



Your Independent
Directors unanimously
recommend that you

VOTE IN FAVOUR

of the Scheme, in the absence
of a Superior Proposal

Notice of Meeting and Scheme Booklet

For a scheme of arrangement between Nuplex Industries Limited and its Shareholders in relation to the proposed acquisition of all of the fully paid ordinary shares in Nuplex Industries Limited by Allnex New Zealand Limited, a wholly owned subsidiary of Allnex Belgium SA/NV.

THE SPECIAL MEETING WILL BE HELD AT:

Time: 11.00am (New Zealand time)

Date: 7 July 2016

Place: The Theatre at the Waipuna Hotel and Convention Centre,
58 Waipuna Road, Mt Wellington, Auckland, New Zealand

SHAREHOLDER INFORMATION LINE

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

This is an important document and requires your immediate attention. You should carefully read it in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in any doubt about what you should do, you should seek advice from your financial, taxation or legal adviser. If you have sold all of your Nuplex Shares, please ignore this Scheme Booklet.

Important information

General

This Scheme Booklet is an important document and requires your immediate attention. If you are a Shareholder, you should carefully read this Scheme Booklet in its entirety before deciding whether or not to vote in favour of the Scheme.

If you are in any doubt as to what you should do, you should contact your broker or seek advice from your financial, taxation or legal adviser before making any decision regarding the Scheme.

If you have sold all of your Nuplex Shares, please ignore this Scheme Booklet.

Purposes of this Scheme Booklet

The purposes of this Scheme Booklet are to:

- provide you with information about the proposed acquisition of Nuplex by Allnex NZ;
- explain the terms and effect of the Scheme;
- explain the manner in which the Scheme will be considered and, if approved, implemented;
- provide you with information that could reasonably be expected to be material to your decision whether to vote in favour of, or against, the Scheme; and
- include the information required by the Takeovers Panel in relation to the Scheme.

This Scheme Booklet is not a product disclosure statement.

Your decision

This Scheme Booklet does not take into account your individual investment objectives, financial situation or needs. You must make your own decisions and seek your own advice in this regard.

The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as constituting, financial product advice.

If you are in any doubt as to what you should do, you should seek advice from your financial, taxation or legal adviser before making any decision regarding the Scheme.

Not an offer

This Scheme Booklet does not constitute an offer to Shareholders (or any other person), or a solicitation of an offer from Shareholders (or any other person), in any jurisdiction.

Laws of New Zealand

This Scheme Booklet has been prepared in accordance with New Zealand law. Accordingly, the information contained in this Scheme Booklet may not be the same as that which would have been disclosed in this Scheme Booklet if it had been prepared in accordance with the laws and regulations of another jurisdiction.

Forward looking statements

This Scheme Booklet contains certain forward looking statements. You should be aware that there are risks (both known and unknown), uncertainties, assumptions and other important factors that could cause the actual conduct, results, performance or achievements of Nuplex to be materially different from the future conduct, market conditions, results, performance or achievements expressed or implied by such statements or that could cause future conduct to be materially different from historical conduct. Deviations as to future conduct, market conditions, results, performance and achievements are both normal and to be expected.

Forward looking statements generally may be identified by the use of forward looking words such as 'aim', 'anticipate', 'believe', 'estimate', 'expect', 'forecast', 'foresee', 'future', 'intend', 'likely', 'may', 'planned', 'potential', 'should', or other similar words.

Neither Nuplex nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Scheme Booklet will actually occur. You are cautioned against relying on any such forward looking statements.

Privacy and personal information

Nuplex and Allnex NZ may collect personal information in the process of implementing the Scheme. Such information may include the name, contact details and shareholdings of Shareholders and the name of persons appointed by those persons to act as a proxy or corporate representative at the Special Meeting. The primary purpose of the collection of personal information is to assist Nuplex and Allnex NZ to conduct the Special Meeting and implement the Scheme. Personal information of the type described above may be disclosed to Computershare, print and mail service providers, proxy solicitation firms, Related Companies of Nuplex and Allnex NZ and Nuplex's and Allnex NZ's service providers and advisers. Shareholders have certain rights to access personal information that has been collected. Shareholders should contact Computershare in the first instance, if you wish to access your personal information. Shareholders who appoint a named person to act as their proxy or corporate representative should make sure that person is aware of these matters.

No internet site forms part of this Scheme Booklet

Any references in this Scheme Booklet to any website are for informational purposes only. No information contained on any website forms part of this Scheme Booklet.

Timetable and dates

All references to times in this Scheme Booklet are references to New Zealand time, unless otherwise stated. Any obligation to do an act by a specified time in New Zealand time must be done at the corresponding time in any other jurisdiction.

Diagrams, charts, maps, graphs and tables

Any diagrams, charts, maps, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be to scale.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, actual calculations may differ from amounts set out in this Scheme Booklet.

Responsibility for information

Other than as set out below, this Scheme Booklet has been prepared by, and is the responsibility of, Nuplex:

- the Allnex NZ Information has been prepared by, and is the responsibility of, Allnex NZ. Nuplex and its officers and employees do not assume any responsibility for the accuracy or completeness of the Allnex NZ Information. Allnex, Allnex NZ and their respective officers and employees do not assume any responsibility for the accuracy or completeness of any information in the Scheme Booklet other than the Allnex NZ Information; and
- the Independent Adviser's Report contained in Annexure B has been prepared by, and is the responsibility of, the Independent Adviser. Nuplex and its officers and employees do not assume any responsibility for the accuracy or completeness of the Independent Adviser's Report.

Notice of the Final Court Hearing

If you wish to oppose the Scheme at the Final Court Hearing, which is expected to be at 10.00am on 21 July 2016 at the High Court, Parliament Street, Auckland, you must file a notice of appearance or a notice of opposition together with supporting documents on which you wish to rely at the High Court and at Nuplex's registered office by 1.00pm on 14 July 2016.

Defined terms

Capitalised terms set out in this Scheme Booklet have the meanings given to them in the Glossary in section 14.

Date of this Scheme Booklet

This Scheme Booklet is dated 10 June 2016.

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Summary
of the Scheme

Indicative date and time (2016)	Event
17 June	Date this Scheme Booklet was distributed
By 29 June	Expected date for satisfaction of all Regulatory Conditions
5 July, 11.00am	Closing date and time for Voting/Proxy Forms for the Special Meeting to be submitted
5 July, 7.00pm	Date and time for determining eligibility to vote at the Special Meeting
7 July, 11.00am	Special Meeting – to be held at The Theatre at the Waipuna Hotel and Convention Centre, 58 Waipuna Road, Mt Wellington, Auckland, New Zealand
IF THE SCHEME IS APPROVED BY SHAREHOLDERS	
21 July, or such later date as the High Court directs	Final Court Hearing to approve the Scheme
25 July	Last day of trading in Nuplex Shares – Nuplex Shares will be suspended from trading on both the NZX Main Board and ASX from close of trading on this date
27 July, 7.00pm	Scheme Record Date – for determining entitlements to the Scheme Consideration of NZ\$5.43 cash per share
2 August	Implementation Date – payment of the Scheme Consideration to Scheme Shareholders
9 November	End Date If the Scheme has not been implemented by this date, it will not proceed (unless Nuplex, Allnex NZ and Allnex agree to extend the End Date)

All dates in the table above are indicative only and, among other things, are subject to the satisfaction or waiver (if capable of waiver) of all of the Regulatory Conditions and to obtaining all necessary approvals from the High Court.

If on the proposed date for the Special Meeting, any of the Regulatory Conditions have not been satisfied or waived, the Special Meeting may be adjourned until any remaining Regulatory Conditions have been satisfied or waived. Any changes to the above timetable will be announced to NZX and ASX and notified on Nuplex's website at www.nuplex.com.

All references to time in this Scheme Booklet are references to New Zealand time, unless otherwise stated. Any obligation to do an act by a specified time in New Zealand time must be done at the corresponding time in any other jurisdiction.



Dear Shareholder,

On behalf of the Nuplex Board, I am pleased to provide you with this Scheme Booklet which contains all the information you should need regarding the proposed acquisition of your Nuplex shares by Allnex NZ, a wholly owned subsidiary of Allnex.

This acquisition is by a Scheme of Arrangement. If the proposed Scheme is approved and all conditions are satisfied, registered Shareholders will receive NZ\$5.43 cash for each Nuplex share. This is expected to be paid to Shareholders on 2 August 2016.

This booklet has been prepared to help you assess the merits of the transaction before you vote.

YOUR INDEPENDENT DIRECTORS RECOMMEND YOU VOTE IN FAVOUR

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.

KEY REASONS FOR THE RECOMMENDATION TO VOTE IN FAVOUR

Your Independent Directors have carefully considered the advantages and disadvantages of Allnex's proposal. In recommending the Scheme, your Independent Directors have taken into account the following:

- **The Scheme provides an opportunity for Shareholders to realise some of the future value of their Nuplex Shares now.**
- **Premium to Nuplex's share price prior to the proposal**

The combined value of the Scheme Consideration of NZ\$5.43 cash per share and the interim dividend of NZ\$0.12 per share paid to Shareholders on 4 April 2016 represents:

- a significant premium of 44% to Nuplex's closing price of NZ\$3.86 per share on the NZX Main Board on 12 February 2016, prior to the announcement of Allnex's indicative proposal; and
- a premium of 35% to Nuplex's volume weighted average price on the NZX Main Board for the previous six months to 12 February 2016.

- **NZ\$5.43 is within the Independent Adviser's valuation range**

The Independent Adviser, Grant Samuel & Associates Limited, has assessed the value of Nuplex shares to be in the range of NZ\$5.36 to NZ\$5.86 per share. NZ\$5.43 falls within this range.

- **No better offer (defined as a Superior Proposal in this booklet) has emerged.**
- **You will not pay any brokerage or stamp duty on the transfer of your Nuplex shares to Allnex NZ under the Scheme.**

YOUR ACTION IS REQUIRED

Your vote is very important, regardless of how many Nuplex Shares you own. I strongly encourage you to exercise your right to vote on this important transaction.

The Scheme will only be implemented if it is approved by Nuplex Shareholders at the Special Meeting to be held on 7 July 2016.

If you are unable to attend the meeting in person, please exercise your right to vote by appointing a proxy to attend and vote on your behalf. A personalised Voting/Proxy Form accompanies this booklet. Alternatively, you can appoint a proxy online at www.investorvote.co.nz.

Please read this booklet carefully and in its entirety as it contains important information that you should consider before you vote. You may also wish to seek independent legal, financial, taxation or other professional advice.

If you have any questions regarding the Scheme or this booklet, 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.

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

Your vote is very important and I look forward to your participation at the Special Meeting on 7 July 2016.

Yours sincerely,



Peter Springford
Chairman, Nuplex Industries Limited
10 June 2016

3.1 What is the Scheme?

The Scheme is the proposed transaction under which Allnex NZ would acquire all of the shares in Nuplex for NZ\$5.43 cash per share.

For the Scheme to be implemented, it needs to be approved by Shareholders and certain regulatory authorities. Approval from the New Zealand High Court is also required.

The proposed Scheme has come about following discussions between Nuplex and Allnex after Allnex approached your Directors in October 2015 to discuss the possibility of buying your company.

3.2 What do your Independent Directors recommend?

Your Independent Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal.

Each Director will be voting all of the Nuplex Shares he or she holds or controls in favour of the Scheme, in the absence of a Superior Proposal.

3.3 What will you receive?

If the Scheme is implemented, Shareholders will receive NZ\$5.43 cash per share from Allnex NZ for each Nuplex share held as at the Scheme Record Date (estimated to be 27 July 2016).

3.4 Summary of key considerations relevant to your vote

Reasons to vote in favour

Your Independent Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal

NZ\$5.43 is within the Independent Adviser's valuation range of NZ\$5.36 to NZ\$5.86

The Scheme provides an opportunity for Shareholders to realise some of the future value of their Nuplex Shares now

The Scheme Consideration of NZ\$5.43 (plus the Interim Dividend of NZ\$0.12 per share), represents a significant premium over the NZ\$3.86 closing price of Nuplex Shares on NZX Main Board on the Business Day prior to the announcement of Allnex's proposal

Nuplex's Shares have not traded above the Scheme Consideration of NZ\$5.43 in more than five years

The combined value of the Scheme Consideration of NZ\$5.43 and the Interim Dividend of NZ\$0.12 per share values Nuplex's earnings favourably when compared with other comparable transactions

The price at which Nuplex Shares trade may fall if the Scheme is not implemented and no Superior Proposal emerges

No Superior Proposal has emerged since the Transaction was announced

No brokerage costs will be charged on the transfer of your Nuplex Shares to Allnex NZ if the Scheme proceeds

Reasons not to vote in favour

You may consider that the Scheme is not in your best interests and disagree with your Independent Directors' unanimous recommendation or the Independent Adviser's valuation range

You may consider that there is a possibility that a Superior Proposal could emerge

You may wish to maintain an investment in a publicly listed company with the specific characteristics of Nuplex in terms of industry, operations, profile, size, capital structure and potential dividend stream

You may consider that Nuplex has greater value over the longer term than you will receive under the Scheme

The tax implications of the Scheme may not suit your current financial position

Further details on the reasons why you may choose to vote in favour of, or against, the Scheme are set out in sections 6.3 (*Reasons to vote in favour of the Scheme*) and 6.4 (*Reasons you may not vote in favour of the Scheme*).

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STEP 1

Carefully read this Scheme Booklet in its entirety and seek advice if you have any questions

- ▲ Please read this document carefully and in its entirety as it will assist you in making an informed decision on how to vote.
- ▲ This Scheme Booklet contains important information, including:
 - the reasons your Independent Directors recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal;
 - the reasons why you may choose to vote for, or against, the Scheme;
 - the time, date and location of the Special Meeting;
 - details of how to vote; and
 - the Independent Adviser's Report.
- ▲ If you have any questions in relation to this document or the Scheme, you should call the Shareholder Information Line between 8.30am and 5.00pm (New Zealand time), Monday to Friday 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).
- ▲ If you are in any doubt as to what you should do, please seek advice from your financial, taxation or legal adviser.

STEP 2

Vote on the Scheme

- ▲ If you are a Shareholder on the Voting Eligibility Date (expected to be 7.00pm on 5 July 2016), you are entitled to vote on the Scheme.
- ▲ Shareholders can vote at the Special Meeting:
 - in person;
 - by appointing a proxy to vote on your behalf; or
 - if you are a company, by appointing a corporate representative to vote on your behalf.
- ▲ The Special Meeting will be held at 11.00am (New Zealand time) on 7 July 2016 at The Theatre at the Waipuna Hotel and Convention Centre, 58 Waipuna Road, Mt Wellington, Auckland, New Zealand (unless the Regulatory Conditions are not satisfied or waived prior to this date, in which case the Special Meeting may be adjourned).

STEP 3

Confirm the currency you wish to be paid in and your bank account details

- ▲ The Scheme Consideration will be paid in NZ\$ unless you:
 - elect to be paid in A\$ by completing the Currency Election Form and returning it to Computershare; or
 - were paid the most recent dividend from Nuplex in A\$, in which case you will be paid the Scheme Consideration in A\$, unless you elect to be paid in NZ\$ by completing the Currency Election Form and returning it to Computershare.
- ▲ To make a currency election, you will need to notify Computershare (by completing the Currency Election Form) that you wish to be paid in the applicable currency, your CSN number and your bank account details prior to 7.00pm (New Zealand time) on the Scheme Record Date, currently expected to be 27 July 2016. If you elect to be paid in A\$, the consideration payable to you will be converted from NZ\$ into A\$ at the average exchange rate for buying A\$ with NZ\$ as quoted to Computershare by reputable financial institutions before 2.00pm (New Zealand time) on the Implementation Date.
- ▲ Payments will generally be made by electronic transfer into your bank account as set out on the Currency Election Form enclosed with the Scheme Booklet. If you wish to change those bank account details or if no bank account details are printed on the Currency Election Form but you wish to be paid by electronic transfer, please advise Computershare of your bank account details by completing the Currency Election Form and returning it to Computershare prior to 7.00pm (New Zealand time) on the Scheme Record Date, currently expected to be 27 July 2016. If the Currency Election Form does not contain printed bank account details and you do not notify Computershare of your bank account details by returning a Currency Election Form (or if Nuplex in its discretion elects to make payment to you by cheque), payment will be made by cheque.
- ▲ Your completed and signed Currency Election Form can be sent to Computershare in the reply paid envelope enclosed with this Scheme Booklet:
 - by email: nuplex@computershare.co.nz
 - by mail: by sending to:
Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
New Zealand
 - by fax: +64 9 488 8787
 - in person: by delivering it to:
Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna, Auckland
New Zealand.

STEP
4

How you can vote

It is very important that you vote.

Voting is how you have your say in determining the future of your Nuplex investment.

For the Scheme to proceed, it is necessary that BOTH of the voting thresholds are met:

1. 75% or more of the votes cast¹ must be voted in favour of the Scheme Resolution; and
2. more than 50% of the total number of Nuplex Shares must be voted in favour of the Scheme Resolution.

Shareholders can vote:

- ▲ **in person** - by attending the Special Meeting and bringing your personalised admission card (which accompanies this Scheme Booklet);
- ▲ **by proxy** - by completing, signing and lodging the Voting/Proxy Form in accordance with the instructions on that form; or
- ▲ **by corporate representative** - a company which is a Shareholder may appoint a person to attend the Special Meeting on its behalf in the same manner as that in which it could appoint a proxy.

APPOINT A PROXY IF YOU CANNOT ATTEND THE SPECIAL MEETING IN PERSON

If you are unable to attend the Special Meeting in person, you can vote by appointing a proxy to attend and vote on your behalf.

You should arrange to have your proxy attend the Special Meeting if you appoint a person other than the Chairman of the Special Meeting as your proxy.

To appoint a proxy

Complete the Voting/Proxy Form and submit it as set out below.

Completed Voting/Proxy Forms must be received by Computershare by no later than 11.00am (New Zealand time) on Tuesday, 5 July 2016.

You can submit your Voting/Proxy Form:



Online: www.investorvote.co.nz



By mail, by sending to:

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
New Zealand



By fax: +64 9 488 8787



In person, by delivering it to:

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna, Auckland
New Zealand

¹ By each interest class. See notes 2, 4 and 5 to the Notice of Meeting in Annexure A for more information about what an interest class is.

4.1 If you have a question for the Chairman of the Special Meeting

Shareholders are invited to submit their questions for the Chairman in writing as set out below. Reasonable questions will be answered during the Chairman's address at the Special Meeting.

- By email: Nuplex.InvestorRelations@Nuplex.com
- By mail: PO Box 12841, Penrose, Auckland, New Zealand
- By fax: +64 9 580 0895

4.2 If you are not in favour of the Scheme

If you are not in favour of the Scheme, you can vote against it at the Special Meeting. As a Shareholder, you also have the right to appear and be heard at the Final Court Hearing. Further details are set out in section 7.8.

If you do not want to participate in the Scheme, you are free to sell your Nuplex Shares at any time up to close of trading on the date which is two Business Days before the Scheme Record Date (in order not to be registered as a Shareholder on the Scheme Record Date).

Questions and answers	More information
The Transaction	
<p>What am I being asked to consider?</p> <p>If you are in favour of the proposal for your Nuplex Shares to be acquired for NZ\$5.43 cash per share by Allnex NZ.</p>	<p>See section 3 for an overview. See section 7 for more detail.</p>
<p>What is the Scheme?</p> <p>The Scheme is the scheme of arrangement between Nuplex and its Shareholders as at the Scheme Record Date. If approved, the Scheme will implement the acquisition of Nuplex by Allnex NZ.</p> <p>A scheme of arrangement is a statutory procedure that can be used for one company to acquire another company.</p> <p>For the Scheme to proceed, it requires the approval of Shareholders, the New Zealand High Court and relevant regulatory authorities.</p> <p>If the Scheme is approved and implemented, Shareholders as at the Scheme Record Date will receive a cash payment of NZ\$5.43 per share.</p>	<p>See section 3 for an overview. See section 7 for more detail. See Annexure C for a copy of the Scheme Plan.</p>
<p>How did the Scheme come about?</p> <p>Advent, a global private equity firm that manages and advises the funds that ultimately own the Allnex Group, approached Nuplex in October 2015.</p> <p>This led to discussions between the two parties. After three prior offers were rejected, a proposal which the Board considered may be attractive to Shareholders was submitted. The details of this proposal were announced on 15 February 2016.</p> <p>Following completion of due diligence by Allnex on Nuplex, the Scheme Implementation Agreement was entered into on 9 April 2016.</p>	<p>Not applicable.</p>
<p>What do the Independent Directors recommend?</p> <p>Your Independent Directors unanimously recommend that all Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal.</p>	<p>See sections 3 and 6 for more detail on the reasons for this recommendation.</p>
<p>How do the Directors intend to vote?</p> <p>Each Director who holds or controls Nuplex Shares intends to vote all of the Nuplex Shares that he or she holds or controls in favour of the Scheme, in the absence of a Superior Proposal.</p>	<p>Not applicable.</p>
<p>Is there an independent adviser's report?</p> <p>Yes. Grant Samuel & Associates has prepared a report on the merits of the Scheme.</p>	<p>See Annexure B for a copy of the Independent Adviser's Report.</p>
<p>What is the Independent Adviser's valuation range?</p> <p>Grant Samuel & Associates concluded that the full underlying value of Nuplex is in the range of NZ\$5.36 to NZ\$5.86 per share.</p>	<p>See Annexure B for a copy of the Independent Adviser's Report.</p>
<p>Who are Allnex NZ and Allnex?</p> <p>Allnex NZ is a limited liability company incorporated in New Zealand. It is a wholly owned subsidiary of Allnex.</p> <p>Allnex is a leading global producer of coating resins and additives for architectural, industrial, protective, automotive and special purpose coatings and inks and is recognised as a specialty chemicals pioneer, with operational headquarters in Belgium.</p>	<p>See section 9 for details about Allnex NZ and Allnex.</p>

Questions and answers	More information
What will happen if the Scheme proceeds?	
<p>What will I receive if the Scheme is approved and implemented?</p> <p>You will receive a cash payment of NZ\$5.43 for every Nuplex Share held as at the Scheme Record Date (expected to be 7.00pm on 27 July 2016).</p>	See section 7.1 for more detail on the Scheme Consideration.
<p>When will I be paid?</p> <p>It is expected that you will be paid in early August 2016.</p> <p>For payment to occur, all of the Conditions, including the Regulatory Conditions, must be satisfied or waived (if capable of waiver).</p> <p>If this timing changes, Nuplex will announce the updated timing to NZX and ASX.</p>	See section 7.1 for more detail on the Scheme Consideration.
<p>How will I be paid?</p> <p>Payments will generally be made by electronic transfer into your nominated bank account as set out on the Currency Election Form enclosed with the Scheme Booklet.</p> <p>If:</p> <ul style="list-style-type: none"> • you wish to change your bank account details from the printed details set out on the Currency Election Form; or • no bank account details are printed on the Currency Election Form and you wish to be paid by electronic transfer, <p>please advise Computershare of your bank account details by completing the Currency Election Form.</p> <p>Your bank account must be denominated in the currency which you wish to receive the Scheme Consideration in. If you provide details of a bank account denominated in a currency which is different from the currency which you have elected, you will be paid by cheque in the currency which you have elected.</p> <p>Completed forms must be returned to Computershare prior to 7.00pm (New Zealand time) on the Scheme Record Date, expected to be 27 July 2016.</p> <p>If you have not nominated a bank account by returning the Currency Election Form (or if Nuplex in its discretion elects to make payment to you by cheque), payment will be made by cheque.</p>	See section 7.2 for more detail on the Scheme Consideration.

Questions and answers	More information
<p>What currencies can I be paid in?</p> <p>The Scheme Consideration will be paid in NZ\$ unless you:</p> <ul style="list-style-type: none"> • elect to be paid in A\$; or • were paid the Interim Dividend in A\$ and you do not elect to be paid in NZ\$. <p>You can make a currency election by completing a Currency Election Form and returning it to Computershare in the reply paid envelope enclosed with this Scheme Booklet prior to the Scheme Record Date, expected to be 7.00 pm (New Zealand time) on 27 July 2016. For your election to be valid, you must sign it and you must also include:</p> <ul style="list-style-type: none"> • if your Currency Election Form does not include printed details for an A\$ denominated bank account, the A\$ bank account details in order for payment to be made in A\$ by electronic transfer. Otherwise, you will be paid by A\$ cheque; or • if your Currency Election Form does not include printed details for an NZ\$ denominated bank account, the NZ\$ bank account details in order for payment to be made in NZ\$ by electronic transfer. Otherwise, you will be paid by NZ\$ cheque; and • your CSN number. <p>If you elect to be paid in A\$, the consideration payable to you will be converted from NZ\$ into A\$ at the average exchange rate for buying A\$ with NZ\$ as quoted to Computershare by reputable financial institutions before 2.00pm (New Zealand time) on the Implementation Date.</p>	<p>See section 7.2 for more detail on the Scheme Consideration.</p>
<p>Will I receive any further dividends from Nuplex?</p> <p>No further dividends will be paid to you if the Scheme is implemented.</p>	<p>Not applicable.</p>
<p>Can I sell my Nuplex Shares now?</p> <p>Yes. You can sell your Nuplex Shares on market at any time before close of trading on NZX Main Board or ASX on the date which is two Business Days before the Scheme Record Date at the then prevailing market price (which may vary from the Scheme Consideration).</p> <p>Nuplex intends to apply to NZX and ASX for Nuplex Shares to be suspended from official quotation on NZX Main Board and ASX from close of trading on the date which is two Business Days before the Scheme Record Date. Subject to the timing of satisfying the Regulatory Conditions, and NZX and ASX agreeing to the suspension request, it is currently expected that Nuplex Shares will be suspended from quotation on the NZX Main Board and the official list of the ASX from close of trading on 25 July 2016. You will not be able to sell your Nuplex Shares on market after this time.</p>	<p>Not applicable.</p>
<p>What are the tax implications of the Scheme?</p> <p>Tax implications will depend on your specific circumstances. You should seek your own professional tax advice in relation to your personal tax position.</p>	<p>See section 10 for details on the tax implications.</p>

Questions and answers	More information
What is the process for the Special Meeting?	
<p>When and where will the Special Meeting be held?</p> <p>The Special Meeting will be held on 7 July 2016 commencing at 11.00am (unless the Regulatory Conditions are not satisfied prior to this date, in which case the Special Meeting may be adjourned).</p> <p>The Special Meeting will be held at The Theatre at the Waipuna Hotel and Convention Centre, 58 Waipuna Road, Mt Wellington, Auckland, New Zealand.</p>	See section 4 and the Notice of Meeting in Annexure A for details of the Special Meeting.
<p>What are the voting requirements to approve the Scheme?</p> <p>For the Scheme to proceed, the votes cast in favour of the Scheme Resolution must represent:</p> <ul style="list-style-type: none"> • 75% or more of the votes cast²; and • more than 50% of the total number of Nuplex Shares. 	See sections 4 and 7 and the Notice of Meeting in Annexure A for details on the Scheme approval requirements.
<p>Am I entitled to vote at the Special Meeting?</p> <p>If you are registered as a Shareholder at 7.00pm on Tuesday, 5 July 2016 (the Voting Eligibility Date), then you are entitled to attend and vote at the Special Meeting.</p>	See section 4 and the Notice of Meeting in Annexure A for details on your entitlement to vote.
<p>How do I vote if I am not able to attend the Special Meeting?</p> <p>By appointing a proxy to attend and vote on your behalf.</p>	See section 4 and the Notice of Meeting in Annexure A for details on how to vote.
<p>Could the Special Meeting be delayed?</p> <p>Yes. If on the proposed date for the Special Meeting, any of the Regulatory Conditions have not been satisfied or waived, the Special Meeting may be adjourned until a later date.</p>	See section 7.4 for information on the Conditions to the Scheme and the status of the Regulatory Conditions.
<p>When will the result of the Special Meeting be known?</p> <p>Shortly after the meeting finishes. The result will be announced to NZX and ASX once available.</p> <p>Even if the Scheme Resolution is approved by Shareholders, the Scheme will still be subject to approval of the High Court.</p>	Not applicable.
<p>What happens to my Nuplex Shares if I do not vote, or if I vote against the Scheme, and the Scheme is implemented?</p> <p>If the Scheme is implemented, any Nuplex Shares which you hold on the Scheme Record Date (currently expected to be 7.00pm on 27 July 2016) will be transferred to Allnex NZ on the Implementation Date (currently expected to be 2 August 2016).</p> <p>You will receive the Scheme Consideration, even if you did not vote, or voted against the Scheme.</p>	Not applicable.

