



NZX/ASX/Media release

23 June 2016

### **Scheme of Arrangement Update**

Nuplex Industries Limited (NZX/ASX: NPX) today re-confirms that the Special Meeting of Shareholders will be held on Thursday 7 July 2016 following the agreement with Allnex New Zealand Limited (Allnex) that if the Scheme is implemented after 2 August 2016 solely as a result of a delay of receiving anti-trust clearance in Europe, a compensatory dividend payment will be made by Nuplex to Nuplex shareholders.

Following receipt of regulatory approvals in Australia, China, New Zealand, Russia and the United States of America, Allnex has advised Nuplex that the review process for receiving anti-trust clearance in the European Union is taking longer than expected. Allnex remains confident of obtaining this clearance. When Nuplex receives further updates from Allnex on timing for obtaining this clearance, it will provide a further update to the market.

Attached is a letter, which is being sent to all Nuplex shareholders today, which sets out the details of the payment and describes updates to the Notice of Meeting and Scheme Booklet, which was despatched on 17 June 2016.

*Ends*

### **For more information regarding Nuplex**

<b>Investors</b>	<b>New Zealand media</b>	<b>Australian media</b>
Josie Ashton, Nuplex +612 8036 0906 <a href="mailto:josie.ashton@nuplex.com">josie.ashton@nuplex.com</a>	Louisa Jones, Porter Novelli +64 21 299 2628 <a href="mailto:louisaj@porternovelli.kiwi">louisaj@porternovelli.kiwi</a>	Paula Hannaford, Kreab +61 2 9552 8936 <a href="mailto:phannaford@kreab.com">phannaford@kreab.com</a>

### **For more information regarding Allnex**

<b>Company enquiries</b>	<b>New Zealand media</b>	<b>Australian media</b>
Stéphanie Heng, Allnex +32 2 560 4630 <a href="mailto:stephanie.heng@allnex.com">stephanie.heng@allnex.com</a>	Jane Sweeney, Anthem +64 21 910 008 <a href="mailto:jane@anthem.co.nz">jane@anthem.co.nz</a>	Anthony Tregoning, FCR +61 411 852 448 <a href="mailto:a.tregoning@fcr.com.au">a.tregoning@fcr.com.au</a>

### **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.

### **About Allnex**

Allnex, formerly Cytec Industries' Coating Resins business and acquired by Advent in 2013 for US\$1.15 billion, with sales of c. US\$1.5 billion, is a leading global producer of coating resins and additives for architectural, industrial, protective, automotive and special purpose coatings and inks. Allnex is recognized as a specialty chemicals pioneer and offers an extensive range of products including innovative liquid resins & additives, radiation cured and powder coating resins & additives and cross linkers for use on wood, metal, plastic, and other surfaces. Today, Allnex has EBITDA of about US\$220 million and has a strong global presence with 17 manufacturing sites and 12 research & technology support facilities throughout the world, focusing on assisting its c.3,000 customers to rapidly bring advanced coating solutions to market.

### **About Advent International**

Founded in 1984, Advent International is one of the largest and most experienced global private equity firms and a leading investor in the global Chemicals industry. Advent's investment philosophy is centred around supporting leading management teams and providing resources for further growth, in order to execute on a mutually developed strategy and investment case. To date, Advent has raised cumulative capital of c.US\$40 billion, and has executed over 310 transactions including over 30 investments in the Chemicals industry. Advent has a strong track record of making significant and successful investments, with recent chemicals transactions including Allnex (formerly Cytec Industries' Coating Resins business), Oxea, Maxam and Grupo Transmerquim. Advent also has extensive experience in conducting Public-to-Private transactions, with recent examples including Douglas, Mediq and Unit 4.

23 June 2016

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Dear Nuplex shareholder,

As a shareholder in Nuplex, you will have recently received the Scheme Booklet relating to the proposed acquisition of Nuplex Industries Limited (Nuplex) by Allnex New Zealand Limited (Allnex) to be effected by a scheme of arrangement (Scheme). A copy of the Scheme Booklet is also available on Nuplex's website at [www.nuplex.com](http://www.nuplex.com).

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The purpose of this letter is to let you know that:

- The date of the **Special Meeting** has been re-confirmed for **Thursday 7 July 2016**; and
- If Allnex's proposal is approved by Nuplex shareholders at the Special Meeting and then by the New Zealand High Court, but implementation of the Scheme occurs after Tuesday 2 August 2016 due solely to a delay in receiving anti-trust approval from the European Commission, Nuplex shareholders will receive a compensatory dividend for each day that implementation is delayed because of that reason.

