights in Ontex that may be acquired if the instruments are exercised, and so has crossed above the threshold of 3.00% of the total number of voting rights in Ontex on 4 August 2020 to 3.21%.

On 13 August 2020, DWS Investment GmbH notified Ontex that it holds, as a result of the disposal of voting securities or voting rights, 2,333,905 shares in Ontex and has so crossed below threshold of 3.00% of voting securities in Ontex on 7 August 2020 to 2.83%.

On 29 December 2020, Janus Henderson Group plc notified Ontex that it holds, as a result of the disposal of voting securities or voting rights, 2,453,210 shares in Ontex and has so crossed below threshold of 3.00% of voting securities in Ontex on 24 December 2020 to 2.98%.

We refer to our website for transparency declarations received after December 31, 2020.

13.3 Shareholder structure

The shareholder structure of the Company on December 31, 2020[1] was, based on the transparency declarations received by the Company, as follows:

Shareholders	Shares	%[2]	Date threshold crossed
Groupe Bruxelles Lambert SA	16,454,453	19.98%	3 December 2018
ENA Investment Capital	12,411,999	15,07%	29 April 2020
The Pamajugo Irrevocable Trust	2,722,221	3,64%	29 February 2016
Zadig Asset Management SA	2,651,884	3,22 %	14 May 2020
CIAM	2,614,990	3,18%	18 June 2019

To the knowledge of the Company, no shareholders' agreements are currently in place.

14. Dealing and Disclosure Code

Ontex takes compliance with applicable market abuse regulations very seriously. On 3 June 2014, the Board approved the Ontex Dealing and Disclosure Code (the "Dealing and Disclosure Code"). The Dealing and Disclosure Code was subsequently amended on 2 April 2015 and most recently on 28 June 2016. The Dealing and Disclosure Code restricts transactions in Ontex Group NV securities by members of the Board and of the Executive 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.

15. Risk management and internal control framework (Article 3:6 § 2, 3° Belgian Companies Code)

15.1 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

[1] Updates subsequent to December 31, 2020 are described on our website (http://www.ontex.com/investors/shareholder-resources-center).

[2] Percentage based on the outstanding share capital of the Company at the time of the declaration.

Compliance with all applicable laws and regulations.

15.2 Control Environment

15.2.1 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 the first responsible for assessing risks on a day-to-day basis and implementing controls in response of 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 actors provide guidance and direction and develop a risk management framework.
- Third line of defense: independent assurance providers like internal audit and external audit challenge the risk management processes as executed by the first and second line of defense.

15.2.2Policies, 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, the Ontex Code of Ethics (and its related policies such as the anti-bribery, anti-money laundering and fair competition policies), 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.

15.2.3 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.

15.3 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. These corporate risks are communicated to the various levels of management.

15.4 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.

Key compliance areas are monitored for the entire Ontex Group by Local Compliance Coordinators, the Compliance Manager, the Head of Compliance, and the Compliance Steering Committee. The Compliance function supports the compliance with the Ontex Code of Ethics and the adoption of clear processes and procedures with respect to the Code. The Compliance Steering Committee is composed of the CFO, the Group HR Director, the Group General Counsel and the Head of Compliance and meets regularly to discuss and decide on compliance strategy, 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.

15.5 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.

15.6 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 actors:

- 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 focusses 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 chapter 1.4. of the Corporate Governance Statement.

15.7 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 disaggregated 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 https://www.ontex.com.

16. Remuneration policy and report (Article 3:6 §3 Belgian Companies Code)

16.1 2020 Context, Performance Highlights and Remuneration Outcomes

During 2020, we developed a completely new remuneration policy to better align performance and pay following feedback from our wide-ranging consultations with shareholders and the re-composition of the Board and the Remuneration and Nomination Committees. The principles of new performance-based remuneration policy will apply from 2021 and can be found in the next section.

2020 was marked by volatility in demand, operating conditions and currencies related to the COVID-19 pandemic from March onwards. After a surge in demand drove our first quarter sales to record levels, especially in Europe, activity dropped sharply in the second quarter, and demand across the traditional distribution channels did not return to pre-pandemic levels. In the second half, our sales were impacted by the pandemic-related shift to online sales, where retail brands are less present. Furthermore, demand decreased in several emerging markets due to economic downturn. Our reported sales also reflect the steep and lasting depreciation of most emerging market currencies.

Revenue of €2,087 million was down 3.1% LFL for the full year 2020, and down 8.5% on a reported basis. This includes a €130 million unfavorable currency effect from the major depreciation of several key functional currencies against the Euro, notably the Mexican Peso, Brazilian Real and Turkish Lira. The decrease in LFL sales mainly reflects lower demand for personal hygiene products in tracked retail channels from the second quarter onwards as well as contract losses in Europe, partly offset by a resilient performance in Healthcare and growth in Brazil, Turkey and the US.

Adjusted EBITDA of €236 million in 2020 was down 3.9% compared with the prior year, and Adjusted EBITDA margin was up 55 bps to 11.3%. At constant currencies, Adjusted EBITDA stood at €310 million (up 26.4%): Strong procurement savings and lower raw material indices outweighed the impact of lower sales and operating leverage, inflation on costs and COVID-19 related costs for €14 million. The full year currency impact was €74 million unfavorable.

Free cash flow stood at €60 million, down €50 million compared with 2019, on lower cash generation from recurring trade activities and higher outflows related to non-recurring items. Capital expenditure net of disposals was €105 million.

Given the successive votes against our remuneration report and policy at recent AGMs and the feedback from consultations with shareholders, remuneration and remuneration policy were both singled out as priority topics by the Board, with its new Chairman, and received the full backing of the reconstituted Executive Committee and the new CEO. Following extensive dialogue with shareholders, investors and proxy advisors we plan to submit a completely revised policy to the AGM in 2021 that is fully aligned with the interests of Ontex's shareholders and stakeholders. The main principles and features of the proposed new, more straight-forward remuneration policy 2021 are summarized below.

In 2020, a significant proportion of the total remuneration paid to the members of the Executive Committee comprised termination payments that followed the strictest interpretation of binding contractual obligations to departing members that had been entered into by the previous Board. Although the new remuneration policy only starts to apply from 2021, some of the spirit of the principles has already been adopted as exemplified by the 2020 remuneration for the CEO and other members of the Executive Committee. Remuneration was guided by the 2020 policy which included the company's performance against certain targets and also neutralized currency impacts when assessing performance against financial KPIs. However, given the magnitude of the impact of the unfavorable currency situation on our 2020 financial results, as well as the discrepancy between the reported financial results and the actual financial results, which are used to assess levels of remuneration, the Board of Directors, following the recommendation of the Remuneration Committee, decided that the 2020 bonus for members of the Executive Committee should be reduced by 50%.

16.2 Remuneration Policy for 2021 onwards

The new remuneration policy principles, and the changes to the remuneration policy resulting from these principles are set out in the table below.

Remuneration Policy Principles	Remuneration Policy Changes
Management Incentives are based on reported financial results	Financial bonus KPIs, Adjusted EBITDA and Cash Flow will be as per reported results (without FX adjustments), while Revenue will be assessed on a like-for-like basis
No multiple rewards for the same outcomes	No overlap between KPIs for short-term and long-term incentives. Discontinuation of the T2G incentive programme
Simpler and fully performance-based long-term incentive plan	Long-term incentive plan consisting of performance shares only
Incentive plans based on a healthy mix of financial and quantifiable non-financial KPIs, including ESG	Rebalancing the weights of the financial and non-financial KPIs in both the short-term and the long-term incentive plan, and introduction of ESG KPIs in the long-term incentive plan.
Pay for sustainable results	Introduction of a bonus-claw back
Alignment with shareholders	Introduction of share ownership requirements for members of the Executive Committee
Transparency	Disclosure of performance targets ex-ante if not commercially sensitive, and otherwise ex-post
Eliminate possibility of pay for failure	Introduction of stricter severance provisions

A revised remuneration policy incorporating the above-mentioned changes will be submitted to the annual shareholders' meeting on 25 May 2021. The full revised remuneration policy will be made available to the shareholders in due course.

16.3 Remuneration policy applied in 2020

The remuneration policy set forth below is the Company's former remuneration policy as it was applied in 2020. This policy does not reflect the new remuneration policy that will be submitted to the annual shareholders' meeting on 25 May 2021. An entirely revised remuneration policy will be applicable from 2021 onwards.

The remuneration policy describes the principles and policies determining the composition and level of remuneration for Non-Executive Directors and members of the Executive Committee of Ontex as applied in 2020.

The principles and policies governing the 2020 remuneration for Non-Executive Directors and for members of the Executive Committee address the following topics:

- The way in which the Remuneration Policy contributes to the strategy, the long-term ambitions, performance and sustainability of Ontex
- A description of the different remuneration components and their respective weights in the total remuneration package.

  For the variable components of remuneration, the policy defines the performance criteria that are used to determine the variable compensation. It also sets out the minimum performance threshold required for any variable compensation to pay out, as well as the performance level at which the maximum bonus pay out is reached.

  For equity-based components, the policy addresses the nature of the equity compensation, the vesting criteria and the performance criteria linked to the grant or the vesting of equity instruments. It also covers how these performance criteria contribute to the strategy and the long-term ambitions and sustainability of Ontex.
- Whether the measurement of performance, base pay evolution, short-term variable pay and long-term variable pay for members of the Executive Committee is the same as for other managers in the Company
- The principle terms of appointment of Non-Executive Directors and members of the Executive Committee and the applicable end-of-contract provisions.

16.3.1. Remuneration Policy applied in 2020 for Non-Executive Directors

As per the Corporate Governance Charter, the Board exercises the powers expressly reserved to the Board by law or the Company's articles of association, addresses matters pertaining to the general policy of the Company, and acts in a supervisory capacity with regard to the Executive Committee.

It is believed that, in order to fulfil these tasks, Ontex must be able to attract a rich spectrum of Board member profiles that mirror the Company's diverse customer and consumer bases and its geographical footprint. Furthermore, the composition of the Board needs to embody a thorough knowledge of the business dynamics and markets in the personal hygiene sector.

With this ambition in mind, the Non-Executive Directors at Ontex are rewarded through a combination of a fixed annual fee and attendance fees. The total annual remuneration paid to Non-Executive Directors is aligned with remuneration levels for similar positions reported by BEL20 companies.

The Chairpersons of the Board and the Board Committees receive a higher fixed fee than the other members of the Board, given the broader time commitment required of these roles. The fixed fees are *pro-rata* based so that a Board and/or Board Committee membership which starts or ends during a calendar year is only compensated for the time dedicated to such membership.

In addition to fixed remuneration, Board members also receive a fee for every Board and Board Committee meeting they attend.

The fixed remuneration and attendance fees for Non-Executive Directors are shown in the table below.

Role	Fixed Fee	Attendance Fee
Non-Executive Director	60,000 EUR	2,500 EUR
Board Chairperson	+ 60,000 EUR	+ 2,500 EUR
Committee Chairperson	+ 10,000 EUR	+ 2,500 EUR
Committee Member		+ 2,500 EUR

Provision 7.6 of the 2020 Belgian Corporate Governance Code recommends that non-executive Board members receive part of their remuneration in the form of shares. After due consideration, it has been decided that the remuneration of the Non-Executive Directors will continue to be paid fully in cash, because of the complex tax and social security consequences of paying part of the remuneration in shares, both for the beneficiaries and for the Company. We are, however, of the opinion that share ownership by Non-Executive Directors can have a positive impact on their commitment and engagement. Therefore, the Company has issued a recommendation to Non-Executive Directors to build, over their four-year tenure, an Ontex equity stake equivalent to one time the Non-Executive Director's fixed fee, and to keep this equity stake for the duration of at least one year following the end of their Board mandate.

16.3.2. Remuneration Policy applied in 2020 for Members of the Executive Committee

General reward principles and alignment with the Company's strategy

Ontex aspires to be the preferred company for its consumers, customers, employees and investors, as well as a socially responsible company.

In order to attract, motivate and retain people who are committed to helping Ontex realize its commitments towards its consumers, customers, employees and investors, we have built our remuneration policy on the following pillars:

- We reward the successful implementation of strategy. This is done by linking a significant part of remuneration to the achievement of financial goals which reflect our commitment to our consumers, customers and investors.
- We reward performance by making a significant portion of remuneration dependent on both individual contribution and collective (Group and divisional) achievements.
- We foster a bias towards long-term shareholder value creation through granting share-based remuneration to employees who have an important influence on the Company's success.
- Our pay practices are aligned with local market practices for the talent pools we are recruiting from.

Decision-making process

The remuneration policy for members of the Executive Committee is approved by the shareholders' meeting upon proposal by the Board, after a recommendation by the Remuneration and Nomination Committee. Within the confines of the remuneration policy as approved by the shareholders' meeting, the Board:

- Evaluates and reviews the appropriate market positioning of the rewards offered to the members of the Executive Committee compared with the relevant benchmarks;
- Determines the individual compensation levels of the members of the Executive Committee, taking into consideration their role and contribution to the business;
- Evaluates and determines the appropriate pay mix; and
- Sets and reviews the financial targets for the performance-based remuneration components.

The Board evaluates the effectiveness of the remuneration policy for members of the Executive Committee. When needed, the Board calls upon reputable external compensation consultants to assist with this task.