² By each interest class. See notes 2, 4 and 5 to the Notice of Meeting in Annexure A for more information about what an interest class is.

Questions and answers	More information
<p>Why is my vote important?</p> <p>If you are in favour of the Scheme, it is very important that you cast your vote.</p> <p>The Scheme is an important transaction for Nuplex and as a Shareholder, voting is how you have your say in determining the future of your investment.</p> <p>For the Scheme to be implemented, 75% or more of the votes cast must be in favour and more than 50% of the total number of Nuplex Shares on issue must be voted in favour.</p>	Not applicable.
<p>What do I do if I do not support the Scheme?</p> <p>If you do not support the Scheme:</p> <ul style="list-style-type: none"> • you should attend the Special Meeting, either in person or by proxy, and vote against the Scheme Resolution; and/or • if Shareholders pass the Scheme Resolution at the Special Meeting, you may wish to oppose the approval of the Scheme, by filing and serving a notice of opposition and any other supporting documents by 1.00pm on 14 July 2016 and attending the Final Court Hearing. 	See section 7.8 for details on Shareholder objection rights.
Is there any reason why the Scheme would not proceed?	
<p>What is required for the Scheme to proceed?</p> <p>There are a number of Conditions that will need to be satisfied or waived (where capable of waiver) before the Scheme can become Effective.</p> <p>In summary, these Conditions include:</p> <ul style="list-style-type: none"> • High Court approval; • approval of the Scheme by Shareholders at the Special Meeting; • obtaining relevant regulatory approvals (including anti-trust approval in the European Union); • no Material Adverse Change occurring in relation to Nuplex; and • no Nuplex Prescribed Occurrence occurring (this covers matters such as changes to Nuplex's capital structure or business, insolvency events and various other prescribed events). <p>The High Court also has the power to order that the Scheme is subject to other terms and conditions as it sees fit.</p> <p>Nuplex intends to announce to NZX and ASX the satisfaction of various Regulatory Conditions.</p> <p>If any of the Conditions are not satisfied or waived (where capable of waiver) by 9 November 2016, then the Scheme will not proceed.</p>	See section 7.4 for information on the Conditions to the Scheme and the status of the Regulatory Conditions.
<p>Is there a time limit for the conditions to be satisfied?</p> <p>The Scheme must be implemented by 9 November 2016 (or such later date as Nuplex and Allnex may agree).</p>	Not applicable.
<p>Why do more than 50% of the Nuplex Shares need to vote in favour of the Scheme?</p> <p>This is a requirement of the law governing schemes of arrangement in New Zealand.</p>	See sections 4 and 7 and the Notice of Meeting in Annexure A for details on the Scheme approval requirements.

Questions and answers

More information

What if there is a Competing Proposal?

If a Competing Proposal emerges before the Special Meeting, your Independent Directors will carefully consider it.

Allnex has certain rights to match any Competing Proposal.

If the Independent Directors withdraw, change or qualify their recommendation in relation to the Scheme, Nuplex will be obliged to pay the Break Fee to Allnex.

See section 13 for information on Competing Proposals and Superior Proposals.

What happens if the Scheme does not proceed?

What happens if the Scheme does not proceed?

If the Scheme is not implemented, Scheme Shareholders will not receive NZ\$5.43 cash per share from Allnex NZ.

Instead, Shareholders will retain their Nuplex Shares and, in the absence of another proposal, Nuplex will continue to operate as a stand-alone company listed on the NZX Main Board and ASX.

Shareholders will continue to be subject to the benefits and risks associated with Nuplex's business and other general risks relating to an investment in a publicly listed company.

See section 7.5 for details on what happens if the Scheme does not proceed.

See Nuplex's 2015 Annual Report (available on Nuplex's website at www.nuplex.com/Corporate/investor-center/annual-reports) for information on the risks associated with Nuplex's business.

What costs would Nuplex incur if the Scheme does not proceed?

The transaction costs incurred in relation to the Scheme. They are payable regardless of whether or not the Scheme is implemented.

Depending on the reasons why the Scheme does not proceed, Nuplex may be liable to pay to Allnex the Break Fee.

See section 13 for further information on the Break Fee.

When is the Break Fee payable?

Under the Scheme Implementation Agreement, a Break Fee of NZ\$10.47 million (plus GST, if applicable) must be paid by:

- Nuplex if certain events occur, including if a Director withdraws, changes or qualifies a recommendation to vote in favour of the Scheme or if a Competing Proposal emerges and is completed within 12 months of the date it is announced; or
- Allnex if certain events occur, including if the Scheme Implementation Agreement is terminated because the Anti-trust Condition is not satisfied (subject to limited exceptions).

See section 13 for further information on the Break Fee.

Further information

Where can I get further information?

For further information, you can call 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.

Not applicable.

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B

Detailed information
about the Scheme

6.1 Your Independent Directors recommend that you vote in favour of the Scheme

Your Independent Directors believe that the reasons for you to vote in favour of the Scheme outweigh the reasons to vote against the Scheme, in the absence of a Superior Proposal. The reasons considered by your Independent Directors are set out in sections 6.3 and 6.4.

The Independent Directors comprise of your five non-executive Directors. Nuplex's Managing Director and Chief Executive Officer, who is also a Director of Nuplex, has chosen to abstain from making a recommendation because of his executive role and because of his interest in Nuplex executive incentive plans which will vest if the Scheme proceeds.

All of your Directors who hold or control Nuplex Shares intend to vote all of the Nuplex Shares held or controlled by him or her in favour of the Scheme, in the absence of a Superior Proposal.

6.2 Your vote is very important

For the Scheme to proceed, it is necessary that BOTH of the two voting thresholds are met:

- 75% or more of the votes cast³ must be voted in favour of the Scheme Resolution; and
- more than 50% of the total number of Nuplex Shares must be voted in favour of the Scheme Resolution.

IF YOU ARE IN FAVOUR OF THE SCHEME, IT IS VERY IMPORTANT THAT YOU CAST YOUR VOTE.

The applicable voting thresholds are discussed in section 7.3 a).

6.3 Reasons to vote in favour of the Scheme

a) Your Independent Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal

Your Independent Directors unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Scheme Resolution required to implement the Scheme, at the Special Meeting to be held on 7 July 2016.

In reaching their recommendation to vote in favour of the Scheme, your Independent Directors have considered the merits of the Scheme, the outlook for Nuplex's businesses and broader market conditions.

All Directors that hold or control Nuplex Shares intend to vote all of the Nuplex Shares held or controlled by him or her in favour of the Scheme, in the absence of a Superior Proposal. The interests of your Directors are set out in sections 12.5 and 12.12.

b) NZ\$5.43 is within the Independent Adviser's valuation range of NZ\$5.36 to NZ\$5.86 per Nuplex Share

Grant Samuel & Associates Limited has been appointed as the Independent Adviser to prepare an Independent Adviser's Report on the merits of the Scheme.

The Independent Adviser has assessed the full underlying value of Nuplex (including a premium for control) to be in the range of NZ\$5.36 to NZ\$5.86 per Nuplex Share. The Scheme Consideration of NZ\$5.43 cash per Nuplex Share is within this range.

c) The Scheme provides an opportunity for Shareholders to realise some of the future value of their Nuplex Shares now

Your Independent Directors consider that the underlying performance and overall outlook for Nuplex remain strong and that Nuplex has growth prospects, including the current growth initiatives in Asia and innovation activities in research and development. Nevertheless, these initiatives will take time to implement fully and carry execution risks, some of which are outside Nuplex's control. Given this, your Independent Directors recognise that the Scheme Consideration of 100% cash gives Shareholders the opportunity to realise some of this future value now.

If the Scheme does not proceed, the amount which you will be able to realise for your investment in Nuplex by selling Shares on market or by receiving dividends, will be uncertain. You will continue to be subject to the benefits and risks associated with Nuplex's business and other general benefits and risks relating to any investment in a publicly listed company.

³ By each interest class. See notes 2, 4 and 5 to the Notice of Meeting in Annexure A for more information about what an interest class is.

Among other things, these benefits and risks include the performance of Nuplex's business, general economic conditions and movements in the share market. The Scheme will remove this uncertainty for you by providing you with cash.

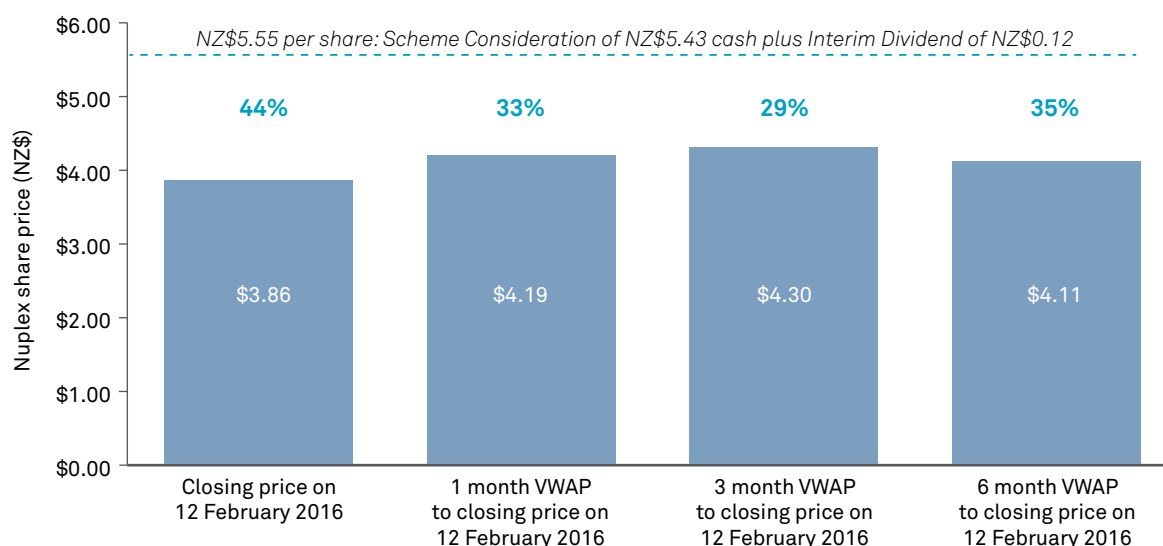
- d) The Scheme Consideration of NZ\$5.43 cash per share plus the Interim Dividend of NZ\$0.12 per share (totalling NZ\$5.55) represents a significant premium over the NZ\$3.86 closing price of Nuplex Shares on NZX Main Board on the Business Day prior to the announcement of Allnex's proposal

The Scheme Consideration of NZ\$5.43 cash per share plus the Interim Dividend (totalling NZ\$5.55) represents a significant premium to Nuplex's

trading prices prior to the announcement of Allnex's proposal on 15 February 2016, including a:

- 44% premium to Nuplex's closing price on the NZX Main Board on 12 February 2016, the last trading day prior to the announcement of Allnex's original proposal;
- 33% premium to Nuplex's 1 month volume weighted average price (to the closing price on the NZX Main Board on 12 February 2016);
- 29% premium to Nuplex's 3 month volume weighted average price (to the closing price on the NZX Main Board on 12 February 2016); and
- 35% premium to Nuplex's 6 month volume weighted average price (to the closing price on the NZX Main Board on 12 February 2016).

NZ\$5.55 compared to closing price on 12 February 2016 and 1, 3 and 6 month VWAP



Note:

1. VWAP means volume weighted average price.

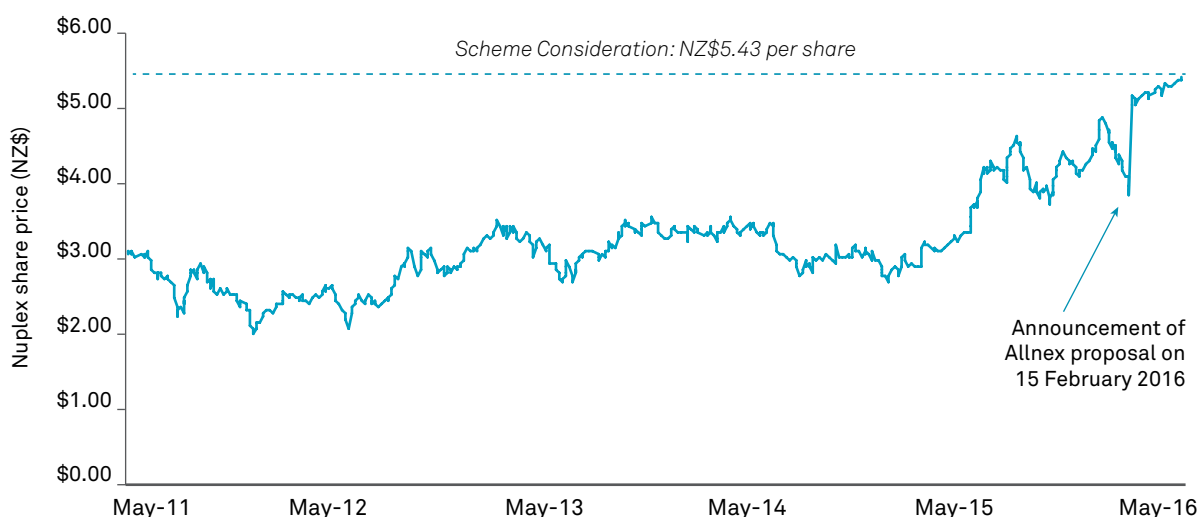
- e) Nuplex's Shares have not traded above the Scheme Consideration of NZ\$5.43 cash per share in more than five years

The Scheme Consideration of NZ\$5.43 cash per share is higher than the level at which Nuplex Shares have traded over the last five years. During the five year period between 12 February 2011 until the announcement of Allnex's proposal on 15 February 2016, the closing price of Nuplex Shares ranged between a low price on the NZX Main Board of NZ\$2.12 per share on 20 December 2011, and a high price of NZ\$4.86 per share on 29 December 2015.

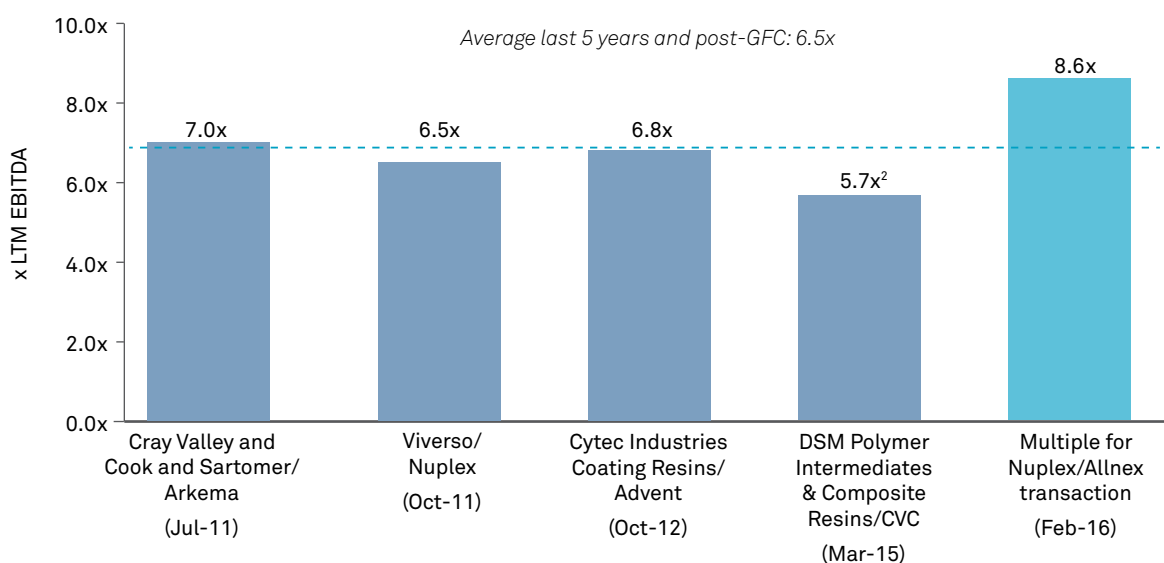
- f) The combined value of the Scheme Consideration of NZ\$5.43 cash plus the Interim Dividend of NZ\$0.12 per share values Nuplex's earnings favourably when compared with other comparable transactions

The Scheme Consideration of NZ\$5.43 cash per Scheme Share plus the Interim Dividend implies an EV/EBITDA⁴ for the last 12 months to 31 December 2015 of 8.6x. This compares favourably to the average of precedent comparable transaction multiples in the last five years (which also reflects a period post the global financial crisis) of 6.5x the last 12 months EBITDA, which are shown below.

Nuplex's share price performance for the last five years



Precedent comparable transaction multiples and implied Nuplex multiple



Notes:

1. Transaction multiples based on the relevant last 12 months (LTM) EBITDA at the time of each transaction.
2. The DSM Polymer Intermediates and Composite Resins / CVC multiple excludes the amount of the earn-out announced as part of this transaction.
3. Allnex and Advent have advised that the Cytec Industries Coating Resins / Advent transaction had an EV/EBITDA multiple of 5.9x. As parties to that transaction, Allnex and Advent are well placed to know the correct multiple and have provided detailed data to confirm the LTM multiple of 5.9x EBITDA.

⁴ Enterprise Value divided by EBITDA.

Note that these transactions relate to different companies, geographies and circumstances which may not be directly comparable to the Scheme or to Nuplex. Therefore, the multiples listed above may not be directly comparable or useful to your decision on whether to vote in favour of the Scheme. You should contact your broker or legal, financial, taxation or other professional adviser if you have any questions in relation to these multiples.

g) The price at which Nuplex Shares trade may fall if the Scheme is not implemented and no Superior Proposal emerges

Your Independent Directors are unable to predict the price at which Nuplex Shares will trade in the future, but believe that if the Scheme is not implemented, and in the absence of a Superior Proposal, the price at which your Nuplex Shares trade may fall.

The closing market price of Nuplex Shares on the NZX Main Board on 12 February 2016, the last trading day prior to the announcement of Allnex's proposal, was NZ\$3.86. Since market close on 12 February 2016, Nuplex's share price has increased 39%, up to NZ\$5.36 on 9 June 2016, being the last practicable date before the date of this Scheme Booklet.

In addition, the future trading price of Nuplex Shares will continue to be subject to any market volatility versus the certainty of value of the cash payment of the Scheme Consideration of NZ\$5.43 cash for each Scheme Share under the Scheme.

h) No Superior Proposal has emerged since the Transaction was announced

Since the announcement of Allnex's proposal to the NZX Main Board and ASX by Nuplex on 15 February 2016, there has been a significant period of time and ample opportunity for a Superior Proposal to emerge. Since 15 February 2016, and up to the date of this Scheme Booklet, no Superior Proposal has emerged and your Directors are not aware of any Superior Proposal that is likely to emerge.

i) No brokerage costs will be charged on the transfer of your Nuplex Shares to Allnex NZ if the Scheme proceeds

This is in contrast to selling your Nuplex Shares on the NZX Main Board or ASX where you may incur brokerage charges.

6.4 Reasons you may not vote in favour of the Scheme

a) You may consider that the Scheme is not in your best interests and disagree with your Independent Directors' unanimous recommendation or the Independent Adviser's valuation range

Despite the view of your Independent Directors and the valuation range provided by the Independent Adviser, you may believe that the Scheme is not in the best interests of Shareholders or not in your individual interests.

b) You may consider that there is a possibility that a Superior Proposal could emerge

However, note that your Independent Directors have no basis to believe an alternative proposal will be received, given that:

- no Superior Proposal has emerged since the announcement of Allnex's proposal on 15 February 2016; and
- the Directors have not received any approaches since the announcement of Allnex's proposal on 15 February 2016.

c) You may wish to maintain an investment in a publicly listed company with the specific characteristics of Nuplex in terms of industry, operations, profile, size, capital structure and potential dividend stream

If the Scheme is approved and implemented, you will cease to be a Shareholder. As such, you will no longer be able to participate in Nuplex's future financial performance or the future prospects of its ongoing business, further details of which are set out in section 8. However, there is no guarantee as to Nuplex's future performance, as with all investments in listed securities.

d) You may consider that Nuplex has greater value over the longer term than you will receive under the Scheme

If the Scheme is approved and implemented, it is expected to complete by 2 August 2016. This timeframe may not be consistent with your investment objectives and you may consider that your Nuplex Shares have greater value over the longer term.

You may consider that Nuplex has stronger long term growth potential and that the Scheme Consideration does not fully reflect your views on long term value. You may therefore prefer to retain your listed Nuplex Shares and realise the value of your Nuplex Shares over the longer term.

e) The tax implications of the Scheme may not suit your current financial position

If the Scheme is approved and implemented, it will potentially result in tax implications (and potentially for Australian Shareholders', including capital gains tax) for you, which may arise earlier than may otherwise have been the case.

You should read the general summary tax implications in section 10.

f) You may consider that the Scheme is subject to conditions that you consider unacceptable

The Scheme is subject to a number of Conditions, including Shareholder approval and High Court approval and also on no Material Adverse Change or no Nuplex Prescribed Occurrence occurring.

All of the Conditions and their status as at 9 June 2016, being the last practicable date before the date of this Scheme Booklet, are summarised in section 7.4.

If these Conditions are not satisfied or waived (where capable of waiver), by the End Date, 9 November 2016 the Scheme will not proceed (even if it has been approved by Shareholders) and you will not receive the Scheme Consideration as contemplated by the Scheme.

You may consider the uncertainty created by the Conditions to be unacceptable. Nuplex intends to announce on the NZX and ASX the satisfaction or waiver of the Regulatory Conditions as they occur.

6.5 Additional matters for you to consider

a) You may sell your Nuplex Shares on the NZX Main Board or ASX at any time prior to suspension of Nuplex Shares from trading

You should take into account that you may be able to sell your Nuplex Shares on the NZX Main Board or ASX at any time prior to the close of trading on the date which is two Business Days before the Scheme Record Date if you do not wish to hold them and participate in the Scheme. However, you should note that you may not receive consideration equivalent to the Scheme Consideration of NZ\$5.43 cash per share, and may incur brokerage charges on the sale. You should seek your own independent professional advice to determine if your individual financial or taxation circumstances may make it preferable for you to do so.

b) The Scheme may be implemented even if you do not vote at the Special Meeting or you vote against the Scheme

Regardless of whether you vote for or against the Scheme, abstain or do not vote at all, the Scheme may still be implemented if it is approved by the requisite majorities of Shareholders, the High Court's approval is obtained and the other Conditions are satisfied or waived (if capable of waiver). If this occurs, your Nuplex Shares will be transferred to Allnex NZ and you will receive the Scheme Consideration.

c) There are implications to consider if the Scheme is not approved

If the Scheme is not approved by the requisite majorities of Shareholders at the Special Meeting, or by the High Court at the Final Court Hearing, or the other Conditions are not satisfied or waived (if capable of waiver):

- you will not receive the Scheme Consideration;
- your Nuplex Shares will not be transferred to Allnex NZ (they will be retained by you);
- Nuplex will continue to operate as a stand-alone entity;
- you will continue to be exposed to the benefits and risks associated with an investment in Nuplex and other general benefits and risks relating to any investment in a publicly listed company; and
- in the absence of a Superior Proposal, the Nuplex share price may fall.

Transaction costs will have been incurred, or will be committed, by Nuplex in relation to the Scheme. Those transaction costs have either already been paid, or will be payable, by Nuplex regardless of whether or not the Scheme is implemented. If the Scheme does proceed, additional costs will be incurred.

d) A Break Fee may be payable in some circumstances

Depending on the reasons why the Scheme does not proceed, either Nuplex or Allnex may be liable to pay the Break Fee to the other party.

Information on the Break Fee is set out in section 13.7.

e) If regulatory approvals are significantly delayed, supplementary information from the Independent Adviser may be provided

This Scheme Booklet has been sent because Allnex expects to have received all regulatory approvals by the date of the Special Meeting.

If there is a delay in the receipt of these approvals, the Special Meeting of Shareholders may be adjourned to a later date. If the Special Meeting is adjourned, an updated Independent Adviser's Report may need to be issued to Shareholders. This will ensure you are in possession of the latest information regarding the value of Nuplex.

Depending on the length of time that passes between the adjourned meeting and the new meeting date, the Independent Adviser's valuation range may increase or decrease depending on a number of factors. These include the accumulation of profits, foreign exchange rates and general economic and stock market conditions.

