



NZX/ASX release

11 April 2016

Nuplex signs Scheme Implementation Agreement with Allnex

Further to the announcement of 15 February 2016, Nuplex Industries Limited (NZX/ASX: NPX, "Nuplex") today advises that it has entered into a Scheme Implementation Agreement (SIA) with Allnex Belgium SA/NV (Allnex), a leading global coating resins producer backed by global private equity firm Advent International Corporation (Advent). Nuplex also advises that the due diligence of Nuplex by Allnex and Advent has been successfully completed, and that customary financing commitments are in place.

The Independent Directors of Nuplex unanimously recommend shareholders vote in favour of the Scheme at the Scheme meeting. In addition, each Nuplex Director has undertaken to vote, or procure the voting of, all Nuplex shares that he or she holds or controls in favour of the Scheme. This recommendation and those undertakings are made in the absence of a Superior Proposal and subject to the Scheme Consideration of NZ\$5.43 being within or above the Independent Adviser's valuation range.

Under the SIA, it is proposed that Allnex will acquire all the outstanding shares in Nuplex for NZ\$5.43 cash per share by way of a scheme of arrangement (Scheme). Since the initial announcement on 15 February 2016, a 12 cents per share interim dividend has been paid by Nuplex. This was paid on 4 April 2016 to those shareholders registered on 17 March 2016. The transaction is subject to certain customary conditions including regulatory and shareholder approvals.

A summary of the key terms of the SIA is attached to this announcement.

The Independent Directors of Nuplex believe that the Scheme provides an opportunity for Nuplex shareholders to realise some of the future value of their Nuplex shares at a significant premium to the market price before the indicative proposal was announced on 15 February 2016 (the Proposal). The value of Allnex's offer of NZ\$5.55, consisting of NZ\$5.43 per share and the 12 cent interim dividend represents:

- A premium of 44% to Nuplex's closing price of NZ\$3.86 on 12 February, 2016, the last trading day before the Proposal was announced;
- A premium of 35% to its New Zealand volume weighted average price for the six months ended 12 February 2016;
- An EV/EBITDA¹ multiple (last 12 months to 31 December 2015) of 8.6x.

The Independent Directors include all of the directors, other than the Managing Director, who has chosen to abstain from making a recommendation because of his executive role.

Nuplex Chairman Peter Springford said the Independent Directors considered the advantages and disadvantages of the Scheme proposal and concluded that the Scheme provides some certainty regarding the future value of the shares and at a premium to the price prevailing prior to the Proposal being announced.

“The Board believes Nuplex is well positioned to deliver growth in earnings, particularly from the platform now established in Asia and our new breakthrough technology, Acure™. However, delivering this growth will take some time and therefore shareholders may find attractive the opportunity to realise some of the future value of their Nuplex shares in cash now,” Mr Springford said.

“Nuplex and Allnex are complementary businesses and bringing them together would create a leading, global, independent coating resins producer,” Mr Springford said.

The Scheme proposal requires Nuplex to obtain approval from its shareholders at a Special Meeting. In addition, the Scheme is conditional on the Scheme Consideration being within or above the valuation range provided by Grant Samuel as the Independent Adviser to Nuplex shareholders. The Scheme requires that for the scheme to be approved by shareholders at least 75% of the votes that are cast must be in favour of the Scheme. In addition, the votes cast in favour must represent more than 50% of the total voting rights of the company.

Regulatory approvals are required in a number of jurisdictions. Allnex expect these to be received by the end of July 2016 but this timing is subject to change. Once Nuplex receives confirmation of this timing, the Notice of Meeting and the Scheme Booklet will be sent to shareholders. The booklet will contain the details of the proposal and the Independent Adviser's report.

¹ Enterprise Value divided by EBITDA (Earnings before interest, tax, depreciation and amortisation and significant items, associates and minority interest).

Mr Springford said: “The Board strongly encourages shareholders to exercise their right to vote either in person or by proxy. As the owners of Nuplex, by voting, shareholders can have their say in determining the future of their investment in Nuplex. The vote of every single shareholder counts in order to reach the required thresholds.”

