

REMUNERATION POLICY (2023 VERSION)

Introduction

2023 review of 2021 remuneration policy¹

In 2020, we carried out a fundamental review of our remuneration policy for 2021 and beyond, in extensive dialogue with shareholders, investors and proxy advisors. The changes we made at that point reflected a number of developments in the corporate governance landscape in Belgium, the EU and internationally, as well as the feedback from those dialogues. Building on the 2021 remuneration policy and in light of the Company's ongoing turnaround, the Board believes that certain exceptional, one-off measures are instrumental to accelerate such turnaround's execution. The changes to the 2021 remuneration policy aim to achieve this by strongly incentivizing management to accelerate the realization of the turnaround objectives, and in doing so further strengthens the alignment of executive rewards and shareholder returns.

Some of the key remuneration principles and how these principles translate into actual remuneration policy principles and changes is summarized below.

Remuneration Principles	2021 Remuneration Policy	2023 Remuneration Policy Changes (Building on the 2021 Policy)
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	In the financial bonus KPIs, "Cash flow" will be replaced by "Cash Conversion Cycle" (as defined further) ²
No multiple rewards for the same outcomes	No overlap between KPIs for short-term and long-term incentives. Discontinuation of the T2G incentive program	No change: no overlap between KPIs for short-term and long-term incentives and no duplicative incentive programs
Fully performance-based long-term incentive plan	Long-term incentive plan consisting of performance shares only	No change: long-term incentive plan continues to consist 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	ESG objectives moved from LTI to STI to increase short-term focus on the ESG targets set by the Company
Pay for sustainable results	Introduction of a bonus-claw back	No change: a bonus-claw back remains in place
Alignment with shareholders	Introduction of share ownership requirements for members of the Executive Committee	Share price evolution becomes the single KPI of the LTI plan for the period FY2023-25 Share ownership requirements for members of the Executive Committee remain in place
Transparency	Disclosure of performance targets ex-ante if not commercially sensitive, and otherwise ex-post	No change: disclosure of performance targets ex-ante if not commercially sensitive, and otherwise <i>ex post</i>

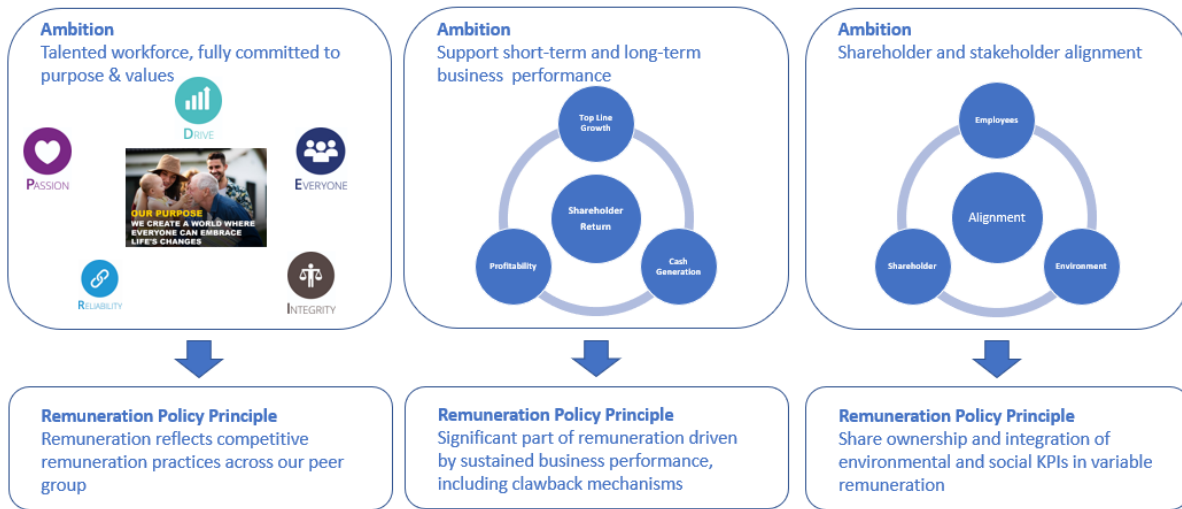
The remuneration policy is applicable to the members of the Board and the members of the Executive Committee.