7.1 Scheme Consideration

If the Scheme is implemented, Shareholders will receive NZ\$5.43 in cash from Allnex NZ for every Nuplex Share held as at the Scheme Record Date.

Payments will generally be made by electronic transfer into your nominated bank account as set out on the Currency Election Form enclosed with the Scheme Booklet.

If:

- you wish to change your bank account details from those printed details set out on the Currency Election Form; or
- no bank account details are printed on the Currency Election Form and you wish to be paid by electronic transfer,

please advise Computershare of your bank account details by completing the Currency Election Form.

Your bank account must be denominated in the currency which you wish to receive the Scheme Consideration in. If you provide details of a bank account denominated in a currency which is different from the currency which you have elected, you will be paid by cheque in the currency which you have elected.

Completed forms must be returned to Computershare prior to 7.00pm (New Zealand time) on the Scheme Record Date, expected to be 27 July 2016.

If you have not nominated a bank account by returning the Currency Election Form (or if Nuplex in its discretion elects to make payment by cheque), payment will be made by cheque.

Payment of the Scheme Consideration will be made on the Implementation Date, currently expected to be in early August 2016 (subject to the timing of satisfying the Regulatory Conditions).

7.2 Currency and method of payment

The Scheme Consideration will be paid in NZ\$ unless you:

- elect to be paid in A\$ by completing the Currency Election Form and returning it to Computershare; or
- were paid the Interim Dividend in A\$, in which case you will be paid the Scheme Consideration in A\$, unless you elect to be paid in NZ\$ by completing the Currency Election Form and returning it to Computershare.

If you elect to be paid in A\$, the consideration payable to you will be converted from NZ\$ into A\$ at the average exchange rate for buying A\$ with NZ\$ as quoted to Computershare by reputable financial institutions before 2.00pm (New Zealand time) on the Implementation Date.

If you were not paid the Interim Dividend in A\$ and you would like the Scheme Consideration to be paid to you in A\$, you will need to notify Computershare (by completing the Currency Election Form) that you wish to be paid in A\$ prior to 7.00 pm (New Zealand time) on the Scheme Record Date, expected to be 27 July 2016. You must also notify Computershare of your CSN number and, if your Currency Election Form is not printed with A\$ denominated bank account details, your A\$ bank account details in order for payment of the Scheme Consideration to be made by electronic transfer. If you elect to be paid in A\$ and Computershare does not have your A\$ bank account details, payment will be made by A\$ cheque.

If you were paid the Interim Dividend in A\$ but wish to receive the Scheme Consideration in NZ\$, you will need to notify Computershare (by completing the Currency Election Form) that you wish to be paid in NZ\$ prior to 7.00 pm (New Zealand time) on the Scheme Record Date, expected to be 27 July 2016.

You must also notify Computershare of your CSN number and, if your Currency Election Form is not printed with NZ\$ denominated bank account details, your NZ\$ bank account details in order for payment of the Scheme Consideration to be made by electronic transfer. If you elect to be paid in NZ\$ and Computershare does not have your NZ\$ bank account details, payment will be made by NZ\$ cheque.

Your completed and signed Currency Election Form can be sent to Computershare in the reply paid envelope enclosed with this Scheme Booklet:

- by email: nuplex@computershare.co.nz
- by mail: by sending to:
Computershare Investor
Services Limited
Private Bag 92119
Auckland 1142
New Zealand
- by fax: +64 9 488 8787
- in person: by delivering it to:
Computershare Investor
Services Limited
Level 2, 159 Hurstmere Road
Takapuna, Auckland
New Zealand.

If a Shareholder does not have a registered address, or Nuplex considers the Shareholder is not known at its registered address and no bank account has been nominated, payment due to the Shareholder will be held by Nuplex until claimed or applied under Nuplex's constitution and the relevant laws dealing with unclaimed money.

7.3 Key steps in the Scheme

The Scheme is to be implemented by way of a scheme of arrangement under Part 15 of the Companies Act. The key steps in the process to implement the Scheme are summarised briefly below.

a) Shareholder approval requirements

The Scheme will only be implemented if:

- the Scheme Resolution is approved by the requisite majorities of Shareholders at the Special Meeting;
- it is approved by the High Court at the Final Court Hearing; and
- the Conditions are satisfied or waived (if capable of waiver).

Approval by Shareholders at the Special Meeting requires:

- the votes cast in favour of the Scheme Resolution to represent 75% or more of the votes cast by each interest class of Shareholders; and
- the votes cast in favour of the Scheme Resolution to represent more than 50% of the total Nuplex Shares (being the total eligible voting rights in Nuplex).

Each of these voting thresholds must be met for the Scheme Resolution to be approved.

As at the date of this Scheme Booklet, all Shareholders currently form part of a single interest class. Shareholders whose rights are so dissimilar that they cannot sensibly consult together about a common interest will form a separate interest class for the purposes of voting on the Scheme Resolution.

If Allnex NZ and any of its Associates own Nuplex Shares at the Voting Eligibility Date, then they will form a separate interest class. Allnex and Allnex NZ have undertaken to the Takeovers Panel that if they own Nuplex Shares at the Voting Eligibility Date, then they will ensure that the voting rights attaching to those shares are voted in favour of the Scheme Resolution.

If on the proposed date for the Special Meeting, any of the Regulatory Conditions have not been

satisfied or waived, the Special Meeting may be adjourned until any remaining Regulatory Conditions have been satisfied or waived.

In the event that the Scheme Resolution is approved by the requisite majorities of Shareholders at the Special Meeting, then Nuplex will apply to the High Court for orders approving the Scheme.

b) Takeovers Panel “no objection statement”

Under the Companies Act, Nuplex may request a statement from the Takeovers Panel indicating that the Takeovers Panel has no objection to the High Court making orders to approve the Scheme. This is commonly referred to as a “no objection statement”.

Nuplex has applied for a “no objection statement” from the Takeovers Panel. However, the Takeovers Panel does not issue “no objection statements” until just before documents are filed for the Final Court Hearing in respect of the Scheme. This will not take place until after the Special Meeting.

In the meantime, Nuplex requested from, and has been granted by, the Takeovers Panel a preliminary statement (called a “letter of intention”), which was presented to the High Court on the Initial Court Date.

The Takeovers Panel has indicated in its “letter of intention” that, on the basis of the documents and information provided to it, it is minded to issue a final “no objection statement” on or before the Final Orders Date.

If it gives a “no objection statement”, the Takeovers Panel will not be commenting on the merits of the Scheme. Rather the Takeovers Panel's primary question is to consider whether Shareholders will be adversely affected by the transaction being implemented by way of a scheme of arrangement under the Companies Act, rather than by a takeover offer under the Takeovers Code.

The Takeovers Panel does not consider the fact that a transaction is being effected by the use of a scheme rather than a takeover as an adverse effect in itself. The Takeovers Panel's role is to ensure that appropriate information is put before shareholders and interest classes of shareholders are adequately identified.

Even when a “no objection statement” is granted by the Takeovers Panel, the High Court still has a discretion whether or not to approve the Scheme.

c) Final Court Hearing

At the Final Orders Date, the High Court will consider whether to make orders approving the Scheme. The High Court will consider whether:

- there has been compliance with the relevant procedural rules, the relevant legislation and the orders made at the Initial Court hearing which took place on 10 June 2016 (including in relation to the Special Meeting);
- the Scheme has been fairly put to Shareholders, including whether the Scheme Booklet puts the information reasonably necessary to enable each class of Shareholders to judge and vote on the Scheme;
- Shareholders in each class are fairly represented by those Shareholders who vote on the Scheme; and
- whether the Scheme is such that it might reasonably be approved by an intelligent and honest business person acting in respect of his or her own interest.

If the High Court approves the Scheme, and all other Conditions have been satisfied or waived (where capable of waiver), the Scheme will be implemented.

Each Shareholder has the right to appear at the Final Court Hearing (see section 7.8).

d) Scheme Record Date

Those Shareholders on the Register on the Scheme Record Date will be entitled to receive the Scheme Consideration in respect of the Nuplex Shares they hold as at the Scheme Record Date. The Scheme Record Date is expected to be 7.00pm on 27 July 2016.

i) Dealings on or prior to the Scheme Record Date

For the purpose of determining which Shareholders are eligible to participate in the Scheme, dealings in Nuplex Shares will be recognised only if:

- in the case of dealings of the type to be effected through NZX's clearing and settlement system and CHESS on ASX, the transferee is registered on the Register as the holder of the relevant Nuplex Shares as at 7.00pm on the Scheme Record Date; or
- in all other cases, registrable transmission applications or transfers in respect of those dealings or valid requests in respect of other alterations are received by Computershare on or before the Scheme Record Date.

For the purposes of determining entitlements under the Scheme, Nuplex will not accept for registration or recognise any transmission applications or transfers in respect of Nuplex Shares received after the Scheme Record Date. Nuplex intends to apply to NZX and ASX for Nuplex Shares to be suspended from official quotation on the NZX Main Board and the ASX from close of trading on the date which is two Business Days before the Scheme Record Date. This is expected to be 25 July 2016.

ii) Dealings after the Scheme Record Date

For the purpose of determining entitlements to the Scheme Consideration, Nuplex must maintain the Register in its form as at the Scheme Record Date until the Scheme Consideration has been paid to the Scheme Shareholders. The Register in this form will solely determine entitlements to the Scheme Consideration.

After the Scheme Record Date, each entry of a Shareholder on the Register (other than entries on the Register in respect of Allnex NZ) will cease to have effect, except as evidence of entitlement to the Scheme Consideration in respect of the Nuplex Shares relating to that entry.

e) Implementation Date

This is the day Shareholders will be paid for their Shares. The Implementation Date is the fourth Business Day after the Scheme Record Date.

By 4.00pm on the Business Day before the Implementation Date, Allnex NZ must pay into a trust account operated by Computershare the aggregate Scheme Consideration payable to Scheme Shareholders.

On the Implementation Date which is currently expected to be in early August 2016 (subject to the timing of satisfying the Regulatory Conditions), the Scheme Shares will be transferred to Allnex NZ without Scheme Shareholders needing to take any further action.

Immediately after the Scheme Shares are transferred to Allnex NZ, Computershare will pay from the trust account, on behalf of Allnex NZ, the Scheme Consideration received from Allnex NZ, to Scheme Shareholders.

f) Deed Poll

Allnex NZ and Allnex have executed the Deed Poll pursuant to which:

- Allnex NZ has undertaken in favour of each Scheme Shareholder to provide each Scheme Shareholder with the Scheme Consideration to which they are entitled under the Scheme, subject to the Scheme becoming Effective; and
- Allnex has undertaken in favour of each Scheme Shareholder to guarantee the performance of the obligations of Allnex NZ described above.

A copy of the Deed Poll is set out in Annexure D.

7.4 Conditions**a) Overview**

The Scheme is subject to certain Conditions being satisfied or, if capable of waiver, waived (in addition to obtaining approval of Shareholders and the High Court). These Conditions include:

- obtaining relevant regulatory approvals (including approvals required from the OIO, the FIRB and any required anti-trust approvals (including the Ministry of Commerce, People's Republic of China));
- no Material Adverse Change occurring in relation to Nuplex; and
- no Nuplex Prescribed Occurrence occurring (this covers matters such as changes to Nuplex's capital structure or business, insolvency events and various other prescribed events).

These Conditions and the other Conditions the Scheme is subject to, are described in more detail in section 13.2.

The High Court also has the power to make such other conditions to the Scheme as it sees fit.

b) Status of regulatory conditions

As at 9 June 2016, being the latest practicable date before the date of the Scheme Booklet, the following regulatory approvals have been obtained:

- on 4 May 2016, Nuplex announced that the anti-trust regulatory review process in the United States of America had been successfully concluded;
- on 16 May 2016, Nuplex announced that the Ministry of Commerce of the People's Republic of China had unconditionally approved the anti-trust filing in relation to the Scheme;

- on 23 May 2016, Nuplex announced that the Scheme had received clearance from the Federal Antimonopoly Service of the Russian Federation;
- on 27 May 2016, Nuplex announced that FIRB has no objections to the proposed acquisition of Nuplex by Allnex NZ; and
- on 9 June, the OIO granted consent to Allnex NZ acquiring 100% of the issued share capital of Nuplex.

As at 9 June 2016, being the latest practicable date before the date of the Scheme Booklet, anti-trust approval in the European Union is still to be obtained. Nuplex intends to announce to the NZX and ASX the satisfaction or waiver of the Regulatory Conditions as they occur.

7.5 If the Scheme is not implemented

If the Scheme does not proceed, Shareholders will continue to hold their Nuplex Shares.

Nuplex will continue as a stand-alone entity listed on the NZX Main Board and ASX. Shareholders will continue to be subject to the benefits and risks associated with Nuplex's business and other general risks relating to any investment in a publicly listed company.

In the absence of an alternative proposal which is similar or superior to the Scheme, it is likely that the price at which Nuplex Shares trade may fall.

Depending on the reasons why the Scheme does not proceed, Nuplex may either be liable to pay the Break Fee or receive the Break Fee.

Information on the Break Fee is set out in section 13.7.

Prior to the Special Meeting, transaction costs will have been incurred, or will be committed, by Nuplex in relation to the Scheme. Those transaction costs have either already been paid, or will be payable, by Nuplex regardless of whether or not the Scheme is implemented. If the Scheme does proceed, additional costs will be incurred.

7.6 Warranties by Shareholders

The Scheme provides that each Scheme Shareholder is taken to have warranted to Allnex NZ on the Implementation Date that all their Nuplex Shares (including any rights and entitlements attaching to those shares) which are transferred under the Scheme will, at the time of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests

(including any “security interests” within the meaning of section 17(1)(a) of the Personal Property Securities Act 1999) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Nuplex Shares to Allnex NZ together with any rights and entitlements attaching to those shares.

7.7 Delisting of Nuplex

If the Scheme is implemented, on a date to be determined by Allnex, Nuplex will apply:

- for termination of the official quotation of Nuplex Shares on the NZX Main Board and ASX; and
- to be removed from the NZX Main Board and the official list of the ASX from close of trading on the Implementation Date.

7.8 Shareholder objection rights

If you do not support the Scheme, you can vote against the Scheme Resolution at the Special Meeting.

In addition, if you are a Shareholder, you may appear and be heard at the application for Final Court Orders, which is expected to occur at 10.00am on 21 July 2016 at the Auckland Registry of the High Court. To do so, you must file a notice of appearance or a notice of opposition (in either case containing an address for service), and any affidavits or memoranda of submissions on which you intend to rely by 1.00pm on 14 July 2016, and serve a copy on Nuplex at Level 3, Millennium Centre, 602C Great South Road, Ellerslie, Auckland 1051, New Zealand or email Nuplex.InvestorRelations@Nuplex.com. If you do this, Nuplex will serve you, at your address for service, a copy of all documents filed in support of the application for Final Court Orders by 1.00pm on 19 July 2016.

Any creditor of Nuplex, and any other person claiming to have a proper interest in the Scheme, who wishes to appear and be heard on the application for Final Court Orders must file an application for leave to be heard, and a notice of opposition (both containing an address for service), any affidavits, and a memorandum of submissions upon which such person intends to rely, by 1.00pm on 14 July 2016 and serve a copy on Nuplex at Level 3, Millennium Centre, 602C Great South Road, Ellerslie, Auckland 1051, New Zealand or email Nuplex.InvestorRelations@Nuplex.com. If you do this, Nuplex will serve upon that person, at their address for service, a copy of the affidavits

in support of the application for Final Court Orders by 1.00pm on 19 July 2016.

If the application for Scheme approval is opposed, oppositions will be heard by the High Court at 10.00am on 21 July 2016, or such later date as the High Court directs.

You may only appear and be heard at the hearing of the application for Final Court Orders if you are:

- a Shareholder who files a notice of appearance or a notice of opposition to the application for Final Court Orders within the required timeframes (set out above); or
- a creditor, other relevant Nuplex equity security holder or any other person who claims to have an interest in the Scheme who files an application for leave to be heard and a notice of opposition to the application for Final Court Orders within the required timeframes (set out above), and who is subsequently granted leave to appear and be heard at the hearing of the application for Final Court Orders.

In addition, the Takeovers Panel may consider an objection by a Shareholder or other interested party to the Scheme when determining whether to provide its “no objection statement”. Written complaints can also be submitted directly to the Takeovers Panel (whether or not a “no objection statement” is granted) by email (takeovers.panel@takeovers.govt.nz).

There are no other dissent or buy-out rights for Shareholders who do not support the Scheme.

If you do not want to participate in the Scheme, you are free to sell your Nuplex Shares at any time before close of trading on NZX Main Board or ASX on the date which is two Business Days before the Scheme Record Date. The then prevailing market price may vary from the Scheme Consideration.

8.1 Introduction

Nuplex is a leading global manufacturer of resins used in paints, coatings and structural materials. Nuplex has an integrated sales, manufacturing and research and development (R&D) network located across New Zealand, Australia, Asia, Europe and North America.

Specialising in the development and manufacture of innovative resins used in decorative, industrial, automotive and protective coatings, Nuplex has a track record for consistently delivering high-quality and market leading technical and customer service.

Founded in 1952 in Auckland, New Zealand, today Nuplex has 15 manufacturing sites located across the world, employs 1,800 people and sells its products in over 100 countries.

Nuplex listed on the NZX Main Board on 2 February 1967 and on the ASX on 24 November 1999.

8.2 Business overview

Globally, Nuplex specialises in the development and manufacture of innovative resins used in the formulation of surface coatings. Over 85% of Nuplex's technology and product portfolio is focused on higher-margin resins used in performance and industrial coatings.

In Australia and New Zealand, Nuplex is also the leading producer of resins for composites materials.

a) Coating resins

Coating resins are a key ingredient in the formulation of surface coatings. They determine the performance, appearance and durability of Nuplex customers' products. These products include protective coatings for cars, construction equipment, building materials, infrastructure, and household paint for walls and joinery. Nuplex's resins are also found in coatings used on white goods, wooden furniture, and flooring, as well as in textiles and adhesives.

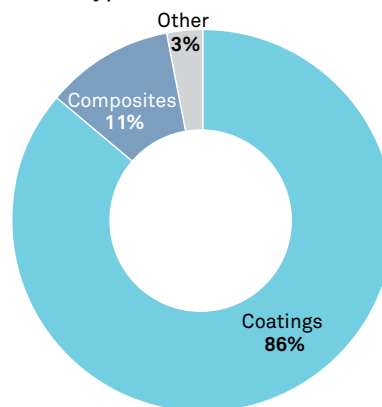
Nuplex is a global leader in rheology control technology for performance and industrial coating resins, particularly for Automotive Original Equipment Manufacturing (OEM), Vehicle Re-finish, Wood, and Protective coatings.

b) Composites and other resins

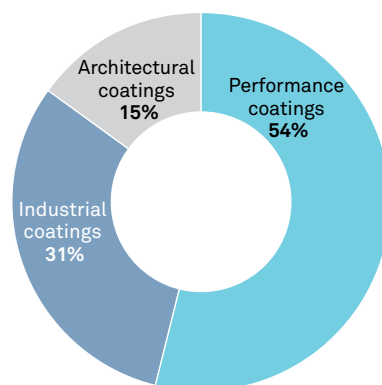
In Australia and New Zealand, Nuplex is the leading manufacturer of composites resins used in the formulation of fibreglass and also in marine and leisure craft, building materials and general manufacturing. Nuplex also manufactures self-levelling commercial flooring used in residential, commercial and industrial building and construction.

Sales from continuing operations – 2015 financial year

Resin types



Coating resins end use groupings



8.3 Research and development

Nuplex's commitment to R&D activities enables the delivery of innovative technologies and new products that improve performance, increase productivity and deliver more sustainable solutions for customers. Leveraging the strengths of its technology and expertise, Nuplex's R&D activities focus on the Automotive OEM and high-end metal market segments as well as waterborne applications (for Performance coatings) and rheology (flow control) products.

At the centre of Nuplex's global R&D network is the Innovation Centre, located on campus at the Wageningen University in The Netherlands. This facility is dedicated to researching new chemistries, materials and chemical reactions as well as the physics of materials and processes.

Research and development is also performed in the R&D centres. By having one in each region, Nuplex is able to offer products that meet the requirements demanded by local conditions. The Innovation Centre and the regional R&D centres are supported by the technical centres. These are located alongside the manufacturing operations of every site within the Nuplex Group.

Recently, Nuplex launched its breakthrough technology, Acure™. Launched in April 2015, this new, non-iscocyanate, two-package coating technology provides unrivalled control over drying speed and pot-life and has been positively received by customers. Nuplex estimates the global market opportunity for Acure™ to be between US\$1 billion and US\$2 billion, and by the end of the 2020 financial year, Nuplex is aiming to have between 5% and 10% of this market.

8.4 Geographical overview

Nuplex's manufacturing operations are classified across four geographic regions.

a) EMEA (Europe, Middle East and Africa) operations

Headquartered at Nuplex's largest site in Bergen op Zoom in The Netherlands, Nuplex EMEA is Nuplex's largest region with manufacturing sites also located in Germany, the United Kingdom and Russia. Home to the Innovation Centre also located in The Netherlands, Nuplex EMEA has sales offices and agents located throughout Europe.

As a leading supplier of industrial coating resins, Nuplex EMEA has market leading positions in Automotive OEM and Vehicle Re-finish resins,

as well as resins used in infrastructure, transport and building and construction coatings.

In the 2015 financial year, Nuplex EMEA represented 43% of Group sales and 45% of Nuplex Group EBITDA (from continuing operations).

b) Asia operations

Nuplex has the most extensive independent coating resins manufacturing network in Asia with three manufacturing sites in China as well as sites in Indonesia, Malaysia, Thailand, and Vietnam. These operations are supported by a regional sales network which includes an office in India. Through the R&D centre located on Nuplex's China site in Suzhou, customers in the region benefit from Nuplex's commitment to developing innovative products tailored to meet their needs.

Within the region, Nuplex holds leading positions in Automotive OEM and Vehicle Re-finish resins, as well as metal and wood coating resins. Nuplex also has a leading position in the solvent borne architectural market.

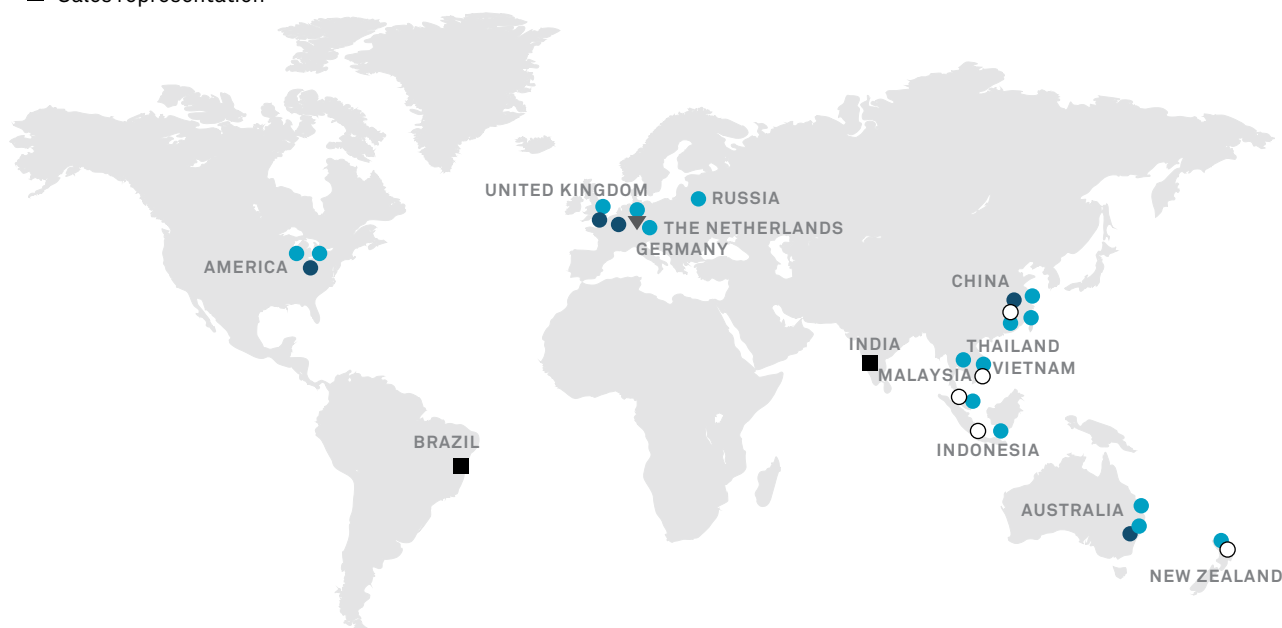
In the 2015 financial year, Nuplex Asia represented 23% of Group sales and 28% of Nuplex Group EBITDA (from continuing operations).

Nuplex's global footprint

Global strength, local expertise

12 countries, 15 manufacturing sites

- Manufacturing sites
- R&D centres
- ▼ Innovation centre
- R&D technical centres
- Sales representation



c) Americas operations

Nuplex Americas is a key contact point for a number of Nuplex's global multinational customers. Headquartered in Louisville, Kentucky, the integrated site is also the location of the Americas R&D Centre. A second manufacturing site is located in East St Louis, Illinois.

As a leading supplier of resins for the performance coatings market, Nuplex Americas provides resins to the Vehicle Re-finish and other high performance metal and Protective coatings markets as well as resins for the Floor coatings market.

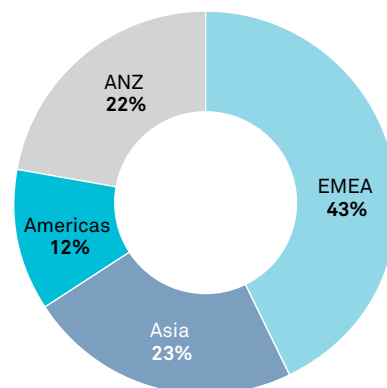
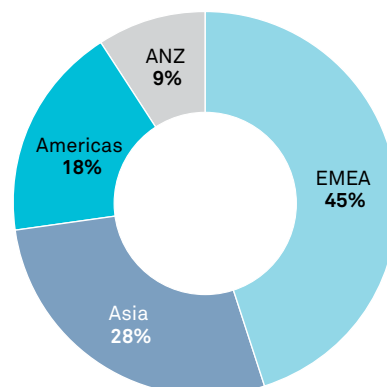
In the 2015 financial year, Nuplex Americas represented 12% of Group sales and 18% of Group EBITDA (from continuing operations).

d) ANZ (Australia & New Zealand) operations

Nuplex ANZ has two Australian manufacturing sites, one in Botany, New South Wales and one in Wacol, Queensland. Nuplex ANZ also has a manufacturing site in Penrose, Auckland, New Zealand. These sites are supported by a regional sales network and a R&D Centre located onsite at Botany. Also within the region is Nuplex's registered office, located in Ellerslie, Auckland, New Zealand, and the corporate office, located in Sydney, Australia.

