

<b>ONTEX COORDINATION CENTER BVBA</b> <b>Besloten Vennootschap met Beperkte</b> <b>Aansprakelijkheid</b> <b>Korte Kepestraat 21</b> <b>9320 Aalst</b> <b>COMPANY NR. 0460.560.453</b>	<b>ONTEX GROUP NV</b> <b>Naamloze Vennootschap</b> <b>Korte Kepestraat 21/31</b> <b>9320 Aalst</b>  <b>COMPANY.NR. 0550.880.915</b>
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<b>MERGER PROPOSAL IN ACCORDANCE WITH ARTICLE 719 OF THE BELGIAN COMPANIES CODE</b>
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## 1. KEY ELEMENTS OF THE MERGER

This merger proposal has been prepared in accordance with articles 676 and 719 of the Belgian Companies Code by the Board of Managers respectively the Board of Directors (hereafter the **“Managing Boards”**) of:

Ontex Coordination Center BVBA, a Belgian private limited liability company (“een Besloten Vennootschap met beperkte aansprakelijkheid”) having its registered office at Korte Kepestraat 21, 9320 Aalst, Belgium and registered with the Register of Legal Entities (Dendermonde) under number **0460.560.453** (hereinafter **“Ontex Coordination Center”**) and

Ontex Group NV, a Belgian limited liability company (“Naamloze Vennootschap”), having its registered office at Korte Kepestraat 21/31, 9320 Aalst, Belgium and registered with the Register of Legal Entities (Dendermonde) under number 0550.880.915 (hereinafter **“Ontex Group”**);

(Ontex Group and Ontex Coordination Center hereinafter being referred to as the **“Merging Companies”**)

Ontex Group was established on 24 April 2014 and was listed on the Euronext Brussels stock exchange on 25 June 2014. Ontex Group manages the relationships with external banks and decides on the way the entire group will be financed. The external financing it attracts will, in its entirety, be lent to the group entities. Furthermore Ontex Group provides management services to its subsidiaries.

Ontex Coordination Center was incorporated in 1997 and is the internal bank and cashpool leader of the group. The company provides short and long term financing to the other group companies , mainly using funds that were borrowed externally by Ontex Group.

The respective Managing Boards of the Merging Companies believe that the described merger is in the interest of both companies, because of – amongst other reasons – the centralization of the strategic management and financial functions, this way striving for an optimized, simplified and more transparent corporate structure.

The contemplated transaction consists of a transaction that is equal to a merger by absorption (*“met fusie door overneming gelijkgestelde verrichting”*) (hereinafter **“Merger”**) between Ontex Group and Ontex Coordination Center, whereby Ontex Group will be the acquiring company and Ontex Coordination Center will be the acquired company. The respective Managing Boards of Ontex Group and Ontex Coordination Center shall submit the Merger, including the present merger proposal, for approval to their respective shareholders convened to the respective extraordinary general shareholders’ meetings. These extraordinary general shareholders’ meetings will be asked to appoint, upon approval of the merger proposal, a proxyholder in order to have the approval enacted in presence of a notary public.

The closing of the Merger (**“Closing”**) shall occur upon the enactment in a notary deed of the approvals by both an extraordinary general shareholders’ meeting of Ontex Group and an extraordinary general shareholders’ meeting of Ontex Coordination Center of the Merger contemplated herein, in accordance with the quorum and voting requirements specified under Belgian company law, as set forth in Article 722 et seq. of the Belgian Companies Code, and provided that the Closing remains subject to the assessment by the Managing Boards based on the then current economic or business situation, whether the Closing of the contemplated transactions is still in the interest of the Group.

At the moment of the Closing the consequence of the Merger will be that all the assets and liabilities of Ontex Coordination Center, including all rights and obligations, will be transferred to Ontex Group so that Ontex Coordination Center will automatically be dissolved without liquidation and therefore will cease to exist.