¹ In May 2024, this remuneration policy was revised to reflect certain non-material changes approved by resolution of the Board. These changes are: (i) deletion of the Chair's transformation fee, which automatically expired after the Company's annual shareholders' meeting of 3 May 2024; and (ii) amending the termination rights in the services agreements between the members of the Executive Committee and the Company. These revisions are marked in green in this document.

² Cash Conversion Cycle is a metric that expresses the time (measured in days) required for a company to convert its investments in inventory and other resources into cash flows from sales.

Overall Remuneration Policy Framework

The proposed changes build further on the following ambitions and policy objectives that underlie the 2021 remuneration policy:



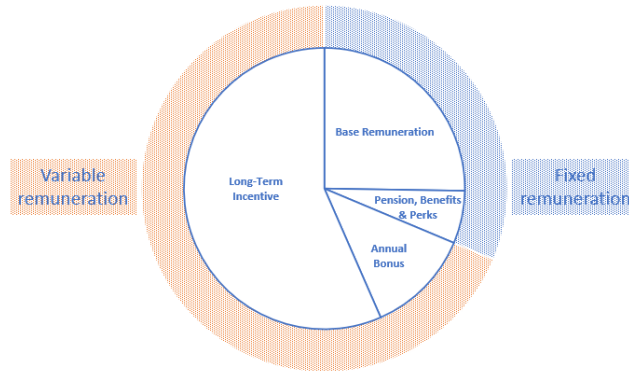
One of the key measures introduced by the 2023 changes is a one-off rebalancing of the weighing between the annual bonus amount (short-term incentive) and the long-term incentive of the Executives for the period FY2023-25. By directing the Executives' remuneration more towards the long-term incentive, a larger component of the remuneration will be "at risk". This revised structure offers the benefit of simplicity, transparency, and full alignment with value-creation for the shareholders. This structure further sharpens the focus of the organization on delivering the turnaround strategy in the course of the next three years.

By introducing a "personal leadership multiplier" on the annual bonus (as further explained below), the new policy incentivizes strong individual performance and leadership excellence, and reinforces the focus on talent development and people impact of Executives.

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 remuneration ensure that Executives have a vested interest in delivering performance over the short and the long term. When all targets are being met, the overall remuneration aims to place the Executives at the median of the European Personal and Household Goods peer group, both in terms of value and in terms of the weighting of these different 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.

The exceptional changes to the Company's 2021 remuneration policy for the financial years 2023, 2024 and 2025 are indicated in bold.

	Key Features	Share in Total Remuneration ³	Link with Strategy, Long-Term Interests and Sustainability
Base Remuneration	<ul style="list-style-type: none"> Fixed for 3 years (unless substantial change in responsibility, misalignment with median of the peer group, or significant change in general economic circumstances) Reflects median base remuneration in European sector peer group 	<ul style="list-style-type: none"> For FY2023-25, it will represent approx. 25% of the total remuneration for the CEO and between approx. 29% and 32% for the other Executives⁴ 	<ul style="list-style-type: none"> A competitive base remuneration is an essential element for the attraction of executive talent capable of delivering on the Company's objectives
Annual Bonus	<ul style="list-style-type: none"> Driven by financial and non-financial performance (see below for further details) Pay-out between 0 % and 240 % of target bonus Subject to claw back 	<ul style="list-style-type: none"> For FY2023-25, the annual target bonus will be reduced by half. It will represent approx. 12% of the total remuneration for the CEO and between approx. 8% and 10% for the other Executives in case of on-target performance⁵ 	<ul style="list-style-type: none"> 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 For FY2023-25, the non-financial targets will include ESG targets (which were previously included in the LTI), to provide more short-term attention and drive, to lead to longer-term achievement

³ Calculated based on the value at grant date.

⁴ For other financial years, the base remuneration represents approx. 29% of the total remuneration for the CEO and between approx. 40% and 43% for the other Executives.