In Coating Resins, Nuplex ANZ is one of two major local manufacturers of resins. In Composites, Nuplex ANZ is the leader in this market and is the only significant local manufacturer.

In the 2015 financial year, Nuplex ANZ represented 22% of Nuplex Group sales and 9% of Nuplex Group EBITDA (from continuing operations).

Sales and EBITDA from continuing operations – 2015 financial year**Regional sales (%)****Regional EBITDA (%)**

8.5 Nuplex Board and senior management

a) Nuplex Board

The Nuplex Board comprises:

Peter Springford

Independent Non-Executive Chairman of the Board

Peter joined the Nuplex Board in 2009 and became Chairman in December 2013. Peter is a member of the Human Resources, Safety, Health & Environment, Audit and Nominations Committees.

Peter has extensive experience in managing companies in Australia, New Zealand and Asia. For five years, Peter was the Hong Kong-based President of IP Asia, a subsidiary of major US-listed forestry company, International Paper.

On returning to New Zealand in 2002, Peter was Chief Executive Officer of listed forest products company, Carter Holt Harvey (CHH). Following the acquisition of CHH by Rank Group in 2006, Peter co-invested with CVC Capital Partners, an international private equity firm, in the purchase of CHH's Chinese panels business. He has also chaired, co-invested and successfully sold for CVC, two other Asia-based businesses, one of which was listed on the Hong Kong Stock Exchange. He has since invested in and is involved in the running of two entrepreneurial New Zealand-based companies – New Zealand Frost Fans and New Zealand Wood Products.

Peter is a non-executive director of The New Zealand Refining Company Ltd and chairs the boards of McKechnie Aluminium Solutions Ltd, a private industrial company, and Mondiale Technologies Limited. He is also a director of Loncel Technologies. Peter is a chartered member of the New Zealand Institute of Directors.

Emery Severin

Managing Director and Chief Executive Officer

Emery has been on the Board since 2010 when he joined Nuplex as Managing Director and Chief Executive Officer. He is a member of the Nominations Committee.

With over 20 years in senior management roles in the steel, building and construction industries, and now over 5 years in the chemicals industry, Emery brings his strong leadership experience

to Nuplex. During his career, Emery has managed businesses located in Australia, South East Asia and America and has developed expertise in a broad range of areas including sales, operations, strategic planning, safety and general management. Emery has extensive experience in executing business improvement programs, developing new geographic and product markets, as well as managing significant capital expansion projects and acquisitions.

Prior to joining Nuplex, Emery spent 14 years with Australia's leading international building materials company, Boral Limited during which time he ran the Australian construction materials and American building materials operations. Before joining Boral, Emery spent 10 years working for BHP Steel in a range of line management roles including the management of their South East Asian operations and their Steel Making & Casting operations in Newcastle, Australia. Between 1977 and 1986, Emery was an Australian Army officer, and pursued his studies in chemistry, winning a Rhodes Scholarship to obtain his D. Phil in physical chemistry at Oxford University. In 2007 Emery completed Harvard Business School's Advanced Management Program and is a member of the Australian Institute of Company Directors.

John Bevan

Independent Non-Executive Director

John joined the Board in 2015. John is Chair of the Safety, Health & Environment Committee and a member of the Audit and Nominations committees.

Formerly the Chief Executive Officer and Executive Director of Alumina Limited, John brings to the Board extensive international business experience. Prior to joining Alumina, John spent 29 years with The BOC Group plc, a FTSE 100 company with US\$10 billion in sales. During this time, he held a variety of senior management roles including as a director on The BOC Group plc Board, Chief Executive Process Gas Solutions with responsibility for the bulk and tonnage business for the entire BOC group, Chief Executive Asia and country lead roles in the United Kingdom, Thailand and Korea.

John is currently Chairman of BlueScope Steel Limited and Ansell Limited, both ASX listed companies.

Barbara Gibson

Independent Non-Executive Director

Barbara joined the Nuplex Board in September 2008 and is Chairman of Nuplex's Human Resources Committee and a member of the Safety, Health & Environment and Nominations Committees.

A former senior executive with Orica Limited (previously ICI Australia), she was previously Group General Manager, Chemicals Group. She has extensive experience in the chemicals sector and the development of technology-based businesses in Australia and overseas, including substantial experience in mergers and acquisitions. Barbara has managed large operational business units in diverse geographies including Australia and New Zealand, Asia, Europe, Americas and Latin America. She has strong experience in leading and managing organisational change and asset optimisation programs and developing global technology businesses from patented technology.

Barbara is a non-executive director of GrainCorp Limited and Chairman of Warakirri Asset Management Pty Ltd. A clinical biochemist, in 2003 Barbara received the Centenary Medal for services to Australian Society in Medical Technology. She is a member of the Australian Academy of Technological Sciences and Engineering and a member of the Australian Institute of Company Directors.

David Jackson

Independent Non-Executive Director

David joined Nuplex in November 2006 and is the Chairman of the Audit Committee and a member of the Human Resources and Nominations Committees.

As a former New Zealand Chairman and Audit Partner of international accounting firm, Ernst & Young, David gained experience in Asia, the UK, the USA and South America. Working with major national and international clients for over 30 years, David has developed his extensive experience in corporate governance, capital structures, reporting requirements, audit and risk management.

David is an Independent Director of Fonterra Cooperative Group Limited, Tegel Group Holdings Limited and Mitre 10 (New Zealand) Limited. He has been a member of the New Zealand Institute of Chartered Accountants since 1975 and was awarded an Institute Fellowship in 1994. He is also Chairman of The Dame Malvina Major Foundation.

Mary Verschuer

Independent Non-Executive Director

Mary joined the Nuplex Board in 2015. She is a member of the Safety, Health & Environment, Human Resources and Nominations committees.

An industrial chemist with over 30 years of experience in chemical and industrial businesses, Mary has extensive experience in driving business performance through innovative R&D and integrating acquisitions.

As President, Minerals and Metals, for the Schenck Process Group, a global engineering firm specialising in measuring and process technologies in industrial weighing, feeding, conveying, screening, automation and air filtration technology, Mary has responsibility for their global mining business. She also holds the position of Managing Director of the Australian operations of Schenck Process GmbH.

Mary holds a Bachelor of Applied Science (Chemistry) from the University of Technology, Sydney. She also holds a Master of Science and Society from The University of New South Wales, a Master of Business Administration from Macquarie University and a Master of Arts (Research Methods), also from Macquarie University. She is a graduate member of the Australian Institute of Company Directors.

b) Senior management

Key members of Nuplex's senior management team include:

Emery Severin

Chief Executive Officer and Managing Director

Clive Cuthell

Chief Financial Officer

Paul Davey

Vice President, Human Resources

Ruben Mannien

Regional President, Asia

James Williams

Vice President, General Counsel and Company Secretary

William Weaver

Vice President, Technology and Strategy

Clive Deetlefs

Vice President, Operations

Michael J Kelly

Regional President, The Americas

Paul Kieffer

Regional President, Europe, Middle East and Africa

Zel Medak

Regional President, Australia & New Zealand

Josie Ashton

Director, Corporate Communications

8.6 Recent Nuplex share price performance

Allnex's proposal was announced by Nuplex to the market on 15 February 2016. The last recorded closing price for Nuplex Shares on the NZX Main Board before that announcement was NZ\$3.86 (on 12 February 2016).

The Scheme Consideration (plus the Interim Dividend of NZ\$0.12 per share paid to Shareholders on 4 April 2016) represents a premium of 44% to Nuplex's closing price on the NZX Main Board of NZ\$3.86 on 12 February 2016, the last Business Day before Allnex's proposal was announced, and a premium of 35% to its New Zealand volume weighted average price on the NZX Main Board for the six months ended 12 February 2016.

8.7 Historical financial information

Nuplex's most recent financial statements, including notes to those financial statements, can be found in:

- the Nuplex 2016 Half Year Report for the six months ended 31 December 2015 (released to NZX and ASX on 21 March 2016);
- the Nuplex 2015 Annual Report for the financial year ended 30 June 2015 (released to NZX and ASX on 4 September 2015); and
- the Nuplex 2014 Annual Report for the financial year ended 30 June 2014 (released to NZX and ASX on 10 September 2014).

A copy of the 2016 Half Year Report is included as Annexure G of this Scheme Booklet. Copies of the other reports are available within the "Investor Centre" section of the Nuplex website (<http://www.nuplex.com/Corporate/corporate/investor-centre>).

8.8 Outlook

2016 financial year interim results

In the first six months of the 2016 financial year Nuplex delivered operating EBITDA of NZ\$65.7 million, up 20.6% when compared to the prior comparable half in the previous financial year. The increase in EBITDA underpinned the increase in the Interim Dividend to 12 cents per share from 10 cents per share. The increase in EBITDA was driven by the benefit from the overall depreciation in the NZ\$ during the period, as well as growth in ANZ, Asia and the Americas.

Outlook for the 2016 financial year

In February 2016, Nuplex stated that despite some uncertainty in the global macro-economic outlook, and barring any unforeseen circumstances, for the remainder of the 2016 financial year Nuplex expected:

- EMEA to see a stronger second half when compared to the second half in the prior financial year. This is expected to be due to the benefit of seasonality and a higher level of exports;
- Asia to deliver on its 10% EBITDA growth target for the year as the recently commissioned site in China continues to increase its production, and overall the region experiences steady market conditions;

- the Americas to deliver an ongoing steady performance; and
- ANZ EBITDA to continue to improve as ANZ benefits from the restructure of the region that took place over the past few years, as well as benefiting from strong housing and construction activity.

In April 2016, Nuplex announced that it had signed an agreement to sell the assets of its ANZ Pulp and Paper business for A\$21 million, and that the sale was expected to complete prior to 30 June 2016.

On 12 May 2016, Nuplex announced that 2016 financial year operating EBITDA is expected to be between NZ\$157 million and NZ\$161 million. This updated forecast compared to previous guidance of between NZ\$145 million and NZ\$157 million announced on 18 February 2016. This change is due to stronger than expected earnings from EMEA and the Americas in March and April 2016. Excluding discontinued operations from the ANZ Pulp and Paper business, Nuplex expects 2016 financial year statutory operating EBITDA to be between NZ\$154 million and NZ\$158 million.

Nuplex believes it is in a strong position to achieve its medium term performance measure of a return on funds employed of greater than 16% per annum by the end of the 2018 financial year.

The principal assumptions underlying the prospective information set out above are as follows:

- the 2016 financial year outlook is based on actual results for the 10 months to 30 April 2016, together with Nuplex management's forecast of results for the two months to 30 June 2016;
- for the two months to 30 June 2016, the following elements are based on recent trends and Nuplex management's expectations of:
 - activity levels;
 - pricing and margins; and
 - overheads and other costs;
- significant and non-recurring items have not been included in the 2016 financial year outlook for operating EBITDA, in accordance with Nuplex's normal practice; and
- completion of the sale of the ANZ Pulp and Paper business occurs prior to 30 June 2016.

The prospective information also assumes that:

- there are no significant unforeseen changes to the global economy, or the regional or national economies or key industry sectors in which Nuplex operates; and

- foreign exchange rates for the period from 30 April 2016 to 30 June 2016 continue broadly in line with the foreign exchange rates as at 30 April 2016.

The prospective information above does not include any costs relating to the Scheme or its implementation, namely:

- the cost of the Independent Adviser;
- the cost of Nuplex's legal, financial and other advisers;
- costs arising in relation to the Performance Rights Plan or the Cash Rights Plan if the Scheme proceeds; and
- costs arising in relation to the payments pursuant to the Management Long Term Incentive Plan and the Short Term Incentive Plan to Nuplex management if the Scheme proceeds.

In addition to the prospective information set out above, the Independent Adviser's Report includes information on the outlook for Nuplex. That prospective information is based on the assumptions referred to in this report.

Information in this section has been prepared by Allnex NZ. The information concerning Allnex NZ and the Allnex Group, and the intentions, views and opinions contained in this section are the responsibility of Allnex NZ. Nuplex, members of the Nuplex Group and their directors, officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

The intentions of Allnex NZ and Allnex have been formed on the basis of facts and information concerning Nuplex, the general business environment, and the circumstances affecting the business of Nuplex as at the date of this Scheme Booklet, in each case as to the extent known by Allnex NZ and Allnex.

9.1 Allnex Group

Overview

The Allnex Group (formerly Cytec Industries Coating Resins business and acquired by the GPE VII Funds in 2013 for US\$1.1 billion) with sales of approximately US\$1.5 billion in 2015, is a leading global producer of coating resins and additives for architectural, industrial, protective, automotive and special purpose coatings and inks. The Allnex Group is recognised as a specialty chemicals pioneer and offers an extensive range of products including innovative liquid resins and additives, radiation cured and powder coating resins and additives and cross linkers for use on wood, metal, plastic, and other surfaces.

In 2015, the Allnex Group had EBITDA of approximately US\$220 million. It has a strong global presence with 17 manufacturing sites and 13 research and technology support facilities throughout the world, focusing on assisting its approximately 3,000 customers to rapidly bring advanced coating solutions to market.

The Allnex Group has a long history and strong track record of undertaking and implementing acquisitions and key investments. Originally, the precursor to Allnex was a combination of three leading resin suppliers:

- a) Cytec, a global leader in amino crosslinkers;
- b) UCB, the inventor of polyester powders and radiation curing technology; and
- c) Vianova, a European pioneer in waterborne technologies and a former Hoechst division, acquired by Solutia and sold to UCB.

Below is an overview of the key events in the Allnex Group's history, before being spun out of Cytec in 2013:

- a) in 1993, American Cyanamid spun off Cytec as a separate specialty chemicals business;
 - b) in 2003, UCB acquired Solutia's resins business, including Liquid Coating Resins, Amino Crosslinkers, Pressure Sensitive Adhesives and Powder Coating Resins; and
 - c) in 2005, Cytec acquired UCB's Chemicals business, including its Liquid Coating Resins, Pressure Sensitive Adhesives, Powder Coating Resins and Aminos/Crosslinkers portfolio.
- When Cytec decided to carve the coating resins business out of its operations, the GPE VII Funds acquired the business in April 2013 and began trading under the Allnex name. Since then, Allnex has continued to broaden its technology and geographic position by making two more acquisitions:
- a) in October 2013, Allnex acquired Desmolux non-waterborne radiation curing resins from Bayer MaterialScience, with those products now being sold under the brand name EBECRYL; and
 - b) in December 2014, Allnex acquired Águia Química. Founded in 1989 and located in Ponta Grossa/PR, Brazil, Águia Química is a Brazilian market leader in alkyd and acrylic resins for paints, composites, adhesives and sandpapers, in addition to distribution of solvents.
- Several joint ventures were established to globalise the business (for example, in 1987, with SK in South Korea, and in 1988, with Daicel in Japan), while the business took ownership of other former joint ventures (Dynea in Norway, Mitsui in Japan, RTZ in the US, SBC in China). In September 2014, Allnex announced another joint venture, with Eternal Materials Co. Ltd, a Taiwanese company traded on the Taipei stock exchange. The Allnex-Eternal joint venture will manufacture cross-linker resins for mainly the Greater China market. The joint venture will operate a manufacturing facility located in Zhuhai, China.

9.2 Group Structure

Allnex NZ is a limited liability company incorporated in New Zealand on 22 March 2016 and is wholly owned by Allnex, a company incorporated and based in Belgium.

Allnex is a direct, wholly-owned, subsidiary of Allnex Holdings, a company incorporated in Luxembourg.

The Allnex Group is ultimately owned by the GPE VII Funds, being funds managed and advised by Advent, a Boston based global private equity firm.

Further details on Allnex NZ are set out in section 11.

10.1 Introduction

Tax may affect your returns from the disposal of your Nuplex Shares pursuant to the Scheme.

This section sets out a general summary of the New Zealand and Australian tax implications of disposing of Nuplex Shares pursuant to the Scheme for Shareholders. This summary:

- is based on the New Zealand and Australian taxation law and administrative practices as at the date of the Scheme Booklet;
- does not constitute tax advice and should not be relied upon as tax advice;
- is an indicative guide and is not intended to be, and should not be seen as a substitute for, personal tax advice;
- is general in nature and the individual circumstances of each Shareholder may affect the taxation implications arising for that Shareholder;
- is not intended to be an authoritative or exhaustive statement of the tax legislation applicable to all Shareholders; and
- only considers the Australian tax implications for Shareholders who hold Nuplex Shares on capital account for Australian tax purposes.

Tax law is complex and is subject to change periodically (including retrospectively), as is the interpretation of the law by the courts and revenue authorities.

Accordingly, you should obtain your own independent professional advice that considers the taxation implications arising in relation to the Scheme and taking into account your own specific circumstances.

This summary does not consider the tax implications for Shareholders who:

- are in the business of share trading, banking, dealing in securities or otherwise hold shares on revenue account or as trading stock (except where expressly stated);
- are tax residents of New Zealand or Australia that currently hold, or have held, Nuplex Shares as part of an enterprise carried on, at or through a permanent establishment outside of New Zealand or Australia, respectively;
- are non-residents of New Zealand or Australia for tax purposes that currently hold, or have held, Nuplex Shares as part of an enterprise carried on, at or through a permanent establishment in New Zealand or Australia, respectively;

- are financial institutions, insurance companies, listed investment companies, partnerships, tax exempt organisations, trusts (except where expressly stated) superannuation funds (except where expressly stated) or dealers in securities;
- are subject to special taxation rules, including in respect of Australian taxpayers, the Taxation of Financial Arrangements rules contained in Division 230 of the Income Tax Assessment Act 1997 in relation to gains and losses on Nuplex Shares;
- acquired the Nuplex Shares through an employee share plan or employee share scheme; or
- are non-residents of Australia for tax purposes who held Nuplex Shares at the time when they ceased being tax residents of Australia.

All capitalised terms in this summary have the same meaning as those contained in section 14, unless the context indicates otherwise.

10.2 New Zealand tax implications

a) Are you a New Zealand tax resident?

Your tax residence status may affect how New Zealand income tax law applies to you. If you are a natural person and you have:

- a permanent place of abode in New Zealand; and/or
 - been present in New Zealand for more than 183 days in a 12 month period, and not subsequently absent from New Zealand for more than 325 days in a 12 month period,
- you will be a New Zealand tax resident.

A company is tax resident in New Zealand if it is incorporated in New Zealand, if it has its head office or centre of management in New Zealand, or if its directors exercise control of the company in New Zealand.

Generally, shares held by a trust will be treated as held by a New Zealand tax resident if a New Zealand tax resident has settled, or otherwise contributed to, the trust.

If you are a New Zealand tax resident and are also a tax resident in another country, the following summary applying to New Zealand tax residents may not apply to you and you should seek your own tax advice.

Portfolio investment entities are subject to a specific income tax regime in New Zealand and this general summary does not consider their specific tax situation. Portfolio investment entities who are Shareholders should seek their own tax advice in relation to their participation in the Scheme.

b) New Zealand income tax implications for New Zealand resident shareholders

Although New Zealand does not have a general capital gains tax, there are instances where Shareholders who are New Zealand tax residents will be subject to New Zealand income tax on gains made on the disposal of Nuplex Shares (or be allowed a deduction for any loss made on the sale of Nuplex Shares) pursuant to the Scheme.

Accordingly, you will need to consider your individual circumstances to determine whether any gain on the disposal of your Nuplex Shares will be taxable (or loss deductible).

Generally, you will be subject to income tax on any gain (or be allowed to deduct any loss) arising from the disposal of your Nuplex Shares pursuant to the Scheme if you:

- are in the business of dealing in shares; or
- acquired your Nuplex Shares as part of a profit-making undertaking or scheme; or
- acquired your Nuplex Shares with the dominant purpose of selling them; or
- otherwise hold your Nuplex Shares on revenue account.

In those circumstances, your taxable gain (or deductible loss) will be the difference between the cost of your Nuplex Shares and the amount received for their disposal. If you have a taxable gain you will be required to include that gain in a New Zealand income tax return for the tax year in which the disposal pursuant to the Scheme occurs. You will need to pay any tax owing in respect of that gain at your applicable rate.

c) New Zealand income tax implications for non-resident shareholders

Although New Zealand does not have a general capital gains tax, there are instances where Shareholders who are not New Zealand tax residents will be subject to New Zealand income tax on gains made on the disposal of Nuplex Shares (or be allowed a deduction for any loss made on the disposal of Nuplex Shares) pursuant to the Scheme.

Accordingly, you will need to consider your individual circumstances to determine whether any gain on the disposal of your Nuplex Shares will be taxable (or loss deductible).

Generally, you will be subject to income tax on any gain (or be allowed to deduct any loss) arising from the disposal of your Nuplex Shares pursuant to the Scheme if you:

- are in the business of dealing in shares; or
- acquired your Nuplex Shares as part of a profit-making undertaking or scheme; or
- acquired your Nuplex Shares with the dominant purpose of selling them; or
- otherwise hold your Nuplex Shares on revenue account.

In those circumstances, your taxable gain (or deductible loss) will be the difference between the cost of your Nuplex Shares and the amount received for their disposal.

If you are a tax resident of a country which has a double taxation agreement with New Zealand, then subject to the particular provisions of the relevant double taxation agreement, any New Zealand income tax liability on gains you derive from the disposal of Nuplex Shares pursuant to the Scheme (as described above) may be relieved.

You would need to confirm with your tax adviser whether any double taxation agreement relief from New Zealand income tax is available to you. The terms of each double tax agreement entered into by New Zealand are different. Most double tax agreements will not provide relief from New Zealand income tax on the disposal of shares in a New Zealand incorporated company (such as Nuplex) if the holder of those shares has a permanent establishment in New Zealand through which the shares are held or if the shares are regarded as being shares in a land rich company under the terms of the relevant double tax agreement.

If you derive a taxable gain on the disposal of your Nuplex Shares pursuant to the Scheme and the New Zealand income tax liability is not relieved under a double taxation agreement, you will be required to include that gain in a New Zealand tax return for the tax year in which the disposal occurred and pay tax on the gain in New Zealand at your applicable rate.

d) Stamp duty and goods and services tax (GST)

New Zealand does not have stamp duty or other transfer tax which would apply to the disposal of Nuplex Shares pursuant to the Scheme.

New Zealand has a goods and services tax but there will be no GST payable on the disposal of Nuplex Shares pursuant to the Scheme.

10.3 Australian tax implications

a) Income tax implications – Australian tax resident shareholders

If the Scheme is approved, capital gains tax event A1 should occur when you dispose of your Nuplex Shares to Allnex NZ under the Scheme on the Implementation Date.

You should, in respect of each Nuplex Share, make:

- a capital gain from capital gains tax event A1 if the capital proceeds from the disposal of your Nuplex Share is greater than the cost base of your Nuplex Share; or
- a capital loss from capital gains tax event A1 if the capital proceeds from the disposal of your Nuplex Share is less than the reduced cost base of your Nuplex Share.

Capital proceeds from your disposal of Nuplex Shares

Your capital proceeds from the disposal of your Nuplex Shares should be equal to the Scheme Consideration received of NZ\$5.43 (or an amount in A\$ where you have elected to receive A\$) for each Nuplex Share you held on the Scheme Record Date.

Cost base or reduced cost base in Nuplex Shares

Your cost base or reduced cost base in Nuplex Shares should generally be the amount you paid (or are deemed to have paid) to acquire your Nuplex Shares, as well as incidental costs (if any) you have incurred in relation to the acquisition or disposal of your Nuplex Shares.

Where you acquired your Nuplex Shares before 11.45am (Australian Eastern Standard Time) on 21 September 1999, you may choose to increase the cost base of your Nuplex Shares for indexation based on the CPI movement from the date of acquisition to 30 September 1999.

Your reduced cost base in Nuplex Shares cannot be indexed

If you are an individual, a trust or a complying superannuation fund that acquired your interests prior to 11.45am (Australian Eastern Standard Time) on 21 September 1999, you can choose either to apply cost base indexation or to obtain the capital gains tax discount concession in calculating your taxable capital gain from the disposal of your Nuplex Shares (see below for details). However, choosing to increase the cost base in your Nuplex Shares on account of indexation will prevent you from accessing the capital gains tax discount treatment on capital gains.

Where your Nuplex Shares were acquired after 11.45am (Australian Eastern Standard Time) on 21 September 1999, it is not possible to index the cost base in your Nuplex Shares.

If you are eligible to apply the cost base indexation method, you should seek your own independent professional tax advice in relation to calculating your cost base in your Nuplex Shares.

Capital gains tax discount on capital gains

If you are an individual, a trust or a complying superannuation fund or a trust, and you have held your Nuplex Shares for at least 12 months prior to the date of disposal, you may be eligible to reduce any capital gain on the disposal of your Nuplex Shares by the capital gains tax discount provided that you have not elected to index your cost base (see above).

Where the capital gains tax discount rules apply, the rules should enable your net capital gain (i.e. after the application of current and prior year capital losses) arising from the disposal of Nuplex Shares to be reduced as follows:

- 50% if you are an individual or a trust; and
- 33⅓% if you are a complying superannuation entity.

The capital gains tax discount concession is not available if you are a company (including corporate beneficiaries of trusts).

Capital losses

Your capital gains and capital losses are aggregated to determine whether you have a net capital gain or net capital loss for the income year.

Any net capital loss is not deductible from your assessable income. Instead, it may be able to be carried forward and offset against your capital gains derived in future years (subject to the satisfaction of various requirements).

You should seek your own independent professional tax advice in relation to the operation of these rules.

Foreign exchange issues

The Australian tax rules relating to foreign exchange gains or losses may apply to you upon receipt of the Scheme Consideration. You should seek your own independent professional tax advice in relation to the operation of these rules.

Shareholders who are non-resident for Australian tax purposes

If you are a non-resident for Australian tax purposes, you should not be subject to Australian income tax on the disposal of your Nuplex Shares under the Scheme.

