

<b>ONTEX INTERNATIONAL BVBA</b> <b>Besloten Vennootschap met Beperkte</b> <b>Aansprakelijkheid</b> <b>Korte Keppestraat 21</b> <b>9320 Aalst</b> <b>COMPANY NR. 0478.866.432</b>	<b>ONTEX GROUP NV</b> <b>Naamloze Vennootschap</b> <b>Korte Keppestraat 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 International BVBA, a Belgian private limited liability company (“een Besloten Vennootschap met beperkte aansprakelijkheid”) having its registered office at Korte Keppestraat 21, 9320 Aalst, Belgium and registered with the Register of Legal Entities (Dendermonde) under number 0478.866.432 (hereinafter **“Ontex International”**) and

Ontex Group NV, a Belgian limited liability company (“Naamloze Vennootschap”), having its registered office at Korte Keppestraat 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 International 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 International is the group entity that centralizes the factoring services performed by external banks. Furthermore, Ontex International retains some important historical intragroup loans and provides some support services to other group companies, such as IT services.

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 International, whereby Ontex Group will be the acquiring company and Ontex International will be the acquired company. The respective Managing Boards of Ontex Group and Ontex

International 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 International 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 International, including all rights and obligations, will be transferred to Ontex Group so that Ontex International 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 Keppestraat 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 International BVBA, a Belgian limited liability partnership ("*Besloten Vennootschap met beperkte aansprakelijkheid*") having its registered office at Korte Keppestraat 21, 9320 Aalst, Belgium and registered with the Register of Legal Entities (Dendermonde) under number 0478.866.432

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

The company has as purpose, both for its own account as for the account of third parties, in Belgium and abroad, in its own name or in the name of third persons:

(A) To provide services to different companies belonging to the Ontex-group; these services include among others:

(a) Services in connection with the establishment of the strategy of the group, consisting of advice on the corporate activities, the choice of organizational structures and procedures, the analysis and implementation of acquisitions and disposals, and the reaction to actions of competitors and market evolutions;

(b) the management of the supply chain, consisting of a.o. the coordination and optimization of the production planning, product storage and logistics (*i.e.* the control of quality and price for the various products of the group);

(c) Sales related services: these include a.o. category- and product management, negotiations with customers from distribution and health care, after sale services and customer services;

(d) Marketing services: these include a.o. the design of marketing materials and the negotiation of marketing contracts with third parties;

(e) Purchasing services: these include a.o. the central organization of the purchase of raw materials and equipment, the search for alternative raw materials, supply planning and the negotiation of contracts with suppliers of raw materials and equipment;

(f) Services relating to research and development of innovative products in the fields of adult care, baby diapers, female hygiene, medical/cosmetic care and packaging, which also includes the research of Quality and Guarantee of the products and their packaging;

(g) Services relating to information technology consisting of a.o. the exchange of data between group companies such as marketing data, production- and inventory expectations, production planning, analysis relating to price- and financial control, inventory control, accounting data and programs relating to engineering and quality control;

(h) Other management support services, including support services in the field of financial management, tax management, law, corporate organization, personnel management, travel, accounting, annual accounts, publication of financial information, reporting (including consolidated statements), internal audit and control;

Furthermore, the company may provide all services, make investments and perform transactions which directly or indirectly relate to this service provision activities or which it considers in any way whatsoever useful or necessary for the implementation hereof.

(B) The performance of the activities of an investment- or holding company, including:

(a) the investment in, subscription of, acquisition, placement, buying, selling and transferring of shares, certificates, credits, money and other securities issued by Belgian or foreign companies irrespective of whether these have a commercial purpose or not, administration offices or by public or quasi-public entities;

(b) the acquisition and management of investments and participations in group companies with the purpose of central servicing for the benefit of the group;

(c) the provision of loans and advances irrespective of their duration, to affiliates, as well as the provision of sureties for the engagements of affiliates;

(d) the provision of and implementation of services and activities in connection therewith.

To achieve this purpose the company may perform all commercial, industrial, financial, movable and real estate property activities which are directly or indirectly in connection with its social purpose or which can contribute to its development, such as the purchase, sale, lease, rent, construction or exchange of all movable and real estate goods, with the exception of transactions with movable and real estate goods that are by law reserved for banks and financial institutions.

The company may assume all missions in connection with the management and the liquidation of all companies and enterprises, and provide them with advice.

The company may, by contribution in cash or in kind, merger, subscription, participation, financial intervention or otherwise, acquire interests in other existing or to be incorporated companies or enterprises, in Belgium or abroad, the social purpose of which is related to or analogous with its own social purpose or which is capable of contributing to its own social purpose.

The company may also grant all loans, or guarantee loans that are granted by third parties to affiliated companies.

**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 respective Managing Boards of Ontex Group and Ontex International propose that all transactions performed by Ontex International 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 International's shareholders — Article 719, 3° of the Belgian Companies Code**

At Closing, all shares in Ontex International's capital will be ordinary shares carrying equal rights. It is intended to replicate the general rights in Ontex Group for Ontex International 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 International 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 International. 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 International, and published according to the requirements of the Companies Code.

Ontex Group and Ontex International 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 International 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 International 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 International BVBA**

Represented by

(signed)

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Artipa BVBA , Manager  
Represented by Thierry Navarre

(signed)

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Cepholli BVBA, Manager  
Represented by Jacques Purnode