Competitive Positioning

To attract, motivate and retain talented executives with the necessary knowledge, skills and values to deliver Ontex's growth ambitions, our levels of remuneration and the various instruments at our disposal need to be aligned with those of companies that are recruiting from the same talent pool. For such reason, Ontex periodically benchmarks its total compensation against a peer group of companies with the following characteristics:

- Active in FMCG;
- Headquartered in Europe;
- Present internationally; and
- Mix of publicly listed and privately held companies.

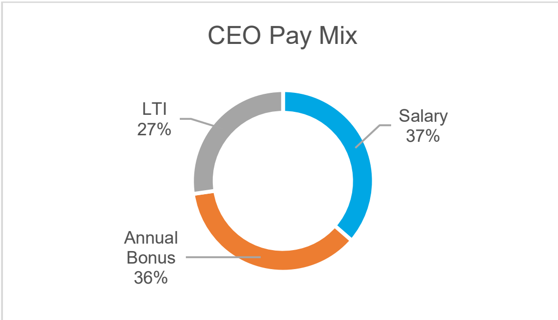
In terms of cash and equity-based compensation elements, the targeted competitive positioning is the median pay level in the peer group. Where there is a significant difference in scope and size between Ontex and the peer group companies, appropriate adjustments are made. For pensions and fringe benefits, the target is the median of local general industry practices. The Company aims for individual compensation levels to be within a competitive range around this benchmark, taking into consideration an individual's tenure, experience and contribution to the business.

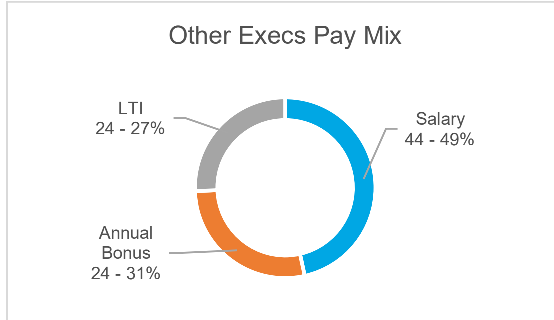
Compensation components and mix

Members of the Executive Committee are compensated in accordance with their responsibilities as well as individual and Company performance, both short and long-term. The total compensation of members of the Executive Committee consists of:

- A fixed compensation component: base salary; and
- Variable compensation components: annual bonus and a long-term incentive plan.

The charts below show the weight of these elements in the total target compensation for the CEO and for other members of the Executive Committee.



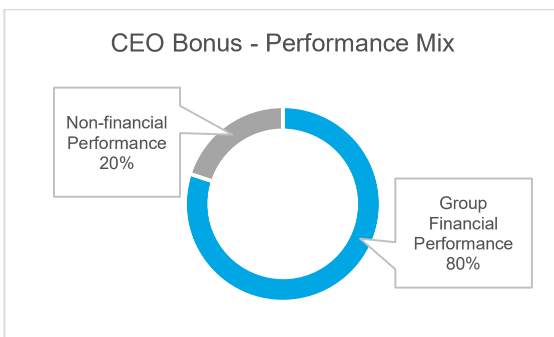


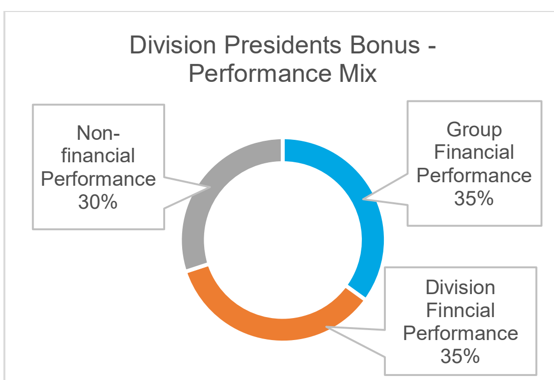
Fixed Compensation Component – Base Salary

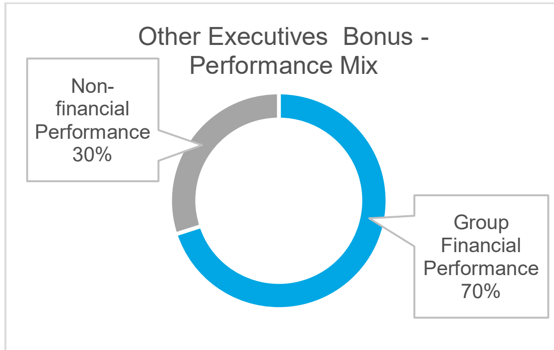
The target base salary for members of the Executive Committee is within a competitive range of the median base salary for comparable positions in the peer group mentioned above. The actual salary reflects the individual's tenure, experience and contribution to the business. Base salary levels are reviewed annually, and their development depends on the individual's performance and salary in relation to said benchmark. Where there is a considerable gap between the actual base pay and the benchmark, the Board may consider a multi-year catch-up programme to bring the base pay level up to a competitive range of the benchmark.

Variable Compensation Component – Annual Bonus

The annual bonus programme is designed to reward members of the Executive Committee for individual and collective performance over a one-year horizon. The table below sets out the weight of the financial and non-financial performance indicators in the bonus calculation for the different executive positions.



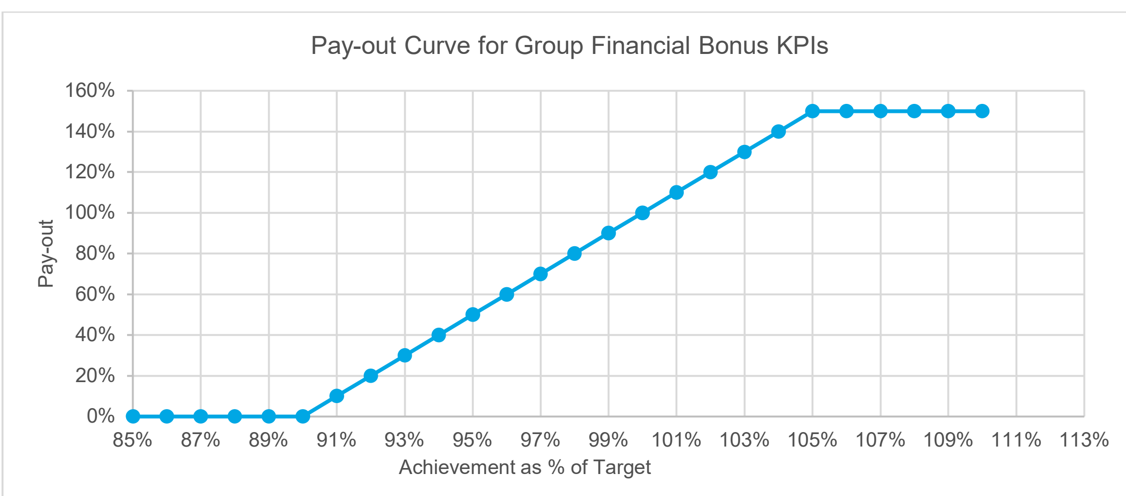




The metrics used for the assessment of the ***Group Financial Performance*** reflect Ontex's ambition to focus on business growth, profitability and the generation of sufficient cash to allow us to continuously fuel R&D, innovation, organic expansion and strategic acquisitions. The group financial performance KPIs and their respective weights are shown in the table below.

KPI - Group	KPI Definition	KPI Weight
Revenue	Actual Group revenue, adjusted for exchange rate fluctuations vs budgeted Group revenue	25%
EBITDA	Actual Group EBITDA, adjusted for exchange rate fluctuations vs budgeted Group EBITDA	50%
OFCF	Actual Group Operating Free Cash Flow, adjusted for exchange rate fluctuations vs budgeted Group OFCF	25%

The targets for each of the Group financial performance KPIs are set annually by the Board. As these targets are commercially sensitive, they are not being disclosed ex ante. However, both targets and actual achievements are published ex post. The weighted Group financial performance score (based on the table above) is subsequently translated into a pay-out curve which has a threshold and a cap. The threshold is set at the minimum acceptable level of performance to trigger the Group financial performance part of the bonus. For each of the above-mentioned KPIs at least 91% of the objective needs to be achieved for any bonus to be paid. At 91% performance, bonus pay-out is only 10%. 95% achievement yields a bonus pay-out of 50%. The cap reflects a considerable over-achievement of the targets. This achievement level is set at 105% of target, resulting in a bonus pay-out of 150%. The pay-out curve for the Group financial performance is shown below.



The KPIs, KPI definition and respective weights for the ***Division Financial Performance*** are shown in the table below. The targets for each of the Division financial performance KPIs are set annually by the Board. The performance threshold, cap and pay-out curve for the Division financial performance are the same as for the Group financial performance.

KPI - Division	KPI Definition	KPI Weight
Revenue	Actual Division revenue, adjusted for exchange rate fluctuations vs budgeted Division revenue	25%
EBIT	Actual Division EBIT, adjusted for exchange rate fluctuations vs budgeted Division EBIT	50%
DSO	Actual days of sales outstanding vs targeted days of sales outstanding	25%

The ***Non-Financial Performance*** of each executive is assessed against a set of quantitative and qualitative objectives, including sustainability targets, employee engagement, succession, quality of leadership and others.

The Non-Financial Performance criteria for the CEO are set and assessed annually by the Board. The non-financial performance criteria for the other members of the Executive Committee are set and assessed annually by the Board upon recommendation of the CEO. The degree to which the non-financial objectives have been achieved and the corresponding pay-out levels are shown in the table below.

Non-financial performance assessment	Pay-out factor
Consistently exceeded	150%
Frequently exceeded	115% - 140%
Met	90% - 115%
Partially met	50% - 90%
Not met	0%

The target bonus for the CEO is set at 100% of base salary. For other members of the Executive Committee, the target bonus ranges from 50% to 70% of base salary.

The KPIs, KPI weights and pay-out curves that are used to calculate the annual bonus for the members of the Executive Committee also apply to the bonus calculation of other management positions within the organization. However, the balance between the financial and the non-financial performance indicators may be different.

In line with the dominant practice in Belgium, the annual bonus is not subject to any deferrals or claw-back provisions as it is unclear whether such clauses would be enforceable. Moreover, some of the customary triggers included in claw-back provisions, such as fraud or gross misconduct can be addressed in other ways such as dismissal (for cause), recovery, exclusion from D&O insurance coverage and others.

Variable Compensation Component – Long-term Incentive

With a view to fostering long-term sustained performance, and aligning the interests of senior management with those of the shareholders, a significant proportion of the variable compensation of the members of the Executive Committee is linked to tenure and financial goals measured over a three-year period, and is delivered in the form of equity instruments. The Long-term incentive structure has been fully overhauled in the 2021 Remuneration Policy to simplify it and make it fully performance dependent.

The long-term incentive plan was approved by the shareholders in May 2018 for a five-year period, starting in 2019. Long-term incentives are delivered in the form of restricted stock units, stock options and performance shares, all vesting over a three-year period.

The long-term incentive target for the members of the Executive Committee is expressed as a percentage of base salary. The target incentive for the CEO represents 75% of base salary. For the other members, the target incentive amounts to 55% of base salary. These target incentive levels are aligned with the benchmark as described in the section on competitive positioning above.

The weights, vesting term and vesting conditions of the 3 LTIP instruments are specified in the table below.

LTIP Instrument	Weight in total grant	Vesting Term	Vesting Conditions
Performance shares	33,33%	3 years	Performance vesting (threshold – target – cap)
Stock Options	33,33%	3 years	Performance vesting (share price performance) + upfront tax investment (*)
Restricted Stock Units	33,33%	3 years	Time vesting

Executives leaving the company before the vesting date other than for cause are entitled to a pro-rata vesting, at the plan's vesting date and subject to performance criteria being met where applicable.

Restricted stock units are part of the LTIP despite the absence of performance vesting. As such, they are a counter-weight for the financial risk and upfront cash investment associated with the grant of stock options to Belgium-based members of the Executive Committee.

(*)Taxes on stock options granted to Belgium based members of the Executive Committee are payable up-front, at the time of grant, with no refund in case the options remain out of the money.

Stock Options

A stock option gives the beneficiary 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.

Stock options at Ontex vest three years after the grant and are valid eight years from the date of grant. They lapse automatically if they have not been exercised by the ninth anniversary of the grant date. The exercise price is the share price on the date of the grant. Stock options will only deliver value if, between the vesting date and the expiry of the options, the share price exceeds the value of the share at grant. This focuses the efforts of members of the Executive Committee on increasing the value of the Ontex share over the vesting period.

The number of stock options awarded to members of the Executive Committee is determined by dividing one third of the total long-term incentive grant value by the value of one stock option. The value of a stock option is calculated using the Black and Scholes valuation methodology based on the share price on the grant date.

Members of the Executive Committee who are subject to income taxes in Belgium need to pay the income tax on the value of the stock options at the time of the grant. These taxes may not be claimed back if the options cannot be exercised, and therefore represent a substantial financial risk.

In accordance with Provision 7.11 of the 2020 Corporate Governance Code, Ontex does not facilitate the entering into derivative contracts related to stock options, nor the hedging of the risks associated with these instruments.

Restricted Stock Units (RSUs)

A restricted stock unit entitles the beneficiary to receive from the Company for no consideration one share in the Company per vested restricted stock unit.