## **2. TERMS OF THE MERGER**

### **2.1. Identification of the Merging Companies — Article 719, 1° of the Belgian Companies Code**

#### **2.1.1. The acquiring company**

Ontex Group NV, a Belgian limited liability company (*“Naamloze Vennootschap”*), having its registered office at Korte Kepepestraat 21/31, 9320 Aalst, Belgium and registered with the Register of Legal Entities (Dendermonde) under number 0550.880.915

The corporate purpose of Ontex Group, as set forth in Article 4 of its articles of association, is:

The company is a holding company which has as its purpose, the direct or indirect ownership and management of shareholdings and interests in other companies or entities, in Belgium and abroad, in its own name or in the name of third parties, for its own account or for the account of third parties, including but not restricted to companies or entities involved in the manufacture, purchase, sale, import, export, treatment, processing and representation of hygiene articles, rubber, plastic, paper and metal articles, bandaging materials, cotton wadding products, medical instruments, cosmetic articles and sterile and non-sterile medical equipment.

In particular, the foregoing includes, without limitation:

- (a) investing in any companies or entities, whether with a commercial purpose or not, by subscribing, acquiring, placing, buying, selling and transferring shares, certificates or other securities or by any other means;

(b) managing investments and participations in any companies or entities, exercising management and director mandates, acting as liquidator, providing technical, legal, accounting, financial, commercial, administrative or management assistance or other support services;

(c) acquiring, hiring, leasing, maintaining and operating resources, and making these resources available to companies or entities in which it directly or indirectly owns shares, or third parties; and

(d) granting of loans irrespective of form or term, to companies or entities in which it directly or indirectly owns shares or interests as well as granting guarantees and other securities to third parties for the obligations of such companies or entities.

The company may engage in any commercial, industrial and financial activities and perform all transactions with real estate or movable property which are directly or indirectly related to its purpose or which purport to contribute to the achievement of its purpose.

### **2.1.2. The acquired company**

Ontex Coordination Center BVBA, a Belgian limited liability partnership ("*Besloten Vennootschap met beperkte aansprakelijkheid*") having its registered office at Korte Kepestraat 21, 9320 Aalst, Belgium and registered with the Register of Legal Entities (Dendermonde) under number 0460.560.453

The corporate purpose of Ontex Coordination Center, as set forth in its articles of association, is:

The company has as purpose the performance of all or part of the activities as described within article 1 of the Royal Decree nr 187 of 30 December 1982, solely for the benefit of all or part of the – according to article 2 of the said Royal Decree, complaining pertaining to the Ontex Coordination Center Group.

The activities are as follows:

(A) The control and strategic supervision of the group with respect to marketing, finance, governance, and general policies. The activities include:

-The setting up, coordination and centralization of information generally necessary for the group, such as market research and selling strategies;

-The coordination, centralization or executing of market research and promotion for the benefit of the member of the group;

-The development and providing of promotional and informative tools;

-The centralization and coordination of scientific research and development;

-The coordination of the international trading, the coordination, the advice and support with respect to the interaction with national and international organizations;

-the centralization of information;

-provide advice and support to the group members in terms of financing, accounting, and auditing, tax law, and insurance;

-the financial control of the group members, who need to report monthly to the center;

-the coordination with respect to production with respect to certain members of the group.

(B) The coordination of purchase activities.

The center will coordinate and centralize the purchasing activities of the group. In this capacity the center will act on behalf and for the account of the group members.

(C) Insurance and reinsurance

The coordination center will manage and centralize the policies which have been endorsed by the group members.

(D) Centralization of the financial activities and the mitigation of the exchange risk. These activities include:

-The collection of funds with financial institutions, with members of the group, with other financing partners, in order to finance the activities of the group;

-Entering into contracts with the group members with respect to leasing, in accordance to the accounting law, of sale-lease-back (only with respect to newly created or acquired fixed assets)

-Entering into contracts with respect to the purchase and sale of foreign currency and providing assistance to the group members with respect to executing such contracts

-The collecting and payment of commission fees on behalf and for the account of the group members

-The coordination and the control of the cashflow and the credit needs on short and mid-term of all group members

-The supervision of the bank accounts, the placement and withdrawal of funds, the collection of receivables, and the execution of payments on behalf and for the account of the group members via bank accounts held on behalf of the coordination center;

-The placement of excess liquidity with bank and other financial institutions;

-The functioning as factor, by taking over receivables and debts that certain group members have, whether amongst each other, whether towards third parties;

-The re-invoicing to the different group members of goods and/or services that are being invoiced to the coordination center, in the currency of the country of the group member.