⁵ For other financial years, the annual bonus represents approx. 29% of the total remuneration for the CEO and between approx. 21% and 28% for the other Executives in case of on-target performance.

	Key Features	Share in Total Remuneration ³	Link with Strategy, Long-Term Interests and Sustainability
Long-Term Incentive	<ul style="list-style-type: none"> Delivered through performance shares 3-year cliff vesting For FY2023-25, the KPI will be a financial KPI based on the Company's share price (see below for further detail)⁶ For FY2023-25, vesting will range between 0% and 112%⁷ 	<ul style="list-style-type: none"> For FY2023-25, the long-term incentive will represent approx. 56% of the total remuneration for the CEO and between approx. 52% and 53% for the other Executives in case of on-target performance⁸ 	<ul style="list-style-type: none"> Provides focus on the delivery of long-term returns to shareholders The exceptional change for FY2023-25 is instrumental to accelerate the Company's turnaround strategy, and creates strong value creation alignment between shareholders and Executives
Pension, Benefits and Perks	<ul style="list-style-type: none"> Defined contribution pension plan, company contribution 20% of annual base remuneration or an equivalent allowance Benefits include company car and life, health and disability insurance 	<ul style="list-style-type: none"> For FY2023-25, it will represent approx. 6% of the total remuneration for the CEO and between approx. 7% and 8% for the other Executives⁹ 	<ul style="list-style-type: none"> A comprehensive benefits package is an essential element for the attraction of executive talent and reflects the Company's "duty of care" to protect its Executives 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 management-level 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 the management-level employees.

⁶ For other financial years, KPIs include financial and, potentially, non-financial metrics.

⁷ For other financial years, vesting ranges between 0% and 200%.

⁸ For other financial years, the long-term incentive represents approx. 34% of the total remuneration for the CEO and between approx. 21% and 22% for the other Executives in case of on-target performance.

⁹ For other financial years, the pension, benefits, and perks represent approx. 8% of the total remuneration for the CEO and between approx. 10% and 13% for the other Executives.

Base Remuneration

Purpose and Link with Strategy

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

Governance and Operation

The base remuneration is set at a level whereby, when all targets are met, the total remuneration is aligned with the median for similar functions in a European peer group of Personal and Household Goods companies.

The base remuneration is in principle fixed for three years but can be revised in certain circumstances: (i) in case of a significant change in responsibility; (ii) if the total remuneration would no longer be aligned with the median of the peer group; or (iii) in case of a significant change in general economic circumstances.

Changes in the base remuneration for the CEO are decided by the Board, at its discretion and upon recommendation of the Remuneration and Nomination Committee. Changes in the base remuneration for the other members of the Executive Committee are decided by the Board, upon proposal of the CEO and recommendation of the Remuneration and Nomination Committee.

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

- o The individual's performance, skills and responsibilities;
- o Salary increase rates for the employees of the Company;
- o Economic conditions and governance trends; and
- o 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

The annual bonus 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, as well as personal leadership.

Governance and Operation

A. General

For FY2023-25, the target bonus shall be reduced by half for the CEO and the other members of the Executive Committee. This exceptional change results from the decision to increase the weight of the long-term incentive component of the remuneration package throughout this period. As a result, for the period FY2023-25, the target bonus for the CEO amounts to 50% of the base remuneration and between 25% and 35% of the base remuneration for the other members of the Executive Committee.

The target bonus for the CEO amounts to 100% of the base remuneration and between 50% and 70% of the base remuneration 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. In addition, a "personal leadership multiplier" is applied. Such "personal leadership multiplier" reflects the individual leadership performance and people impact of the relevant member of the Executive Committee, based on an assessment of such member's personal objectives. Depending on the outcome of such leadership assessment, the annual bonus amount to be paid out shall be increased (in case of outperformance), decreased (in case of underperformance) or remain the same (in case of on-target performance).

The financial and non-financial KPIs, their respective weight and targets, and the multiplier effect of the "personal leadership multiplier" are set annually by the Board, at its discretion and upon recommendation of the Remuneration and Nomination Committee, in alignment with Company's strategic and operational priorities for the year.