The number of restricted stock units awarded to members of the Executive Committee is determined by dividing one third of the total long-term incentive grant value by the value of the Ontex share on the grant date.

Restricted stock units at Ontex vest three years after the grant, provided the member of the Executive Committee is still working for Ontex at that time.

Performance Shares

A performance share provides the beneficiary with the right to receive from the Company one share in the Company per vested performance share, where the vesting is subject to a three-year period as well as the achievement of performance conditions measured over the three-year period.

Performance shares at Ontex are subject to performance criteria and targets set by the Board at the time of grant. The performance criteria are chosen to foster long-term value creation and alignment with shareholder interests. As the performance targets for the performance shares are commercially sensitive, the performance targets are not disclosed upfront. However, the performance targets and actual achievements will be disclosed at the end of the three-year performance period.

The number of performance shares awarded to members of the Executive Committee is determined by dividing one third of the total long-term incentive grant value by the value of the Ontex share on the grant date.

The number of performance shares that vest is adjusted according to the achievement of the performance goals over the three-year performance period. If the actual performance is below a specified threshold, no shares are awarded. The vesting is also subject to a 200% cap, at a performance level which exceeds the original targets in a significant way. The performance threshold and cap are set by the Board at the time of grant.

Provision 7.9 of the 2020 Corporate Governance Code determines that the Board should set a minimum threshold of shares to be held by the executives. However, members of the Executive Committee are not required to hold a minimum value in Company stock. It is the Company's belief that, through successive annual grants, at any given time they will have a sufficiently important equity stake in the Company (even though not vested) to focus their efforts and attention on the creation of long-term shareholder value.

The long-term incentive instruments, vesting periods, performance conditions and other plan features applicable to the members of the Executive Committee are the same as those that apply to other Ontex staff who qualify for long-term incentive participation.

Variable Compensation – Specific and temporary incentive related to the Transform to Grow Transformation programme

In 2019, Ontex launched a comprehensive transformation programme called 'Transform to Grow' ("T2G") to accelerate value creation by step-changing its operational and commercial excellence. The programme was targeted at generating an incremental recurring EBITDA as well as a margin improvement between 125 and 175 basis points at the end of 2021 versus 2018.

A specific and temporary incentive plan related to T2G was adopted in 2019.

In the meantime, the Board has undertaken a review of the T2G programme and incentive plan and has decided to discontinue the plan as from 2021. The last payments under the T2G incentive plan are included in this remuneration report for 2020.

Other remuneration elements

Members of the Executive Committee participate in the benefits plans applicable to this category of staff in the country of their contract. These usually include a company contribution to a pension plan, life insurance, disability insurance and health benefits. Members of the Executive Committee may also be entitled to certain executive benefits such as company cars and other benefits in kind. The value of these elements is disclosed in the annual Remuneration Report.

Terms of Contract and Termination Provisions

The rights and obligations related to the office of 'Member of the Executive Committee' at Ontex are formalized in a contract of indefinite duration. These contracts include the principle terms of office as well as clauses covering the protection of intellectual property of the Company, confidentiality (both during and after employment) regarding information to which members of the Executive Committee have access, as well as termination and non-compete provisions. Under the binding termination provision, the contractual notice for the CEO is 12-months' salary plus the bonus of the previous year. The non-compete provision is 12-months' salary of the CEO and its implementation depends on a decision by the Board of Directors. The termination and non-compete provisions for the current members of the Executive Committee and those that were in office during 2020 are shown in the table below.

Function & Name	Contractual Notice	Contractual Non-Compete and/or Additional Termination Indemnity
Former CEO – C. Bouaziz **Interim CEO – Artipa BV, represented by T. Navarre**	12 months	12 months fixed fee
EVP R&D, Quality, Sustainability – A. De Poorter	3 months	15 months fixed fee
All other Executive Committee members	3 months	12 months fixed fee

These Terms of Contract and Termination provisions have been completely modified to become in line with current best practices in the 2021 Remuneration Policy.

16.4 2020 Remuneration of the Directors

All members of the Board of Ontex are Non-Executive Directors. Each Director received (i) an annual fixed fee as well as (ii) attendance fees which are a function of the number of Board and committee meetings attended by such Director. Directors did not receive any variable compensation, fringe benefits or pension contribution payments.

As explained in more detail in the Corporate Governance Statement, the composition of the Board underwent significant changes during 2020. On 23 March 2020, Revalue BV, with Luc Missorten as its permanent representative, resigned as director of the Company. On the same date, the Board co-opted Lubis BV, with Luc Missorten as its permanent representative, as Independent Director of the Company and appointed Lubis BV, with Luc Missorten as its permanent representative, as Chair of the Board.

Lubis BV, with Luc Missorten as its permanent representative, served as Ontex's chair until the 2020 annual shareholders' meeting at which point Lubis BV resigned. At the 2020 annual shareholders' meeting, Viability BV, with Hans Van Bylen as its permanent representative was appointed as Independent Director of Ontex. Subsequently, he was appointed by the Board of Directors as Chair.

Furthermore, following the resignation of Tegacon Suisse GmbH, with Gunnar Johansson as its permanent representative, Frederic Larmuseau joined the Board as Independent Director in October 2020.

Lastly, Esther Berrozpe resigned on 21 December 2020 in light of her appointment as CEO of the Company.

The amounts paid to Directors in 2020 are shown in the table below.

Name	Mandate	Fixed fee (EUR)	# Board meetings attended	Board attendance fee (EUR)	# N&R Committee meetings attended	N&R Committee attendance fee (EUR)	# A&R Committee meetings attended	A&R Committee attendance fee (EUR)	# Strategy Committee meetings attended	Strategy Committee attendance fee (EUR)	Total fee for 2020 (EUR)
Revalue BV, represented by Luc Missorten (until 23/03/2020)	Chairman of the Board, Independent Director	120,000	3/3	5.000	3/3	2,500	1/1	2,500			55,000 (pro rated)
Lubis BV, represented by Luc Missorten (23/03/2020 until 25/05/2020)	Chairman of the Board of Directors, Independent Director	120,000	5/5	5.000	1/1	2,500	1/1	2.500			37.742 (pro rated)
ViaBylity BV, represented by Hans Van Bylen (as from 25/05/2020)	Chairman of the Board of Directors, Independent Director Chairman of the Strategy Committee	120,000	21/21	5.000	7/7	2,500	5/5	2.500	12/12	4,000	236.333 (pro rated)
Inge Boets BV, represented by Inge Boets	Chairwoman of the Audit and Risk Committee, Independent Director	70,000	29/29	2.500			8/8	4,000			153.000
Tegacon Suisse GmbH, represented by Gunnar Johansson	Chairman of the Remuneration and Nomination Committee, Independent Director	70,000	19/19	2.500	6/6	4,000					119.833,33 (pro rated)
Desarrollo Empresarial Joven Sustentable SC, represented by Juan Gilberto Marin Quintero	Non-Executive Director	60,000	29/29	2.500							115.000
Regina SARL, represented by Regi Aalstad	Independent Director	60,000	29/29	2.500	11/11	2,500			12/12	2,500	172.500
Michael Bredael	Non-Executive Director	60,000	29/29	2.500	6/6	2,500	8/8	2,500	12/12	2,500	177.500
Ester Berrozpe	Independent Director	60,000	27/28	2.500	5/5	4,000					132.500
Aldo Cardoso	Non-Executive Director	60,000	29/29	2.500	5/5	2,500					127.500
Frédéric Larmuseau	Independent Non-Executive Director	60,000	10/10	2.500					11/12	2,500	57.500 (pro rated)

16.5 2020 Remuneration of the Members of the Executive Committee

16.5.1. Introduction

As explained in more detail in the Corporate Governance Statement, the composition of the Executive Committee underwent significant changes during 2020. The former CEO, Charles Bouaziz, left the Company on 30 July 2020. His remuneration has been included in this remuneration report up to that date, including the severance payments that were contractually agreed to by the Company by a previous Board. As from 31 July 2020 until the end of the year, Thierry Navarre, formerly the Chief Technology Officer (CTO) acted as interim-CEO. His remuneration for the period 31 July 2020 through 31 December 2020 is reported as CEO remuneration. His remuneration for the period up to 30 July 2020 is included in this remuneration reported for the other members of the Executive Committee. After 30 July 2020, the CTO position was left vacant.

Furthermore, the former President of the Europe Division and the Chief Procurement Officer left the Company on 2 November 2020. Their compensation, including severance payments, have been included in this remuneration report up to that date. The position of President of the Europe Division has been filled by an interim-President, whose compensation has been included in the report for the period November through December 2020. The position of Chief Procurement Officer has been left vacant.

16.5.2. Total Remuneration Summary

The 2020 total remuneration paid to the CEO and the other members of the Executive Committee is summarized in the table below.

Members of the Executive Commitee		Fixed remuneration		Variable remuneration		Extra-ordinary items	Pension expense	Total remuneration
		Base salary	Other benefits	One-year variable	Multi-year variable			
Bouaziz, Charles	**Chief Executive Officer (01/01/2020 - 30/07/2020)**	€645 125	€52 288	€0	€158 319	€3 098 663	€0	€3 954 396

Navarre, Thierry	**Chief Executive Officer ad interim (31/07/2020 - 31/12/2020)**	€475 676	€0	€139 376	€0	€2 210 243	€0	€2 825 294
Other Members of the Executive Committee		€3 839 162	€365 010	€1 278 842	€321 876	€1 411 537	€611 095	€7 827 523

The relative share of the different remuneration components in the total remuneration is shown below.

	CEO	Other members of the Exec. Committee
Fixed remuneration as % of total remuneration	17%	62%
Variable remuneration as % of total remuneration	4%	20%
Extraordinary remunertion as % of total remuneration	78%	18%

Fixed Remuneration

A. Base Salary

The CEO's salary increased by 7.25% to bring the salary in line with the external benchmark. The base salary movements for the other members of the Executive Committee were in line with the salary evolution for the broader workforce, with 2 **members of the Executive Committee** receiving a higher increase to bring their base salary closer to the market benchmark.

B. Other Benefits

Other benefits include the cost of medical, life and disability insurances, company cars and school fees.

Variable Remuneration

A. One-year Variable

The 2020 bonus for the CEO and the other members of the Executive Committee has been determined on the basis of a set of financial and non-financial KPIs. Due to the discrepancy between the financial KPIs for the bonus calculation (results adjusted for currency fluctuations) and the financial performance of the Group as reported in our financial communications, the 2020 bonus amounts for the CEO and for the other members of the Executive Committee have been reduced by 50%.

CEO bonus

The former CEO, Charles Bouaziz, did not receive a performance bonus for 2020 because he left before the end of the year.

The target bonus for the interim-CEO, for the period 31 July 2020 through 31 December 2020 amounted to 70% of the annual base pay, calculated on a pro-rata basis for the duration of his tenure as interim-CEO.

The 2020 bonus paid to the interim-CEO has been determined on the basis of the following KPIs:

- Revenue (weight 17.5%): 2020 Revenue of the Ontex Group, at plan currencies
- Adjusted EBITDA (weight 35%): 2020 EBITDA of the Ontex Group, at plan currencies
- Free Cash Flow (weight 17.5%): 2020 Free cash flow of the Ontex Group, at plan currencies.
- Non-financial KPIs (weight 30%)

The targets, achievements and pay-out factors for the 2020 interim-CEO bonus KPIs are shown in the table below.

Interim-CEO Bonus 2020 KPIs & Achievements (MEUR)	Target	Actuals	Achievement Level	Pay-out Factor	Weight	Weighted Pay-out Factor
Revenue	2 300,5	2 181,0	95%	50,0%	17,5%	8,8%
Adjusted EBITDA	280,0	285,2	102%	120,0%	35,0%	42,0%
Free Cash Flow	60,3	112,4	186%	150,0%	17,5%	26,3%
Non-Financial KPIs	Various		100%	100%	30%	30%
Total Pay-out						107,0%

The 2020 bonus paid to the Interim-CEO amounted to EUR 139.376, and has been calculated as per the table below:

Annual Base	Target Bonus	Pay-out Factor	Pro-rata Factor	Bonus per policy	Reduction	Actual Bonus
893 196	625 237	107%	42%	278 752	50%	139 376

Bonus for the other members of the Executive Committee

The 2020 bonus for the members of the Executive Committee who have a Group responsibility (CFO, CTO, EVP Operations, EVP Research & Development, Quality, Product and Sustainability, EVP HR) has been determined on the basis of the same set of KPIs as for the Interim-CEO. The 2020 non-financial KPIs for these members of the Executive Committee were function specific.

The 2020 bonus for the members of the Executive Committee with a Divisional responsibility (President Europe, President Healthcare, President AMEAA) has been determined on the basis of Group Financial KPIs, Division Financial KPIs and non-financial KPIs. The respective weights of these KPIs is shown below.

KPI - Division	KPI Definition	KPI Weight
Revenue	Actual Division revenue, adjusted for exchange rate fluctuations vs budgeted Division revenue	25%
EBIT	Actual Division EBIT, adjusted for exchange rate fluctuations vs budgeted Division EBIT	50%
DSO	Actual days of sales outstanding vs targeted days of sales outstanding	25%

The achievements against the 2020 Division Financial KPIs and corresponding pay-out factors are shown in the table below.