Ends

For more information regarding Nuplex

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APPENDIX 1- Indicative timetable

The following is an indicative timetable, setting out the relevant dates in the event that the regulatory approvals are able to be obtained by mid-July.

These dates are subject to change. References to timing are indicative only and will be dependent on the receipt of regulatory approvals, which are outside of both parties control. Nuplex will advise shareholders if these dates are to change substantially.

Event	Indicative timing
Allnex/Advent provide notice to Nuplex that all regulatory approvals are expected to be received within 6 weeks	Early June 2016
First Court Date	Early July 2016
Notice of Meeting and Scheme Booklet dispatched to Nuplex shareholders	Mid July 2016
Special Meeting to vote on the Scheme	Early August 2016
Second Court Date	Mid August 2016
Implementation & Payment Date	End August 2016
The final date the Scheme can be implemented unless agreed by the parties	9 November 2016



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.

Summary of Key Terms of the Scheme Implementation Agreement (SIA)

Parties and Date

The SIA is dated 9 April 2016 and is between Allnex Belgium SA/NV (**Allnex**), Allnex New Zealand Limited (**Allnex NZ**) and Nuplex Industries Limited (**Nuplex**).

Conditions

Implementation of the Scheme is subject to conditions, which must be satisfied or waived (as applicable) prior to the Scheme being implemented. The conditions are:

- receiving relevant regulatory approvals (including approvals required from the New Zealand Overseas Investment Office, the Australian Foreign Investment Review Board and each anti-trust and competition clearance or approval required to implement the Transaction or for the continued operation of the business of Nuplex and/or Allnex (including from the Ministry of Commerce, People's Republic of China) and all other approvals or consents from any Government agency, NZX and ASX as are required to implement the Transaction or for the continued operation of the business of Nuplex and/or Allnex);
- the Independent Adviser provides an Independent Adviser's Report which concludes that the Scheme Consideration is within or above the Independent Adviser's valuation range for the Nuplex Shares;
- High Court approval of the Scheme in accordance with section 236 of the New Zealand Companies Act;
- approval of the Scheme by Nuplex shareholders by:
 - a majority of 75% of the votes of the shareholders in each interest class entitled to vote and voting on the Scheme resolution; and
 - a simple majority of the votes of all shareholders entitled to vote on the Scheme resolution;
- no judgment, order, restraint or prohibition being enforced or issued by any Government agency prior to implementation that prohibits, prevents or restricts the implementation of the Scheme;
- no Material Adverse Change occurring in relation to Nuplex between 15 February 2016 and the Implementation Date;
- no "Prescribed Occurrence" occurring (this covers matters such as changes to Nuplex's capital structure or business, insolvency events and various other prescribed events, including the payment of any dividend to Nuplex shareholders other than the interim dividend Nuplex paid on 4 April 2016) between 15 February 2016 and the Implementation Date;
- no breach of certain undertakings given by Nuplex occurring between 15 February 2016 and the Implementation Date and the warranties given by Nuplex being true and correct on the Implementation Date; and

- no breach of certain undertakings given by Allnex occurring between 15 February 2016 and the Implementation Date and the warranties given by Allnex being true and correct on the Implementation Date.

The last date by which the regulatory approvals, High Court approval and shareholder approval conditions must have been satisfied or waived (if capable of waiver) is 9 November 2016 or such later date as Nuplex and Allnex may agree (the **End Date**). If any event or change in circumstances occurs that prevents or is reasonably likely to prevent any of the regulatory conditions being satisfied by the End Date, Nuplex, Allnex and Allnex NZ must consult in good faith to determine whether to change the End Date to a later date or proceed with an alternative transaction that results in a member of the Allnex Group acquiring all of the Nuplex Shares or all or substantially all of the assets of Nuplex.

The Scheme must be implemented by the End Date. If the Scheme has not been implemented by the End Date, either Nuplex or Allnex may terminate the SIA. Neither party would be required to pay a break fee to the other party in those circumstances.

