REMUNERATION POLICY (2022 VERSION)

Introduction

2020 review and 2021 remuneration policy

In 2020, we carried out a fundamental review of our remuneration policy for 2021 and beyond. The changes we have made reflect a number of developments in the corporate governance landscape in Belgium, the EU and internationally, the concerns of some shareholders, as well as the changes in the composition of our Board and the arrival of a new CEO. The Board of Directors realized the need for major modifications to the policy to better align potential executive rewards and shareholder returns, especially in view of the rejection of the report and policy by successive annual general meetings.

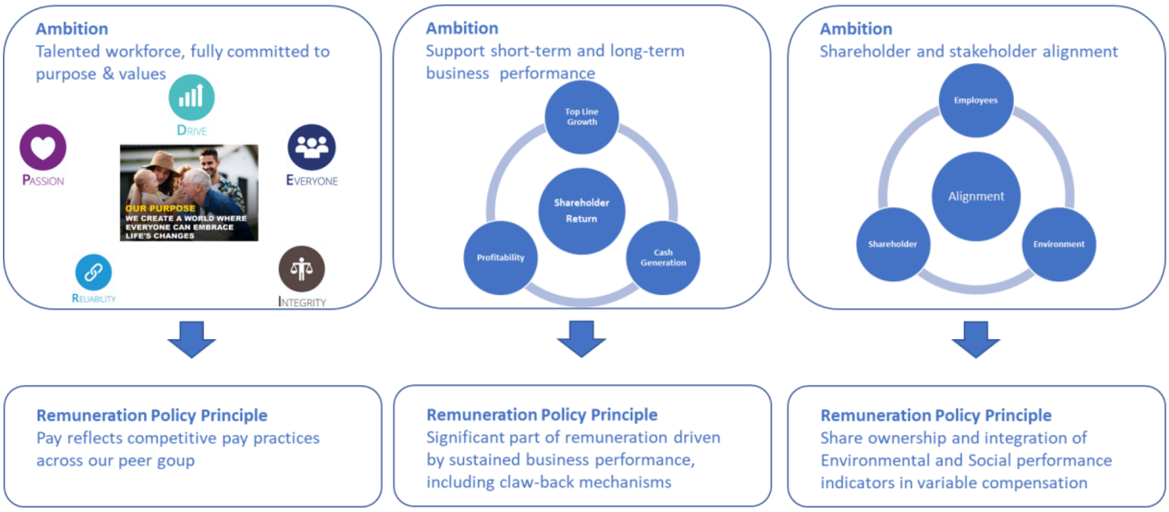
During 2020, the Board engaged in extensive dialogue with shareholders, investors and proxy advisors to understand their concerns and incorporate their perspectives on remuneration into our revised remuneration policy. It was our pleasure to host more than 40 meetings with shareholders and proxy advisors around corporate governance and remuneration taking in more than 50% of our shareholder base. We talked with a number of specific shareholders a number of times to incorporate their feedback iteratively as we fine-tuned our proposals. The views of our investors on remuneration principles and how these principles translate into concrete remuneration policy changes is summarized below.

Remuneration Principles	Remuneration Policy Changes (2021)
Management Incentives are based on reported financial results	Financial bonus KPIs, Adjusted EBITDA and Cash Flow will include FX impacts, 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 the possibility of pay for failure	Introduction of stricter severance provisions

The remuneration policy is applicable to the members of the Board and the members of the Executive Committee.

Overall Remuneration Policy Framework

Based on the feedback from investors and considering the corporate governance regulations and trends, the Board has adopted a new remuneration framework and policy incorporating the following ambitions and policy principles.



2022 amendments to the remuneration of the Board Chairperson

In 2022, the Board proposed to amend the remuneration policy to increase the remuneration of the Board Chairperson, by (i) increasing the fixed remuneration and (ii) awarding an annual transformation fee until the end of the Chair's current mandate, as detailed further in this policy. These amendments apply retroactively as of 1 January 2022.