You should obtain your own independent tax advice regarding the implications of participating in the Scheme in Australia and in your country of residence.

b) Stamp duty

You should not be required to pay any stamp duty on the disposal of your Nuplex Shares to Allnex NZ.

c) Australian goods and services tax (Australian GST)

Your disposal of Nuplex Shares under the Scheme should not attract Australian GST. However, your ability to recover Australian GST incurred on expenses (if any) that relate directly or indirectly to the disposal of your Nuplex Shares may be restricted in part or full.

This is a complex area of the Australian GST law. If you are Australian GST registered, you should seek your own independent professional tax advice in this regard.

A large, white, sans-serif capital letter 'C' is positioned in the upper left corner of the image. The background is a solid blue color, which is part of a larger geometric design featuring diagonal stripes of blue and white.

Statutory and
other information

Allnex NZ information equivalent to Schedule 1 of the Takeovers Code

The information in this section contains information, to the extent applicable, equivalent to the information that would be provided by Allnex NZ in a takeover offer document in accordance with Schedule 1 of the Takeovers Code.

The information set out in this section has been prepared by Allnex NZ. Allnex NZ is solely responsible for information contained in this section.

11.1 Date

This section was prepared and is current as at 10 June 2016.

11.2 Allnex NZ and its directors

The name and address of Allnex NZ is:

Allnex New Zealand Limited
c/o Russell McVeagh,
Level 30, Vero Centre,
48 Shortland Street
Auckland 1010, New Zealand

The directors of Allnex NZ are:

- Paul Anthony Craig; and
- Duncan Adrian Taylor

11.3 Scheme company

The name of the company to which the Scheme relates is Nuplex Industries Limited.

11.4 Ownership of equity securities of Nuplex

None of the following persons hold or control any equity securities of any class of Nuplex as at the date of this Scheme Booklet:

- a) Allnex NZ;
- b) any Related Company of Allnex NZ;
- c) any person acting jointly or in concert with Allnex NZ; and
- d) any director of any of the persons described in paragraphs a) to c) above.

11.5 Trading in Nuplex equity securities

None of the persons referred to in paragraphs 11.4 a) to d) above have acquired or disposed of any equity securities in Nuplex during the six-month period ending on the date of this Scheme Booklet.

11.6 Agreements to vote in favour of Scheme

No person has agreed with Allnex NZ conditionally or unconditionally to vote in favour of the Scheme as at the date of this Scheme Booklet other than the Directors who hold or control Shares.

11.7 Arrangements to pay consideration

Allnex NZ confirms that resources will be available to it sufficient to meet the total Scheme Consideration to be provided to Scheme Shareholders if the Scheme becomes Effective.

Allnex NZ and Allnex have executed the Deed Poll pursuant to which Allnex has undertaken in favour of each Scheme Shareholder to guarantee the payment by Allnex NZ of the Scheme Consideration to which each Scheme Shareholder is entitled under the Scheme, subject to the Scheme becoming Effective.

11.8 Arrangements between Allnex NZ and Nuplex

Except as set out below, as at the date of this Scheme Booklet, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between Allnex NZ or any of its Associates and Nuplex or any Related Company of Nuplex, in connection with, in anticipation of, or in response to, the Scheme.

- Nuplex, Advent, Allnex and Allnex S.à.r.l. have entered into a Confidentiality Agreement dated 22 February 2016 setting out the terms on which the parties will exchange confidential information relating to the Scheme. This Confidentiality Agreement terminates and replaces the previous confidentiality agreements entered into between the parties dated 15 December 2015 and 26 October 2015 respectively.
- Nuplex, Advent and Allnex had entered into the Exclusivity and Process Agreement dated 15 February 2016 setting out the process for Advent and Allnex to undertake due diligence on Nuplex, providing certain rights of exclusivity and payment of reimbursement fees in certain circumstances.
- Nuplex, Allnex and Allnex NZ entered into the Scheme Implementation Agreement on 9 April 2016.

- Nuplex, Allnex, Allnex NZ, Computershare and the Administrative Agent have entered into the Escrow Deed dated 3 June 2016 setting out the process for Allnex NZ to deposit the Scheme Consideration into a trust account pending implementation of the Scheme.

11.9 Arrangements between Allnex NZ and directors and senior officers of Nuplex

No agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between Allnex NZ or any Associates of Allnex NZ, and any Director or Senior Officer of Nuplex or any of Nuplex's Related Companies (including particulars of any payment or other benefit proposed to be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office) in connection with, in anticipation of, or in response to the Scheme.

11.10 Financial assistance

As noted in section 11.7 arrangements are in place to pay the total Scheme Consideration. Thereafter, Nuplex and its subsidiaries will be wholly-owned by Allnex NZ and may join the financing arrangements of the Allnex Group, which arrangements may include those put in place to pay the Scheme Consideration.

11.11 Intentions about material changes to Nuplex

Given that, if the Scheme becomes Effective, Allnex NZ will acquire all of the Nuplex Shares on issue, this information is not applicable.

11.12 Pre-emption clauses in Nuplex's constitution

There is no restriction on the right to transfer equity securities to which the Scheme relates contained in the constitution of Nuplex which has the effect of requiring the holders of the securities to offer the securities for purchase to Shareholders of Nuplex or to any other person before transferring the securities.

11.13 No escalation clause

There is no agreement or arrangement (whether legally enforceable or not) under which any existing holder of equity securities in Nuplex will or may receive in relation to, or as a consequence of, the Scheme any additional consideration or other benefit from Allnex NZ or any of its Associates over and above the Scheme Consideration, or any prior holder of equity securities in Nuplex will or may receive any consideration or other benefit from Allnex NZ or any of its Associates as a consequence of the Scheme.

11.14 Classes of securities

No report is required to be obtained by Allnex NZ as to the fairness and reasonableness of the consideration and terms of the Scheme as between different classes as there is only one class of equity securities of Nuplex on issue.

11.15. Certificate

We, being all the directors of Allnex NZ and the persons fulfilling the roles of chief executive officer and chief financial officer of Allnex NZ, certify that, to the best of our knowledge and belief, after making proper enquiry, the information contained in this Section 11 of the Scheme Booklet is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise.



Paul Anthony Craig

Director
Allnex New Zealand Limited



Duncan Adrian Taylor

Director
Allnex New Zealand Limited

The information in this section 12 contains information, to the extent applicable, that would be provided by Nuplex in a target company statement under Schedule 2 of the Takeovers Code.

12.1 Date

This Scheme Booklet is dated 10 June 2016.

12.2 Scheme

This Scheme Booklet relates to a scheme of arrangement between Nuplex and its Shareholders in relation to the proposed acquisition of the Scheme Shares by Allnex NZ, a wholly owned subsidiary of Allnex.

12.3 Scheme company

The name of the company to which the Scheme relates is Nuplex Industries Limited.

12.4 Directors of Nuplex

The Directors of Nuplex are:

- Peter Martin Springford;
- John Andrew Bevan;
- Barbara June Gibson;
- David Alexander Jackson;
- Emery Stephen Severin; and
- Mary Joan Verschuer.

12.5 Ownership of equity securities of Nuplex

Ownership interests of Directors and Senior Officers of Nuplex

Nuplex Shares

The table below sets out the number and the percentage of Nuplex Shares held or controlled by each Director or Senior Officer⁵ of Nuplex (a **Director** or **Senior Officer**, respectively) or their Associates.

Name	Description	Number of Nuplex Shares held or controlled	Percentage of total Nuplex Shares
David Alexander Jackson	Director	58,371	0.03%
Peter Martin Springford	Director	20,461	0.01%
Emery Stephen Severin	Managing Director	772,746	0.40%
Josephine Lenore Ashton	Senior Officer	40,815	0.02%
Paul Randall Davey	Senior Officer	105,257	0.06%
Clive Eric Deetlefs	Senior Officer	111,634	0.06%
Michael Joseph Kelly	Senior Officer	57,443	0.03%
Ruben Mannien	Senior Officer	167,914	0.09%
Evan James Williams	Senior Officer	104,645	0.06%
Paul Englebert Kieffer	Senior Officer	1,498	Less than 0.01%

Notes:

1. This information is taken from information provided by the Directors and Senior Officers.
2. Percentages have been rounded to two decimal places.

Performance Rights

As part of the Company's executive long term incentive arrangements, certain Nuplex Senior Officers have been issued with Performance Rights in accordance with the Performance Rights Plans. Shortly before the Scheme Record Date, a certain number of the Performance Rights will vest and holders will receive Nuplex Shares. Further details in relation to the Performance Rights are set out in section 12.12.

The table below sets out the number and the percentage of Performance Rights held or controlled by each Director or Senior Officer or their Associates.

Name	Description	Number of Performance Rights held or controlled	Percentage of total Performance Rights
Emery Stephen Severin	Managing Director	1,907,578	49.27%
Josephine Lenore Ashton	Senior Officer	225,784	5.83%
Clive Cuthell	Senior Officer	198,047	5.12%
Paul Randall Davey	Senior Officer	366,053	9.45%
Clive Eric Deetlefs	Senior Officer	386,888	9.99%
Zeljan Nikola Medak	Senior Officer	169,070	4.37%
Evan James Williams	Senior Officer	375,443	9.70%

Notes:

1. This information is taken from information provided by the Directors and Senior Officers.
2. Percentages have been rounded to two decimal places.
3. A former Senior Officer of Nuplex holds or controls 242,815 Performance Rights (6.27% of the total).

⁵ The Senior Officers of Nuplex for the purposes of this Scheme Booklet are those persons named in section 8.5 b) (*Senior management*).

No other ownership of equity securities

Except as set out in the tables on the previous page, no other Director or Senior Officer or their Associates holds or controls any equity securities of Nuplex.

Ownership interests of substantial product holders of Nuplex

The table below sets out the number and the percentage of Nuplex Shares held or controlled by any other person holding or controlling 5% or more of the Nuplex Shares, to the knowledge of Nuplex.

Name	Description	Number of Nuplex Shares held or controlled	Percentage of total Nuplex Shares
HSBC Nominees (New Zealand) Limited ^{2,3}	Holder or controller of more than 5% of Nuplex Shares	30,381,927	16.11%
National Nominees New Zealand Limited ³	Holder or controller of more than 5% of Nuplex Shares	20,073,089	10.64%
Citibank Nominees (New Zealand) Limited ³	Holder or controller of more than 5% of Nuplex Shares	13,588,814	7.21%
Credit Suisse Holdings (Australia) Limited (on behalf of Credit Suisse Group AG and its affiliates) ²	Holder or controller of more than 5% of Nuplex Shares	13,481,500	7.15%
Accident Compensation Corporation, Nicholas Bagnall, Guy Elliffe, Paul Robertshawe, Blair Tallott, Blair Cooper and Jason FAMILTON	Holder or controller of more than 5% of Nuplex Shares	10,547,283	5.59%
HSBC Nominees (New Zealand) Limited A/C State Street ³	Holder or controller of more than 5% of Nuplex Shares	10,338,663	5.48%

Notes:

1. This information is based on information known to Nuplex at 9 June 2016 (being the latest practicable date before the date of this Scheme Booklet).
2. HSBC Nominees (New Zealand) Limited holds 11,385,139 Nuplex Shares (6.04% of the total number of Nuplex Shares) on behalf of Credit Suisse Securities (Europe) Limited and 46,191 Nuplex Shares (0.02% of the total number of Nuplex Shares) on behalf of Credit Suisse Funds AG.
3. Based on information known to Nuplex, HSBC Nominees (New Zealand) Limited, National Nominees New Zealand Limited, Citibank Nominees (New Zealand) Limited and HSBC Nominees (New Zealand) Limited A/C State Street hold Shares as a custodian and only act in relation to securities held by them on the direction of the beneficial owner of those Shares. To the extent that ACC or Credit Suisse are the beneficial owner of Shares held by these persons, these Shares will have been included in this table twice.
4. Percentages have been rounded to two decimal places.

Except as set out in the table above, to Nuplex's knowledge no other person holds or controls more than 5% of a class of equity securities of Nuplex.

Issues of equity securities

The table on the following page sets out the number of equity securities of Nuplex that have, during the two year period ending on the date of this Scheme Booklet, been issued to the Directors and Senior Officers or their Associates, together with the price at which those equity securities were issued or provided. The only equity securities of Nuplex that have been issued to Directors and Senior Officers or their Associates during that two year period are Performance Rights.

Name	Description	Number of Performance Rights	Issue price per Performance Right ²	Date of issue
Emery Stephen Severin	Managing Director	521,223	Nil	19/08/14
		428,571	Nil	25/08/15
Josephine Lenore Ashton	Senior Officer	60,978	Nil	19/08/14
		52,532	Nil	25/08/15
Clive Cuthell	Senior Officer	198,047	Nil	25/08/15
Paul Randall Davey	Senior Officer	98,883	Nil	19/08/14
		81,226	Nil	25/08/15
Clive Eric Deetlefs	Senior Officer	104,511	Nil	19/08/14
		85,849	Nil	25/08/15
Zeljan Nikola Medak	Senior Officer	91,813	Nil	19/08/14
		77,257	Nil	25/08/15
Evan James Williams	Senior Officer	104,263	Nil	19/08/14
		85,644	Nil	25/08/15

Notes:

1. This information is taken from information provided by the Directors and Senior Officers.
2. The Performance Rights were issued at no cost to the relevant Director or Senior Officer in accordance with the terms of the Performance Rights Plans.
3. Certain Directors or Senior Officers also received Nuplex Shares during the two year period ending on the date of this Scheme Booklet upon the vesting of Performance Rights in accordance with the terms of the Performance Rights Plans. As permitted under the terms of the Performance Rights Plans, Nuplex acquired the relevant Nuplex Shares for the applicable Director or Senior Officers on-market rather than by the issuance of new Nuplex Shares. Details for these interests are set out in the section below titled “Beneficial interests under remuneration arrangements”.

Beneficial interests under remuneration arrangements

The table below sets out the number of equity securities of Nuplex in which the Directors, Senior Officers or their Associates have, during the two year period ending on the date of this Scheme Booklet, obtained a beneficial interest under any employee share scheme or other remuneration arrangement, together with the price at which those equity securities were issued or provided. The table below does not include details of any interests in Performance Rights acquired by Directors, Senior Officers or their Associates during the two year period ending on the date of this Scheme Booklet, as these details are set out in the previous section titled “Issues of equity securities”.

Name	Description	Number of Nuplex Shares	Price per Nuplex Share	Date beneficial interest was obtained
Emery Stephen Severin	Managing Director	532,746	Nil	16/09/15
Josephine Lenore Ashton	Senior Officer	40,815	Nil	16/09/15
Paul Randall Davey	Senior Officer	105,257	Nil	16/09/15
Clive Eric Deetlefs	Senior Officer	111,634	Nil	16/09/15
Evan James Williams	Senior Officer	104,645	Nil	16/09/15

Notes:

1. This information is taken from information provided by the Directors and Senior Officers.
2. Shares were acquired on-market by Nuplex at no cost to the relevant Director or Senior Officer and transferred to that Director or Senior Officer pursuant to vesting of the applicable Performance Rights under the Performance Rights Plans.

12.6 Trading in Nuplex equity securities

Trading by Directors and Senior Officers of Nuplex

No Nuplex Shares were acquired or disposed of during the six month period before 9 June 2016 (being the latest practicable date before the date of this Scheme Booklet) by Directors, Senior Officers or their Associates.

Trading by substantial product holders of Nuplex

The table below sets out details of any Nuplex Shares acquired or disposed of during the six month period before 9 June 2016 (being the latest practicable date before the date of this Scheme Booklet) by any person holding or controlling 5% or more of the Nuplex Shares.

Name	Description	Acquisition or disposal	Number of Nuplex Shares	Weighted average consideration per Nuplex Share (NZ\$)	Week commencing
Accident Compensation Corporation	Holder or controller of more than 5% of Nuplex Shares	Acquisition	165,000	4.26	01/12/15
		Acquisition	20,000	4.59	04/01/16
		Acquisition	150,000	4.45	11/01/16
		Acquisition	102,182	4.31	18/01/16
		Acquisition	255,639	4.28	25/01/16
		Acquisition	90,880	4.11	01/02/16
		Acquisition	85,000	3.85	08/02/16
		Acquisition	1,257,500	5.01	15/02/16
		Acquisition	175,000	5.13	08/03/16
		Acquisition	100,000	5.05	14/03/16
		Acquisition	500,000	5.09	05/04/16
		Disposal	76,770	4.40	07/12/15
		Disposal	285,943	4.46	14/12/15
		Disposal	24,057	4.76	21/12/15
		Disposal	50,000	4.87	28/12/15
		Disposal	25,000	4.35	25/01/16
		Disposal	20,880	4.00	08/02/16
		Disposal	5,217	5.05	15/02/16
		Disposal	9,835	5.03	22/02/16
		Disposal	100,000	5.24	18/04/16
		Disposal	565,000	5.25	25/04/16
		Disposal	490,165	5.27	02/05/16
		Disposal	530,000	5.31	09/05/16
		Disposal	375,000	5.35	16/05/16
		Disposal	165,000	5.35	23/05/16
		Disposal	550,000	5.35	30/05/16
Credit Suisse Holdings (Australia) Limited (on behalf of Credit Suisse Group AG and its affiliates)	Holder or controller of more than 5% of Nuplex Shares	Acquisition	5,967	4.55	21/12/15
		Acquisition	209	4.76	28/12/15
		Acquisition	11,811	4.67	04/01/16
		Acquisition	189	4.42	11/01/16
		Acquisition	264	3.99	08/02/16

Name	Description	Acquisition or disposal	Number of Nuplex Shares	Weighted average consideration per Nuplex Share (NZ\$)	Week commencing
		Acquisition	1,197,884	5.02	15/02/16
		Acquisition	748,233	5.01	22/02/16
		Acquisition	502,214	5.04	29/02/16
		Acquisition	75,000	5.10	07/03/16
		Acquisition	1,206,256	5.13	14/03/16
		Acquisition	440,176	5.11	21/03/16
		Acquisition	116,448	5.17	28/03/16
		Acquisition	435,967	5.10	04/04/16
		Acquisition	4,170,634	5.22	11/04/16
		Acquisition	1,325,940	5.23	18/04/16
		Acquisition	1,228,958	5.26	25/04/16
		Acquisition	1,318,132	5.27	02/05/16
		Acquisition	750,454	5.28	09/05/16
		Disposal	2,885	4.70	21/12/15
		Disposal	560	4.58	28/12/15
		Disposal	371	4.45	04/01/16
		Disposal	1,675	4.21	11/01/16
		Disposal	27,246	4.26	18/01/16
		Disposal	3,703	4.17	25/01/16
		Disposal	1,777	3.80	01/02/16
		Disposal	5,471	3.86	08/02/16
		Disposal	57,399	4.93	15/02/16
		Disposal	49,302	5.09	29/02/16
		Disposal	60,226	5.13	07/03/16
		Disposal	30,342	5.14	14/03/16
		Disposal	211	4.55	04/04/16
		Disposal	261	4.70	11/04/16
		Disposal	5,718	5.20	18/04/16
		Disposal	11,450	5.28	02/05/16
		Disposal	6,966	5.28	09/05/16

Notes:

1. This information is based on information known to Nuplex as at 9 June 2016 (being the latest practicable date before the date of this Scheme Booklet).
2. The information relating to the Accident Compensation Corporation was provided by or on behalf of the named persons in response to requests by Nuplex.
3. The information relating to Credit Suisse is taken from the substantial product holder notice filed by Credit Suisse on 12 May 2016 because Credit Suisse did not provide any information in response to a questionnaire circulated to it by Nuplex.
4. In the case of multiple acquisitions or disposals in any given week, the total number of securities, and the weighted average consideration per security, acquired or disposed of in that week have been provided.

Except as set out in the table on the previous pages, to the knowledge of Nuplex, no person holding or controlling 5% or more of the equity securities of any class of Nuplex has acquired or disposed of equity securities of Nuplex during the six month period before 9 June 2016 (being the latest practicable date before the date of this Scheme Booklet).

12.7 Intentions to vote in favour of the Scheme

The table below sets out, as at the date of this Scheme Booklet, the name of every Director, Senior Officer and Associate of a Director or Senior Officer who has advised Nuplex that he or she intends to vote in favour of the Scheme, and the number of Nuplex Shares in respect of which the person intends to vote in favour of the Scheme.

Name	Designation	Number of Nuplex Shares intended to be voted in favour of the Scheme
David Alexander Jackson	Director	58,371
Peter Martin Springford	Director	20,461
Emery Stephen Severin	Managing Director	772,746
Josephine Lenore Ashton	Senior Officer	40,815
Paul Randall Davey	Senior Officer	105,257
Clive Eric Deetlefs	Senior Officer	111,634
Michael Joseph Kelly	Senior Officer	57,443
Ruben Mannien	Senior Officer	167,914
Evan James Williams	Senior Officer	104,645
Paul Englebert Kieffer	Senior Officer	1,498

Note:

1. This information is taken from information provided by the Directors and Senior Officers.

12.8 Ownership of equity securities of Allnex NZ

Neither Nuplex, nor any Director, Senior Officer or any of their Associates, holds or controls any equity securities of Allnex NZ.

12.9 Trading in equity securities of Allnex NZ

Neither Nuplex, nor any Director, Senior Officer or any of their Associates, has acquired or disposed of any equity securities of Allnex NZ during the six-month period before 9 June 2016 (being the latest practicable date before the date of this Scheme Booklet).

12.10 Arrangements between Allnex NZ and Nuplex

Except as set out below, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between Allnex NZ or any Associates of Allnex NZ and Nuplex or any Related Company of Nuplex, in connection with, in anticipation of, or in response to, the Scheme.

Confidentiality agreements

Nuplex, Advent, Allnex and Allnex S.à.r.l entered into a Confidentiality Agreement dated 22 February 2016 setting out the terms on which the parties will exchange confidential information relating to the Scheme.

This Confidentiality Agreement terminates and replaces the previous confidentiality agreements dated 15 December 2015 and 26 October 2015, respectively. None of the parties has any further rights or obligations under these earlier confidentiality agreements except for any accrued rights or liabilities arising prior to the date of termination of those agreements.

The key terms of the Confidentiality Agreement are:

- the recipient of confidential information must maintain the information in confidence and not disclose the confidential information without the provider's prior written consent (except if required by law, the information becomes public other than through a breach of the Confidentiality Agreement or to certain representatives);
- the recipient of confidential information must not, without the provider's prior written consent, use, reproduce, copy, modify or store the confidential information for any purpose other than in connection with the proposed acquisition of Nuplex by Advent or Allnex;
- the recipient of the confidential information is responsible for the acts or omissions of its representatives which constitute a breach of the Confidentiality Agreement;
- the recipient of confidential information must return, destroy or delete all confidential information on request from the provider of that information;
- Advent, Allnex S.à.r.l and Allnex undertook not to do any act, matter or thing which is prohibited by relevant insider trading legislation;
- the obligations regarding confidentiality will continue until 22 February 2018; and
- either party (being Nuplex on the one hand and Advent, Allnex S.à.r.l and Allnex on the other) will not, prior to 10 December 2016, solicit or offer employment to any person employed by the other party.

Exclusivity and Process Agreement

Prior to the entry into the Scheme Implementation Agreement, Nuplex, Advent and Allnex entered into the Exclusivity and Process Agreement dated 15 February 2016. The Exclusivity and Process Agreement set out the process for Advent and Allnex to undertake due diligence on Nuplex, provided certain rights of exclusivity and required payment of break fees in certain circumstances.

The Exclusivity and Process Agreement contained certain exclusivity arrangements in favour of Allnex. These arrangements ceased to apply when the Scheme Implementation Agreement was entered on 9 April 2016. The arrangements which applied during the period 15 February 2016 to 9 April 2016 (and which have been replaced by similar provisions in the Scheme Implementation Agreement) can be summarised as follows:

- **No Shop:** Nuplex could not solicit, invite, encourage or initiate any offer, proposal, expression of interest, enquiry, negotiation or discussion with any person other than Advent or Allnex in relation to a Competing Proposal or that would reasonably be expected to encourage or lead to a Competing Proposal;
- **No Talk:** Nuplex could not enter into, permit, continue or participate in, negotiations or discussions in relation to a Competing Proposal or that would reasonably be expected to encourage or lead to a Competing Proposal;
- **No Due Diligence:** Nuplex was not permitted to make available, or cause to be made available, any non-public information relating to Nuplex that would assist, or be reasonably expected to assist, a third party to formulate, develop or finalise a Competing Proposal;
- **Notification:** if Nuplex had been approached in relation to a Competing Proposal, Nuplex would have had to notify Advent and Allnex of such approach, and provide the identity of the relevant person making or proposing the Competing Proposal; and
- **Matching Right:** if Nuplex had received a written bona fide Competing Proposal, it would have had to give Advent and Allnex at least five Business Days to provide a matching or superior proposal to the terms of the Competing Proposal.

However, Nuplex was not required to comply with its obligations under the no talk provision and no due diligence provision in the Exclusivity and Process Agreement if the Directors, having received advice, considered that such Competing Proposal was, or was reasonably likely to, lead to a Superior Proposal or the Directors determined that complying with these provisions would have been likely to constitute a breach of the fiduciary or statutory duties owed by any Director.

Advent and Allnex agreed that they would not, and that none of the entities they controlled, would acquire or offer or agree to acquire an interest in Nuplex Shares or derivatives relating to Nuplex Shares unless a third party gave a notice under the Takeovers Code to make an offer for Nuplex Shares, a third party acquired more than 15% of Nuplex Shares or a proposed merger or business combination involving Nuplex and a third party was announced.

Nuplex agreed to pay Advent and Allnex a cash break fee of NZ\$10.47 million (plus GST, if applicable) in certain circumstances. These circumstances included if during the exclusivity period that expired on 9 April 2016 a Competing Proposal or a potential Competing Proposal was presented to Nuplex or announced and, within 12 months of this, that Competing Proposal had been completed.

Advent and Allnex agreed to pay Nuplex a cash break fee of NZ\$10.47 million (plus GST, if applicable) in certain circumstances. These circumstances included if it was apparent that a condition precedent to the Scheme Implementation Agreement was not reasonably able to be satisfied other than conditions relating to the approval of the Scheme by the High Court or Shareholders or there had been a breach of the warranties given by Nuplex.

No break fee has been paid by Nuplex, Advent or Allnex under the Exclusivity and Process Agreement.

Scheme Implementation Agreement

A summary of the key terms of the Scheme Implementation Agreement dated 9 April 2016 between Nuplex, Allnex NZ and Allnex is set out in section 13.