Timing

The Scheme Meeting to consider the Transaction will be held as soon as practicable after the regulatory conditions to the Scheme have been satisfied or waived.

When Allnex has a bona fide belief, based on current information from the relevant regulators, that all relevant regulatory approvals will be obtained within six weeks, it can give notice to Nuplex to require Nuplex to commence an approximately eight week process to despatch the Scheme Booklet and hold the Scheme Meeting. That notice must be accompanied by a statement from Allnex's lawyers that they are not aware of anything that would prevent Allnex holding such a bona fide belief.

If at any time Allnex subsequently ceases to hold that bona fide belief, it must notify Nuplex and provide it with revised timing for when it expects all regulatory approvals will be obtained – with the timing for holding the Scheme Meeting to be adjusted accordingly.

Shortly before the Scheme Booklet is despatched, Allnex must confirm that it continues to hold the bona fide belief in relation to the intended timing for obtaining all regulatory approvals.

Nuplex has the right to provide supplementary information to its shareholders at any stage if it considers that supplementary information is required by law.

Nuplex is not required to hold the Scheme Meeting prior to the regulatory conditions to the Scheme being satisfied or waived.

Recommendation and voting intentions

Nuplex has agreed to ensure that each of its independent directors will recommend that shareholders vote in favour of the Scheme and that each of its directors will undertake to vote all of the Nuplex Shares held or controlled by him or her in favour of the Scheme, subject to there being no superior proposal and the Independent Adviser's Report concluding that the Scheme Consideration is within or above the Independent Adviser's valuation range for the Nuplex Shares.

Promotion of Transaction

During the Exclusivity Period (referred to under *Exclusivity* below) granted to Allnex, Nuplex has agreed to provide all reasonable cooperation to Allnex to promote the merits of the Transaction to shareholders.

Exclusivity

The SIA contains certain exclusivity arrangements in favour of Allnex. These arrangements apply until the earlier of termination of the SIA, the Implementation Date and the End Date (the **Exclusivity Period**).

In summary, Nuplex has granted Allnex the following exclusivity rights during the Exclusivity Period:

- **No shop:** Nuplex must not, and must procure that its representatives must not, solicit, invite, encourage or initiate any competing proposal or any offer, proposal, expression of interest, enquiry, negotiation or discussion with any third party in relation to, or for the purpose of, a competing proposal or that may reasonably be expected to encourage or lead to a competing proposal;
- **No Talk:** Nuplex must not, and must procure that its representatives or any other person authorised by Nuplex must not, enter into, permit, continue or participate in, negotiations or discussions in relation to a competing proposal or for the purpose of or that may reasonably be expected to encourage or lead to a competing proposal;
- **No due diligence:** Nuplex must not, and must procure that its representatives must not, make available to a third party, or cause or permit a third party to receive, any non-public information relating to Nuplex that may reasonably be expected to assist, a third party to formulate, develop or finalise a competing proposal;
- **Notification:** If Nuplex or any of its representatives receives a competing proposal or a potential competing proposal, or any offer or request to do anything referred to in the no talk or no due diligence provisions or exceptions to these provisions (as described below), Nuplex must immediately notify Allnex; and
- **Matching Right:** if Nuplex receives a competing proposal or potential competing proposal, it must give Allnex 5 business days to provide an equivalent or superior proposal to the terms of the competing proposal or potential competing proposal.

However, Nuplex is not required to comply with its obligations under the no talk provision and no due diligence provision in the SIA in certain circumstances. These circumstances include with respect to a bona fide competing proposal if the Nuplex directors, having received advice, consider that the competing proposal is, or is reasonably likely to constitute, a superior proposal and the Nuplex directors determine that failing to respond to such competing proposal would be likely to constitute a breach of the fiduciary or statutory duties owed by any Nuplex director.