2020 Divisional Financial Bonus KPIs Achievements and pay-outs	Division Europe		Division AMEAA		Division Healthcare	
	Achievement	Pay-out	Achievement	Pay-out	Achievement	Pay-out
Revenue (at plan currencies)	94%	40%	91%	10%	106%	150%
EBIT (at plan currencies)	101%	110%	88%	0%	122%	150%
DSO	102%	120%	176%	150%	97%	70%
Weighted Aggregate Pay-out Factor	95%		40%		130%	

The 2020 non-financial KPIs for members of the Executive Committee with a Divisional responsibility were function-specific.

The 2020 total aggregate bonus amount paid to the other members of the Executive Committee amounts to 1.278.842 EUR

The 2020 short-term incentive is not subject to any claw-back provision, as the 2020 remuneration policy does not provide for it. However, it has been decided that a bonus claw-back provision will apply as from 2021 onwards through the inclusion of such provision in the contracts of the CEO and the other members of the Executive Committee.

B. Multi-year Variable

Long-term Incentive vesting in 2020

The table below shows the restricted stock units and the stock options which ware granted in 2017 and which vested in 2020. The value of the restricted stock units is calculated on the basis of the closing share price of the Ontex share on the trading day preceding the vesting. The value of the stock options is calculated on the basis of the closing share price of the Ontex share on the trading day preceding the vesting and the strike price, if positive. As indicated in the table below, all the vested options remain under their strike price.

Name & Function	Grant Date	Vesting Date	Share Price at vest	Restricted Stock Units		Stock Options	
				Number vested	Value at vest	Number vested	Value at vest
Bouaziz, Charles CEO (through 30/7/2020)	11-May-17	12-May-20	15,27	10 368	158 319	45 052	-
Agostini, Philippe EVP Procurement (through 2/11/2020)	11-May-17	12-May-20	15,27	3 098	47 306	13 463	-
Amselem, Armando President AMEAA	11-May-17	12-May-20	15,27	3 425	52 300	14 882	-
Bonnard, Laurent President Europe (through 2/11/2020)	11-May-17	12-May-20	15,27	2 443	37 305	10 616	-
De Lathauwer, Astrid EVP HR	11-May-17	12-May-20	15,27	2 430	37 106	10 559	-
De Poorter, Annick EVP R&D, Quality, Sustainability	11-May-17	12-May-20	15,27	2 144	32 739	9 316	-
Lambrecht, Xavier President Healthcare	11-May-17	12-May-20	15,27	2 711	41 397	11 779	-
Navarre, Thierry CTO/Interim-CEO	11-May-17	12-May-20	15,27	4 828	73 724	20 979	-

Extra-Ordinary Items

The former CEO, Charles Bouaziz, left the Company on 30 July 2020. Upon his departure, in accordance with his contractual entitlements, Mr. Bouaziz received a termination indemnity and the Board of Directors decided that it was in the Company's interest to implement the non-compete indemnity, for a total amount of 3.098.663 EUR. These exit conditions had been agreed with Mr. Bouaziz at the start of his CEO mandate, in 2014.

The interim CEO, Thierry Navarre, left the Company on 31 March 2021. Upon his departure, in accordance with his contractual entitlements, Mr. Navarre received a termination indemnity and the Board of Directors decided that it was in the Company's interest to implement the non-compete indemnity, for a total amount of 2.210.243 EUR. As his termination was agreed prior to year-end and the indemnity is provisioned in the 2020 accounts, it is reported as extra-ordinary remuneration for 2020.

The extra-ordinary items for the other members of the Executive Committee include an amount of 139,298 EUR representing a last payment of the T2G Incentive, which is discontinued as from 2021. It also includes contractual termination payments and non-compete indemnities paid to departing members of the Executive Committee: 365,000 EUR to T. Viale, 414,715 EUR to P. Agostini and 492,488 EUR to L. Bonnard. These amounts include a 3-month contractual notice indemnity (L. Bonnard and P. Agostini) as well as a non-compete indemnity of 1 year's salary for a 24 months non-compete period (all 3 departing members of the Executive Committee).

Pension Expenses

The pension expenses include the 2020 contributions paid by the Company to a defined contribution pension plan for a total amount of 611.095 EUR.

9.5.3. Share-based Remuneration

2020 LTIP grant

The CEO and members of the Executive Committee also received an LTIP grant in 2020. This 2020 LTIP grant, which took place on 28 May 2020, consisted of Restricted Stock Units, Stock Options and Performance Shares, each representing one third of the LTIP grant value. In relation to those members of the Executive Committee, including the ex-CEO and the interim CEO, who left the Company, the 2020 LTIP grant will only vest in a pro-rata basis at the end of the vesting period and according to the actual performance criteria where appropriate. The actual performance criteria targets as well as the performance results will be published ex post in the year following the vesting.

Performance Shares

The KPIs for the 2020 performance shares, which are subject to a 3-year vesting, are shown in the table below.

KPI	Weight
Basic Adjusted EPS	50%
Relative TSR	30%
CO2 emission	10%
Accident Frequency	10%

Relative TSR will be measured against the STOXX Europe 600 Personal and Household Goods Index. The vesting schedule for this KPI is shown below:

Performance	Vesting
80% of index return (threshold)	50%
100% of index return	100%
140% of index return (cap)	200%

The Company has set the ambition to become CO2 neutral for scope 1 and scope 2 emissions by 2030. The CO2 emission reduction target for the 2020 performance shares reflects the reduction needed over the 2020-2022 vesting period to achieve that ambition. The measurement for this KPI is tons CO2 per 100 million produced pieces.

The Company has also set a zero labor accident ambition by 2030. The accident reduction target for the 2020 performance share reflects the reduction of accidents needed over the 2020-2022 vesting period to achieve that ambition. The measurement for this KPI is the number of labor accidents times 1 million divided by the total hours worked.

The targets and vesting scheme for the CO2 emission and accident KPIs are shown below:

KPI	Base line	Threshold (vesting starts)	Target (100% vesting)	Cap (200% vesting)
CO2 Emissions	266	221	201	181
Labor Accident Frequency	5,86	5,26	4,26	3,26

As the Adjusted Basic EPS target for the 2020 performance shares is commercially sensitive, the target and achievement against this target will be disclosed ex post.

Stock Options

The 2020 stock options which were granted on 28 May 2020 have a strike price of 13,90 EUR, representing the closing price of the day preceding the grant date.

Overview of the 2020 LTIP Grant

The tables below provide the details of the 2020 LTIP grant for the CEO and the members of the Executive Committee.

Shares awarded during the reported financial year

Management Committee Member	Position	Number of RSUs awarded and accepted	Number of PSUs awarded and accepted	Award date	Vesting date	Share value at the time of the grant
Agostini, Philippe	Executive VP Procurement	5 470	5 470	28/05/2020	29/05/2023	€13,90
Amselem, Armando	President AMEAA division	7 254	7 254	28/05/2020	29/05/2023	€13,90
Bonnard, Laurent	Executive VP Sales & Marketing	5 197	5 197	28/05/2020	29/05/2023	€13,90
Bouaziz, Charles	Chief Executive Officer	19 891	19 891	28/05/2020	29/05/2023	€13,90
De Lathauwer, Astrid	Executive VP Human Resources	5 052	5 052	28/05/2020	29/05/2023	€13,90
De Poorter, Annick	Executive VP R&D, Quality & Sustainability	5 566	5 566	28/05/2020	29/05/2023	€13,90
Desmartis, Charles	Chief Finance Officer	9 440	9 440	28/05/2020	29/05/2023	€13,90
Lambrecht, Xavier	President Healthcare Division	4 593	4 593	28/05/2020	29/05/2023	€13,90
Loebel, Axel	Executive VP Operations	4 253	4 253	28/05/2020	29/05/2023	€13,90
Navarre, Thierry	Chief Transformation Officer	9 440	9 440	28/05/2020	29/05/2023	€13,90

Share options awarded during the reported financial year

		Share options awarded during the year					
Management Committee Member	Position	Number of options awarded	Number of options accepted	Award date	Vesting date	Exercise period	Strike price of the share
Agostini, Philippe	Executive VP Procurement	24 293	24 293	28/05/2020	29/05/2023	start 29/05/2023 - end 28/05/2028	€13,90
Amselem, Armando	President AMEAA division	32 215	32 215	28/05/2020	29/05/2023	start 29/05/2023 - end 28/05/2028	€13,90
Bonnard, Laurent	President Europe Division	23 077	23 077	28/05/2020	29/05/2023	start 29/05/2023 - end 28/05/2028	€13,90
Bouaziz, Charles	Chief Executive Officer	88 333	88 333	28/05/2020	29/05/2023	start 29/05/2023 - end 28/05/2028	€13,90
De Lathauwer, Astrid	Executive VP Human Resources	22 436	22 436	28/05/2020	29/05/2023	start 29/05/2023 - end 28/05/2028	€13,90
De Poorter, Annick	Executive VP R&D, Quality & Sustainability	24 717	24 717	28/05/2020	29/05/2023	start 29/05/2023 - end 28/05/2028	€13,90
Desmartis, Charles	Chief Finance Officer	41 924	-	28/05/2020	29/05/2023	start 29/05/2023 - end 28/05/2028	€13,90
Lambrecht, Xavier	President Healthcare Division	20 398	-	28/05/2020	29/05/2023	start 29/05/2023 - end 28/05/2028	€13,90
Loebel, Axel	Executive VP Operations	18 886	18 886	28/05/2020	29/05/2023	start 29/05/2023 - end 28/05/2028	€13,90
Navarre, Thierry	Chief Transformation Officer	41 924	-	28/05/2020	29/05/2023	start 29/05/2023 - end 28/05/2028	€13,90

Overview of share-based remuneration for the CEO and other members of the Executive Committee

The tables below set out the opening and closing balances, as well as movements during the year, in share-based remuneration for the CEO and the other members of the Executive Committee. As detailed in the tables below, those departing members of the Executive Committee saw their overall stock option and RSU grants that had not yet vested significantly reduced. For example, the ex-CEO, Charles Bouaziz, forfeited more than 119,000 stock options, 353,000€ worth of RSU and approximately 300,000€ worth of performance shares.

In deviation of Provision 7.9 of the 2020 Corporate Governance Code, for 2020, there was no requirement for members of the Executive Committee to maintain a minimum threshold of shares. However, from 2021 onwards, members of the Executive Committee will be required to keep 50% of LTIP shares vesting until they have acquired a shareholding representing 2 times (CEO) or 1 time (other members of the Executive Committee) their annual base salary. Furthermore, members of the Executive Committee will be required to maintain such shareholding throughout their executive tenure.

		Main Conditions of the Stock Option Plan				Information for the reported financial year											
						Opening Balance		During the Year								Closing Balance	
Beneficiary	Plan Type	Grant Date	Vesting Date	Exercise period	Strike Price	Vested	Unvested	Number awarded	Value awarded	Number vested	Value vested	Number exercised	Value Exercised	Number Forfeited	Value Forfeited	Vested	Unvested
Agostini, Philippe	SOP 2016	12-May-16	13-May-19	8 years	28,44	11 826	0									11 826	0
	SOP 2017	11-May-17	12-May-20	8 years	33,11	0	13 463			13 463						13 463	0
	SOP 2018	29-May-18	30-May-21	8 years	23,56	0	17 887							3 479		0	14 408
	SOP 2019	13-June-19	14-June-22	8 years	14	0	13 987							7 577		0	6 410
	SOP 2020	28-May-20	29-May-23	8 years	13,9	0	0	24 293	76 037					20 919		0	3 374
Amselem, Armando	SOP 2016	12-May-16	13-May-19	8 years	28,44	15 106	0									15 106	0
	SOP 2017	11-May-17	12-May-20	8 years	33,11	0	14 882			14 882						14 882	0
	SOP 2018	29-May-18	30-May-21	8 years	23,56	0	23 193									0	23 193
	SOP 2019	13-June-19	14-June-22	8 years	14	0	15 508									0	15 508
	SOP 2020	28-May-20	29-May-23	8 years	13,9	0	0	32 215	100 833							0	32 215
Bonnard, Laurent	SOP 2016	12-May-16	13-May-19	8 years	28,44	11 730	0									11 730	0
	SOP 2017	11-May-17	12-May-20	8 years	33,11	0	10 616			10 616						10 616	0
	SOP 2018	29-May-18	30-May-21	8 years	23,56	0	17 701							3 442		0	14 259
	SOP 2019	13-June-19	14-June-22	8 years	14	0	15 852							8 587		0	7 265
	SOP 2020	28-May-20	29-May-23	8 years	13,9	0	0	23 077	72 231					19 872		0	3 205
Bouaziz, Charles	SOP 2016	12-May-16	13-May-19	8 years	28,44	62 220	0									62 220	0
	SOP 2017	11-May-17	12-May-20	8 years	33,11	0	45 052			45 052						45 052	0
	SOP 2018	29-May-18	30-May-21	8 years	23,56	0	75 114							20 865		0	54 249
	SOP 2019	13-June-19	14-June-22	8 years	14	0	64 610							40 381		0	24 229
	SOP 2020	28-May-20	29-May-23	8 years	13,9	0	0	88 333	276 482					58 889		0	29 444
De Lathauwer, Astrid	SOP 2016	12-May-16	13-May-19	8 years	28,44	11 666										11 666	0
	SOP 2017	11-May-17	12-May-20	8 years	33,11	0	10559			10 559						10 559	0
	SOP 2018	29-May-18	30-May-21	8 years	23,56	0	19 441									0	19 441
	SOP 2019	13-June-19	14-June-22	8 years	14	0	16 722									0	16 722
	SOP 2020	28-May-20	29-May-23	8 years	13,9	0	0	22 436	70 225							0	22 436
De Poorter, Annick	SOP 2016	12-May-16	13-May-19	8 years	28,44	8 522										8 522	0
	SOP 2017	11-May-17	12-May-20	8 years	33,11	0	9 316			9 316						9 316	0
	SOP 2018	29-May-18	30-May-21	8 years	23,56	0	17 931									0	17 931
	SOP 2019	13-June-19	14-June-22	8 years	14	0	16 125									0	16 125
	SOP 2020	28-May-20	29-May-23	8 years	13,9	0	0	24 717	77 364							0	24 717
Desmartis, Charles	SOP 2019	13-June-19	14-June-22	8 years	14	0	64 327									0	64 327
	SOP 2020	28-May-20	29-May-23	8 years	13,9	0	0	41 924	131 222							0	41 924
Lambrecht, Xavier	SOP 2016	12-May-16	13-May-19	8 years	28,44	10 813										10 813	0
	SOP 2017	11-May-17	12-May-20	8 years	33,11	0	11 779			11 779						11 779	0
	SOP 2018	29-May-18	30-May-21	8 years	23,56	0	19 638									0	19 638
	SOP 2019	13-June-19	14-June-22	8 years	14	0	15 356									0	15 356
	SOP 2020	28-May-20	29-May-23	8 years	13,9	0	0	20 398	63 846							0	20 398
Löbel, Axel	SOP 2019	13-June-19	14-June-22	8 years	14	0	12 636									0	12 636
	SOP 2020	28-May-20	29-May-23	8 years	13,9	0	0	18 886	59 113							0	18 886
Navarre, Thierry	SOP 2016	12-May-16	13-May-19	8 years	28,44	19 886										19 886	0
	SOP 2017	11-May-17	12-May-20	8 years	33,11	0	20 979			20 979						20 979	0
	SOP 2018	29-May-18	30-May-21	8 years	23,56	0	38 475									0	38 475
	SOP 2019	13-June-19	14-June-22	8 years	14	0	32 164									0	32 164
	SOP 2020	28-May-20	29-May-23	8 years	13,9	0	0	41 924	131 222							0	41 924