The changes to the fixed remuneration were proposed to appropriately compensate the active role that the Chair has performed and is expected to continue to perform and his significant time commitment in relation to, among others, (i) maintaining and expanding the Group's relations with its different stakeholders, including its shareholders, and (ii) coordinating interactions between the Board and the Group's executive management, including ensuring that appropriate support is given to ensure the implementation of the Group's strategic goals.

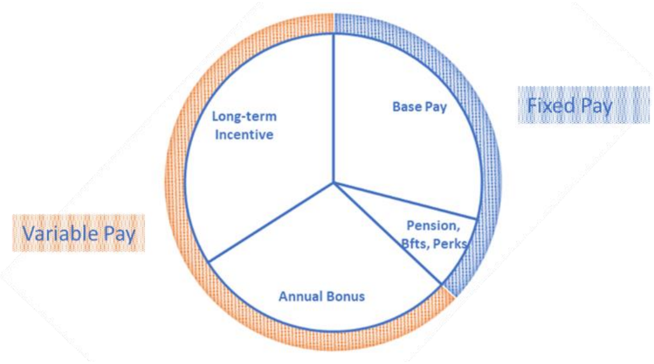
The annual transformation fee aims to reflect the Chair's role in the context of the Group's ongoing transformation (as announced in December 2021), which requires a significant additional time-spend, in addition to the Chair's general tasks, among others towards the Group's executive management and its different stakeholders (including shareholders). As this transformation fee intends to reflect a temporary additional time-spend, the Board shall have the right to decide, acting upon recommendation of the Nomination & Remuneration Committee, that the transformation fee shall no longer be due and payable to the Chair when the transformation of the Group no longer requires the additional time commitment that this fee aims to compensate for.

Both the increase in the fixed remuneration and the transformation fee have been determined on the basis of advice from a reputable external consultant in the field of executive and leadership remuneration and a benchmarking exercise of comparable international and Belgian listed companies.

Remuneration Policy for the Members of the Executive Committee

Remuneration components and their relative share in the total remuneration

The structure and components of the executive pay packages ensure that executives have a vested interest in delivering performance over the short and the long term. When all targets are being met, the combined package places the Executives at the median of the European Personal and Household Goods peer group, both in terms of the value of the package and in terms of the weighting of the different package components.



The table below sets out the different components of the remuneration of the members of the Executive Committee, their key features, their relative share in the total remuneration and how they contribute to the Company's strategy, long-term interests and sustainability.

	Key Features	Share in Total Remuneration	Link with Strategy, Long-Term Interest and Sustainability
Base Salary	• Fixed for 3 years (unless substantial change in responsibility) • Reflects median salary in European sector peer group	• Represents 29% in the total remuneration for the CEO and between 40% and 43% for the other Executives	• A competitive base salary is an essential element for the attraction of Executive talent capable of delivering on the company's objectives
Annual Bonus	• Driven by financial and non-financial performance (see below for further details) • Pay-out between 0% and 200% of target bonus • Subject to claw back	• Represents 29% in the total remuneration for the CEO and between 21% and 28% for the other Executives in case of on-target performance	• Provides focus on the delivery of the financial and non-financial targets, accuracy of financial reporting and business integrity
Long-Term Incentive	• Delivered through performance shares • 3-year cliff vesting • KPIs include financial and ESG targets (see below for further details) • Vesting between 0% and 200%	• Represents 34% in the total remuneration for the CEO and between 21% and 22% for the other Executives in case of on-target performance	• Provides focus on the delivery of long-term returns to the shareholders and on the environmental and human impact of our business
Pension, Benefits and Perks	• Defined contribution pension plan, company contribution 20% of annual salary • Benefits include company car and life, health and disability insurance	• Represents 8% in the total remuneration for the CEO and between 10% and 13% for the other Executives	• A comprehensive benefits package is an essential element for the attraction on Executive talent and reflects the Company's "duty of care" to protect employees against events which can drastically impact their earnings capacity

The structure of the remuneration for the members of the Executive Committee is similar to the structure of the remuneration of the employees of the Company, with the exception of the Long-Term Incentive, which is not a broad-based compensation element. Also, the share of the variable remuneration in the total remuneration is higher for the members of the Executive Committee than for other employees.