Break Fees

Nuplex has agreed to pay Allnex a break fee of NZ\$10.47 million (excluding GST) where:

- if, at any time before the SIA is terminated, a competing proposal or a potential competing proposal is announced and, within 12 months of the date of that announcement, that competing proposal or potential competing proposal is, in all material respects, completed;
- if:
 - any independent director of Nuplex fails to make a recommendation to shareholders to vote in favour of the Scheme or changes, qualifies or withdraws that recommendation or makes any statement inconsistent with that recommendation; or
 - any director of Nuplex fails to undertake to vote all of the shares held or controlled by that director in favour of the Scheme or changes, qualifies or withdraws that undertaking or makes any statement inconsistent with that undertaking,

except where the Independent Adviser's Report concludes that the Scheme Consideration is not within or above the Independent Adviser's valuation range for the Nuplex Shares. However, even if the Independent Adviser's Report concludes that the Scheme Consideration is not within or above the Independent Adviser's valuation range for the Nuplex Shares, the break fee will be payable by Nuplex if, prior to the issue of the Independent Adviser's Report, a competing proposal or potential competing proposal has been received or made public and is subsequently completed in all material respects within 12 months after the date the competing proposal or potential competing proposal is received or made public; and

- if Allnex terminates the SIA due to a breach of warranty by Nuplex or a breach of undertaking by Nuplex or breach by Nuplex of any of its other material obligations under the SIA.

Allnex has agreed to pay Nuplex a break fee of NZ\$10.47 million (excluding GST) where:

- any party terminates the SIA due to an anti-trust condition not being satisfied unless the failure to satisfy an anti-trust condition was a result of Nuplex failing to promptly provide all information and other assistance reasonably required by Allnex for the purposes of satisfying the anti-trust conditions;
- Nuplex terminates the SIA due to a breach of warranty by Allnex or a breach of undertaking by Allnex or a breach by Allnex of any of its other material obligations under the SIA; and
- the High Court fails to approve the Scheme as a result of a material breach by Allnex of its obligations under the SIA.

Termination Rights

Either Nuplex or Allnex may terminate the SIA if:

- the Independent Adviser's Report concludes that the Scheme Consideration is below the Independent Adviser's valuation range;

- any of the regulatory conditions that are for its benefit becomes incapable of satisfaction and, if capable of waiver, has not been waived by that party;
- the shareholders meeting is held but the Scheme resolution is not passed by the requisite majorities;
- the High Court determines not to make the final court orders; or
- the Scheme has not become effective by the End Date (provided that the terminating party's failure to comply with its obligations has not directly and materially contributed to this).

Nuplex may terminate the SIA if:

- there is a breach of warranty by Allnex or a breach of undertaking by Allnex or any breach of its other material obligations under the SIA; or
- an insolvency event occurs in respect of Allnex NZ or Allnex.

Allnex may terminate the SIA if:

- there is a breach of warranty by Nuplex or a breach of undertaking by Nuplex or any breach of its other material obligations under the SIA;
- an insolvency event occurs in respect of Nuplex or any of its related entities;
- a Material Adverse Change or a "Prescribed Occurrence" occurs; or
- if any independent director of Nuplex fails to make the recommendation to shareholders to vote in favour of the Scheme, or any director of Nuplex fails to undertake to vote all of the shares held or controlled by that director in favour of the Scheme or any director changes, qualifies or withdraws that recommendation or undertaking once made or makes any statement inconsistent with that recommendation or undertaking.

Conduct of business

The SIA sets out the obligations of Nuplex in relation to the conduct of the business of the Nuplex group from the date of the SIA until the Implementation Date.

Nuplex has agreed to:

- carry on its business in the ordinary course and in substantially the same manner as it was conducted prior to 15 February 2016 and not make any significant change to the nature or scale of its business or enter into any business or activities in which it was not engaged in as at 15 February 2016;
- maintain insurance in accordance with its ordinary practices and to a level no less than that in place before 15 February 2016;
- use its best endeavours to keep available the services of its officers and employees and preserve its business relationships;