## **SPECIAL MEETING UPDATE**

### **Timing**

As previously advised, the Special Meeting of Shareholders to vote on Allnex's proposal to acquire all of the shares in Nuplex for NZ\$5.43 cash per share will be held on:

Date Thursday 7 July 2016

Time 11.00am New Zealand Time

Address The Theatre at the Waipuna Hotel and Convention Centre, Mt Wellington, Auckland

### **Regulatory approvals**

In April 2016, when Nuplex committed to putting Allnex's proposal to Nuplex shareholders for a vote, the Board expected that all regulatory approvals would be obtained before the Special Meeting was held.

Since then Allnex has made substantial progress and has received regulatory approvals in Australia, China, New Zealand, Russia and the United States of America. However, the review process for receiving anti-trust clearance in the European Union is taking longer than expected and Allnex no longer expects that it will have this clearance prior to the Special Meeting. Allnex remains confident of obtaining this clearance. When Nuplex receives further updates from Allnex on timing for obtaining this clearance, it will provide a further update to the market.

If clearance is received from the European Commission by Thursday 21 July 2016 and if Nuplex shareholders vote in favour of the proposal at the Special Meeting, the New Zealand High Court approves the Scheme and the other conditions to the Scheme (as described in the Scheme Booklet) are satisfied or waived, Nuplex shareholders can expect to be paid their Scheme Consideration on Tuesday 2 August 2016 as previously communicated.

### **If implementation of the Scheme is delayed**

It has been decided that the meeting to be held on Thursday 7 July 2016 will go ahead as planned. However, in addition to requiring approval from Nuplex shareholders and the New Zealand High Court, the Scheme will not be implemented until all regulatory approvals are received and other conditions are satisfied or waived.

In the event that there is a delay to the Scheme being implemented, the Board has negotiated for Nuplex's shareholders to receive a compensatory dividend payment for every day that implementation is delayed, solely as a result of that regulatory approval not being obtained.

### **Details of the payment**

If implementation of the Scheme is delayed solely as a result of the anti-trust approval in Europe not being received:

- Nuplex shareholders will receive a dividend payment at the rate of 0.075 NZ cents per share per day for each day that the scheme implementation is delayed. The starting date for calculating the dividend payment will either be Wednesday 3 August 2016 or a later date, being the date when the delay in receiving clearance from the European Commission becomes the sole reason for delay in implementation.
- The payment will only be made if the implementation of the Scheme is being delayed solely due to there being a delay in obtaining that remaining regulatory approval.
- The payment will be in the form of a dividend from Nuplex.
- The payment of any compensatory dividend will be separate from and additional to the Scheme Consideration of NZ\$5.43 cash per share from Allnex.

Attached at the end of this letter is a schedule outlining updates to the Notice of Meeting and Scheme Booklet (despatched 17 June 2016).

### **Your vote is important**

For the scheme to be implemented, 75% or more of the votes cast must be in favour of the resolution, and more than 50% of the total number of Nuplex shares on issue must be voted in favour. So your vote is very important.

On behalf of the Independent Directors, I would like to reiterate our support for the Scheme. We strongly encourage you to vote.

### **FURTHER INFORMATION**

If you have any questions regarding the Scheme or this possible compensatory dividend payment, please contact the Shareholder Information Line on 0800 650 034 (toll free within New Zealand), 1800 764 494 (toll free within Australia) or +64 9 488 8793 (outside New Zealand and Australia) between 8.30am and 5.00pm (New Zealand time), Monday to Friday.

I look forward to your participation at the Special Meeting on Thursday 7 July 2016.

Yours sincerely



**Peter Springford**  
Chairman

# SCHEDULE

## UPDATES TO NOTICE OF MEETING AND SCHEME BOOKLET

### 1. Updates to Scheme Booklet

The Scheme Booklet describes the terms of the Scheme and summarises the terms of the Scheme Implementation Agreement. On 22 June 2016, Nuplex, Allnex and Allnex NZ entered into an amendment agreement to the Scheme Implementation Agreement (the **Amendment Agreement**). The Amendment Agreement amends certain terms of the Scheme which are described in the Scheme Booklet. This Schedule updates the terms of the Scheme Booklet and you should read the Scheme Booklet together with this Schedule.