Base Salary

Purpose and Link with Strategy

A competitive base salary is an essential element for the attraction of Executive talent capable of delivering on the Company's objectives.

Governance and Operation

The base salary is set at a level whereby, when all targets are met, the total remuneration is aligned with the median of the peer group.
The base salary is in principle fixed for 3 years but can be adapted in case of a significant change in responsibility.
Base pay changes for the CEO are decided by the Board, upon recommendation of the Remuneration and Nomination Committee. Base pay changes for the other members of the Executive Committee are decided by the Board, upon recommendation by the CEO and the Remuneration & Nomination Committee

The following parameters are considered when deciding on base pay changes:

- The individual's performance, skills and responsibilities
- Salary increase rates for the employees of the Company
- Economic conditions and governance trends
- Base salaries for similar functions in a European peer group of Personal and Household Goods companies, at median level

Annual Bonus

Purpose and Link with Strategy

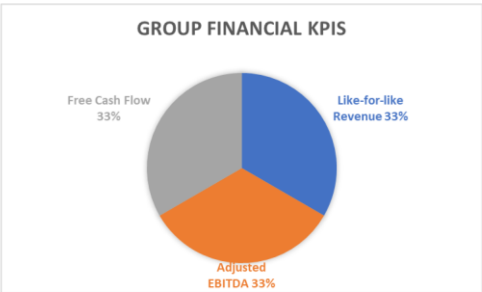
Provides focus on the delivery of the financial and primarily quantifiable non-financial targets that are connected to the Company's strategy, accuracy of financial reporting and business integrity.

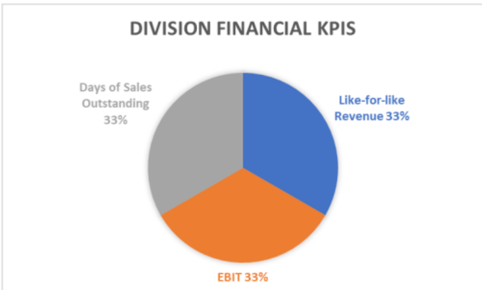
Governance and Operation

The target bonus for the CEO amounts to 100% of the base pay and is between 50% and 70% of base pay for the other members of the Executive Committee.

The annual bonus is dependent on the performance against a set of financial and non-financial KPIs, as outlined below:

The KPIs for the Group and Divisional performance are decided annually by the Board of Directors and may include KPIs covering revenue, profitability, cash, working capital or other KPIs which are representative of value creation for the Company and the sector in which it operates. For 2021, the annual bonus KPIs and their respective weights are as follows:





While revenue performance is assessed on a like-for-like basis (at prior year's currency), the other financial KPIs are assessed based on performance as reported in the Company's financial statements.

Performance targets for the Group and Division financial KPIs are set annually by the Board by reference to the annual operating plan. Given that these targets are commercially sensitive, they will not be disclosed ex ante. The targets, as well as the performance against the targets, will however be disclosed ex-post, in the following year's remuneration report.

The non-financial KPIs and performance targets are set annually by the Board, upon recommendation by the Remuneration & Nomination Committee by reference to the strategic and operational priorities for the year. They may cover areas such as leadership, talent management, employee engagement, diversity and other domains which are relevant to the area of responsibility of the respective members of the Executive Committee.

The achievement against these KPIs is assessed by the Remuneration & Nomination Committee (upon recommendation of the CEO for the other members of the Executive Committee) as part of the annual individual performance assessment of each executive.

The threshold performance is set at 75% of target for the financial KPIs, with up to 100% of the target bonus earned in case of on-target performance and a maximum of 200% of the target bonus payable for a performance reaching 125% of target or more. The performance as well as the results are published ex-post, in the following year's remuneration report.