(E) Organizational, administrative, and accounting assistance:

-The drafting of financial, strategy and marketing reports;

-The drafting of invoices, customs- and VAT-documents on behalf and for the account of the group members;

-The drafting and consolidating of the yearly accounts, the collection and maintaining of all necessary statistic information;

- centralization of the information technology, the software-technology as well as the hardware installations with the different companies of the group.

## **2.2. Date as of which the transactions of the acquired company will be deemed to have been made for the account of the acquiring company — Article 719, 2° of the Belgian Companies Code**

The Managing Boards of Ontex Group and Ontex Coordination Center propose that all transactions performed by Ontex Coordination Center as from 1 January 2015, will, for accounting and Belgian corporate tax purposes, be deemed to have been performed for the account of Ontex Group in the event the Closing occurs during 2015.

However, in the event the Closing would occur during 2016, the date as of which the transactions of the acquired company will be deemed to have been made for the account of the acquiring company will be 1 January 2016.

## **2.3. Special rights of Ontex Coordination Center’s shareholders — Article 719, 3° of the Belgian Companies Code**

At Closing, all shares in Ontex Coordination Center’s capital will be ordinary shares carrying equal rights. It is intended to replicate the general rights in Ontex Group for Ontex Coordination Center shareholders but not to provide for any special entitlements.

## **2.4. Special benefits granted to the members of the Managing Boards of the Merging Companies — Article 719, 4° of the Belgian Companies Code**

The respective Managing Boards of Ontex Group and Ontex Coordination Center hereby confirm, each with respect to the members of their own Managing Board, that no special benefits are granted to any members of such respective Managing Board.

## **2.5. Exchange ratio**

At closing, Ontex Group will own all of the issued shares in Ontex Coordination Center. The intended Merger is a transaction equated with a merger by absorption (“*met fusie door overneming gelijkgestelde verrichting*”) in accordance with Article 676 of the Belgian Companies Code. As a result, no new shares will be issued and there is no need to establish terms and conditions of issuance of new shares and of an exchange ratio.

## **3. FINAL PROVISIONS**

### **3.1. Pro fisco**

The contemplated Merger takes place in accordance with Article 117 and Article 120 *in fine* of the Belgian Registration Rights Code, and Article 211 of the Belgian Income Tax Code (1992). Moreover, the supply of goods and services within a VAT-unit falls outside the scope of the Belgium VAT on the basis of Article 4§2 of the VAT Code.

### **3.2. Filing with the clerk's office and publication**

This merger proposal will be filed with the clerk's office of the Commercial Court of Dendermonde, following its approval by the respective Managing Boards of Ontex Group and Ontex Coordination Center, and published according to the requirements of the Companies Code.

Ontex Group and Ontex Coordination Center grant a power of attorney to Benedicte Leroy with the power of substitution, to file this merger proposal with the clerk's office of the Commercial Court of Dendermonde, to publish it, and to fulfill any administrative formalities required or useful in this respect.

### **3.3. Shareholders' approval**

The respective Managing Boards of Ontex Group and Ontex Coordination Center will submit the present merger proposal to their respective extraordinary general shareholders' meetings, which shall be held at the earliest six (6) weeks following the filing of this merger proposal as referred to in item 3.2 hereof; such extraordinary general shareholders' meetings shall provide for a power of attorney to be given to Mrs Benedicte Leroy and/or Mr Jonas Deroo of Ontex Group so as to represent the shareholders to have the present merger proposal and/or its approvals enacted in the presence of a notary public.

Done in Aalst on 10 April 2015 in four (4) original copies. Ontex Group and Ontex Coordination Center confirm to have each received two (2) originals, of which one (1) shall be filed with the clerk's office of the Commercial Court of Dendermonde and one (1) shall be kept in their statutory books.

#### **Ontex Group NV**

Represented by

(signed)

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Cepholli BVBA, Director  
Represented by Jacques Purnode

(signed)

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Artipa BVBA , Director  
Represented by Thierry Navarre

#### **Ontex Coordination Center BVBA**

Represented by

(signed)

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Thierry Navarre , Manager

(signed)

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Steven Vandebogaerde, Manager