For FY2023-25, the non-financial targets will include ESG targets (which were previously included in the LTI), to provide focus on the environmental and human impact of our business. The objective is to generate more short-term attention and drive, in order to lead to longer-term achievement.

B. Annual Assessment

The achievement against the target for each of the KPIs is assessed by the Remuneration and Nomination Committee (upon proposal of the CEO for the members of the Executive Committee other than the CEO) as part of the annual individual performance assessment of each member of the Executive Committee.

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. For the non-financial KPIs, the threshold, target and maximum are set annually by the Board, at its discretion and upon recommendation of the Remuneration and Nomination Committee, depending on the nature of the relevant KPI. In addition, a “personal leadership multiplier” is applied, as explained above.

The performance as well as the results are published *ex post*, in the remuneration report reporting on the relevant financial year.

C. Clawback Right

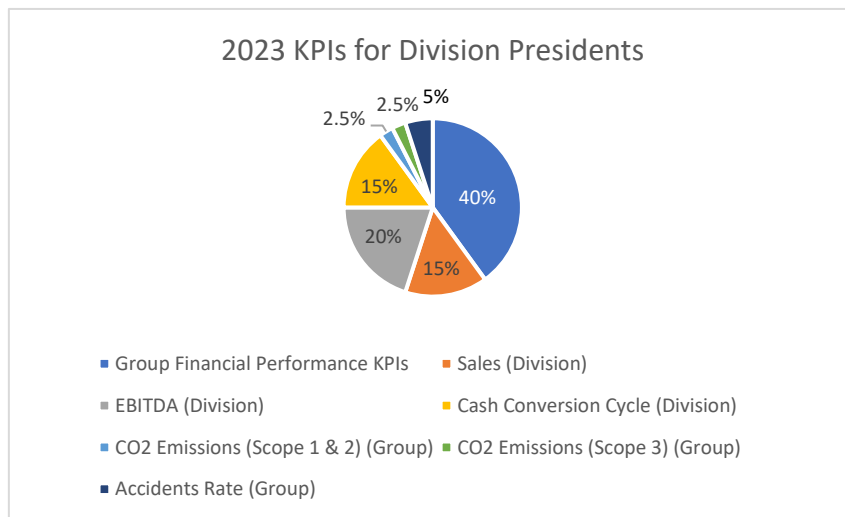
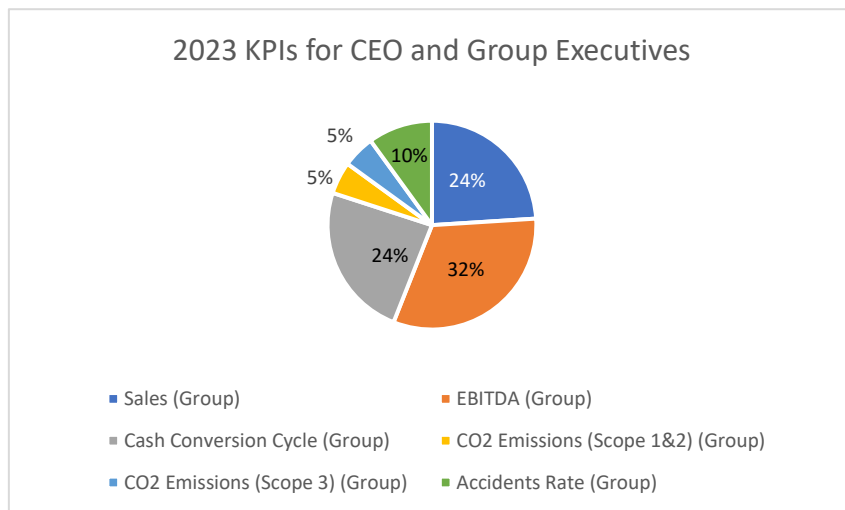
In order to ensure appropriate behavior and avoid excessive risk taking which might adversely impact sustainable long-term value creation, the annual bonus is subject to a claw back. Such claw-back will be applied in case the respective member of the Executive Committee would have engaged in fraud, wilful misconduct or gross negligence resulting in the need for a material restatement of the Company’s financial results. The Company can exercise such clawback right for a period of three years after the end of the financial year in which the fraud, wilful misconduct or gross negligence occurred.