Escrow Deed

Nuplex, Allnex, Allnex NZ, the Administrative Agent and Computershare entered into an Escrow Deed dated 3 June 2016 pursuant to which Allnex NZ will deposit the total Scheme Consideration (the **Escrow Amount**) into an escrow account operated by Computershare pending implementation of the Scheme.

Allnex NZ will deposit the Escrow Amount into an escrow account operated by Computershare prior to 4.00pm on the Business Day before the Implementation Date. Computershare will hold the total Scheme Consideration on trust for the Administrative Agent, Allnex and Allnex NZ in the amounts set out in the Escrow Deed.

If on or before 8.00am on the Implementation Date, the Administrative Agent has not given notice that all conditions precedent under the credit agreement between Allnex S.à.r.l and certain of its subsidiaries, the Administrative Agent and certain financial institutions have been satisfied or waived, or if Computershare has not provided confirmation that the escrow account has been opened and the Escrow Amount has been received, Computershare will not pay the Escrow Amount to Scheme Shareholders. However, this will not affect Allnex NZ's obligations to pay the Scheme Consideration to Scheme Shareholders.

Immediately following transfer of the Scheme Shares to Allnex NZ on the Implementation Date in accordance with the Scheme, Computershare will apply the Escrow Amount in payment of the Scheme Consideration to Scheme Shareholders in accordance with the Scheme.

If the Scheme Shares have not been transferred to Allnex NZ by 3.00pm on the Implementation Date, Computershare will return the Escrow Amount to the Administrative Agent in accordance with the Escrow Deed.

12.11 Relationship between Allnex NZ and Directors and Senior Officers of Nuplex

No agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between Allnex NZ and any Associates of Allnex NZ, and any Director or Senior Officer of Nuplex or any Related Company of Nuplex in connection with, in anticipation of, or in response to, the Scheme.

None of the Directors or Senior Officers of Nuplex are also directors or senior officers of Allnex NZ (or any Related Company of Allnex NZ).

12.12 Agreement between Nuplex and its Directors and Senior Officers

Except as set out below, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between Nuplex or any Related Company of Nuplex and any Directors, Senior Officers or their Associates of Nuplex or its Related Companies, under which a payment or other benefit may be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office in connection with, in anticipation of, or in response to, the Scheme.

The Company's remuneration framework aims to attract, motivate and reward employee performance that increases shareholder value through a mix of fixed remuneration, short-term incentives (**STI**) and long-term incentives (**LTI**). If the Scheme proceeds, entitlements under Nuplex's LTI arrangements will vest. In addition, the Board has agreed to complete its determinations based on the performance criteria of, and payments under, the Company's STI arrangements in respect of the financial year ending 30 June 2016 in time to allow participants to receive their entitlements before the Implementation Date. These matters are discussed in further detail on the next pages.

Executive LTI plans

The LTI arrangements for certain Nuplex Senior Officers include Performance Rights and Cash Rights.

If the Scheme becomes Effective, certain of the Performance Rights and Cash Rights will vest. This will result in participants receiving Nuplex Shares (in the case of Performance Rights) or cash payments (in the case of Cash Rights).

The Performance Rights Plans were approved by Shareholders at Nuplex's 2010 and 2013 annual meetings of shareholders. These shareholder-approved plans were designed to align executives' remuneration with shareholders' interests by ensuring that incentives are paid to management only when value is created for shareholders.

The terms of the Performance Rights Plans and the Cash Rights Plans (together **Executive LTI Plans**) provide that upon a "change in control event" occurring, the vesting conditions attached to all unvested Performance Rights and Cash Rights will cease to apply and vesting is accelerated. The rules of each Executive LTI Plan set out the methodology for the calculation of the proportion of Performance Rights and Cash Rights which will vest upon a change in control event occurring. The rules also give the Nuplex Board the discretion to determine that a greater portion of Performance Rights or Cash Rights (up to 100%) will vest upon a change in control event.

The terms of the Executive LTI Plans provided that, in relation to a scheme of arrangement, a "change in control event" was deemed to occur on the date the High Court orders a meeting of Nuplex Shareholders to be convened to consider and vote on that scheme of arrangement.

The Nuplex Board considered the terms of the Executive LTI Plans in the context of the Scheme and decided (with the agreement of all participants) to:

- change the timing for a "change in control event" in relation to the Scheme so that it will be triggered shortly prior to the Scheme Record Date. This has the effect of delaying the trigger event until the Scheme is largely unconditional;
- pending a potential change in control event occurring in connection with the Scheme, suspend the testing of the performance criteria under the Executive LTI Plans for the financial year ending 30 June 2016. If the Scheme is not implemented (and therefore a change in control event does not occur in relation to the Scheme), then the performance criteria under the Executive LTI Plans for the financial year ending 30 June 2016 will be tested but with the relevant share price being the volume weighted average price over the 10 trading day period that commences five trading days after the date on which Nuplex announces that the Scheme will not proceed; and
- in relation to the Cash Rights Plans only, clarify that the market price for the purposes of the Scheme is the Scheme Consideration.

The Nuplex Board decided to exercise its discretion under the Executive LTI Plans to provide that 100% of the unvested Performance Rights and Cash Rights will vest upon a "change in control event" occurring in connection with the Scheme.

Details of the entitlements to Performance Rights are set out under the heading "Performance Rights" in section 12.5 (*Ownership interests of Directors and Senior Officers of Nuplex*).

The table below sets out the number of Cash Rights held or controlled by each Director or Senior Officer or their Associates.

Name	Description	Number of Cash Rights held or controlled
Paul Kieffer	Senior Officer	395,511
Mike Kelly	Senior Officer	366,997
Ruben Mannien	Senior Officer	349,246
Emery Severin	Managing Director	22,344
William Weaver	Senior Officer	292,104

Note:

1. Participants will be entitled to receive the Scheme Consideration for each Cash Right held or controlled if a "change in control event" occurs in relation to the Scheme.

Management LTI plan

Forty six of Nuplex's senior management participate in a separate LTI arrangement (the **Management LTI Plan**). The Management LTI Plan provides for cash payments to participants if specific company performance criteria aligned to the objectives of Shareholders are achieved. The company performance criteria under the Management LTI Plan are the same as the company performance criteria under the Executive LTI Plans.

If the Scheme becomes effective, certain of the unvested rights under the Management LTI Plan will vest. The Nuplex Board has decided to exercise its discretion under the Management LTI Plan to provide that 100% of the unvested rights under the Management LTI Plan will vest upon a "change in control event" (as defined under the Executive LTI Plans) occurring in connection with the Scheme. Payments to be made under the Management LTI Plan will be pro-rated for each completed year of the Management LTI Plan in relation to the relevant rights.

If a "change in control event" occurs in relation to the Scheme, the total amount that will be paid to participants under the plan will be approximately A\$3.3 million.

STI plan

Approximately 177 Nuplex executives and managers are participants under a STI plan (the **STI Plan**).

Under the terms of the STI Plan, subject to the achievement of pre-determined targets, participants are eligible to receive a cash payment in respect of each financial year. The amount payable to a participant in respect of a particular financial year is based on a combination of:

- the participant's performance against his or her non-financial, personal targets set for that financial year; and
- Nuplex's financial performance during the relevant financial year.

To allow participants to be paid their entitlements under the STI Plan in relation to the financial year ending 30 June 2016 before the Implementation Date, the Board decided that:

- assessments for all participants would be undertaken as follows:
 - assessments against non-financial, personal targets would be undertaken by the end of May 2016; and
 - assessments against financial results would be determined at the end of June 2016; and
- payments will be made to all participants as soon as possible after the assessments referred to in the above have been undertaken.

The total amount to be paid to participants under the STI Plan in relation to the 2016 financial year is approximately NZ\$10 million.

Loyalty payment

The individual employment agreement between Nuplex and Mr Emery Severin provides that in the event that Mr Severin's employment is terminated by Nuplex within six months of a change of control of Nuplex:

- Mr Severin is entitled to a payment which is equivalent to 12 months of his fixed annual remuneration of A\$1,230,000 as at the date of this Scheme Booklet; and
- the Nuplex Board may, in its absolute discretion and subject to the terms of the STI Plan, grant Mr Severin a pro-rated payment under the STI Plan, calculated having regard to the period of employment from the commencement of the relevant financial year to the date of Mr Severin's termination of employment.

If Nuplex terminated Mr Severin's employment on 12 months' notice in accordance with his employment agreement, Nuplex would be entitled to pay his fixed annual remuneration of A\$1,230,000 in lieu of all or part of his notice period.

12.13 Interests of Directors and Senior Officers of Nuplex in contracts of Allnex NZ or its related companies

No Director or Senior Officer or their Associates has an interest in any contract to which Allnex NZ, or any related company of Allnex NZ, is a party.

12.13A Interests of Nuplex's substantial security holders in material contracts of Allnex NZ or its related companies

No person who, to the knowledge of the Directors or the Senior Officers holds or controls 5% or more of any class of equity securities of Nuplex, has an interest in any material contract to which Allnex NZ or any related company of Allnex NZ is a party.

12.14 Additional information

In the opinion of the Directors, no additional information, to the knowledge of Nuplex, is required to make the Allnex NZ Information in this Scheme Booklet correct or not misleading.

12.15 Recommendation

Your Independent Directors unanimously recommend that Shareholders vote in favour of the Scheme Resolution, in the absence of a Superior Proposal. The Independent Directors' reasons for this recommendation are set out in section 6.3.

As set out in section 6.1, Mr Emery Severin, being the Managing Director and Chief Executive Officer of Nuplex and a party to the arrangements set out in section 12.12, has abstained from making any recommendation as to whether to vote in favour of, or against, the Scheme.

12.16 Actions of Nuplex

Except for the arrangements summarised in sections 12.10 and 12.12, there are no material agreements or arrangements (whether legally enforceable or not) of Nuplex or any Related Company of Nuplex entered into as a consequence of, in response to, or in connection with, the Scheme.

There are no negotiations underway as a consequence of, in response to, or in connection with, the Scheme that relate to, or could result in:

- an extraordinary transaction, such as a merger, amalgamation or reorganisation, involving Nuplex or any of its Related Companies;
- the acquisition or disposition of material assets by Nuplex or any of its Related Companies;
- an acquisition of equity securities by, or of, Nuplex or any of its Related Companies; or
- any material change in the issued equity securities of Nuplex, or the policy of the Nuplex Board relating to distributions of Nuplex.

12.17 Equity securities of Nuplex

Nuplex has 188,592,999 Nuplex Shares on issue. As noted in section 12.5, the vesting of Performance Rights prior to the Scheme becoming effective, would result in a further 3,871,678 Nuplex Shares being issued, which would increase the total number of Nuplex Shares on issue to 192,464,677. All Nuplex Shares are fully paid.

Subject to certain conditions in the constitution of Nuplex and the NZX Listing Rules and ASX Listing Rules, each Nuplex Share confers upon the holder the right to:

- a) an equal share in dividends authorised by the Nuplex Board;
- b) an equal share in the distribution of surplus assets on liquidation of Nuplex;
- c) participate in certain further issues of equity securities by Nuplex; and
- d) cast one vote on a show of hands or the right to cast one vote per share on a poll, at a meeting of Shareholders on any resolution, including a resolution to:
 - i) appoint or remove a director or auditor;
 - ii) alter Nuplex's constitution;
 - iii) approve a major transaction;
 - iv) approve an amalgamation involving Nuplex; and
 - v) put Nuplex into liquidation.

The material terms of the Performance Rights Plans in the context of the Scheme are described at section 12.12.

12.18 Financial information

A copy of Nuplex's most recent annual report (being the annual report for the year ended 30 June 2015) is available on Nuplex's website at www.nuplex.com/Corporate/investor-center/annual-reports.

Each person who is eligible to vote on the Scheme is also entitled to obtain from Nuplex a copy of Nuplex's most recent annual report by making a written request to:

The Company Secretary
Nuplex Industries Limited
Level 3, Millennium Centre
602C Great South Road
Ellerslie, Auckland 1051
New Zealand

A copy of Nuplex's most recent half-yearly report since its annual report for the period ended 30 June 2015 (being the half-yearly report for the six months ended 31 December 2015) is included as Annexure G.

There have been the following material changes in the financial or trading position, or prospects, of Nuplex since its 30 June 2015 annual report was prepared and sent to Shareholders:

- on 29 October 2015, Nuplex was notified by the proposed purchaser of Nuplex Group's Masterbatch business in Vietnam that it would not complete the purchase due to the non-satisfaction of a condition of the sale transaction relating to regulatory approvals in Vietnam. See note 7 of the Half Year Report;
- on 4 November 2015, Nuplex provided operating EBITDA guidance for the 2016 financial year of between NZ\$140 million and NZ\$155 million at its 2015 annual meeting of shareholders;
- on 18 February 2016, Nuplex announced its financial results for the six month period ended 31 December 2015. Nuplex's Half Year Report for the six months to 31 December 2015 includes the unaudited financial statements for this period and includes the following material changes in the financial and trading position, and prospects of Nuplex:
 - net profit after tax for the half year ended 31 December 2015 was NZ\$24.9 million. This includes NZ\$2.5 million in significant expenses and a NZ\$1.9 million loss on discontinued operations. This compared with net profit after tax in the prior comparable half of NZ\$37.3 million, which included the benefit of significant items and discontinued operations totalling NZ\$12.1 million;
 - net profit after tax from continuing operations, before significant items, was up 16.3% to NZ\$29.3 million from NZ\$25.2 million in the prior comparable half;
 - earnings per share for the half year ended 31 December 2015 was 13.1 cents. This compares to 18.8 cents per share in the prior corresponding half. Earnings per share from continuing operations, excluding significant items, was 15.4 cents, up 21.3% on the prior corresponding half of 12.7 cents;
 - operating earnings before interest, tax, depreciation and amortisation for the half year ended 31 December 2015 from continuing operations was up 20.6% to NZ\$65.7 million from NZ\$54.5 million in the prior corresponding half;
 - operating earnings before interest, tax, depreciation and amortisation for the half year ended 31 December 2015 from continuing operations excluding the benefit of the NZ\$ depreciation during that period was NZ\$58.1 million. This showed that the underlying business had grown earnings by 6.6% compared with the prior corresponding half; and
 - the annualised return on funds employed for continuing operations improved to 14.3% as at 31 December 2015, up from 12.9% as at 30 June 2015;
- on 18 February 2016, Nuplex announced its half year results including an updated statement on the prospects of Nuplex. Nuplex stated that it expected operating EBITDA for the 2016 financial year to be between NZ\$145 million and NZ\$157 million. This guidance was higher than the initial guidance given in November 2015 of EBITDA between NZ\$140 million and NZ\$155 million as the performance and outlook of the business had improved since then. A summary of the prospects outlook set out in that media statement is included in section 8.8;
- on 4 April 2016, the Interim Dividend of NZ\$0.12 per share was paid to Shareholders;
- on 21 April 2016, Nuplex announced it had entered into a sale agreement to sell its ANZ Pulp & Paper business to Solenis Australia Pty Limited for proceeds of A\$21 million. This sale is expected to be completed before 30 June 2016;

- on 12 May 2016, Nuplex announced that the 2016 financial year operating EBITDA is expected to be between NZ\$157 million and NZ\$161 million. This updated forecast compares to previous guidance of between NZ\$145 million and NZ\$157 million. This change was due to stronger than expected earnings from EMEA and the Americas in March and April 2016. Excluding discontinued operations from the ANZ Pulp & Paper business, Nuplex expects 2016 financial year statutory operating EBITDA to be between NZ\$154 million and NZ\$158 million; and
- on 6 June 2016, Nuplex amended its banking facilities. A comprehensive summary of Nuplex's previous banking facilities is included in the 30 June 2015 annual report. The amendments made on 6 June 2016 included (1) reducing the size of the multicurrency syndicated revolving facility from A\$225 million to A\$175 million and (2) extending the maturity of Tranche A (an A\$100 million facility following (1)) from July 2017 to January 2018.

Except as set out above, there have been no material changes to the financial or trading position, or prospects, of Nuplex since its 30 June 2015 annual report was prepared and sent to Shareholders.

12.19 Independent advice on merits of the Scheme

Grant Samuel & Associates Limited is the Independent Adviser who has provided a report in relation to the merits of the Scheme. A copy of the full Independent Adviser's Report is set out in Annexure B.

12.20 Asset valuations

No information provided in this Scheme Booklet refers to a valuation of any asset of Nuplex.

12.21 Prospective financial information

The Independent Adviser's Report contains prospective financial information in relation to Nuplex. The principal assumptions on which the prospective financial information is based are set out in the Independent Adviser's Report.

The principal assumptions on which the prospective financial information in relation to Nuplex referred to in section 8.8 is based, are set out in section 8.8.

Other than the prospective financial information referred to above, this Scheme Booklet does not refer to any other prospective financial information about Nuplex.

12.22 Sales of unquoted equity securities under the Scheme

There are no unquoted equity securities that are subject to the Scheme.

12.23 Market prices for quoted equity securities

The Nuplex Shares are quoted on the NZX Main Board and ASX.

The closing price on NZX Main Board and ASX of Nuplex Shares on:

- 9 June 2016, being the latest practicable working day before the date on which this Scheme Booklet was sent to Shareholders, was NZ\$5.36 on NZX Main Board and A\$5.00 on ASX; and
- 12 February 2016, being the last day on which NZX and ASX were open for business before the date on which Nuplex announced that it had received from Allnex and Advent an indicative, non-binding conditional proposal to acquire all of the shares of Nuplex, was NZ\$3.86 on NZX Main Board and A\$3.67 on ASX.

The highest and lowest closing market prices of Nuplex Shares on NZX Main Board and ASX (and the relevant dates) during the six months before 12 February 2016 (being the last day on which NZX and ASX were open for business before the date on which Nuplex announced that it had received from Allnex an indicative, non-binding conditional proposal to acquire all of the shares of Nuplex), were as follows:

- the highest closing market price was NZ\$4.84 per share on NZX Main Board and A\$4.64 per share on ASX (on 29 December 2015 and 7 January 2016 respectively); and
- the lowest closing market price was NZ\$3.75 per share on NZX Main Board and A\$3.38 per share on ASX (in each case on 25 September 2015).

During the six month period before 12 February 2016 (being the last day on which NZX and ASX were open for business before the date on which Nuplex announced that it had received from Allnex an indicative, non-binding conditional proposal to acquire all of the shares of Nuplex), Nuplex did not issue any equity securities, make any changes to any equity securities on issue, or make any distributions, which could have affected the market prices of Nuplex Shares referred to above, except as set out below:

- Nuplex paid a final dividend for the 2015 financial year of NZ\$0.17 per share on 12 October 2015 (with a record date of 28 September 2015);
- Nuplex's on-market buy-back programme was in effect until 2 October 2015 and resulted in 2,672,950 Nuplex Shares being acquired on-market by Nuplex during the period from 12 August 2015 to 2 October 2015; and
- Nuplex provided operating EBITDA guidance for the 2016 financial year of between NZ\$140 million and NZ\$155 million at its 2015 annual meeting of shareholders on 4 November 2015. Nuplex increased this guidance to between NZ\$145 million and NZ\$157 million when it announced its 2016 half year results on 18 February 2016. On 12 May 2016, Nuplex announced that 2016 financial year operating EBITDA is expected to be between NZ\$157 and NZ\$161 million.

In addition, Nuplex paid the Interim Dividend for the 2016 financial year of NZ\$0.12 per share on 4 April 2016 (with a record date of 17 March 2016).

Except as set out in this Scheme Booklet, there is no other information about the market price of Nuplex Shares that would reasonably be expected to be material to the making of a decision by Shareholders when making a decision to vote for or against the Scheme Resolution.

12.24 Other information

The Directors are not aware of any additional information, which is not required to be disclosed elsewhere in this Scheme Booklet, that could reasonably be expected to be material to the Shareholders when making a decision to vote for, or against, the Scheme Resolution.

12.25. Board approval of Nuplex Information

The contents of the Scheme Booklet (other than the Allnex NZ Information, which Allnex NZ has approved) have been approved by the Nuplex Board.

12.26. Certificate

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this Scheme Booklet (other than the Allnex NZ Information, which in respect of section 11 only, Allnex NZ has confirmed is, in all material respects, true and correct and not misleading) is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise.



Peter Springford
Chairman
Nuplex Industries Limited



David Jackson
Director
Nuplex Industries Limited



Emery Severin
Managing Director and Chief Executive Officer
Nuplex Industries Limited



Clive Cuthell
Chief Financial Officer
Nuplex Industries Limited

13.1 Date and parties

The Scheme Implementation Agreement is dated 9 April 2016 and is between Allnex, Allnex NZ and Nuplex.

13.2 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 OIO, the FIRB 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 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 8.00am on the Implementation Date;
- no Nuplex 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 Shareholders other than the Interim Dividend Nuplex paid on 4 April 2016) between 15 February 2016 and 8.00am on the Implementation Date;

- no breach of certain undertakings given by Nuplex occurring between 15 February 2016 and 8.00am on the Implementation Date and the warranties given by Nuplex being true and correct as at 8.00am on the Implementation Date; and
- no breach of certain undertakings given by Allnex occurring between 15 February 2016 and 8.00am on the Implementation Date and the warranties given by Allnex being true and correct as at 8.00am 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 Scheme Implementation Agreement. Neither party would be required to pay a Break Fee to the other party in those circumstances.

13.3 Timing

The Special 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 Special 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. That notice was given by Allnex NZ to Nuplex on 11 May 2016.

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 Special Meeting to be adjusted accordingly.

Summary of the Scheme Implementation Agreement (continued)

On 9 June 2016, Allnex NZ gave a notice that it holds the bona fide belief based on current information, advice and discussions with (or correspondence from) the relevant regulatory authorities, that the relevant regulatory approvals will be obtained on or before 29 June 2016.

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 Special Meeting prior to the Regulatory Conditions to the Scheme being satisfied or waived.

13.4 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.

13.5 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.

13.6 Exclusivity

The Scheme Implementation Agreement contains certain exclusivity arrangements in favour of Allnex. These arrangements apply until the earlier of termination of the Scheme Implementation Agreement, 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 five 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 Scheme Implementation Agreement in certain circumstances. These circumstances include with respect to a bona fide Competing Proposal if the Directors, having received advice, consider that the Competing Proposal is, or is reasonably likely to constitute, a Superior Proposal and the 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 Director.

13.7 Break Fee

Nuplex has agreed to pay Allnex a Break Fee of NZ\$10.47 million (plus GST, if applicable) where:

- if, at any time before the Scheme Implementation Agreement 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 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 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; or
- if Allnex terminates the Scheme Implementation Agreement 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 Scheme Implementation Agreement.

Allnex has agreed to pay Nuplex a Break Fee of NZ\$10.47 million (plus GST, if applicable) where:

- any party terminates the Scheme Implementation Agreement 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 Scheme Implementation Agreement 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 Scheme Implementation Agreement; or
- the High Court fails to approve the Scheme as a result of a material breach by Allnex of its obligations under the Scheme Implementation Agreement.

13.8 Termination rights

Either Nuplex or Allnex may terminate the Scheme Implementation Agreement 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 Special 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 Scheme Implementation Agreement 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 Scheme Implementation Agreement; or
- an insolvency event occurs in respect of Allnex NZ or Allnex.

Allnex may terminate the Scheme Implementation Agreement 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 Scheme Implementation Agreement;
- an insolvency event occurs in respect of Nuplex or any of its related entities;
- a Material Adverse Change or a Nuplex Prescribed Occurrence occurs; or
- if any Independent Director fails to make the recommendation to Shareholders to vote in favour of the Scheme, or any Director 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.

13.9 Conduct of business

The Scheme Implementation Agreement sets out the obligations of Nuplex in relation to the conduct of the business of the Nuplex Group from the date of the Scheme Implementation Agreement 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 six 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 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 Scheme Implementation Agreement;

- 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 Scheme Implementation Agreement; and
- payments under its Management LTI Plan and STI Plan up to permitted maximum amounts;
- not accelerate the rights of any director or employee under any incentive plan, except as permitted by the Scheme Implementation Agreement;
- 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 representatives have on those negotiations or drafts of those enterprise or similar industrial agreements.

13.10 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 Scheme Implementation Agreement. The warranties are given at the date of the Scheme Implementation

Agreement 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 Scheme Implementation Agreement and the Scheme;
- its entry into and performance of its obligations under the Scheme Implementation Agreement 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 Nuplex 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 been 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;

Summary of the Scheme Implementation Agreement (continued)

- 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 Scheme Implementation Agreement or materially changing the terms of the Scheme Implementation Agreement, 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 Scheme Implementation Agreement;
- 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 of considering and approving Allnex NZ 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 Special Shareholders Meeting which is necessary to ensure that the Nuplex Information in the Scheme Booklet is not misleading or deceptive in any material respect; and
- 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 Scheme Implementation Agreement;
- its entry into and performance of its obligations under the Scheme Implementation Agreement will not conflict with or constitute a default under any agreement, its constitution or any law, order or similar requirement binding on it; and
- 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 Scheme Implementation Agreement and other customary conditions precedent to draw down.

Broadly, the undertakings given by Allnex include:

- to prepare in good faith the Allnex NZ 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 the Allnex NZ 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 Shareholders and before the Special Meeting which is necessary to ensure that the Allnex NZ Information in the Scheme Booklet is not misleading or deceptive in any respect; and
- 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.

13.11 Guarantee

Allnex has guaranteed to Nuplex the performance by Allnex NZ of all of its obligations under the Scheme Implementation Agreement.