- not incur unbudgeted capital expenditure in excess of US\$2 million or, except in the ordinary course of trading, dispose of assets or create encumbrances over assets having a value in excess of US\$500,000 except for certain items to the extent that those items have been disclosed to Allnex in the due diligence information and are entered into on the terms disclosed to Allnex or otherwise customary terms;
- not acquire or dispose of any shares or other securities or substantially all of the assets of any business in excess of US\$500,000 except for certain items to the extent that those items have been disclosed to Allnex in the due diligence information and are entered into on the terms disclosed to Allnex or otherwise customary terms;
- not enter into or terminate any partnership, joint venture or similar commitment which would require annual expenditure, or foregoing of annual revenue, in excess of US\$500,000 in aggregate except for certain items to the extent that those items have been disclosed to Allnex in the due diligence information and are entered into on the terms disclosed to Allnex or otherwise customary terms;
- not increase the aggregate level of its borrowings except for increases in the ordinary course of business not exceeding US\$10 million;
- not enter into, vary or terminate any financing facilities or arrangements or any swap, option, futures contract, forward commitment or other derivative transaction except in the ordinary course of business;
- not enter into, extend, renew or waive any material rights under any contract, commitment or arrangement relating to procurement which:
 - if the minimum term is 6 months or less, may require annual expenditure in excess of US\$500,000; or
 - if the minimum term is more than 6 months, may require annual expenditure in excess of US\$250,000,

other than purchases made on a purchase order basis in the ordinary course to the extent the commitment under the purchase order does not exceed 6 months;

- not enter into, waive any material right under, vary or terminate any contract, commitment or arrangement which:
 - may require annual expenditure in excess of US\$2 million, may result in annual revenues of more than US\$10 million or is otherwise of material importance to the business of the Nuplex group; or
 - restrains any member of the Nuplex group or any person that controls Nuplex from engaging in or competing with any business in any place;
- not vary any other existing contract, commitment or arrangement in a way that may increase the expenditure by or annual revenues to the Nuplex group by more than US\$2 million or has the effect of restraining any member of the Nuplex group or any person that controls Nuplex from engaging in or competing with any business in any place;

- not give any guarantee or security or indemnity in respect of the obligations of a person other than a member of the Nuplex group;
- not increase the remuneration of, make any bonus payment, retention payment or termination payment to, or otherwise change the employment terms and conditions of any Nuplex director or any employee of the Nuplex group whose total annual employment cost exceeds US\$150,000 except:
 - in accordance with any contractual entitlement existing at the date of the SIA;
 - for salary increases in the normal course, provided that such increase is no more than US\$25,000 per annum in respect of any employee;
 - the vesting of rights under its Performance Rights Plan or payment of amounts under its Cash Rights Plan, except as permitted by the SIA; and
 - payments under its management LTI plan and short term incentive plan up to permitted maximum amounts;
- not accelerate the rights of any director or employee under any incentive plan, except as permitted by the SIA;
- not change its constitution or pass any resolutions of shareholders or any class of shareholders (other than the Scheme resolution);
- not fail to comply in all material respects with all laws and regulations applicable to the business or do or omit to do anything which might result in the termination, revocation, suspension, modification or non-renewal of any authorisation held by Nuplex;
- not commence, compromise or settle any litigation or similar proceedings for an amount in excess of NZ\$500,000;
- not agree, conditionally or otherwise, to do any of the things referred to above or announce or represent to any person that any of those things will be done;
- keep Allnex informed and consult with Allnex regarding proposed increases to remuneration for Nuplex group personnel;
- keep Allnex informed of any commencement, compromise or settlement of any litigation or similar proceedings for an amount exceeding US\$100,000; and
- keep Allnex informed of any negotiations with unions, workers councils or its employees regarding enterprise or similar industrial agreements and consider in good faith any comments that Allnex or its representations have on those negotiations or drafts of those enterprise or similar industrial agreements.

Representations, warranties and undertakings

Nuplex and Allnex have each given representations, warranties and undertakings to the other which are customary for an agreement such as the SIA. The warranties are given at the date of the SIA and are also repeated at 8.00am on the Implementation Date.