D. 2023 KPIs, Weight and Targets

For 2023, the respective weight of the financial and non-financial KPIs is as follows:

CEO and Group Executives	80% Group Financial Performance	20% ESG Performance	
Division Presidents	40% Group Financial Performance	50% Division Financial Performance	10% ESG Performance

For 2023, the specific financial and non-financial KPIs, and their respective weight, are as follows:



(i) KPIs, Weight and Targets for Group and Division Financial Performance for 2023

For 2023, the annual bonus KPIs for the Group Financial Performance and for the Division Financial Performance, and their respective weights, are detailed in the graphs above. The KPIs for the 2023 Group Financial Performance and 2023 Division Financial Performance are “Sales”, “EBITDA” and “Cash Conversion Cycle”. These KPIs for 2023 are measured as follows:

- “Sales”: total revenue (at Group level for Group Financial Performance and at division level for Division Financial Performance).
- “Cash Conversion Cycle”: days sales outstanding + days inventory outstanding – days payable outstanding (at Group level for Group Financial Performance and at division level for Division Financial Performance). It will be measured on a quarterly basis and averaged over 12 months.
- “EBITDA”: the Adjusted EBITDA (at Group level as per the Company’s financial results in its Annual Report for Group Financial Performance and at division level for Division Financial Performance).

Given that the performance targets for the Group Financial Performance and Division Financial Performance KPIs are commercially sensitive, these targets will not be disclosed *ex ante*. The targets, as well as the performance against the targets, will however be disclosed *ex post*, in the remuneration report reporting on the relevant financial year.

(ii) KPIs, Weight and Targets for Non-Financial Performance for 2023

For 2023, the annual bonus KPIs for the Non-Financial Performance and their respective weights are detailed in the graphs above. The KPIs for the 2023 Non-Financial Performance are “CO2 Emissions (Scope 1 & 2)”, “CO2 Emissions (Scope 3)” and “Accidents Rate”. These KPIs for 2023 are measured as follows:

- “CO2 Emissions (Scope 1 & 2)”: percentage reduction in Scope 1 & 2 CO2 emissions.
- “CO2 Emissions (Scope 3)”: percentage reduction in Scope 3 CO2 emissions.
- “Accidents Rate”: percentage reduction in labor accidents.

For 2023, the targets for the Non-Financial Performance KPIs are as follows:

- “CO2 Emissions (Scope 1 & 2)”: reduction by 3.8%.
- “CO2 Emissions (Scope 3)”: reduction by 2.6%.
- “Accidents Rate”: reduction by 25%.

(iii) KPIs, Weight and Targets for Personal Leadership Multiplier for 2023

For 2023, the personal leadership performance assessment leads to an outcome on a five-point scale, with a multiplier effect on the annual bonus amount as follows:

Leadership Performance	Multiplier Effect
1 (did not meet expectations)	x 0.80 (– 20%)
2 (partially met expectations)	x 0.90 (– 10%)
3 (fully met expectations)	x 1.00 (=)
4 (often exceeded expectations)	x 1.10 (+ 10%)
5 (consistently exceeded expectations)	x 1.20 (+ 20%)

Long-Term Incentive

Purpose and Link with Strategy

The long-term incentive provides focus on the delivery of long-term returns to shareholders.

The exceptional change in FY2023-25 is instrumental to accelerate the Company’s turnaround strategy, and creates strong alignment of incentives between shareholders and Executives.

Governance and Operation

The members of the Executive Committee are eligible for an annual grant of performance shares under the Company’s long-term incentive plan (“LTIP”). This LTIP is 100% performance based, and it provides the opportunity, through the target setting and the performance shares’ KPIs, to focus and direct the efforts of the Executives on creating sustainable long-term value.

The performance shares issued by the Company vest subject to a performance test (such test, against the defined KPIs for such year, shall occur once at the end of the three-year vesting period) and continued engagement by the Executive over the three-year vesting period. The annual grant level is decided by the Board, upon the recommendation of the Remuneration and Nomination Committee. The target grant amounts to 115% of the annual base remuneration for the CEO, and 55% of the annual base remuneration for the other members of the Executive Committee.