The meaning of terms set out in this Scheme Booklet are set out below:

A\$	means Australian dollars;
Administrative Agent	means ING Bank NV, London Branch;
Advent	means Advent International Corporation;
Allnex	means Allnex Belgium SA/NV;
Allnex Group	means Allnex Holdings and each of its Related Companies;
Allnex Holdings	means Allnex Holdings S.à.r.l;
Allnex NZ	means Allnex New Zealand Limited, a wholly owned subsidiary of Allnex;
Allnex NZ Information	means such information regarding the Allnex Group that is provided or approved by the Allnex Group or any of its advisers and is contained in sections 9 and 11 and note 3 to the table in section 6.3(f);
Anti-trust Condition	means each anti-trust and competition clearance or approval that is required to implement the Transaction or for the continued operation of the business of Nuplex and/or Allnex;
Associate	has the same meaning as in section 4 of the Takeovers Code;
ASX	means ASX Limited (ABN 98 008 624 691), and, where the context requires, the financial market that it operates;
ASX Listing Rules	means the listing rules of the ASX;
Break Fee	means NZ\$10,470,000 plus GST, if applicable;
Business Day	means any day (other than a Saturday, Sunday or public holiday) on which trading banks are generally open for normal business in Auckland, New Zealand, Sydney, Australia and Frankfurt, Germany;
Cash Rights	means the rights to be paid cash pursuant to the terms of the Cash Rights Plans;
Cash Rights Plans	means the Nuplex Cash Rights Plan (FY2012 – FY2013) and the Nuplex Cash Rights Plan (FY2014 – FY2016);
Companies Act	means the Companies Act 1993 (New Zealand);
Competing Proposal	<p>means a transaction or arrangement which, if completed, would result in a third party:</p> <ul style="list-style-type: none"> • directly or indirectly acquiring or being entitled to acquire: <ul style="list-style-type: none"> - more than 25% of the shares of Nuplex or any member of the Nuplex Group; or - any part of the business or assets of the Nuplex Group, in each case, which individually or collectively contribute 25% or more of the consolidated EBITDA of the Nuplex Group or whose assets represent 25% or more of the total consolidated assets of the Nuplex Group; or • acquiring control of Nuplex or merging or amalgamating with Nuplex or any other members of the Nuplex Group which individually or collectively contribute 25% or more of the consolidated EBITDA of the Nuplex Group or whose assets represent 25% or more of the total consolidated assets of the Nuplex Group, <p>or which would otherwise require Nuplex to abandon, fail to proceed with, or be inconsistent with the implementation of the Scheme;</p>

Computershare	means Computershare Investor Services Limited, Nuplex's share registrar;
Conditions	<p>means broadly:</p> <ul style="list-style-type: none"> • receiving relevant regulatory approvals (including approvals required from the OIO, the FIRB and each anti-trust and competition clearance or approval) required to implement the Transaction or for the continued operation of the business of Nuplex (including from the Ministry of Commerce, People's Republic of China) and/or Allnex 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 to Nuplex 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; • approval of the Scheme by Shareholders by the requisite majorities; • no regulatory restraints being enforced or issued by any Government Agency at 8.00am on the Implementation Date that prohibit, prevent or restrict the implementation of the Scheme; • no Material Adverse Change occurring in relation to Nuplex prior to 8.00am on the Implementation Date; • no Nuplex Prescribed Occurrence occurring (this covers matters such as changes to Nuplex's capital structure or business, insolvency events and various other prescribed events); • no breach of the undertakings given by Nuplex or breach of warranties given by Nuplex having occurred prior to 8.00am on the Implementation Date; and • no breach of the undertakings given by Allnex or breach of the warranties given by Allnex having occurred prior to 8.00am on the Implementation Date;
Confidentiality Agreement	means the confidentiality agreement between Nuplex, Advent, Allnex and Allnex S.à.r.l dated 22 February 2016;
Currency Election Form	means the currency election form which accompanies this Scheme Booklet;
Deed Poll	means the deed poll between Allnex NZ and Allnex dated 30 May 2016 pursuant to which Allnex NZ and Allnex acknowledge and confirm their obligations under the Scheme in the form set out in Annexure D;
Directors or Director	means a member or members of the Nuplex Board;
EBITDA	means earnings before interest, tax, depreciation, amortisation, significant items, associates and minority interests;
Effective	when used in relation to the Scheme, means the coming into effect, under section 236(3) of the Companies Act, of the order of the High Court made under section 236(1) of the Companies Act in relation to the Scheme and all conditions to the implementation of the Scheme having been satisfied or waived in accordance with the Scheme;
End Date	means 9 November 2016, or such later date as agreed in writing between Nuplex, Allnex and Allnex NZ;

Escrow Deed	means the escrow deed between Nuplex, Allnex, Allnex NZ, Computershare and the Administrative Agent dated 3 June 2016;
Excluded Event	means any event or change in circumstances: <ul style="list-style-type: none"> 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; resulting from the exercise by any party of its rights, or the discharge by any party of its obligations, under the Scheme Implementation Agreement other than Nuplex's obligations and rights under certain specific provisions of the Scheme Implementation Agreement; or 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;
Excluded Shares	means any Nuplex Shares nominated in writing by Allnex NZ to Nuplex not less than two Business Days prior to the Scheme Record Date which are held or controlled by Allnex NZ or any of its Associates as at 7.00pm on the Scheme Record Date;
Exclusivity and Process Agreement	means the exclusivity and process agreement between Nuplex, Advent and Allnex dated 15 February 2016;
Final Court Hearing	means the final hearing of the High Court in respect of the Scheme, which is expected to take place at 10.00am on 21 July 2016, or such later date as the High Court directs;
Final Court Orders	means the final orders of the High Court in respect of the Scheme made under Part 15 of the Companies Act;
Final Orders Date	means the date on which final orders of the High Court made under section 236 of the Companies Act are sealed;
FIRB	means the Foreign Investment Review Board of Australia;
Government Agency	means any government, any department, officer or minister of any government and any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity;
High Court	means the High Court of New Zealand, Auckland Registry;
Implementation Date	means the day on which the Scheme is to be implemented, being the fourth Business Day after the Scheme Record Date, or such other date agreed between Nuplex, Allnex and Allnex NZ;
Independent Adviser	means Grant Samuel & Associates Limited;
Independent Adviser's Report	means the report prepared by the Independent Adviser on the merits of the Scheme dated May 2016, a copy of which is set out in Annexure B;
Independent Directors	means all of the Directors other than Mr Emery Severin;
Initial Court Date	means 10 June 2016;

Initial Court Orders	means the initial court orders of the High Court relating to the Scheme dated 10 June 2016, a copy of which is set out in Annexure E;
Interim Dividend	means the interim dividend of NZ\$0.12 per share paid by Nuplex on 4 April 2016 to Shareholders who held Nuplex Shares on 17 March 2016;
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"> • 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 • 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 NZ\$) 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);
Notice of Meeting	means the notice of meeting relating to the Special Meeting, which is set out in Annexure A;
Nuplex or Company	means Nuplex Industries Limited;
Nuplex Board or Board	means the board of directors of Nuplex;
Nuplex Group	means Nuplex and each of its Related Companies, and a reference to a Nuplex Group Member or a member of the Nuplex Group is to Nuplex or any of its Related Companies;
Nuplex Information	means the information contained in this Scheme Booklet, other than the Allnex NZ Information and the Independent Adviser's Report;
Nuplex Minority Entity	means Synthese (Thailand) Co Limited, Inospec Valvemaster Limited and any other entities in which a member of the Nuplex Group has a minority equity interest;
Nuplex Prescribed Occurrence	<p>means broadly:</p> <ul style="list-style-type: none"> • Nuplex, or another member of the Nuplex Group, authorising, declaring, paying or making any dividend, bonus, or other payment or distribution other than intra Nuplex Group dividends or distributions or the Interim Dividend; • any member of the Nuplex Group (and to the extent the Nuplex Group is able to prevent it, any Nuplex Minority Entity) issuing, agreeing to issue, or granting an option or right to subscribe for shares or other securities or financial products other than the issue of shares by a Nuplex Group Member to another Nuplex Group Member or in connection with the Performance Rights Plans; • Nuplex or another member of the Nuplex Group (and to the extent the Nuplex Group is able to prevent it, any Nuplex Minority Entity) altering the rights, privileges, benefits, entitlements or restrictions attaching to any securities (including the Nuplex Shares) or converting all or any of the Nuplex Shares into a smaller or larger number;

- an action, claim, litigation, prosecution or other form of proceeding being notified to or commencing against, or by, any member of the Nuplex Group or a Nuplex Minority Entity that is material to the Nuplex Group, taken as a whole;
- an action, claim, litigation, prosecution or investigation by a Government Agency or other form of proceeding being notified to or commencing against, or by, any member of the Nuplex Group that is material to the Nuplex Group, taken as a whole or in respect of the Transaction or that has a material adverse effect on the Transaction;
- any member of the Nuplex Group (and to the extent the Nuplex Group is able to prevent it, any Nuplex Minority Entity):
 - making or incurring (or agreeing to make or incur) any payment, commitment or liability outside of the ordinary course of business which are or could be material to the Nuplex Group taken as a whole or makes any payment of tax outside of the ordinary course of business;
 - dealing with (or agreeing to deal with) a legal or equitable interest in a material asset, business, operation, property or subsidiary that is material to the Nuplex Group taken as a whole;
 - undertaking or committing to capital expenditure or a divestment over NZ\$10 million (other than items approved by the Nuplex's Board, or announced by Nuplex, prior to 15 February 2016 or the completion of transactions entered into which were publicly disclosed prior to 15 February 2016);
 - entering into, terminating or materially varying any major transaction; or
 - make a public announcement to do any of the above;
- Nuplex materially breaching any of the conduct of business provisions in the Scheme Implementation Agreement;
- any alteration to the constitutional documents of a member of the Nuplex Group (and to the extent the Nuplex Group is able to prevent it, any Nuplex Minority Entity) or any agreement under which securities or financial products have been issued by any member of the Nuplex Group (and to the extent the Nuplex Group is able to prevent it, any Nuplex Minority Entity) (other than formal or technical amendments);
- an insolvency event occurs in respect of a member of the Nuplex Group or a Nuplex Minority Entity which is material to the Nuplex Group taken as a whole;
- the board or shareholder of a member of the Nuplex Group (and to the extent the Nuplex Group is able to prevent it, any Nuplex Minority Entity) passing a resolution to do any act or matter referred to above;
- a resolution is passed for any amalgamation of any member of the Nuplex Group (and to the extent the Nuplex Group is able to prevent it, any Nuplex Minority Entity) or any of them is involved in any merger or scheme of arrangement;
- a member of the Nuplex Group being under any obligation to make any payment or provide consideration to any of its employees or directors in the event that the Scheme is implemented, which is material in the context of the Nuplex Group taken as a whole;

- the Nuplex Shares ceasing to be quoted on the NZX Main Board or ASX;
- Nuplex or any member of the Nuplex Group (and to the extent the Nuplex Group is able to prevent it, any Nuplex Minority Entity) amending in any material respect any agreement or arrangement with a financial adviser in relation to the Transaction or a Competing Proposal or entering into an agreement or arrangement with a new financial adviser in relation to the Transaction or a Competing Proposal; or
- a member of the Nuplex Group (and to the extent the Nuplex Group is able to prevent it, any Nuplex Minority Entity) entering into a transaction with a related party (other than another member of the Nuplex Group) that is material to the Nuplex Group taken as a whole;

Nuplex Share	means a fully paid ordinary share of Nuplex;
NZ\$	means New Zealand dollars;
NZX	means NZX Limited;
NZX Listing Rules	means the NZX Main Board/Debt Market Listing Rules;
NZX Main Board	means the main board equity security market operated by NZX;
OIO	means the Overseas Investment Office of New Zealand;
Performance Right	means a performance right issued under a Performance Rights Plan;
Performance Rights Plans	means the Nuplex Performance Rights Plan (FY2011 – FY2013) and the Nuplex Performance Rights Plan (FY2014 – FY2016);
Potential Competing Proposal	means any offer, proposal or expression of interest (whether or not conditional, complete or binding) which is not, but could reasonably be expected to become, a Competing Proposal;
Register	means the share register of Nuplex;
Regulatory Conditions	<p>means, broadly, the approval of:</p> <ul style="list-style-type: none"> • the New Zealand Overseas Investment Office; • the Australian Foreign Investment Review Board; • 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 the Ministry of Commerce, People's Republic of China); • 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; and • no regulatory restraints being enforced or issued by any Government Agency at 8.00am on the date of the Final Court Hearing or at 8.00am on the Implementation Date that prohibit, prevent or restrict the implementation of the Scheme;

Related Company	in relation to a company, has the meaning given to that expression in section 2(3) of the Companies Act provided that, for this purpose, references to “company” in that section will extend to any body corporate wherever incorporated or registered;
Scheme or Scheme of Arrangement	means a scheme of arrangement under Part 15 of the New Zealand Companies Act 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, in accordance with the scheme plan set out in Annexure C, subject to any amendment or modification made pursuant to section 236(2) of the Companies Act;
Scheme Booklet	means this document together with its annexures;
Scheme Consideration	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, the record date for which falls on or between 9 April 2016 and the Implementation Date;
Scheme Implementation Agreement	means the scheme implementation agreement between Nuplex, Allnex NZ and Allnex dated 9 April 2016, a summary of which is set out in section 13;
Scheme Record Date	means the later of 7.00pm on the date which is four Business Days after the: <ul style="list-style-type: none">• the Final Orders Date; or• the date on which the last of the conditions set out in clauses 3.1(a), (b) and (c) of the Scheme Implementation Agreement is satisfied or waived in accordance with clauses 3.6 and 3.7 of that agreement; or• such other date agreed between Nuplex, Allnex and Allnex NZ;
Scheme Resolution	means the special resolution set out in the Notice of Meeting;
Scheme Shares	means all of the Nuplex Shares on issue as at the Scheme Record Date (other than the Excluded Shares);
Scheme Shareholder	means each person who is a Shareholder at the Scheme Record Date;
Shareholder	means each person registered in the Register as a holder of Nuplex Shares;
Shareholder Information Line	means 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;
Special Meeting	means the meeting of Shareholders ordered by the High Court to be convened in respect of the Scheme and includes any adjournment of that meeting;
Superior Proposal	means a written bona fide Competing Proposal which: <ul style="list-style-type: none">• does not breach the no shop, no talk, no due diligence or matching rights provisions in the Scheme Implementation Agreement and Exclusivity and Process Agreement or which, if done by a member of the Nuplex Group or its representatives, would constitute a breach of those provisions by Nuplex; and• the Nuplex Board determines, acting in good faith and having taken advice, is reasonably capable of being valued and implemented and is more favourable to Shareholders than the Scheme, taking into account all of the terms and conditions of the Competing Proposal and the Scheme;

Takeovers Code	means the Takeovers Code recorded in the Takeovers Code Approval Order 2000 (SR2000/210) (New Zealand), as amended;
Transaction	means the acquisition of all of the Nuplex Shares by Allnex NZ through implementation of the Scheme;
Voting Eligibility Date	means the time for determining eligibility to vote at the Special Meeting, being 7.00pm on 5 July 2016 or, if the Special Meeting is adjourned, being 7.00pm on the day which is two Business Days before the adjourned meeting time for the Special Meeting; and
Voting/Proxy Form	means the voting and proxy form which accompanies this Scheme Booklet.

D

Annexures

Notice of Meeting

Notice is given that a Special Meeting of Shareholders of Nuplex Industries Limited will be held:

Date: 7 July 2016

Time: 11.00am

Where: in The Theatre at the Waipuna Hotel and Convention Centre, 58 Waipuna Road, Mt Wellington, Auckland, New Zealand

Agenda

Scheme Resolution

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 this Scheme Booklet) be and is hereby approved.

By order of the Board of Directors

James Williams

Company Secretary

10 June 2016

Notes

1. The Scheme Booklet (which includes this Notice of Meeting) provides information in relation to the Scheme Resolution and the Scheme, how the Scheme will be implemented and the reasons for proposing the Scheme. In particular, section 4 (*Action required*) contains details about the Special Meeting and how to vote or appoint a proxy. A Voting/Proxy Form accompanies this Scheme Booklet.
2. The voting thresholds under the Companies Act for approval of the Scheme are:
 - 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. This threshold applies on the total number of Nuplex Shares rather than by each interest class separately.
3. Both of the voting thresholds set out in Note 2 above must be met for the Scheme Resolution to be approved.
4. As at the date of this Scheme Booklet, all Shareholders currently form part of a single interest class. Shareholders whose rights are so dissimilar that they cannot sensibly consult together about a common interest will form a separate interest class for the purposes of voting on the Scheme Resolution.
5. If Allnex NZ and any of its Associates own Nuplex Shares at the Voting Eligibility Date, then they will form a separate interest class. Allnex and Allnex NZ have undertaken to the Takeovers Panel that if they own Nuplex Shares at the Voting Eligibility Date, then they will ensure that the voting rights attaching to those shares are voted in favour of the Scheme Resolution.
6. **If you are in favour of the Scheme, it is very important that you cast your vote.**
7. The persons who will be entitled to vote at the Special Meeting are those persons (or their proxies or representatives) whose name is recorded in the Nuplex share register at the Voting Eligibility Date.
8. Shareholders who are eligible to vote can vote:
 - **in person** – by attending the Special Meeting and bringing your personalised admission card (which accompanies this Scheme Booklet);
 - **by proxy** – by completing, signing and lodging the Voting/Proxy Form in accordance with the instructions on that form; or
 - **by corporate representative** – a company which is a Shareholder may appoint a person to attend the Special Meeting on its behalf in the same manner as that in which it could appoint a proxy.

9. To appoint a proxy, completed Voting/Proxy Forms must be received by Computershare by no later than 11.00am (New Zealand time) on Tuesday, 5 July 2016. Completed Voting/Proxy Forms can be submitted:

- online: www.investorvote.co.nz
- by mail: by sending to:
Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
New Zealand
- by fax: +64 9 488 8787
- in person: by delivering it to:
Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna, Auckland 1142
New Zealand

10. A proxy need not be a Shareholder. You may, if you wish, appoint the Chairman (or any other Director) as your proxy. The Chairman (and all other Directors) intends to vote proxies in favour of the Scheme (in the absence of a Superior Proposal) unless otherwise instructed.

11. Shareholders are invited to submit their questions for the Chairman in writing as set out below. Reasonable questions will be answered during the Chairman's address at the Special Meeting.

- By email: Nuplex.InvestorRelations@Nuplex.com
- By mail: PO Box 12841, Penrose, Auckland 1642, New Zealand
- By fax: +64 9 580 0895

12. The Special Meeting will be broadcast live via webcast. You can pick up the link to the webcast on Nuplex's website at www.nuplex.com.

13. Capitalised terms used in this Notice of Meeting have the meanings given to them in section 14 of the Scheme Booklet (*Glossary*).

GRANT SAMUEL



Nuplex

Independent Report

In relation to the Proposed Scheme of
Arrangement with Allhex

May 2016

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Glossary

Term	Definition
Advent	Advent International Corporation
Allnex	Allnex Belgium SA/NZ
ANZ	Australia and New Zealand business units
CAPM	Capital asset pricing model
Code	The Takeovers Code
Companies Act	Companies Act 1993
DCF	Discounted Cash Flows
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EMEA	Europe, Middle East and Africa business units
FTP	Floor Tiles & Parquet Limited
FY10-FY19	Financial years ended 30 June 2010 through 30 June 2019
Grant Samuel	Grant Samuel & Associates Limited
NPV	Net present value
Nuplex	Nuplex Industries Limited
NZX	NZ stock exchange
OIO	Overseas Investment Office
Proposed Scheme	The Proposed Scheme of Arrangement with Allnex
VWAP	Volume weighted average share price

1. Terms of the Proposed Scheme

1.1 Background

On 15 February 2016 Nuplex Industries Limited (**Nuplex**) announced that it had received a proposal from Allnex Belgium SA/NV (**Allnex**) to acquire 100% of the issued capital of Nuplex for a cash consideration of \$5.55 cash per share, including any Nuplex interim dividend paid before settlement of the proposal (the **Proposed Scheme**). On 4 April 2016 Nuplex paid an interim dividend of \$0.12 per share. If the Proposed Scheme is implemented, the price shareholders will receive for their shares will therefore be \$5.43 per share. Allnex is an international coating resins producer owned by private equity firm Advent International Corporation (**Advent**). The Proposed Scheme is to be implemented through a scheme of arrangement under the Companies Act 1993 (**Companies Act**) between Nuplex and its shareholders.

As part of the Proposed Scheme, Nuplex granted Allnex and Advent a period of exclusivity to complete due diligence, allow financing to be finalised and to receive appropriate approvals from Allnex's Board and Advent's Investment Committee. During the due diligence period:

- Nuplex agreed (subject to the Board's typical fiduciary duties under which the Directors are able to consider superior offers if they arise) that it would not solicit, initiate or encourage any enquiries with a view to obtaining a competing transaction to the Proposed Scheme;
- Allnex and Advent agreed not to purchase Nuplex shares on market; and
- Allnex and Nuplex agreed to reciprocal break fee arrangements should either not proceed with the Proposed Scheme, subject to agreed exceptions.

On 9 April 2016 Nuplex and Allnex entered into a formal Scheme Implementation Agreement. Allnex and Advent have finalised their financing, completed due diligence and received formal approvals from the Allnex Board and the Advent Investment Committee. The Proposed Scheme is now being put to Nuplex shareholders for their consideration. The Proposed Scheme is subject to a number of key conditions that are set out in the Scheme Booklet, including:

- approval from the New Zealand Overseas Investment Office (**OIO**);
- approval from the Australian Foreign Investment Review Board;
- the receipt of other regulatory approvals including anti-trust and competition clearances;
- Nuplex shareholder approval; and
- Approval of the Proposed Scheme by the New Zealand High Court.

The full list of conditions to the Proposed Scheme are set out in the Notice of Meeting.

1.2 Profile of Allnex/Advent

Advent acquired Cytec Industries' coating resins business in 2013 for US\$1.15 billion and renamed the business Allnex. Allnex is a supplier of resins and additives for architectural, industrial, protective, automotive and special purpose coatings and inks. Allnex is recognised in the industry as having particular focus on specialty chemicals and for offering a broad portfolio of quality products. The Allnex product range includes innovative liquid resins & additives, radiation cured and powder coating resins & additives and crosslinkers for use on wood, metal, plastic and other surfaces.

Allnex has annual revenues of approximately US\$1.5 billion and generates annual EBITDA of approximately US\$220 million. It is headquartered in Brussels, Belgium and has over 2,000 employees. Allnex's operations span throughout Europe, USA and Asia and comprise of 17 manufacturing and 12 research & technology support centres.

Advent is a substantial private equity firm based in Boston, USA and with offices in North America, Latin America, Europe and Asia. In addition to Allnex, Advent has undertaken a number of other investments in the chemical industry including:

- **Grupo Transmerquim S.A. (GTM)** - GTM is the second largest distributor of chemical raw materials in Latin America. Advent acquired GTM in December 2014 for ZAR 1.6 billion (approximately US\$143 million). GTM

supplies chemical products and logistical services to more than 10,000 customers in industries ranging from personal care to oil exploration;

- **Maxam** - In February 2012 Advent acquired a 49.9% stake in Spanish civil explosive supplier Maxam for approximately €600 million. Maxam specialises in the supply of explosives to the mining, quarry market and civil works industries;
- **Mondo Minerals** - In November 2011 Advent acquired Mondo Minerals in a transaction valued between €350 - €400 million. Mondo Minerals is the world's second largest talc producer, supplying customers in over 70 countries. The Amsterdam-headquartered business owns mines and processing facilities, producing additives for paper, paints and plastics; and
- **Oxea Chemicals** - Oxea Chemicals is one of the largest global manufacturers of oxo intermediate chemicals and derivatives, with an annual production capacity exceeding 1.3 million tons, sales of €1.5 billion and 1,400 employees worldwide. Oxea Chemicals produces chemicals used in paints and coatings, lubricants, flavours, fragrances, safety glass and inks. Advent sold Oxea to the Oman Oil Company in December 2013 for approximately US\$2.4 billion.

2. Scope of the Report

2.1 Purpose of the Report

The Directors of Nuplex have engaged Grant Samuel & Associates Limited (**Grant Samuel**) to prepare an Independent Report to assess the Proposed Scheme. The Proposed Scheme is governed by the Companies Act 1993 and is required to be approved by the High Court. Although the provisions of the Takeovers Code (**Code**) do not apply to the Proposed Scheme, the Takeovers Panel (which is responsible for administering and enforcing the Code) will conduct a review to consider whether appropriate information is placed before Nuplex's shareholders. Nuplex has requested that the Takeovers Panel issue a "no-objection statement" in relation to the Proposed Scheme to present to the High Court to assist with its deliberations. Although there is no legal requirement under the Companies Act or the Code for an Independent Adviser's Report as a result of the Proposed Scheme, the practice of the Takeovers Panel (except in very limited circumstances) is to require the preparation of an Independent Adviser's Report before it will consider issuing a final no-objection statement. Grant Samuel is independent of Nuplex and Allnex and has no involvement with, or interest in, the outcome of the Proposed Scheme.

Rule 21 of the Takeovers Code requires the Independent Adviser to report on **the merits of an offer**. The term "merits" has no definition either in the Takeovers Code itself or in any statute dealing with securities or commercial law in New Zealand. While the Takeovers Code does not prescribe a meaning of the term "merit", it suggests that "merits" include both positives and negatives in respect of a transaction.

A copy of this report will accompany the Scheme Booklet to be sent to all Nuplex shareholders. This report is for the benefit of the shareholders of Nuplex. The report should not be used for any purpose other than as an expression of Grant Samuel's opinion as to the merits of the Proposed Scheme. This report should be read in conjunction with the Qualifications, Declarations and Consents outlined at Appendix E.

2.2 Basis of Evaluation

Grant Samuel has evaluated the Proposed Scheme by reviewing the following factors:

- the estimated value range of Nuplex and the price of the Proposed Scheme when compared to that estimated value range;
- the likelihood of an alternative offer and alternative transactions that could realise fair value;
- the likely market price and liquidity of Nuplex shares in the absence of the Proposed Scheme;
- any advantages or disadvantages for Nuplex shareholders of accepting or rejecting the Proposed Scheme;
- the current trading conditions for Nuplex;
- the timing and circumstances surrounding the Proposed Scheme;
- the attractions of Nuplex's business; and
- the risks of Nuplex's business.

Grant Samuel's opinion is to be considered as a whole. Selecting portions of the analyses or factors considered by it, without considering all the factors and analyses together, could create a misleading view of the process underlying the opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary. For the avoidance of doubt appendices A to E form part of this report.