Broadly, the representations and warranties given by Nuplex include:

- its capacity and authority to enter into and perform its obligations under the SIA and the Scheme;
- its entry into and performance of its obligations under the SIA will not conflict with or constitute a default under any agreement, its constitution or any law, order, judgment or similar requirement binding on Nuplex;
- its compliance with its continuous and periodic disclosure obligations under the NZX Listing Rules, ASX Listing Rules and relevant laws;
- that since 15 February 2016 it has complied with the provisions described under the heading *Conduct of Business* above, except to the extent an action was undertaken as part of Nuplex conducting the business of the Nuplex group in the ordinary course and on arm's length terms;
- that no "Prescribed Occurrence" has occurred on or after 15 February 2016;
- it and each member of the Nuplex group, and so far as Nuplex is aware, each Nuplex minority entity, has complied in all material respects with applicable laws and has all material authorisations for it to conduct its business and that, so far as Nuplex is aware, no member of the Nuplex group or Nuplex minority entity is under investigation with respect to the violation of any laws or applicable authorisations;
- details relating to Nuplex's capital structure;
- that Nuplex has terminated all negotiations and discussions relating to any competing proposal;
- that the Nuplex group, and so far as Nuplex is aware, each Nuplex minority entity, has at all material times adequately insured against risks normally insured against by persons carrying on the same type of business and that its insurance policies are in full force and effect;
- that its net financial indebtedness was NZ\$133.7 million on 29 February 2016 and, since then:
 - all increases to net financial indebtedness have been drawn from cash balances and certain existing facility agreements; and
 - that the Nuplex group's net financial indebtedness has not changed such that it exceeds certain limits under certain existing facility agreements;
- no member of the Nuplex group has any outstanding financing that is not reflected in either its financial statements for the year ended 30 June 2015 or its financial statements for the six months ended 31 December 2015, and since 1 January 2014 no member of the Nuplex group has engaged in any financing of a type which is not required to be shown or reflected in its financial statements;
- it has prepared the due diligence information provided to Allnex in good faith and with reasonable care and skill;

- that all information regarding matters known to Nuplex affecting or relating to the Nuplex group or the Nuplex minority entities, the disclosure of which might reasonably be expected to have resulted in Allnex not entering into the SIA or materially changing the terms of the SIA, was included in the due diligence information provided to Allnex; and
- that all of the due diligence information provided to Allnex was true and correct in all material respects and was not misleading or deceptive in any material respect, including by omission.

Broadly, the undertakings given by Nuplex include:

- to ensure that no performance rights are issued except as permitted by the SIA;
- to ensure that no performance rights will be outstanding as at the Implementation Date;
- to prepare in good faith the Nuplex information for inclusion in the Scheme Booklet, on the understanding that Allnex and members of the Allnex group are relying on it for the purpose and considering and approving Allnex information to be included in the Scheme Booklet, in compliance with applicable laws, the NZX Listing Rules and the ASX Listing Rules and that Nuplex information in the Scheme Booklet will be true and correct in all material respects and is not misleading or deceptive;
- to provide new material information to shareholders of which it becomes aware after the Scheme Booklet has been sent to shareholders and before the shareholders meeting which is necessary to ensure that the Nuplex information in the Scheme Booklet is not misleading or deceptive in any material respect;
- that all information provided to the Independent Adviser by Nuplex will be provided in good faith, on the understanding that the Independent Adviser will rely on it for the purpose of preparing the Independent Adviser's Report, and will be true and correct in all material respects and will not be misleading or deceptive in any material respect.

Broadly, the representations and warranties given by Allnex and Allnex NZ include:

- its capacity and authority to enter into and perform its obligations under the SIA;
- its entry into and performance of its obligations under the SIA will not conflict with or constitute a default under any agreement, its constitution or any law, order or similar requirement binding on it;
- Allnex will have binding agreements in place to fund the Scheme consideration conditional only on the High Court approving the Scheme and the Scheme becoming effective, the conditions in the SIA and other customary conditions precedent to draw down.