In order to ensure the right behaviors and avoid excessive risk taking which might adversely impact sustained long-term value creation, the bonus is subject to a claw back. Such claw-back will be applied in case the respective member of the Executive Committee would have engaged in fraud, willful misconduct or gross negligence resulting in the need for a material restatement of the Company's financial results.

Long-term Incentive

Purpose and Link with Strategy

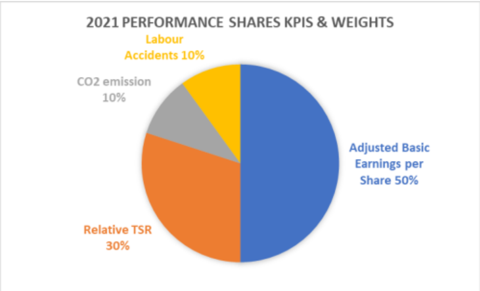
Provides focus on the delivery of long-term returns to the shareholders and on the environmental and human impact of our business.

Governance and Operation

Members of the Executive Committee are eligible for an annual grant of performance shares. This is a change from previous practice where the LTIP consisted of a mix of performance shares, restricted stock units and stock options and was a direct result of our discussions with many investors on the improvements that were seeking in our remuneration policy. The change has been inspired by the ambition of the Board to make the LTIP 100% performance based. In addition, it provides the opportunity, through the target setting and the performance shares KPI, to focus and direct the efforts of the Executives on creating sustainable long-term value. It also provides the opportunity to develop a sustained focus on the Company's long-term ambitions in ESG domains.

The performance shares issued by the Company vest subject to a performance test and continued employment over a period of three years. The annual grant level is decided by the Board, upon the recommendation of the Remuneration & Nomination Committee. The target grant amounts to 115% of the annual base pay for the CEO, and 55% for the other members of the Executive Committee.

The performance criteria, their respective weight and the performance thresholds, targets and caps for the vesting of the performance share are decided annually by the Board, upon recommendation of the Remuneration & Nomination Committee. The performance share KPIs and weights for the 2021 performance share grant are as follows:



Relative Total Shareholder Return is measured against the STOXX Europe 600 Personal & Household Goods Index. This index has been chosen because it is a relevant peer group for the Company, both in terms of sector of activity and in terms of the geographical footprint.

It is required that a threshold performance is reached before any vesting will occur. As of that threshold, the vesting increases on a linear scale to reach 100% for an on-target performance and a maximum of 200% for a stretch level of performance.

For non-commercially sensitive KPIs, the targets will be disclosed in the remuneration report covering the year of grant. For commercially sensitive KPIs, the targets, achievements and corresponding vesting will be disclosed in the remuneration report of the year in which the vesting period has ended, when also the achievements and corresponding vesting for all KPIs will be reported.

The KPIs, targets, thresholds and caps for the 2021 performance shares are shown below.

2021 Perf. Share KPI	Weight	2020 Base Line	Threshold	Target	Cap
Adjusted Basic EPS	50%	Commercially sensitive, will be disclosed ex-post			
Relative TSR	30%	N/A	< 80% of index No vesting	100% of index 100% vesting	120% of index 200% vesting
Ton CO2/Mio produced pieces	10%	251	>210 No vesting	192 100% vesting	172 200% vesting
Labour Accident Frequency $\frac{\#\text{labour accidents} \times 1000000}{\#\text{total worked hours}}$	10%	5,45	> 4,73 No vesting	3,73 100% vesting	2,73 200% vesting

Pension, Benefits and Perks

Purpose and Link with Strategy

A comprehensive benefits package is an essential element for the attraction of Executive talent and reflects the Company's "duty of care" to protect the members of the Executive Committee against events which can drastically impact their earnings capacity.

Governance and Operation

The benefits provided to the members of the Executive Committee depends on their respective country of residence and may include, among others, a company car or car allowance, life insurance, accident and/or disability insurance, medical coverage and tax compliance assistance. These benefits may also include a company contribution to a defined contribution pension plan (20% of base pay, vesting upon payment) and relocation benefits.