Value awarded is obtained by multiplying the number of options awarded by the value of the option at grant
Value vested is obtained by multiplying the number of options vested by the difference between the exercise price and the share price at vesting, if positive
Value exercised is obtained by multiplying the number of options exercised by the difference between the exercise price and the share price at exercise, if positive
Value forfeited is obtained by multiplying the number of options forfeited by the difference between the exercise price and the share price at the time of forfeiture, if positive

	Main RSU Conditions			Information for the reported financial year							
				Opening Balance	During the Year						Closing Balance
Beneficiary	Plan Type	Grant Date	Vesting Date	Unvested	Number awarded	Value awarded	Number vested	Value vested	Number Forfeited	Value Forfeited	Unvested
Agostini, Philippe	RSU 2017	11-May-17	12-May-20	3 098			3 098	47 306			0
	RSU 2018	29-May-18	30-May-21	3 553					691	6 565	2 862
	RSU 2019	13-June-19	14-June-22	4 420					2 594	24 643	1 826
	RSU 2020	28-May-20	29-May-23	0	5 470	76 033			4 711	44 755	759
Amselem, Armando	RSU 2017	11-May-17	12-May-20	3 425			3 425	52 300			0
	RSU 2018	29-May-18	30-May-21	4 607							4 607
	RSU 2019	13-June-19	14-June-22	4 420							4 420
	RSU 2020	28-May-20	29-May-23	0	7 254	100 831					7 254
Bonnard, Laurent	RSU 2017	11-May-17	12-May-20	2 443			2 443	37 305			0
	RSU 2018	29-May-18	30-May-21	3 516					684	6 498	2 832
	RSU 2019	13-June-19	14-June-22	4 518					2 448	23 256	2 070
	RSU 2020	28-May-20	29-May-23	0	5 197	72 238			4 476	42 522	721
Bouaziz, Charles	RSU 2017	11-May-17	12-May-20	10 368			10 368	158 319			0
	RSU 2018	29-May-18	30-May-21	14 921					4 145	50 569	10 776
	RSU 2019	13-June-19	14-June-22	18 414					11 509	140 410	6 905
	RSU 2020	28-May-20	29-May-23	0	19 891	276 485			13 261	161 784	6 630
De Lathauwer, Astrid	RSU 2017	11-May-17	12-May-20	2 430			2 430	37 106			0
	RSU 2018	29-May-18	30-May-21	3 862							3 862
	RSU 2019	13-June-19	14-June-22	4 766							4 766
	RSU 2020	28-May-20	29-May-23	0	5 052	70 223					5 052
De Poorter, Annick	RSU 2017	11-May-17	12-May-20	2 144			2 144	32 739			0
	RSU 2018	29-May-18	30-May-21	3 562							3 562
	RSU 2019	13-June-19	14-June-22	4 595							4 595
	RSU 2020	28-May-20	29-May-23	0	5 566	77 367					5 566
Desmartis, Charles	RSU 2019	13-June-19	14-June-22	18 333							18 333
	RSU 2020	28-May-20	29-May-23	0	9 440	131 216					9 440
Lambrecht, Xavier	RSU 2017	11-May-17	12-May-20	2 711			2 711	41 397			0
	RSU 2018	29-May-18	30-May-21	3 901							3 901
	RSU 2019	13-June-19	14-June-22	4 377							4 377
	RSU 2020	28-May-20	29-May-23	0	4 593	63 843					4 593
Löbel, Axel	RSU 2019	13-June-19	14-June-22	3 601							3 601
	RSU 2020	28-May-20	29-May-23	0	4 253	59 117					4 253
Navarre, Thierry	RSU 2017	11-May-17	12-May-20	4 828			4 828	73 724			0
	RSU 2018	29-May-18	30-May-21	7 643							7 643
	RSU 2019	13-June-19	14-June-22	9 167							9 167
	RSU 2020	28-May-20	29-May-23	0	9 440	131 216					9 440

Value awarded is obtained by multiplying the number of RSUs awarded by the closing share price on the date preceding the grant
Value vested is obtained by multiplying the number of RSUs vested by the share price at 12PM on the date of the vesting
Value forfeited is obtained by multiplying the number of RSUs forfeited by the closing share price on the date of forfeiture

Beneficiary	Plan Type	Main PS Conditions			Information for the reported financial year							
					Opening Balance	During the Year						Closing Balance
		Performance period	Grant Date	Vesting Date	Unvested	Number awarded	Value awarded	Number vested	Value vested	Number Forfeited	Value Forfeited	Unvested
Agostini, Philippe	PS 2019	2019-2021	13-June 19	14-June-22	4 420					2 594	24 643	1 826
	PS 2020	2020-2022	28-May-20	29-May-23	0	5 470	76 033			4 711	44 755	759
Amselem, Armando	PS 2019	2019-2021	13-June-19	14-June-22	4 420							4 420
	PS 2020	2020-2022	28-May-20	29-May-23	0	7 254	100 831					7 254
Bonnard, Laurent	PS 2019	2019-2021	13-June-19	14-June-22	4 518					2 448	23 256	2 070
	PS 2020	2020-2022	28-May-20	29-May-23	0	5 197	72 238			4 476	42 522	721
Bouaziz, Charles	PS 2019	2019-2021	13-June-19	14-June-22	18 414					11 509	140 410	6 905
	PS 2020	2020-2022	28-May-20	29-May-23	0	19 891	276 485			13 261	161 784	6 630
De Lathauwer, Astrid	PS 2019	2019-2021	13-June-19	14-June-22	4 766							4 766
	PS 2020	2020-2022	28-May-20	29-May-23	0	5 052	70 223					5 052
De Poorter, Annick	PS 2019	2019-2021	13-June-19	14-June-22	4 595							4 595
	PS 2020	2020-2022	28-May-20	29-May-23	0	5 566	77 367					5 566
Desmartis, Charles	PS 2019	2019-2021	13-June-19	14-June-22	18 333							18 333
	PS 2020	2020-2022	28-May-20	29-May-23	0	9 440	131 216					9 440
Lambrecht, Xavier	PS 2019	2019-2021	13-June-19	14-June-22	4 377							4 377
	PS 2020	2020-2022	28-May-20	29-May-23	0	4 593	63 843					4 593
Löbel, Axel	PS 2019	2019-2021	13-June-19	14-June-22	3 601							3 601
	PS 2020	2020-2022	28-May-20	29-May-23	0	4 253	59 117					4 253
Navarre, Thierry	PS 2019	2019-2021	13-June-19	14-June-22	9 167							9 167
	PS 2020	2020-2022	28-May-20	29-May-23	0	9 440	131 216					9 440

Value awarded is obtained by multiplying the number of performance shares awarded by the closing share price on the date preceding the grant

Value vested is obtained by multiplying the number of performance shares vested by the share price at 12PM on the date of the vesting

Value forfeited is obtained by multiplying the number of performance shares forfeited by the closing share price on the date of forfeiture

16.6 Remuneration and Performance Evolution over the last 5 years

The table below sets out the evolution of the remuneration of the directors, the CEO, and the other members of the Executive Committee, the average remuneration of the other employees, as well as the Revenue and Adjusted EBITDA performance both at plan currencies and at reported currencies.

	2016	2017	2018	2019	2020
Remuneration Directors	517 000	717 500	878 500	796 000	1 384 408
Year-on-year change		*39%*	*22%*	*-9%*	*74%*
Remuneration CEO	2 080 793	1 337 278	1 645 643	2 570 254	6 779 690
Year-on-year change		*-36%*	*23%*	*56%*	*164%*
Remuneration other Executives	7 769 321	6 040 576	7 530 716	9 057 625	7 827 523
Year-on-year change		*-22%*	*25%*	*20%*	*-14%*
Revenue at Plan Rate (Y-o-Y)	22%	14%	0%	-3%	-4%
Revenue at Reported Rate (Y-o-Y)	18%	18%	-3%	0%	-9%
Adj. EBITDA at Plan Rate (Y-o-Y)	21%	-12%	0%	2%	12%
Adj. EBITDA at Reported Rate (Y-o-Y)	19%	7%	-12%	5%	-4%
Average Employee Remuneration	34 183	30 573	32 967	39 750	38 944
Year-on-year change		*-11%*	*8%*	*21%*	*-2%*

Remuneration in the table above includes the total remuneration as defined in sections 9.4 (Directors) and 9.5.2 (CEO and other Executives). Revenue and Adjusted EBITDA are as per financial communications. The average employee remuneration represents the total remuneration paid to all employees of Ontex in 2020, divided by the average total number of employees during 2020.

The 2020 ratio of the total remuneration of the CEO versus the total remuneration of the lowest remunerated employee (located in Ethiopia) is 977. For the calculation of this ratio, the remuneration includes fixed remuneration, variable remuneration as well as employee benefits. It excludes employer contributions for social security and extra-ordinary payments, because of their non-recurring nature.

17. Board and Board Committees (Article 3:6 §2, 5° Belgian Companies Code)Board and Board Committees (Article 3:6 §2, 5° Belgian Companies Code)

On 1 January 2021, the Board was composed as follows:

Name	Mandate Board	Other Mandates per 31 December 2020	Mandate Since	Mandate Expires
ViaBylity BV, represented by Hans Van Bylen	Chair, Independent Director	SN Airholding NV	2020	2024
Regina SARL, represented by Regi Aalstad	Independent Director	A drop in the ocean, Gmelius SA, Plair SA	2017	2021
Inge Boets BV, represented by Inge Boets	Independent Director	Euroclear SA, Econoholding NV, QRF Management NV, La Scoperta BV	2014	2022
Michael Bredael	Non-Executive Director	Upfield Group BV, Canyon Bicycles GmbH	2017	2021
Aldo Cardoso	Non-Executive Director	Bureau Veritas, Imerys, Worldline, DWS	2019	2023

		(Deutsche Wealth Management)		
Frédéric Larmuseau	Independent Director		2020	2025[3]
Desarrollo Empresarial Joven Sustentable SC, represented by Juan Gilberto Marin Quintero	Non-Executive Director	Member of the World Economic Forum	2016	2024

Jonas Deroo is appointed as Corporate Secretary to the Board.

Further details on the changes in board composition, including the proposals which will be submitted to the general meeting of shareholders for approval, are detailed in chapter 1.2 of the Corporate Governance Statement in the Annual Report.

The following paragraphs set out the biographical information, skills and experience of the current members of the Board, including information on other director mandates held by these members. The Company considers that its directors possess the necessary skillsets and right competencies to guide and support management during the ongoing strategic review exercise and position the Company on the path to accelerated value delivery.