Broadly, the undertakings given by Allnex include:

- to prepare in good faith the Allnex information to be included in the Scheme Booklet, on the understanding that Nuplex and members of the Nuplex group are relying on it to prepare the Scheme Booklet and to propose and implement the Scheme, in compliance with applicable laws and that that Allnex information will be true and correct in all material respects and will not be misleading or deceptive in any material respect;

- to provide new material information of which it becomes aware after the Scheme Booklet has been sent to Nuplex shareholders and before the Scheme Meeting which is necessary to ensure that the Allnex information in the Scheme Booklet is not misleading or deceptive in any respect;
- all information provided to the Independent Adviser by Allnex will be provided in good faith, on the understanding that the Independent Adviser will be relying on it for the purpose of preparing the Independent Adviser's Report, and will be true and correct in all material respects and will not be misleading or deceptive in any material respect.

Guarantee

Allnex has guaranteed to Nuplex the performance by Allnex NZ of all of its obligations under the SIA.

Glossary

In this summary, capitalised terms used but not otherwise defined have the following meanings:

Excluded Event	<p>means any event or change in circumstances:</p> <ul style="list-style-type: none"> (a) the occurrence of which and the effect on the Nuplex group have both been fairly disclosed to Allnex in writing prior to being specifically agreed to by Allnex; (b) resulting from the exercise by any party of its rights, or the discharge by any party of its obligations, under the SIA other than the Nuplex's obligations and rights under certain specific provisions of the SIA; (c) the future occurrence of which and the effect on the Nuplex group have both been fairly disclosed in the management presentation given to Allnex on or around 18 December 2015 or in any NZX or ASX announcement made by Nuplex after 1 January 2014 and before 15 February 2016;
High Court	means the High Court of New Zealand, Auckland Registry;
Implementation Date	means the day on which the Scheme is to be implemented (which would also be the date that the Scheme Consideration is despatched to Scheme Shareholders);
Independent Adviser	means the person appointed by Nuplex as independent adviser to prepare the Independent Adviser's Report and approved by the New Zealand Takeovers Panel;
Independent Adviser's Report	means the independent adviser's report prepared by the Independent Adviser in relation to the Scheme as amended or updated from time to time and including any supplementary or replacement report;
Material Adverse Change	<p>means any matter, event, condition or change in circumstances or thing which occurs or is announced, and which is not an Excluded Event, (each a Specified Event) and which individually, or when aggregated with all other Specified Events, reduces or is reasonably likely to reduce:</p> <ul style="list-style-type: none"> (a) the consolidated net assets of Nuplex by 15% or more in any

financial year from what it would reasonably have been expected to be but for the Specified Event(s); or

- (b) the consolidated EBITDA (excluding non-recurring items to the extent that the impact on consolidated EBITDA is recovered under the Nuplex group's insurance and using constant exchange rates for the purposes of translating results into New Zealand dollars) of Nuplex in any financial year by 15% or more against what it would reasonably have been expected to be but for the Specified Event(s);

Nuplex Shares	means a fully paid ordinary share in the capital of Nuplex;
Record Date	means the record date for the Scheme;
Scheme	means a scheme of arrangement under Part 15 of the New Zealand Companies Act 1993 under which all of the Nuplex Shares held by Scheme Shareholders will be transferred to Allnex NZ and the Scheme Shareholders will be entitled to receive the Scheme Consideration;
Scheme Consideration	means NZ\$5.43 in respect of each Share held by a Scheme Shareholder, as reduced by the per share amount or value of any dividend the record date for which falls on or between the date of the SIA and the Implementation Date;
Scheme Booklet	means the explanatory memorandum (including the notice of meeting and proxy form), the despatch of which is to be approved by the High Court and which is to be sent to Nuplex shareholders in advance of the Scheme Meeting;
Scheme Meeting	means the meeting of Nuplex shareholders ordered by the High Court to be convened in respect of the Scheme and includes any adjournment of that meeting;
Scheme Shareholder	means a person who is registered in the Nuplex's share register as the holder of one or more Scheme Shares as at the Record Date;
Scheme Shares	means all of the Nuplex Shares on issue at 7.00pm on the Record Date (other than any Excluded Shares); and
Transaction	means the acquisition by a member of the Allnex group of all the Scheme Shares through implementation of the Scheme in accordance with the terms of the SIA.