

ONTEX INTERNATIONAL BVBA Besloten Vennootschap met Beperkte Aansprakelijkheid Korte Keppestraat 21 9320 Aalst COMPANY NR. 0478.866.432	ONTEX GROUP NV Naamloze Vennootschap Korte Keppestraat 21/31 9320 Aalst COMPANY.NR. 0550.880.915
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MERGER PROPOSAL IN ACCORDANCE WITH ARTICLE 719 OF THE BELGIAN COMPANIES CODE

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. Since the acquiring company is a limited liability company (“Naamloze

Vennootschap”) and as set forth in Article 722 et seq. of the Belgian Companies Code, the approval of the shareholders’ meeting of Ontex Group is not required, provided that the conditions set forth in Article 722 §6 of the Belgian Companies Code are met. The Board of Managers of Ontex International shall submit the Merger, including the present merger proposal, for approval to the general shareholders’ meeting of Ontex International, in accordance with Article 722 et seq. of the Belgian Companies Code.

The closing of the merger (“Closing”) shall occur upon enactment of the respective notarial deeds including the approval of the envisaged merger by respectively the Board of Directors of Ontex Group, and by the extraordinary shareholders’ meeting of Ontex International, provided that (i) all conditions of Article 722 es. of the Belgian Companies Code have been met, and (ii) such date shall not be earlier than six weeks as from the publication of this Merger proposal.

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 the 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.

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

Since the acquiring company is a limited liability company (“*Naamloze Vennootschap*”) and as set forth in Article 722 et seq. of the Belgian Companies Code, the approval of the shareholders’ meeting of Ontex Group is not required, provided that the conditions set forth in Article 722 §6 of the Belgian

Companies Code are met. Notwithstanding the foregoing, pursuant to Article 722 §6, 3° of the Companies Code, one or more shareholders of the acquiring company (*i.e.* Ontex Group) who possess shares representing five percent of the issued share capital have the right to convene a general shareholders' meeting of the acquiring company in order to deliberate and decide about the Merger proposal. The Board of Managers of Ontex International shall submit the Merger, including the present merger proposal, for approval to the general shareholders' meeting of Ontex International, in accordance with Article 722 et seq. of the Belgian Companies Code.

Done in Aalst on 2 June 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)

Cepholli BVBA, Director
Represented by Jacques Purnode

(signed)

Artipa BVBA , Director
Represented by Thierry Navarre

Ontex International BVBA

Represented by

(signed)

Artipa BVBA , Manager
Represented by Thierry Navarre

(signed)

Cepholli BVBA, Manager
Represented by Jacques Purnode