#### 1.1 Amendment Agreement

The Amendment Agreement provides that:

- a) The approved dividend will be the amount per share (in NZ\$ cents and excluding any imputation credits) which is equal to 0.075 multiplied by the number of days from and including the Dividend Commencement Date (as defined below) by which implementation of the Scheme is delayed solely as a result of a delay in obtaining anti-trust approval for the implementation of the Scheme by the European Commission (the **Approved Dividend**).
- b) The dividend commencement date will be:
  - 3 August 2016; or
  - if the Scheme would not have been able to be implemented on 2 August 2016 for reasons other than solely as a result of a delay in receiving anti-trust approval for the Transaction from the European Commission, the date which is 1 Business Day after the date on which the Scheme would have been implemented absent that delay in receiving anti-trust approval for the Transaction from the European Commission, (the **Dividend Commencement Date**).
- c) Nuplex may pay the Approved Dividend if:
  - Nuplex has held the Special Meeting and Nuplex Shareholders have approved the Scheme Resolution on 7 July 2016; and
  - the Final Court Hearing has been held on 21 July 2016 or such other date as is agreed by Nuplex and Allnex NZ (both acting reasonably) and, if the Final Court Orders have not been granted on 21 July 2016, Nuplex has used its best endeavours to have the Final Court Orders granted as soon as practicable after that.
- d) The definition of Scheme Consideration is amended so that the Scheme Consideration of NZ\$5.43 cash in respect of each Share held by a Scheme Shareholder will not be reduced by the per share amount or value of the Approved Dividend.
- e) Allnex and Allnex NZ will not have to continue to provide formal notices to Nuplex regarding the relevant regulatory approvals but will have to keep Nuplex informed of material developments in the expected timing of obtaining the remaining regulatory approval, based on current information, advice and discussions with or correspondence from the European Commission.
- f) The declaration and payment of the Approved Dividend:
  - will not be a Nuplex Prescribed Occurrence;
  - will not be a breach of the representations and warranties given by Nuplex in the Scheme Implementation Agreement and will not entitle Allnex NZ or Allnex Belgium to terminate the Scheme Implementation Agreement; and
  - will be an Excluded Event for the purposes of a Material Adverse Change.

#### 1.2 Special Meeting

The Scheme Booklet describes that if there is a delay in receiving regulatory approvals the Scheme Meeting may be adjourned to a date later than 7 July 2016. As Allnex and Allnex NZ have agreed that Nuplex may pay the Approved Dividend if implementation of the Scheme is delayed due solely to a delay in obtaining anti-trust approval from the European Commission, Nuplex has agreed that it will hold the Special Meeting on 7 July 2016.

### 1.3 Regulatory approvals

Allnex has made substantial progress and has received regulatory approvals in Australia, China, New Zealand, Russia and the United States of America. However, the review process for receiving anti-trust clearance in the European Union is taking longer than expected and Allnex no longer expects that it will have this clearance prior to the Special Meeting. Allnex remains confident of obtaining this clearance. When Nuplex receives further updates from Allnex on timing for obtaining this clearance, it will provide a further update to the market.

### 1.4 Definitions

Section 14 of the Scheme Booklet sets out the meaning of terms in the Scheme Booklet. These terms should be read together with the updates set out in this Schedule. In particular, the following terms are amended by this Schedule:

<b>Notice of Meeting</b>	means the notice of meeting relating to the Special Meeting which is set out in Annexure A to the Scheme Booklet, as amended by this Schedule dated 23 June 2016;
<b>Scheme Booklet</b>	means the Notice of Meeting and Scheme Booklet together with its annexures dated 10 June 2016, as amended by this Schedule dated 23 June 2016;
<b>Scheme Consideration</b>	means NZ\$5.43 cash in respect of each Share held by a Scheme Shareholder, as reduced by the per share amount or value of any dividend, other than the Approved Dividend, the record date for which falls on or between 9 April 2016 and the Implementation Date;
<b>Scheme Resolution</b>	means the special resolution set out in the Notice of Meeting (as updated by this Schedule dated 23 June 2016).

### 2. Update to Scheme Resolution

The Scheme Resolution set out in the Notice of Meeting (Annexure A of the Scheme Booklet) is updated as set out below.

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 to Shareholders dated 23 June 2016) be and is hereby approved.*

### 3. Update to Scheme Plan (Annexure C to Scheme Booklet)

The Amendment Agreement amends the Scheme Plan to reflect the possibility that Nuplex may pay the Approved Dividend if there is a delay in obtaining anti-trust approval from the European Commission.

The Amended Scheme Plan has been announced to NZX and ASX and is available on Nuplex's page on NZX's and ASX's website. The Amended Scheme Plan is also available on Nuplex's website at [www.nuplex.com](http://www.nuplex.com).