Hans Van Bylen

Chair of the Board of Directors, Independent Director

On 25 May 2020, ViaBylity BV, with Hans Van Bylen as permanent representative, was appointed Chair of Ontex Group NV, in replacement of Revalue BV, with Luc Missorten as its permanent representative, who resigned after 5 years as Chair of the Ontex Group NV Board of Directors. Hans Van Bylen, formerly CEO of Henkel, brings Ontex his deep knowledge of the industrial and consumer goods sector and breadth of experience spanning the FMCG industry, retail brand space, manufacturing and supply chain, digitalization, sustainability and leadership development. Hans Van Bylen previously served on the boards of GfK, Ecolab, the Consumer Goods Forum, the Alliance to End Plastic Waste and has been President of the German Chemical Industry Association (VCI). Moreover, he has also been member of the European Round Table of Industry (ERT). Hans Van Bylen holds a Master of Business Economics and an MBA from Antwerp Universities RUCA and UFSIA and certificates from executive education courses at Harvard Business School, INSEAD and IMD. In addition, Hans Van Bylen is also a board member at SN Airholding NV (Brussels Airlines).

Regi Aalstad

Independent Director

On 24 May 2019, Regi Aalstad was appointed as an Independent Director. Regi Aalstad has extensive leadership experience in global fast moving consumer goods. Ms. Aalstad has held Regional General Manager and Vice President positions with Procter & Gamble in Asia, Europe, Middle East and Africa. She first joined P&G in the Nordics and held leadership roles in emerging markets for almost 20 years.

[3] Frédéric Larmuseau was co-opted as Independent Director, in replacement of Tegacon Suisse GmbH (with Gunnar Johansson as its permanent representative). His appointment is subject to ratification at the annual general shareholders' meeting. While such appointment by co-optation and the ratification thereof is, in principle, only valid for the remaining duration of the mandate of the Tegacon Suisse GmbH (*i.e.*, ending immediately after the annual general shareholders' meeting that will consider the approval of the annual accounts for the financial year ended 31 December 2021), the Board will propose to approve the appointment of Frédéric Larmuseau as Independent Director for a period which will end immediately after the general shareholders' meeting that will consider the approval of the annual accounts for the financial year ended December 2024.

Ms. Aalstad has previous board experience from the Geberit Group, the Telenor group and as chair of an international NGO. She is an advisor to Private Equity and investor and board member in tech start-ups from Switzerland. Ms. Aalstad holds a Master of Business Administration in International Business from University of Michigan, USA.

Inge Boets

Independent Director

Inge Boets BV, with Ms. Boets as its permanent representative, was appointed as Independent Director of Ontex Group NV as of 30 June 2014. Inge currently chairs the Audit and Risk Committee. She holds a master degree in applied economics from the University of Antwerp, Belgium. She 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, Inge is also an Independent Director and chairs the Audit and Risk Committee of Euroclear SA, and she chairs the Board of Econopolis NV and Econopolis Wealth Management and of QRF City retail. In addition, Inge Boets BV, with Ms. Boets as its permanent representative, is the manager of La Scoperta BV.

Michael Bredael

Non-Executive Director

Michael Bredael is Investment Director 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. Michael 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. Michael holds a master’s degree in applied economics from EHSAL (KU Leuven). He is Director of Upfield Group BV and Canon Bicycles GmbH as a representative of Groupe Bruxelles Lambert.

Aldo Cardoso

Non-Executive Director

On 24 May 2019, Aldo Cardoso was appointed as a Non-Executive Director. Aldo Cardoso is the Chair of the Board of Directors at Bureau Veritas and a Senior Advisor to CVC. Aldo is a member of the Board of Directors of Imerys, Worldline and DWS (Deutsche Wealth Management – Frankfurt). Aldo spent 24 years with Arthur Andersen, joining as a junior staff member and rising to Senior Partner, with various audit and consulting assignments, and then multinational and multicultural management roles. Subsequently, Aldo held the functions of Non-Executive Chair of Andersen Worldwide from 2000 to 2003, President of Andersen for the Western European region from 1998 to 2002, and President of Andersen France from 1993 to 2002. Aldo has been Senior Advisor at Deutsche Bank (Global Banking – Paris) from 2010 to 2014 and then at Deutsche Bank infrastructure fund in London from 2015 to 2018. Further, he has been a member of the Lehman Brothers European Advisory Committee (2004 to 2008) and has served on the Boards of various listed companies including Orange, Accor, Rhodia, Gecina, Mobistar.

Frédéric Larmuseau

Independent Director

On 9 October 2020, following the resignation of Mr. Gunnar Johansson as Independent Director, the Board of Directors co-opted Mr. Frédéric Larmuseau as an Independent non-executive director and will submit his appointment for ratification at the next shareholders meeting. Mr. Larmuseau brings to Ontex his extensive experience of the consumer goods sector and a broad international outlook. Until recently he was the CEO of Jacobs Douwe Egberts, the Dutch coffee and tea company that recently listed on Euronext Amsterdam under the name JDE Peet's Group. Prior to that, he worked for nearly 17 years at Reckitt Benckiser in several senior management positions in the Americas, Asia and the Middle East, following 7 years at Procter & Gamble in several senior marketing and management roles.

Juan Gilberto Marín Quintero

Non-Executive Director

Juan Gilberto Marín Quintero was appointed as Non-Executive Director of the Ontex Group as from 25 May 2016. He is the founder and former chair 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 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.

17.1 Board evolution

As mentioned, Ontex took decisive action on all levels of governance. On Board level, Hans Van Bylen was elected as new chairman at the May 2020 annual shareholders' meeting, Frédéric Larmuseau was co-opted as new Board member, and the search process for an additional new Board Member (to replace Esther Berrozpe) was initiated, as described in more detail below.

On 23 March 2020, Revalue BV, with Luc Missorten as its permanent representative, resigned as director of the Company.

Lubis BV[4], with Luc Missorten as its permanent representative, served as Ontex's chair until the 2020 annual shareholders' meeting at which point Lubis BV resigned. At the 2020 annual shareholders' meeting, Viability BV, with Hans Van Bylen as its permanent representative was appointed as Independent Director of Ontex. Subsequently, he was appointed by the Board of Directors as Chair.
Furthermore, following the resignation of Tegacon Suisse GmbH, with Gunnar Johansson as its permanent representative, Frederic Larmuseau was coopted as Independent Director on 9 October 2020.

[4] On the same date, the Board co-opted Lubis BV, with Luc Missorten as its permanent representative, as Independent Director of the Company and appointed Lubis BV, with Luc Missorten as its permanent representative, as Chair of the Board.

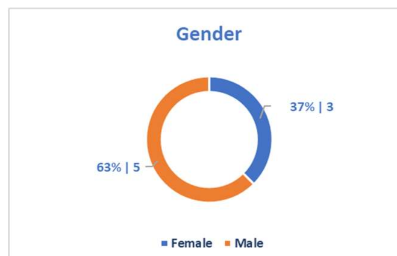
The recruitment process is described in further detail in chapter 16

Following these changes, on 1 January 2021, the Board was composed of seven members. All Board members are Non-Executive Directors of which four Independent Directors within the meaning of Article 7:87, §1 of the Belgian Code of Companies and Associations: ViaBylity BV (with Hans Van Bylen as its permanent representative), Inge Boets BV (with Inge Boets as its permanent representative), Regina SARL (with Regi Aalstad as its permanent representative), and Frédéric Larmuseau. Further there are three Non-Executive Directors: Desarrollo Empresarial Joven Sustentable SC (with Juan Gilberto Marin Quintero as its permanent representative), Michael Bredael and Aldo Cardoso.

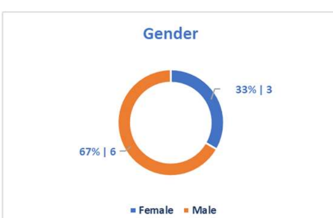
In addition to the progress made over the past year, the Board continues to regularly review the Board composition in terms of required expertise and experience needed for the future. In accordance with the recommendations following the second Board assessment in the first quarter of 2021, the board envisages further actions in the course of this year, including the onboarding of a new – female – board member, for which the recruitment process has been initiated.

17.2 Diversity within the Board and Management Committee

Ontex continues to promote diversity and equal opportunities. The Company has adopted a diversity policy.



In practice, at 1 January 2021, the Company had 2 female Board members, *ie,* Inge Boets, as permanent representative of Inge Boets BV, and Regi Aalstad, as permanent representative of Regina SARL, representing 28.6% of the Board members. The Remuneration and Nomination Committee evaluates the composition of the Board on a yearly basis and formulates suggestions to the Board, while, among other things, taking into account the gender composition and other diversity elements. The Company complies with the requirement that at least one-third of the members of the Board should be of the opposite gender as the gender of the majority, as set out in Article 7:86 of the Belgian Code of Companies and Associations. In addition, the Board included 4 nationalities.



On 1 January 2021, Ontex's Executive Committee counts 3 female members out of 9, or 33%. The Executive Committee is led by Esther Berrozpe. Being one of the few female CEOs of Belgian listed companies, she plays a true examplary role. In terms of nationality, the Executive Committee includes 4 nationalities.

In meantime the Company has initiated the search process to for a additional female Board member in replacement of Esther Berrozpe, in order to guarantee at least the same level of diversity going forward.

17.4 Board engagement - Functioning of the Board

During 2020, despite the Covid-crisis, the Board met 29 times, with an attendance rate close to 100%. The number of Board meetings was substantially higher than in previous years.

The agenda contained on the one hand recurring items such as strategic growth projects, operational and financial performance. In addition, the following topics required above-average board engagement. First, the Board thoroughly reviewed the initiation of a strategic review. A second matter that implied extensive deliberation concerned the various leadership changes. However, the majority of the additional Board availability was devoted to the matter of activist shareholder engagement, further detailed in this report.

The individual attendance rate over 2020 to the Board meeting was as follows:

Name	Board Attendance[5]	Attendance Rate
Viabylity BV, represented by Hans Van Bylen[6]	21/21	100%
Revalue BV, represented by Luc Missorten[7]	3/3	100%
Lubis BV, represented by Luc Missorten[8]	5/5	100%
Regina SARL, represented by Regi Aalstad	29/29	100%
Esther Berrozpe	27/28	96,43%
Inge Boets BV, represented by Inge Boets	29/29	100%
Michael Bredael	29/29	100%
Aldo Cardoso	29/29	100%
Tegacon Suisse GmbH, represented by Gunnar Johansson[9]	19/19	100%
Frédéric Larmuseau[10]	10/10	100%
Desarrollo Empresarial Joven Sustentable SC, represented by Juan Gilberto Marin Quintero	29/29	100%

18. Board Committees

18.1 Audit and Risk Committee

In accordance with Article 7.99, §2 of the Belgian Code of Companies and Associations and the 2020 Corporate Governance Code, all members of the Audit and Risk Committee are Non-Executive Directors. While the legal requirement is to have at least one member who is independent, the Ontex Board decided that the Ontex Audit and Risk Committee should comprise a majority of independent members and that the mandate of Chair of the Audit and Risk Committee cannot be cumulated with the mandate of Chair of the Board. The chair and members of the Audit and Risk Committee collectively have the required skills and expertise regarding accounting and audit.

On 1 January 2021, the Audit and Risk Committee was composed as follows:

Name	Position

[5] The attendance rate is based on the number of board meeting held during the mandate of the respective board members.

[6] At the 2020 annual shareholders' meeting, Viability BV, with Hans Van Bylen as its permanent representative was appointed as independent director of Ontex. Subsequently, he was appointed by the Board of Directors as chair

[7] On 23 March 2020, Revalue BV, with Luc Missorten as its permanent representative, resigned as director of the Company.

[8] On 23 March 2020, following the resignation of Revalue BV, with Luc Missorten as its permanent representative, the Board co-opted Lubis BV, with Luc Missorten as its permanent representative, as independent director of the Company. Lubis BV, with Luc Missorten as its permanent representative, resigned as Chair of Board and Director at the annual shareholders' meeting of 25 May 2020.

[9] Tegacon Suisse GmbH, with Gunnar Johansson as its permanent representative, resigned on 9 October 2020.

[10] Frédéric Larmuseau was co-opted to the Board on 9 October 2020.

Inge Boets BV, represented by Inge Boets	Independent Director, Chair of the Audit and Risk Committee
ViaBylity BV, represented by Hans Van Bylen	Independent Director
Michael Bredael	Non-Executive Director

During 2020, the Audit and Risk Committee met 8 times. The attendance rate was 100%.

Name	A&R Committee Meetings Attended[11]	Attendance Rate A&R Committee
Inge Boets BV, represented by Inge Boets	8/8	100%
ViaBylity BV, represented by Hans Van Bylen[12]	5/5	100%
Michael Bredael	8/8	100%
Revalue BV, represented by Luc Missorten[13]	2/2	100%
Lubis BV, represented by Luc Missorten[14]	1/1	100%

Marc Gallet, VP Corporate Finance, is appointed as Secretary of the Audit and Risk Committee.

The Audit and Risk Committee is entrusted with the tasks set out in Article 7.99, §4 of the Belgian Code of Companies and Associations. It decided on the agenda, frequency and topics of its meetings, and reviewed the external and internal audit plan as well as compliance reporting, 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, the ESG agenda of the Company.