The KPIs, their respective weight and their targets (and thresholds and caps) to determine the vesting of the performance share are decided annually by the Board, at its discretion and upon recommendation of the Remuneration and Nomination Committee.

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 reporting on the relevant financial year in which the grant of the performance shares occurs. The targets for commercially sensitive KPIs will be disclosed in the remuneration report reporting on the year in which the vesting period has ended, when also the achievements and corresponding vesting for all KPIs will be reported.

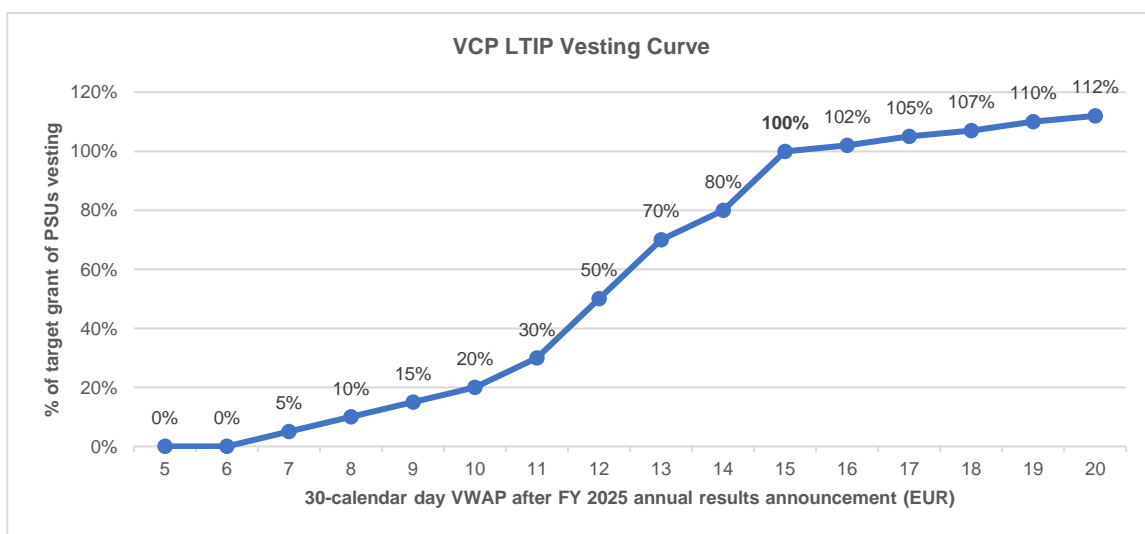
Exceptional change for FY2023-25

Between 1 January 2023 and 31 December 2025, the Company’s LTIP will temporarily be suspended for the members of the Executive Committee, and instead the members of the Executive Committee are eligible for a one-time grant of performance shares covering financial years 2023, 2024 and 2025 (the Company’s new 2023-2025 “Value Creation Projects” Long-Term Incentive Plan (the “VCP LTIP”). The change has been inspired by the ambition of the Board to make the VCP LTIP 100% financial performance based. In addition, it provides the opportunity, through the target setting and the performance shares’ KPI, to sharply focus on realizing the turnaround strategy of the Company and creating sustainable long-term value.

The performance shares issued by the Company under the VCP LTIP vest subject to a performance test and continued engagement over the three-year vesting period. The grant level is decided by the Board, upon the recommendation of the Remuneration and Nomination Committee. The target grant amounts to 690% of the annual base remuneration for the CEO¹⁰, and between 480% and 540% of the annual base remuneration for the other members of the Executive Committee¹¹.

The vesting of the performance shares is subject to a single performance KPI, being the share price of the Company. The calculation of the share price for such performance testing shall occur once, after the end of the three-year period, and shall be calculated as the 30-calendar day volume-weighted average price (VWAP) of a share in the Company after the public announcement by the Company of the full-year annual results for the financial year that ends on 31 December 2025.