The composition of the benefits package is decided by the Board upon recommendation of the Remuneration & Nomination Committee and reflects the median of the general industry market for the country of residence of the respective members of the Executive Committee.

Shareholding requirement

Purpose and Link with Strategy

A shareholding requirement for members of the Executive Committee fosters long-term alignment with shareholders and promotes focus of management on corporate risks.

Governance and Operation

Shareholding requirements are decided by the Board, upon recommendation of the Remuneration & Nomination Committee.

The CEO is required 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 shareholding is reached.

Principal Employment Terms and Conditions

The members of the Executive Committee are engaged by the Company based on a service agreement for an indefinite duration. Either party may terminate the service agreement by observing a notice period of three months. In case of termination by the Company other than for cause, the member of the Executive Committee is entitled to:

- The annual bonus for the year in which the notice takes place, calculated pro rata temporis and assuming that all the performance targets for that year are achieved (on target).
- A severance payment consisting of the sum of one time the annual base salary and the annual pension contribution. [1]

[1] For the CEO, the termination payment consists of the annual base salary, the target bonus for an entire year and the Company's contribution to the pension plan for one year.

- A partial vesting of the unvested LTIP instruments, calculated pro rata the presence of the member of the Executive Committee during the 3-year vesting period. Vesting is not accelerated in that event and KPI performance criteria apply throughout the duration of the remaining vesting period.

Welcome Bonuses

It is not our policy to offer welcome bonuses to incoming Executives. Only in exceptional circumstances where there is a demonstrated remuneration loss at a previous employment and such loss cannot be covered through the normal remuneration policy, the Board of Directors, upon recommendation of the Nomination and Remuneration Committee, can decide to offer a welcome bonus to an incoming executive. Such welcome bonus will be offered in the form of an exceptional performance share grant and will as such be subject to a 3-year performance-based vesting.

Remuneration Policy for Non-executive Directors

To realize its goals, the Company must be able to compose a Board of the highest caliber, with the knowledge and experience necessary to navigate in a complex business and societal environment.

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 of which is aligned with remuneration levels for Board positions in other Belgian listed companies of comparable size and complexity. 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	+ 190,000 EUR	+ 2,500 EUR
Committee Chairperson	+ 10,000 EUR	+ 2,500 EUR
Committee Member		+ 2,500 EUR

In addition to such fixed remuneration and attendance fees, the Board Chairperson shall, as from 1 January 2022 and for the remainder of his current Board mandate (i.e. ending immediately after the annual shareholders' meeting of the Company for the approval of the annual accounts for the financial year ending on 31 December 2023), be entitled to an annual transformation fee of EUR 50,000 per financial year. The Board, acting upon recommendation of the Nomination & Remuneration Committee, may decide that the transformation fee shall no longer be due and payable to the Board Chairperson when the transformation of the Group no longer requires the additional time commitment that this fee aims to compensate for.

Provision 7.6 of the 2020 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 during at least one year following the end of their Board mandate.

The fees paid to the Non-Executive Directors for the year under review are disclosed on an annual basis in the remuneration report.

Process for the Review of the Remuneration Policy

The remuneration policy for the members of the Executive Committee and the Non-Executive Directors is reviewed from time to time by the Board, with input from the Remuneration & Nomination Committee. As the Board is composed of non-executive directors only, there are no potential conflicts of interest when the Board reviews the remuneration policy for the members of the Executive Committee.

If material changes to the remuneration policy are required, such changes will be submitted for approval to the annual shareholders' meeting of the year in which such changes would enter into effect. In case exceptional circumstances would require a deviation from the remuneration policy, such deviation will be enacted by the Board and submitted to ratification at the first upcoming annual shareholders' meeting. In any event, as per EU and Belgian regulations, the remuneration policy will be submitted for re-approval to the annual shareholders' meeting every four years.