With respect to its roles and responsibilities, as further described within the Ontex' corporate governance charter, the Board made a clear choice to formally tasking the Audit and Risk Committee with the oversight of the Company's ESG initiatives, including:

- to assess, review and prepare the decision-making of the Board on ESG actions and practices presenting new opportunities for the Company,
- to monitor and oversee the process for the development of ESG information and identify ways to integrate ESG information into the reporting cycle, and
- to measure and monitor the Company's performance on ESG matters and their impact on society in order to take account of the multidimensional nature of corporate social responsibility.

With respect to the external audit, the mandate of PricewaterhouseCoopers Bedrijfsrevisoren BV ("PwC") and the replacement of the representative of PwC as statutory auditor of the Company has

[11] The attendance rate is based on the number of board meeting held during the mandate of the respective board committee members.

[12] Viabyility represented by Hans Van Bylen, was assigned as member to the Audit and Risk Committee subsequent to his appointment as member of the Board at the 2020 Shareholders' meeting.

[13] At the 2020 annual shareholders' meeting, Viability BV, with Hans Van Bylen as its permanent representative was appointed as Independent Director of Ontex. Subsequently, he was appointed as a member of the Audit and Risk Committee.

[14] On 23 March 2020, Revalue BV, with Luc Missorten as its permanent representative, resigned as director of the Company.

been renewed at the shareholders' meeting of 25 May 2020 until the shareholders' meeting that will consider the approval of the annual accounts for the financial year ending on 31 December 2022.

18.2 Remuneration and Nomination Committee

In compliance with Article 7:100, §2 of the Belgian Code of Companies and Associations and the 2020 Corporate Governance Code, all members of the Remuneration and Nomination Committee are Non-Executive Directors and the majority of the members are independent in accordance with the criteria set out in Article 7:87, §1 of the Belgian Code of Companies and Associations. The members also possess the necessary expertise in the field of remuneration.

On December 31, 2020, the Remuneration and Nomination Committee was composed as follows:

Name	Position
Viabylity BV, represented by Hans Van Bylen	Independent Director, Chair of the Remuneration and Nomination Committee
Aldo Cardoso	Non-Executive Director
Regina SARL, represented by Regi Aalstad	Independent Director

During 2020, the Remuneration and Nomination Committee met 11 times. The attendance rate was 100%.

Name	R&N Committee Meetings Attended[15]	Attendance Rate R&N Committee
Tegacon Suisse GmbH, represented by Gunnar Johansson[16]	6/6	100%
Esther Berrozpe[17]	5/5	100%
Michael Bredael[18]	6/6	100%
Aldo Cardoso[19]	5/5	100%
Regina SARL, represented by Regi Aalstad	11/11	100%
ViaBylity BV, represented by Hans van Bylen[20]	7/7	100%
Revalue BV, represented by Luc Missorten[21]	3/3	100%
Lubis BV, represented by Luc Missorten[22]	1/1	100%

Astrid De Lathauwer, Executive VP HR is appointed as Secretary of the Remuneration and Nomination Committee.

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15 The attendance rate is based on the number of board meeting held during the mandate of the respective board committee members.

16 Tegacon Suisse GmbH resigned as Board member, and accordingly as a chair of the Remuneration and Nomination Committee, on 9 October 2020. Esther Berrozpe succeeded him as Chair.

17 Esther Berrozpe recused herself as a member from the Remuneration and Nomination Committee as soon as she presented her candidacy as CEO. Hans Van Bylen succeeded her as Chair.

18 Michael Bredael was replaced in the Remuneration and Nomination Committee by Aldo Cardoso.

19 Aldo Cardoso joined the Remuneration and Nomination Committee as of 9 October 2020.

20 Viabyility represented by Hans Van Bylen, was assigned as member to Remuneration and Nomination Committee subsequent to his appointment as member of the Board at the 2020 Shareholders' meeting.

21 Cfr footnote 5.

22 Cfr footnote 6.

During 2020, the Remuneration and Nomination Committee reviewed the following topics:

- the leadership changes within the Board, succession of the CEO and CFO and various other changes with the Executive Committee;
- substantive revision of the remuneration policy, including amongst other, the executive remuneration, terms and conditions of employment in general, the key performance indicators and the long-term incentive plan, as further explained within the remuneration report.

18.3 Strategy Committee

The Strategy Committee has been created on 9 October 2020. The purpose of establishing this Committee is to reshape the Company's strategic agenda, to expedite the Board's strategic decision-making, and to shift focus to long term, forward looking items. The committee reports to the Board.

On December 31, 2020, the Strategy Committee was composed as follows:

Name	Position
ViaBylity BV, represented by Hans Van Bylen	Independent Director, Chair of the Strategy Committee
Frédéric Larmuseau	Independent Director
Regina SARL, represented by Regi Aalstad	Independent Director
Michael Bredael	Non-Executive Director

During 2020, the Strategy Committee met 12 times. The attendance rate was as 98%:

Name	Strategy Committee Meetings Attended	Attendance Rate Strategy Committee
ViaBylity BV, represented by Hans Van Bylen	12/12	100%
Frédéric Larmuseau	11/12	91,67%
Regina SARL, represented by Regi Aalstad	12/12	100%
Michael Bredael	12/12	100%

Jonas Deroo is appointed as Secretary of the Strategy Committee.

As set forth in Article 5.4 of the Ontex Corporate Governance Charter, the Strategy Committee advises the Board principally on matters regarding the Company's strategy and long-term value creation, and shall, in particular:

- focus on the Group's sense of purpose, strategic priorities and values as a key driver for innovation, growth and leadership;
- assess industry developments and the impact of industry trends and changes in the competitive activity on the business plan and the Company's performance;
- review the Company's medium and long-term strategy and the business plan, as prepared by the Executive Committee before they are submitted to the Board;
- prepare the decision-making of the Board in relation to strategic aspects of transactions or other operations presented to the Board. To this end, the Strategy Committee issues recommendations

on strategic transactions or other strategic operations (such as acquisition or disposal of companies/significant assets, creating or discontinuing presence in a country, diversification into a new business or discontinuation of a certain business, the entry into or termination of strategic alliances or longer-term cooperation agreements) presented by the CEO and/or the Executive Committee to the Board; and

- monitor the implementation of strategic projects and of the business plan including the Company's progress against strategic goals.

During 2020, the Strategic Committee has been mainly focused on strategic growth projects and investor engagement.

18.4 Executive Management

The following tables shows the composition of the Executive Committee, on 1 January 2020 and on 1 January 2021, respectively:

Position	Situation per 1 January 2021
Chief Executive Officer	Esther Berrozpe
Chief Financial Officer and Executive Vice-President Finance & IT	Charles Desmartis
President of the AMEAA Division	Armando Amselem
President of the Europe Division	Laurent Nielly
President Healthcare Division	Marex BV with Xavier Lambrecht as its permanent representative
Executive Vice-President Human Resources	Astrid De Lathauwer
Executive Vice-President R&D, Quality & Sustainability	Annick De Poorter
Executive Vice-President Operations	Axel Löbel
Executive Vice-President Legal and General Secretary	Jonas Deroo

Further details on the changes in composition of the Executive Committee are detailed further in this statement. The following paragraphs set out the biographical information, skills and experience of the current members of the Executive Committee.

Esther Berrozpe

Chief Executive Officer

Esther Berrozpe was appointed on 1 January 2021 as Chief Executive Officer. Esther has over 25 years of experience in the consumer goods area through marketing roles within FMCG at Paglieri (personal care), Sara Lee (underwear) and Wella (cosmetics) and senior P&L leadership roles at Whirlpool (BTC and BTBTC) in Europe and in the USA. In her last role at Whirlpool, Esther was member of the Global Executive Committee as EVP and President of Europe, Middle East and Africa, having the full P&L responsibility for its $5 billion business in EMEA, with 24M employees across 35 countries, 15 production sites and distribution to more than 140 countries. In addition, Esther is a member of the Board of Directors of Fluidra.

Armando Amselem

President of the AMEAA 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, a master's degree in Enology and a bachelor's degree in Agronomic Engineering and Food Sciences from Universidad Politecnica de Barcelona in Spain.

Astrid De Lathauwer

Executive Vice-President Human Resources

Astrid De Lathauwer joined the Ontex Group [on 1 October 2014] 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 is a board member at and chairs the Remuneration Committee of Colruyt and Immobel.

Annick De Poorter

Executive Vice-President R&D, Quality and Sustainability

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.

Jonas Deroo

Executive Vice-President Legal & Secretary General

Jonas Deroo joined the Ontex Group in April 2015. Jonas Deroo holds a law degree of the University of Ghent, Belgium and a Master of Laws degree from Harvard University, US. Prior to joining the

Ontex Group, Jonas Deroo was Associate General Counsel at Bpost, the Belgian postal operator. He started his career as an attorney, as counsel and senior counsel in various law firms.

Charles Desmartis

Chief Financial Officer and Executive Vice-President Finance, Legal & IT

Charles Desmartis joined the Ontex Group in November 2018. Charles Desmartis holds an MBA from the Ecole des Hautes Etudes Commerciales in Paris and a Master of Science in Management from Stanford University, US. Prior to joining the Ontex Group, Charles Desmartis has held senior finance and CFO positions at Schlumberger, Gemalto and subsequently Europcar before joining Carrefour as Group Financial Controller. Most recently, he held the CEO position for the Carrefour Group in Brazil, where he led the preparation and execution of the IPO of the company. Charles Desmartis has announced its retirement and the recruitment process for his replacement is ongoing.

Xavier Lambrecht

President of the Healthcare Division

Xavier Lambrecht, permanent representative of Marex BV, 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.

Axel Löbel

Executive Vice-President Operations

Axel Löbel joined the Ontex Group in February 2019. He holds a Master's degree in Electrical Engineering – subject area communications – from one of the top German Universities, and has more than twenty-five years of professional experience in Operations. Prior to joining the Ontex Group, Axel Löbel has held various positions within Procter and Gamble Baby Care evolving from electrical support to production, logistics and then leading the development and implementation of global product upgrades. In 2008, he led a green field start-up of a Procter & Gamble diaper plant in Cairo, Egypt. In 2013 he joined Melitta as COO, leading the end-to-end supply chain of their consumer goods business. Most recently, he held the General Manager position of one of the key fulfilment centers of Amazon, based in Prague.

Laurent Nielly

President Europe Division

Laurent Nielly joined the Ontex Group in July 2017 to lead the then recently acquired business in Brazil, and has been appointed as President of the Europe Division in January. Over the past 3+ years he and his team have transformed the Company's operation in the face of many challenges, offsetting severe currency devaluation with productivity, returning the business to double digit growth and creating a winning culture across all areas of the company. Laurent Nielly is also bringing more than 25 years of experience earned in Europe, the US and Latin America and across strong companies like P&G, McKinsey & Company, PepsiCo and Coty. He started in finance and strategy, developed expertise in innovation and commercial excellence before taking P&L responsibilities.

Over the course of 2020, the Executive Committee underwent substantial changes in terms of leadership. A new dynamic was created within the Executive Committee: Esther Berrozpe was appointed as new CEO and about half of the Executive Committee's members were replaced, including the appointment of a new president of the Europe Division. The recruitment of a new CFO is in the process of being finalized, as per the succession planning.

With effect of 1 January 2021, Esther Berrozpe was appointed as new CEO, subsequent to the following recruitment process;

Following the termination of the mandate of Charles Bouaziz, effective as of 30 July 2020, Ontex engaged Spencer Stuart to assist the Company with the CEO search process.

On 19 September 2020, Spencer Stuart presented a number of external candidates to the Remuneration and Nomination Committee. On that basis, the Committee made a shortlist of candidates, thereby also taking into account internal candidates. Following in-depth interviews conducted by Spencer Stuart, Hans Van Bylen and Gunnar Johansson, this list was further narrowed down to four candidates.

Between September and beginning December, these candidates were interviewed by all Board members. During this process, following the resignation of Gunnar Johansson, the previous Chair of the Remuneration and Nomination Committee, Esther Berrozpe was appointed as Chair of the Remuneration and Nomination Committee.

On 8 December, the results of the various interviews and the Executive Assessment Protocol conducted by Spencer Stuart for each of the candidates were presented to the Remuneration and Nomination Committee.

On 9 December, Esther Berrozpe expressed her availability and interest in, and presented her candidacy for, the CEO position to Hans Van Bylen. As a matter of good governance, at such time Hans Van Bylen de facto took over the lead of the process and the next steps of the CEO search process to avoid any concerns regarding conflicts of interest. Between 11 and 15 December, Esther Berrozpe was interviewed, and Spencer Stuart conducted an identical assessment process for EB as it had done for the other candidates (Executive Assessment Protocol), thus following the exact same process as the other candidates.

During the Remuneration and Nomination Committee of 16 December 2020, ahead of the update on the CEO process, Esther Berrozpe declared that, due to her candidacy for the permanent CEO position of the Company, and as a matter of good governance, she temporarily stepped down as chair of the Remuneration and Nomination Committee until the Board had taken a final decision on the permanent CEO and also abstained from any Remuneration and Nomination Committee discussion, deliberation and vote on (i) the appointment of the permanent CEO and (ii) any other topic that may create any (impression of) conflict of interest with the appointment of the permanent CEO (such as, among others, the remuneration policy).

Thereafter, an update of the CEO process was presented to the other members of the Remuneration and Nomination Committee.