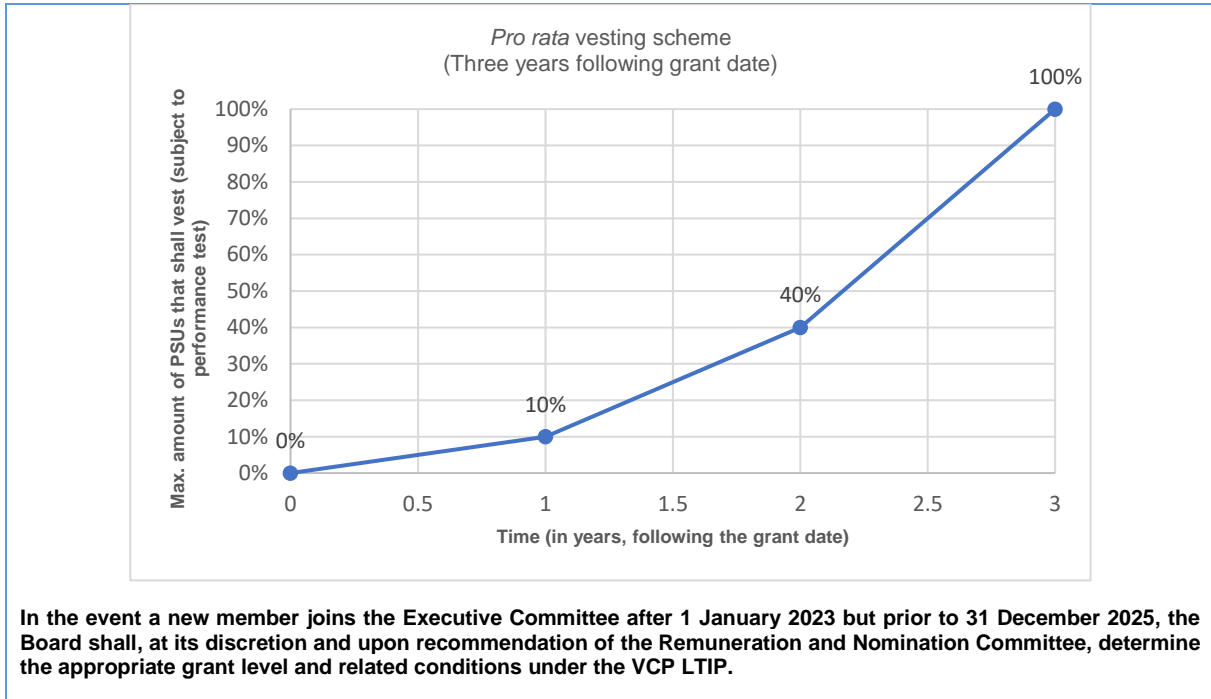
It is required that a threshold performance is reached before any vesting will occur. As of that threshold, the vesting increases on a scale that reaches 100% for an on-target performance and a maximum of 112% for a stretch level of performance. The target and thresholds for the VCP LTIP are as follows:



In case of termination by the Company of a member of the Executive Committee other than for cause, the relevant Executive will be entitled to a partial vesting of the unvested VCP LTIP PSUs, calculated *pro rata* the duration of services performed by the Executive during the 3-year vesting period, based on the following scale. Vesting is not accelerated in such event and the actual number of PSUs that will vest remains subject to the performance test against the relevant KPI at the end of the duration of the remaining vesting period.

¹⁰ The grant shall occur at the share price as at the date on which the CEO joined the Company, *i.e.*, EUR 6.175.

¹¹ The grant shall occur at the 30-calendar day VWAP on 27 March 2023, *i.e.*, EUR 6.8931.



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 depend on their respective country of residence and tax status, and may include, among others, a company car or mobility allowance, life, accident and/or disability insurance or an equivalent allowance, a representation allowance, medical coverage and tax compliance assistance. These benefits may also include a Company contribution to a defined contribution pension plan (20% of base remuneration, vesting upon payment) or an equivalent allowance, housing for cross-border assignments and relocation benefits.

