



NZX/ASX/Media release

7 July 2016

**Proposed Scheme of Arrangement – Special Meeting of Shareholders –  
Chairman's Address and Summary of Proxys Received**

Attached is a copy of the Chairman's address for today's Special Meeting of Shareholders and a slide showing a summary of proxy votes received.

Nuplex will release the results of voting on the Resolution at the meeting today as soon as this information is available.

**Chairman's address  
Peter Springford:**

As you are aware, we are here today to vote on the Resolution to approve the Scheme of Arrangement in relation to the acquisition of Nuplex by Allnex. Before we vote on the Resolution, I would like to re-cap the events leading up to today, and provide an update on the status of the proposed Scheme.

**The Scheme**

In 2010 under the leadership of a new CEO, Emery Severin, Nuplex embarked on a journey to strengthen and grow the business. Over the past six years, the Nuplex team successfully executed this strategy and in many ways, Allnex's proposal recognises the progress made.

In October 2015, Advent International, the global private equity firm that owns Allnex, approached the Board to discuss a possible combination of Nuplex and Allnex. Over the coming months Advent made three offers for Nuplex, all of which were rejected after detailed consideration.

Then in February of this year, Allnex offered NZ\$5.43 cash per share, and the ability for Nuplex to pay the 2016 Financial Year Interim dividend of 12 cents per share. At a total amount of NZ\$5.55, your Board believed it had negotiated the highest price Allnex would be willing to pay, and it was up to shareholders to decide on whether they would accept Allnex's proposal. The price offered represented a 44% premium to Nuplex's share price immediately before the proposal was announced.

As many of you know, this is the first Scheme of Arrangement of a significant size in New Zealand under the changes to the law introduced in 2014. Over the past few months, I've been asked why we undertook a Scheme structure. Originally proposed by Allnex, your Directors could see the benefits of proceeding by way of a Scheme, namely that it afforded the Board the opportunity to undertake confidential negotiations. I believe that being able to negotiate in confidence over this time, allowed your Board to achieve a higher price for Nuplex, than may have been achieved had it been a hostile takeover. It also allows all shareholders to have their say and vote on the proposal.

If approved and implemented, the Scheme ensures that a complete takeover will occur and all shareholders will be treated equally, each receiving NZ\$5.43 cash per share.

**Directors recommendation**

As outlined in the Scheme Booklet, your Independent Directors have unanimously recommended that you vote in favour of the Scheme of Arrangement. Your Directors intend to vote in favour with regard to all the Nuplex shares that they own or control.

This recommendation was made after carefully considering the advantages and disadvantages of Allnex's proposal. In recommending the Scheme your Independent Directors have taken into account that whilst Nuplex is well positioned to deliver growth in earnings, delivering this growth will take some time. Therefore, shareholders may find the opportunity attractive to realise some of the future value of their Nuplex shares now, and at a premium to Nuplex's share price prior to the proposal. Also, throughout this process, no better offer emerged and the Scheme Consideration of NZ\$5.43 is within the Independent Advisor's valuation range.

**Timing update**

Before moving on to the formal item of business today, I thought it would be worthwhile updating shareholders on the status of regulatory approvals. In particular, the process in Europe, is taking longer than expected and as a result is having an impact on the Scheme timetable.

Since signing the Scheme Implementation Agreement in April, Allnex has received regulatory approvals in New Zealand, Australia, China, Russia and the United States. Now, only European anti-trust approval remains outstanding.

Currently Allnex are in the process of re-filing their Phase I application after the regulator let them know that more time would be required to process their application. Allnex expect to receive European anti-trust approval in early August, which is later than originally estimated.

Given the delay in receiving EU clearance, we now expect that the implementation of the Scheme will not occur on 2 August as initially planned; instead it is now expected to be completed in mid to late August 2016.

If the sole reason the Scheme cannot be implemented on 2 August is because EU anti-trust clearance hasn't yet been received, Nuplex shareholders will be compensated for the delay by the payment of a per day compensatory dividend of 0.075 cents per share. It will be paid for each day from 3 August 2016 until the date of payment and will be paid in addition to the NZ\$5.43 per share cash consideration.

**Concluding remarks**

Ladies and gentleman, on behalf of all my fellow Directors I would like to recognise the effort of every Nuplex employee. Through their skills and expertise they have built the company into one of the leading global resins companies that it is today.

From the beginning, Allnex have made it clear that they respect and value the Nuplex team and they are looking forward to seeing our people work and succeed alongside the Allnex team.

I would also like to recognise our leadership team, in particular CEO, Emery Severin. Their strategy and hard work has delivered significant value to shareholders.

Importantly, thank you to our shareholders, being Chairman of Nuplex has been a privilege and an honour.

This has certainly been an historic meeting for the Company. I thank you for your attendance here today, but I also thank you for your support of Nuplex. I know that some of you have

been shareholders for many, many years and your continued support of the company has been greatly appreciated.

*Ends*

### For more information regarding Nuplex

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### About Nuplex

Nuplex is a leading, global manufacturer of resins used in paints, coatings and structural materials with annual sales of c.NZ\$1.5 billion (c.US\$1 billion). Listed on the NZX and the ASX, Nuplex is a global leader in rheology control coatings technology, as well as performance and industrial coating resins, particularly for Automotive OEM, Vehicle Re-finish, Wood, and Protective coatings. From its 16 production sites located across Asia, Europe, America and Australia and New Zealand, Nuplex has customers in over 80 countries worldwide. Through its global R&D network of local technical service support, regional R&D centers and a dedicated Innovation Centre in The Netherlands, Nuplex works in partnership with its customers to develop the right solution for their coatings challenges.

## Proxy Votes

77.79% of Securities on Issue voted by Proxy

**To consider, and if thought fit, to pass the following resolution as a special resolution:**

*That the Scheme (the terms of which are described in the Scheme Booklet as updated by the schedule attached to the letter sent to Shareholders dated 23 June 2016) be and is hereby approved.*

Summary of total proxies

For	Against	Discretionary	Total	Abstain
142,742,294	1,899,127	2,058,448	146,699,869	95,338

The following proxies are in favour of the Chairman of the meeting

For	Against	Discretionary	Total	Abstain
141,956,422	1,724,301	1,429,254	145,109,977	95,338