Subsequently, the Remuneration and Nomination Committee deliberated and concluded, based on the interest of the Company and the clear capabilities and skills of Esther Berrozpe, to recommended to the Board the appointment of Esther Berrozpe as permanent CEO. Subsequently, the Committee deliberated on the remuneration proposal.

After careful deliberation, the Remuneration and Nomination Committee resolved unanimously to recommend to the Board to adopt the following resolutions:

- approve the appointment, in principle, of Esther Berrozpe as CEO of the Company, subject to (i) the Company reaching an agreement with Esther Berrozpe on the key terms of a services agreement and (ii) the confirmation of such appointment by the Board based on such negotiated key terms;
- if the appointment of Esther Berrozpe is confirmed, authorize her to keep one board mandate; and
- authorize ViaBylity BV, with Mr. Hans Van Bylen as its permanent representative, and Astrid De Lathauwer, acting jointly and with the power of substitution, to, on behalf of the Company negotiate the terms of the services agreement to be entered into between Esther Berrozpe and the Company for her mandate as CEO.

Also on December 16, 2020, the Board convened and after deliberation, resolved to approve the resolutions proposed by the Remuneration and Nomination Committee. Before the discussion on the agenda item regarding the CEO search process started, Ester Berrozpe, declared that she has a conflict of interest, as defined in article 7:96 of the Belgian Code of Companies and Associations, and abstained from the deliberation and vote on that agenda item.

Between December 17-20, the Company and Esther Berrozpe discussed the terms of her potential services agreement.

On December 21, Esther Berrozpe resigned as member of the Board, in light of her candidacy as CEO of the Company. Later that day, the Board, by way of unanimous written resolutions, resolved to confirm the appointment of Esther Berrozpe as CEO of the Company with effect as of January 1, 2021 and to approve the key terms of her services agreement.

In addition to the replacement of the CEO, the following changes were implemented within the Executive Committee, in November 2020;

Philippe Agostini, VP Procurement and Supply Chain, left the company. His responsibilities have been assumed by Thierry Navarre. Upon the leave of Thierry Navarre, the responsibilities are been allocated to other members of the Executive Committee and senior management.

Jonas Deroo, general counsel of the Ontex group since April 2015, joined the Executive Committee as Executive VP and Secretary General.

Laurent Bonnard, president of Europe Division, left the company, and Lilian Girlea became President of Europe Division ad interim. As from January 2021, Laurent Nielly was appointed as President of Europe Division.

Lastly, the recruitment process for the new CFO, replacing Charles Desmartis, is being finalized.

The powers of the Executive Committee include 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 her 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 fulfil 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 Executive Committee is determined by the Board acting on a proposal of the CEO, who chairs the Executive Committee. Members of the Executive 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 Executive 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 Executive Committee if their management agreement with the Company terminates.

The CEO leads and chairs the Executive Committee. The CEO is vested with the day-to-day management of the Company. In addition, she exercises the special and limited powers assigned to her by the Board or the Executive Committee. The CEO is a permanent invitee to the Board and reports to the Board on a regular basis, including on the actions taken by the Executive Committee.

During 2020, the Executive Committee met monthly and discussed, among others, the following topics;

-Strategic review

-Action plan following COVID-pandemic;

-Strategic growth projects;

-Financial and operational performance;

-Organizational model;

-Ontex's Sustainability Strategy 2030;

-Compliance and GDPR review.

18.5 Relevant information in the event of a takeover bid

Article 34 of the Royal Decree of 14 November 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.

18.6 Capital Structure

A comprehensive overview of our capital structure at 31 December 2020 can be found in chapter 2 of the Corporate Governance Statement.

18.7 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.

18.8 Holders of securities with special control rights

There are no holders of securities with special control rights.

18.9 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 or Performance Shares 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 Policy and report.

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

18.10 Restriction on voting rights

The Articles of Association of the Company do not contain any restrictions on the exercise of voting rights by 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 Code of Companies and Associations. 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.

18.11 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 2020 Corporate Governance Code recommends that it be limited to four years (*cf.* Recommendation 5.6). The appointment and renewal of directors is subject to approval by the shareholders' meeting, upon proposal by the Board on the basis of a recommendation of the Remuneration and Nomination Committee.

18.12 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 rule, amendments to the Articles of Association are only adopted if approved by at least 75% of the votes cast. The Belgian Code of Companies and Associations provides for more stringent majority requirements in specific instances, such as for modifications of the Company's corporate object clause.

18.13 Authorized capital

On 25 May 2018, the extraordinary general meeting of shareholders renewed the authorization to the Board with respect to authorized capital under the following conditions:

The Board may increase the registered capital of the Company in one or several times by an amount cumulated over 5 years of:

- maximum 50% of the amount of the registered capital as such amount is recorded immediately after the general meeting of shareholders of 25 May 2018, of which maximum 20% of the amount of the registered capital as such amount is recorded immediately after the general meeting of shareholders of 25 May 2018, in the event of a capital increase with cancellation or limitation of the preferential subscription rights of the shareholders.

This authorization may be renewed in accordance with the relevant legal provisions. The Board can exercise this power for a period of five years as from the date of publication in the Annexes to the Belgian State Gazette of the amendment to the Articles of Association approved by the shareholders' meeting on 25 May 2018.

18.14 Acquisition of own shares

On 25 May 2018 the Extraordinary Shareholders' meeting renewed the authorization towards the Board with respect to the acquisition of own shares subject to the following conditions:

The Company may, without any prior authorization of the shareholders' meeting, in accordance with Articles 620 ff. of the (former) Belgian Companies Code and within the limits set out in these provisions, acquire, on or outside the stock market, up to 10% of its own shares, profit-sharing certificates or associated certificates for a price which will respect the legal requirements, but which will in any case not be more than 10% below the lowest closing price in the last thirty trading days preceding the transaction and not more than 5% above the highest closing price in the last thirty trading days preceding the transaction. This authorization is valid for five years from 25 May 2018. This authorization covers the acquisition on or outside the stock market by a direct subsidiary within the meaning and the limits set out by Article 627, indent 1 of the (former) Belgian Companies Code. If the acquisition is made by the Company outside the stock market, even from a subsidiary, the Company shall comply with Article 620, §1, 5° of the (former) Belgian Companies Code.

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

19.1 Senior Facilities Agreement

The Company, and certain of its subsidiaries as guarantors, entered into a 5-year multicurrency credit facilities agreement dated 26 November 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 entered into in 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 2017 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 may lead to a mandatory prepayment and cancellation under the Senior Facilities Agreement 2017.

19.2 Facilities Agreements

The Company, and certain of its subsidiaries as guarantors, entered into a 7-year multicurrency credit facilities agreement dated 4 December 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 certain 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 Facilities Agreement 2017 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 may lead to a mandatory prepayment and cancellation under the Facilities Agreement 2017.

19.3 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.

19.4 Hedging Agreement

The Company entered into an ISDA FX hedging agreement dated 12 March 2018 with Crédit Agricole Corporate and Investment Bank ("CACIB") (the "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, that a change 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, provides CACIB the right to terminate the Hedging Agreement.

19.5 Guarantee Agreement

The Company and its subsidiary Hygiene Medica SAS entered into a guarantee agreement dated 6 November 2018 with Euler Hermes NV (the "Guarantee agreement"), with respect to the guarantee issued by Euler Hermes NV to Land Rheinland, Finanzamt Mayen, dated 13 November 2018. The Guarantee Agreement includes provisions that may be trigged in case of a change of control. More specifically, the Guarantee Agreement provides for acceleration in case Ontex Group NV has leased a substantial part of her assets to a third party, or Ontex Group NV merges or decides to merge, splits or decides to split, or is absorbed by a third Party.

All change of control provisions as listed above were subject to shareholders' approval in accordance with Article 7:151 of the Belgian Code of Companies and Associations (previously, Article 556 of the (former) Belgian Companies Code) and have been approved by the shareholders' meeting.

19.6 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 chapter 8.3 of the Remuneration Report on termination provisions of the members of the Board and the Executive Committee in general.

20 Conflicts of interests

In accordance with Article 7:96 of the Belgian Code of Companies and Associations, 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. The conflicted Board member cannot be present during the deliberations of the Board relating to these transactions or decisions and cannot vote.

In addition to the legal requirements, Ontex, as a general matter and as set forth in its Corporate Governance Charter, also expects each Board member to arrange his or her personal and business affairs in such a way as to avoid any (appearance of) conflict of interest 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).

The following conflict of interest within the meaning of Article 7.96 of the Belgian Code of Companies and Associations arose in 2020:

On December 16, 2020, the Remuneration and Nomination Committee and the Board resolved on the CEO search process. Prior to discussing this item, Esther Berrozpe declared to have a conflict of interest in accordance with Articles *article 7:96* of the Belgian Companies Code. The relevant section of the minutes can be found below in its entirety:

Extract Remuneration and Nomination Committee and Board of Directors of 16 December 2020;

"Before the discussion started, Esther Berrozpe indicated that she may have a direct or indirect personal and conflicting interest with respect to this agenda item, due to her candidacy for the permanent CEO position of the Company. As a matter of good governance, Esther Berrozpe declared to have temporarily stepped down as chair of the RNC until the Board has taken a final decision on the permanent CEO and, for such time, to also abstain from any RNC discussion, deliberation and vote on (i) the appointment of the permanent CEO and (ii) any other topic that may create any (impression of) conflict of interest with the appointment of the permanent CEO (such as, among others, the remuneration policy). Esther Berrozpe then left the meeting.

After due and careful deliberation, the Nomination and Remuneration Committee then resolved unanimously to recommend to the Board to adopt the following resolutions:

- *approve the appointment, in principle, of Esther Berrozpe as CEO of the Company, subject to (i) the Company reaching an agreement with Esther Berrozpe on the key terms of a services agreement and (ii) the confirmation of such appointment by the Board based on such negotiated key terms;*
- *if the appointment of Esther Berrozpe is confirmed, authorize her to keep one board mandate; and*
- *authorize ViaBylity BV, with Mr. Hans Van Bylen as its permanent representative, and Astrid De Lathauwer, acting jointly and with the power of substitution, to, on behalf of the Company negotiate the terms of the services agreement to be entered into between Esther Berrozpe and the Company for her mandate as CEO.*

Subsequently the Board convened.

Before the discussion on the agenda item regarding the CEO search process started, Ester Berrozpe, declared that she has a conflict of interest, as defined in article 7:96 of the Belgian Code of Companies and Associations, and abstained from the deliberation and vote on that agenda item.

The Board, after deliberation, resolved to approve the resolutions proposed by the Remuneration and Nomination Committee.

21 Risk and uncertainties

Description Risk		Main Potential Impact
Infectious diseases of epidemic and pandemic potential	As Ontex is operating around the globe, a global epidemic or pandemic outbreak may affect our business contingency.	Global epidemic or pandemic outbreaks may have an impact on raw material availability & unavailability of employees. This could negatively impact our service level.
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 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 18 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 affect 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 or 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.

Description Risk		Main Potential Impact
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.
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.	In case of failure to recruit and retain adequately, this may result in a decline in business performance.
Financial	As detailed in section 7.5 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.	This may lead to reputational damage and difficulties in hiring people.

Climate and Environment	Ontex risks not to be able to respond timely to the climate and environmental expectations and requirements from consumers, governments and other stakeholders. Ontex requires certain sensitive raw materials such as paper pulp and plastics to manufacture its products and Ontex produces disposable finished products.	Ontex risks losing market share if stakeholder expectations cannot be met at a competitive price. New regulations might increase the cost of doing business.

22 Reporting non-financial information (Article 3:6, §1, 9th Company Code)

In accordance with 3:6, §1, 9th Companies Code, Ontex Group NV is required to prepare a non-financial information statement.

Ontex Group NV hereby refers to the non-financial information statement as described in the consolidated annual report of the Company. Ontex Group NV furthermore declares that, with regard to the matters that are included in the non-financial information statement, no other policies, procedures, performance indicators or risks apply than those stated in the consolidated annual report of the Company.

23 Proposal for the resolution of the Ordinary Shareholders Meeting on May 25, 2021.

The Board of director proposes, amongst others, the following to the Ordinary shareholders meeting:

- Acknowledge the Board of Directors report and the report of the statutory auditor for the year ending December 31, 2020
- Approval of the separate annual accounts of December 31, 2020
- To appropriate the loss of the period as follows:

The Board of directors proposes to carry forward the loss of the period amounting to € -13,730,349 to next year:

Profit carried forward from last year:	415,553,607 €
Loss of the year to be appropriated:	-13,730,349 €

Profit to be appropriated:	€ 401,823,258
Accumulated profits:	€413,999,819
Withdrawal from reserves:	€ 12,176,561
Allocation to legal reserves	

€ 0

- Discharge for the directors for their mandate exercised in the financial year ended December 31, 2020.
- Discharge for the auditor PwC Bedrijfsrevisoren BV, represented by its liable partner Lien Winne for the financial year ended December 31, 2020.

Board of Directors, March 31, 2021
Erembodegem,

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ViaBylity BV, represented by Hans Van Bylen, Director

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Inge Boets BV, represented by Inge Boets, Director

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Regina SARL, represented by Regi Aalstad, Director

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Frédéric Larmuseau, Director

____

Michael Bredael, Director

____

Aldo Cardoso, Director