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

The Board, upon recommendation of the Remuneration and Nomination Committee, has the flexibility to substitute pension contributions and other benefits for a cash allowance for some or all of the 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 and Nomination Committee.

The CEO is required to build a shareholding of two times the annual base remuneration, while other members of the Executive Committee are required to hold one time their annual base remuneration 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 Terms and Conditions of Services Agreements with the Members of the Executive Committee

The members of the Executive Committee are engaged by the Company based on a services agreement for an indefinite duration or exceptionally for a fixed term (such as currently for the CEO¹²). The services agreements foresee that ~~either party~~ the Company may terminate the agreement by observing a notice period of three months, and the member of the Executive Committee may terminate the agreement by observing a notice period of six months (which the Company may elect to reduce to less than six months, provided that the member of the Executive Committee shall remain entitled to its base remuneration until the end of the six months' period)¹³.

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 remuneration and the annual pension contribution (or equivalent allowance, if applicable).¹⁴
- A partial vesting of the unvested LTIP instruments, calculated *pro rata* the duration of services performed by the member of the Executive Committee during the 3-year vesting period (for the FY2023-25 VCP LTIP, based on the scale set forth above). Vesting is not accelerated in such event and the actual number of LTIP instruments that will vest remains subject to the performance test against the relevant KPIs at the end of the duration of the remaining vesting period.

In case of termination by the member of the Executive Committee other than for cause, whereby the Company does not elect to reduce the notice period to three months or less, 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* for each month of the notice period that the Company would require the member of the Executive Committee to respect in excess of three months and assuming that all the performance targets for that year are achieved (on target).

Welcome Bonuses

The Board, upon recommendation of the Remuneration and Nomination Committee, can decide to offer a welcome bonus to an incoming member of the Executive Committee in exceptional circumstances if the Board deems this to be justified in the Company's interest. The Board, at its discretion and upon recommendation of the Remuneration and Nomination Committee, will decide on the form of any such welcome bonus (e.g., in cash; as an exceptional performance share grant in accordance with the terms and conditions of the long-term incentive plan as set forth above; etc.).

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 ¹⁵	+ 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 Remuneration and Nomination 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.~~

¹² The CEO is engaged by the Company based on a services agreement for a fixed term, ending on the date of the annual shareholders' meeting of the Company in 2026.

¹³ In order to safeguard the continuity and long-term interests of the Company, compared to the remuneration policy adopted in 2023, the notice period to be observed by members of the Executive Committee was extended from three months to six months. In return, members of the Executive Committee shall remain entitled to their base remuneration for the six-month period, and will be granted a *pro rata* bonus entitlement for the notice period exceeding three months as described in this section.

¹⁴ For the executives with an agreement for a fixed term, such termination payment shall be reduced *pro rata temporis* in the event termination were to take place less than twelve months prior to the end date of the services agreement concerned.

¹⁵ Between 1 January 2022 and the Company's annual shareholders' meeting of 3 May 2024, the Board Chairperson was also entitled to an annual transformation fee of EUR 50,000 per financial year. The entitlement to such transformation fee has now expired.

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 and Nomination Committee. As the Board is composed solely of Non-Executive Directors, there are no potential conflicts of interest when the Board reviews the remuneration policy for the members of the Executive Committee. Potential conflicts of interest of Non-Executive Directors in connection with a matter to be discussed at the level of the Board are subjected to a double level of scrutiny: (i) if the affected director has a conflicting patrimonial interest, the procedure in article 7:96 of the Belgian Code of Companies and Associations is applied; and (ii) even where the application of that article 7:96 of the Belgian Code of Companies and Associations would not strictly be required, directors are encouraged to exercise restraint and, as deemed appropriate, not to participate in the deliberations of the Board (or the relevant Board committee) on the topic.

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 of exceptional circumstances, the Board may decide to deviate from any items of the remuneration policy if necessary to serve the long-term interests and sustainability of the Company as a whole or to ensure its viability. Any such deviation must be discussed by the Remuneration and Nomination Committee which will provide a substantiated recommendation to the Board. Any deviation from the remuneration policy will be described and explained in the Company's remuneration report reporting on the relevant financial year.

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.