2.3 Approach to Valuation

Grant Samuel has estimated the value range of Nuplex with reference to its full underlying value. In Grant Samuel's opinion the price to be paid under a full takeover or scheme of arrangement that has the same economic intention and effect should reflect the full underlying value of the company. The support for this opinion is two fold:

- the Takeovers Code's compulsory acquisition provisions apply when the threshold of 90% of voting rights has been reached. In compulsory acquisition scenarios, the Takeovers Code seeks to avoid issues of premiums or discounts for minority holdings by providing that a class of shares is to be valued as a whole with each share then being valued on a pro rata basis. In other words, a minority shareholder is to receive its share of the full underlying value. Grant Samuel believes that the appropriate test for fairness under a full or partial takeover offer

where the offeror will gain control is the full underlying value, prorated across all shares. The rationale for this opinion is that it would be inconsistent for one group of minority shareholders, those selling under compulsory acquisition, to receive a different price under the same offer from those who accepted the offer earlier; and

- under the Takeovers Code the acquisition of more than 20% of voting rights in a "code" company can only be made under an offer to all shareholders unless the shareholders otherwise give approval. As a result, a controlling shareholding (generally accepted to be no less than 40% of the voting rights) cannot be transferred without the acquirer making an offer on the same terms and conditions to all shareholders (unless shareholders consent). Prior to the introduction of the Takeovers Code some market commentators held the view that where a major shareholder had a controlling shareholding, any control premium attached only to that shareholding. One of the core foundations of the Takeovers Code is that all shareholders be treated equally. In this context, any control premium is now available to all shareholders under a takeover offer (in a scenario where an offeror will gain control), regardless of the size of their shareholding or the size of the offeror's shareholding at the time the offer is made.

Accordingly, Grant Samuel is of the opinion that not only because shares acquired under a compulsory acquisition scenario will receive a price equivalent to full underlying value, but because the control premium is now available to all shareholders, the share price under either a full or partial takeover offer or similar transaction such as a scheme of arrangement or amalgamation where the offeror will gain control, should be within or exceed the prorated full underlying valuation range of the company.

In the context of the Proposed Scheme only two outcomes are possible:

- The Proposed Scheme is approved by Nuplex shareholders and, if all other conditions are satisfied, the Proposed Scheme is then implemented and 100% of the shares in Nuplex would be acquired by Allnex. Nuplex would be delisted in that circumstance; or
- The Proposed Scheme is rejected by Nuplex shareholders and the Proposed Scheme then collapses and Allnex buys no shares in Nuplex. Nuplex will remain a listed company in that circumstance.

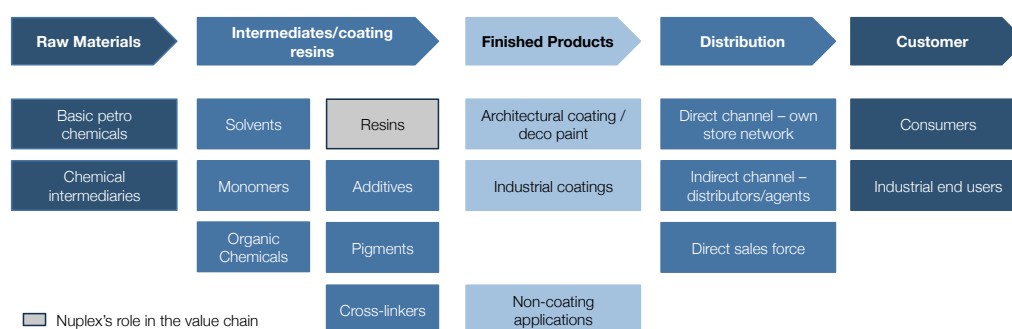
The Proposed Scheme therefore is similar to a full takeover in that it represents a potential change of control event. It is therefore appropriate that the value assessment should be the full underlying valuation of the company. For this reason Grant Samuel has valued Nuplex at fair market value, which is defined as the estimated price that could be realised in an open market over a reasonable period of time assuming that potential buyers have full information.

3. Overview of the Coatings Industry

3.1 Introduction

The coatings industry is a diverse sector of the broader chemical industry that includes a large number of local, regional and multinational participants. At the close of 2014, the global sales of coatings was estimated in an industry research paper to be approximately U.S. \$130 billion and forecast to reach approximately US\$195 billion by 2020¹. The following diagram profiles the broad value and process chain in the coatings industry:

Coatings' Industry value chain



Source: Deutsche Bank

Some industrial coatings businesses are vertically integrated and own operations in different parts of the value chain, while others such as Nuplex are focussed specifically as a supplier of resins to coatings manufacturers. A brief definitional overview of selected resins and coatings are summarised below:

Industry Definitions/Sector Profiles

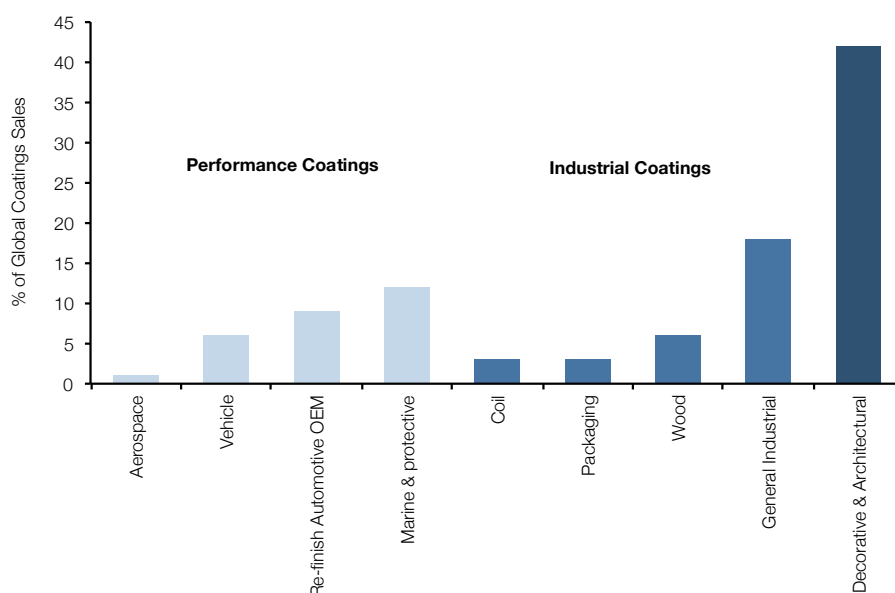
Coating	A material applied to a substrate for decorative, protective, or functional purposes. Such materials include paints, sealants, caulks, inks, adhesives and maskants (chemical milling).
Crosslinker	A crosslink is a bond (covalent or ionic bond) that links one polymer chain to another. "Polymer chains" can refer to synthetic polymers or natural polymers (such as proteins).
Industrial Resin	The term "industrial resins" refers to any synthetic polymer resin made for commercial use, which has adhesive, film-forming or useful reactive properties. Industrial resins have multiple applications ranging from synthetic leather to paint binders to imitation marble vanity tops and the adhesives used to bind plywood.
Coating Resin	Coating resins are made up liquid Resins & Additives, Radiation Curing Resins, Powder Coating Resins and Crosslinkers
Composite Resins	Composite resins are often used in dentistry as restorative material or adhesives. Synthetic resins evolved as restorative materials since they were insoluble, aesthetic, insensitive to dehydration, easy to manipulate and reasonably inexpensive.
Performance Coatings	Performance Coatings are products that will have exposure to diverse conditions, including the outdoors, high temperatures, detergents, abrasive and scouring agents, solvents and corrosive atmospheres. Products within this category are applied to ships, yachts, cars, trucks and buses, industrial installations, structural steel and aircraft.
Industrial Coatings	An industrial coating is a layer or layers of protective coating applied to steel, concrete and other materials to add or enhance specific properties such as corrosion resistance, wear resistance, conductivity and fire resistance. The coatings are manufactured with common polymers such as epoxy, polyurethane and moisture cure urethane.

¹ Global Paints and Coatings Market Outlook (2014-2022) Statistics MRC

Architectural Coatings	An architectural coating is a coating for application to the surface of a stationary structure, portable building, pavement or curb. Most are designated for specific uses such as roof coatings, wall paints, or deck finishes. Architectural coatings would typically contain some combination of decorative, durable and protective functions.
Decorative Coatings	A coating material primarily used for decoration rather than protection. Decorative coatings include clear and matte varnishes, metallic effect lacquers, customer-specific coatings as well as modified coatings. Decorative coatings are used on household appliances, writing instruments, cosmetic products, toys, fittings and automobile manufacture.

An overview of the global coating industry sales by end use market is summarised below:

Global Coatings Industry Sales by end use markets (% of sales)



The decorative and architectural coatings segment is considered the largest in the global coatings industry. Sector research suggests this segment represents more than half of the industry's total manufactured volume, but less than half of the value². This dynamic is attributed to the generally lower price of decorative coatings compared to the often higher-priced industrial coatings that comprise products such as automotive coatings, refinish coatings, aerospace coatings and heavy duty protective coatings.

² 2013 Orr & Boss State of the Global Coatings Industry 2013 and beyond

3.2 Economic Influences and Regional Demand

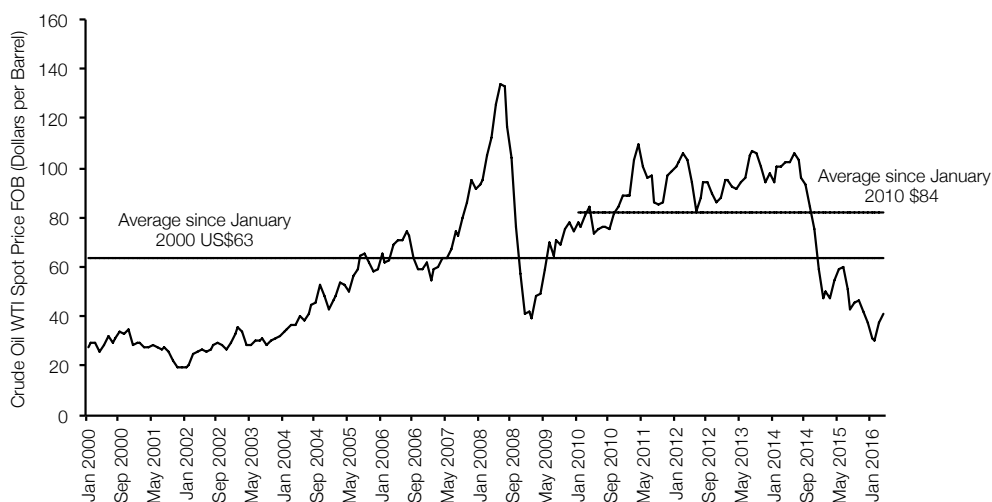
The demand for coatings is considered closely correlated to growth in GDP. During times of strong economic activity there is typically higher demand for coatings. The type of economic growth also impacts the demand for a particular coating segment. For example, demand for decorative coatings is influenced by the levels of housing activity and new construction, as well as levels of personal wealth. After the Global Financial Crisis the housing and construction markets in North America and Europe were soft, adversely impacting the demand for decorative coatings in those markets. However, the downturn for decorative coatings in the US and Europe was offset in part by stronger housing and construction markets in China and other parts of Asia Pacific.

The standard of living in each region is also a factor on demand for coatings. North America has the largest per capita demand for coatings at nearly 12 litres per person per annum³ - significantly higher than the per capita demand within Asia Pacific and other developing regions. It is expected that the demand for coatings will progressively increase as the standard of living increases in the developing regions, especially when coupled with forecast strong population growth.

3.3 Oil Prices

Crude oil is the main feedstock for the manufacturing of resins and depending on the product can account for approximately half of the overall raw material costs. Resin manufacturers' revenue and margins are impacted by changes in the oil price as industrial customers expect any cost savings from a decline in raw material pricing to be passed on. Conversely, when oil prices increase, resin manufacturers tend to raise prices to cover the increase in raw materials. A chart depicting the price of crude oil between 2000-2016 is set out below:

Historical West Texas Crude Oil Prices



Source: Thomson Reuters

Historically, the industry has been disciplined in its cost recovery of rising oil, energy, labour and transportation costs. As would be expected there is often a time lag between the change in prices of raw materials and changes in market prices for resins but over time the gross margin as a percentage of sales for the industry appears to have remained relatively constant. A sustained low oil price environment is likely to result in lower revenue and a higher gross margin for resin manufacturers such as Nuplex.

³ 2013 Orr & Boss State of the Global Coatings Industry 2013 and beyond

4. Profile of Nuplex

4.1 Overview

Nuplex is a dedicated resins business, specialising in developing and manufacturing innovative resins used in decorative, industrial, automotive and protective coatings. Nuplex's resin portfolio is focused on the higher margin, niche coatings markets. Nuplex operates in 12 countries and has 16 manufacturing sites located in New Zealand, Australia, America, Russia, Germany, Netherlands, England, China, Vietnam, Indonesia, Malaysia and Thailand. The business is organised into four geographical regions:

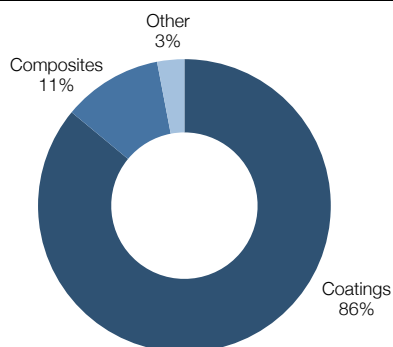
- Australia and New Zealand (**ANZ**);
- Asia (**Asia**);
- Europe, Middle East and Africa (**EMEA**); and
- North and South America (**Americas**).

Nuplex's technology and product portfolio seeks to position the company as a leading provider of resins and additives. The following table provides a brief overview of Nuplex:

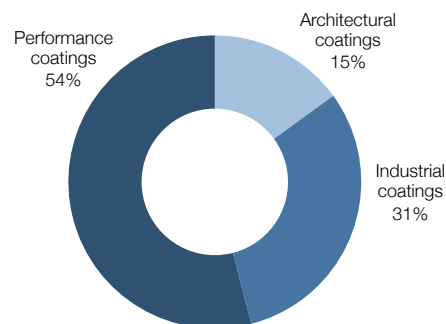
Business Unit	Activity	Location	Markets & End Products
Coating Resins	Manufactures resins used in architectural, industrial & protective coatings.	All 4 regions - ANZ, Asia, EMEA & Americas	Markets: building & construction, automotive, vehicle refinish, transport, infrastructure, marine & protective, furniture.
Composite Resins	Manufactures resins & coatings used in fibreglass, & distributes products used in fibreglass production.	ANZ & Asia	Markets: building & construction, manufacturing. End products: marine & leisure craft, transport.
Other Resins	<i>Construction Products:</i> Manufactures resins for self-levelling commercial flooring.	ANZ	Markets: residential, commercial & industrial building & construction.

Over 85% of Nuplex's sales from continuing operations in the financial year ended 30 June 2015 (**FY15**) were sold into the coatings sector, of which more than half were used in the manufacture of performance coatings:

Nuplex - End Use Sales by Product Type for FY15 (% of sales)



Nuplex - End Use Sales by Coatings Product Type for FY15 (% of sales)



4.2 History and Background

Nuplex has its origins in 1952 as a flooring distributor named Floor Tiles and Parquet Ltd (**FTP**). FTP expanded into Australia in the late 1950s through a joint venture with British flooring resins company Revertex. In 1967 Revertex NZ and FTP merged to form Revertex Industries and began producing solvent borne resins for coatings as well as composite resins for structural materials.

During the 1970s Revertex Industries expanded its product and technology profile to include resins for adhesives, printing inks, coatings and paints through technology partnerships and licensing agreements with leading producers in the US and Europe.

As a result of trade protectionist policies that had been in place since the 1960s, the New Zealand resins industry was highly fragmented. When the government began to remove these protectionist policies, Revertex Industries began acquiring many of its competitors. Key acquisitions in 1998 and 1999 were Australian Chemical Holdings in 1998 and Dulux Resins in 1999, establishing Nuplex as the leading resins manufacturer in the Australasian market. Exports also began to Asia and the Pacific Islands.

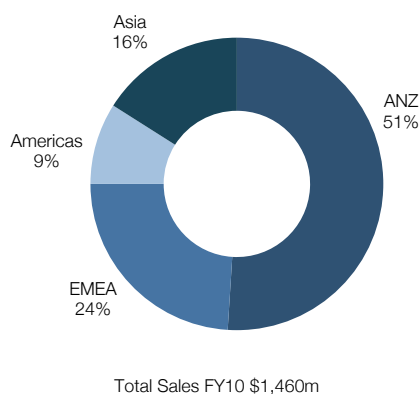
In 2002 Nuplex entered the chemical agency and distribution sector with the purchase of Australian based Asia Pacific Specialty Chemicals Limited, which broadened its distribution network and expertise in specialty materials used in the construction, food, soap and rubber industries. Nuplex proceeded to acquire another agency and distribution business PML Holdings Limited (operating Polychem Marketing Limited in New Zealand and Multichem Limited in Australia) to form Nuplex Specialties. Nuplex Specialties focused on importing ingredients used in food manufacturing for customers including Goodman Fielder, Mondelez, Fonterra and Nestle. It also distributed a broad range of raw materials used in industrial applications for customers including Dulux, Wattyl and Resene. In November 2014 Nuplex sold its Specialties business, making Nuplex a pure-play resins company.

In 2004 Nuplex acquired a manufacturing facility in Foshan in China and in 2005 established a position in coating resins and additives in the European and American markets by acquiring Akzo Nobel's coating resins business for approximately NZ\$215 million. The Akzo Nobel acquisition strengthened Nuplex's position in the global chemicals industry by doubling the size of the company and adding manufacturing sites in Europe, America, South East Asia and China as well as a comprehensive R&D network spread across Europe and America.

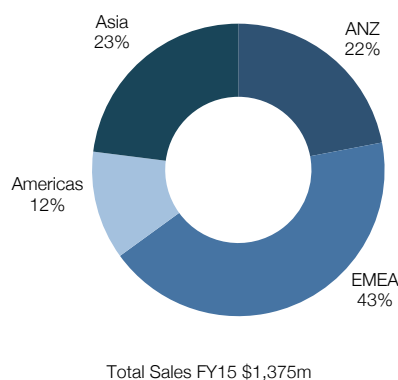
In 2011 Nuplex acquired Vivero from Bayer for a total acquisition cost of €75 million. Vivero is a manufacturer of solvent free, water resistant resins used in construction coatings, resins for putties used in vehicle refinish and resins offering chemical resistance and high temperature performance.

Over the last five years Nuplex has focused on transforming its business from an Australasian focused chemical company to a dedicated resins company spread across a number of geographies. Revenue from Australasia as a percentage of group revenues has progressively reduced from 51% in FY10 to approximately 22% in FY15:

Nuplex - Sales by Region for FY10 (% of sales)



Nuplex - Sales by Region for FY15 (% of sales)



4.3 Regions

The financial information below sets out the results for the years ended 30 June 2012, 2013, 2014 and 2015, together with the forecast for the year ended 30 June 2016 and the strategic plan for the year ended 30 June 2017. This information has been sourced from Nuplex.

The strategic plan for the year ended 30 June 2017 has been prepared based on recent trends and Nuplex management's expectations of volumes, pricing and margins, overheads and other costs. The FY17 strategic plan assumes that:

- there are no significant changes to the global economy, or the regional or national economies or key industry sectors in which Nuplex operates;
- there are no significant changes in Nuplex's business, including acquisitions or disposals of material businesses;
- foreign exchange rates for the twelve months to 30 June 2017 of: EUR:NZD 0.60, USD:NZD 0.66 and AUD:NZD 0.91;
- volumes grow in FY17 by 15% compared to FY16. This growth is assumed to be driven mainly by increases in capacity in Asia, growth in Russia;
- sales revenue grows by 15% compared to FY16. The growth is assumed to be driven mainly by changes in volume;
- gross margin percentage is lower than FY16 due to assumed increases in raw material costs and competitive conditions in some of Nuplex's markets; and
- overheads and other costs continue in line with recent trends and Nuplex management expectations. Plant operating costs are assumed to increase due to increases in capacity in Asia.

EMEA

Nuplex's EMEA business is well established in Western Europe, from which it also supplies the Middle East markets. A large proportion of Nuplex's EMEA earnings are generated from sales to the European automotive industry. Nuplex's operations in the EMEA region include four manufacturing sites (United Kingdom, Netherlands, Germany and Russia), two technical labs and an innovation centre. The financial performance of EMEA for the years ended 30 June 2012, 2013, 2014 and 2015, together with the forecast for the year ending 30 June 2016 and plan for 2017 are summarised in the table below:

Nuplex EMEA - Financial Performance

Year End 30 June (€ millions)	FY12	FY13	FY14	FY15	FY16F	FY17P
Volumes (tonnes)	127,489	153,469	157,934	173,543	174,353	186,890
Sales	302.9	360.7	363.7	379.3	361.5	398.8
EBITDA	29.5	28.6	33.8	39.3	40.0	41.0
EBITDA Margin	9.7%	7.9%	9.3%	10.4%	11.1%	10.3%
EBITDA (excluding Acure/Technology)	29.5	28.6	33.8	39.3	40.0	40.6

Source: Nuplex management accounts and the Nuplex forecast and strategic plan

F = Forecast P = Plan

The following points should be taken into consideration when reviewing the table above.

- EMEA has achieved strong growth primarily due to the acquisition of Viverso in FY12. The acquisition of Viverso, now renamed Nuplex Germany - expanded Nuplex's global product portfolio particularly in speciality resins and polyols, gave Nuplex a manufacturing facility in Germany and allowed Nuplex to access the emerging markets of Central and Eastern Europe;
- In FY14, Nuplex acquired operating assets in Russia. FY15 represents the first full 12 month period for the Russian operations and accounts for almost half of the increase in EMEA volume achieved in FY15. The Russian businesses are understood to produce resins to a higher quality than produced by other manufacturers in the Russian market;
- In FY15 lower raw material costs were passed through to customers, which resulted in sales growth being lower relative to the volume growth achieved;

- The progressive improvement in EBITDA margin has been achieved through a combination of a change of product mix resulting in a greater proportion of higher margin products being sold, approximately €2 million in cost savings, efficiencies realised at the German Bitterfeld operations and a reduction in raw material costs.
- Growth has historically been achieved in the Automotive OEM, flooring and powder sectors. In the first half of FY16 the EMEA market was weak, especially in the Middle East and Russia; and
- Since FY09 sales volume in EMEA has doubled, with approximately 40% coming from organic growth and 60% from the acquisition of Vivero in Germany and the business in Russia. Future growth is expected to come from utilising increased capacity (predominantly in Russia), market share gains and where possible benefits from the increasing profile of the Acure technology (refer to section 4.5).

Asia

Nuplex's Asian operation comprises an extensive production network comprising seven manufacturing sites (three in China and one in each of Malaysia, Vietnam, Indonesia and Thailand), four technical labs and a research and development centre. Nuplex Asia also operates a significant distribution network with 10 sales offices located throughout the region. The financial performance of Nuplex Asia for the years ended 30 June 2012, 2013, 2014 and 2015, together with the forecast for the year ending 30 June 2016 and plan for 2017 are summarised in the table below:

Nuplex Asia Financial Performance

Year End 30 June (US\$ millions)	FY12	FY13	FY14	FY15	FY16F	FY17P
Volumes (tonnes)	88,349	96,664	102,714	108,613	115,444	145,442
Sales	208.3	232.8	247.1	247.5	230.9	279.1
EBITDA	21.6	24.3	26.4	29.6	30.1	32.2
EBITDA Margin	10.4%	10.5%	10.7%	11.9%	13.0%	11.5%
EBITDA (excl. Specialties & Masterbatch)	21.4	24.2	26.4	29.7	30.1	32.2

Source: Nuplex management accounts and the Nuplex forecast and strategic plan

F = Forecast P = Plan

The following points should be taken into consideration when reviewing the table above.

- Nuplex has focused on capacity expansion in Asia including a US\$50 million investment that will increase the capacity in the Asian region by 75%. This investment has included:
 - US\$35 million to develop manufacturing in China (Changshu). The new Changshu site has doubled Nuplex's manufacturing capacity in China allowing the company to target new markets such as adhesives and textiles, while also allowing sustainable local production of product that was previously imported;
 - US\$1.5 million in Thailand;
 - US\$7.5 million in Vietnam to expand manufacturing capacity; and
 - the commissioning of a US\$5.4 million reactor in Indonesia (Surabaya).
- Asia's growth in revenue and EBITDA in FY15 reflects the increase in the available capacity, improved Automotive OEM demand in China and increasing construction activity in Vietnam. In the first half of FY16 Nuplex commented that demand in the region was generally steady. In FY16 China is expected to contribute approximately half of Nuplex Asia's revenue with Vietnam contributing approximately 20% and Indonesia approximately 13%; and
- Management anticipate that due to the recent investment in capacity, revenue from the Asia region should grow to more than US\$350 million per annum by FY19.

Americas

Nuplex's operations in the Americas include two manufacturing sites and a research and development centre. Nuplex Americas supplies products to a wide range of industries and the company has established a particularly strong market position in protective coatings (agricultural and industrial) and vehicle refinish. The financial performance of Americas for the years ended 30 June 2012, 2013, 2014 and 2015, together with the forecast for the year ending 30 June 2016 and plan for 2017, are summarised in the table below:

Nuplex Americas Financial Performance

Year End 30 June (US\$ millions)	FY12	FY13	FY14	FY15	FY16F	FY17P
Volumes (tonnes)	33,478	33,481	36,457	36,714	31,489	36,976
Sales	118.7	128.8	136.2	133.0	123.7	131.9
EBITDA	12.9	16.9	17.2	19.4	22.1	19.1
<i>EBITDA Margin</i>	10.9%	13.1%	12.6%	14.6%	17.9%	14.5%
EBITDA (excl. Acure/Technology)	12.9	16.9	17.2	19.4	22.1	18.8

Source: Nuplex management accounts and the Nuplex forecast and strategic plan

F = Forecast P = Plan

The following points should be taken into consideration when reviewing the table above:

- Nuplex America's has been a solid performer with relatively constant volumes and reliable EBITDA, although the market is characterised by excess industry capacity resulting in intense competition. The weakness in the wider oil and gas industry has continued into the first half of 2016;
- An increase in volumes in the decorative, high-end metal and general metal resin segments more than offset the loss of a significant tolling contract in FY14. The focus on increasing volumes and capacity utilisation led to a small decline in EBITDA margin in that year;
- The EBITDA margin in FY15 slightly improved due to a shift in product mix to higher margin products, an improvement in margin management and benefits from procurement initiatives. The improvement in EBITDA was achieved despite lower sales and only a small increase in volumes; and
- The business is forecasting year on year volume increases based on Acure, developing markets in Mexico and a focus on flooring and construction.

ANZ and Head Office

Nuplex's ANZ operations include the corporate head office, three manufacturing sites, a technical site and a research and development centre. In FY15 the business moved from reporting certain costs that were previously included in the ANZ Region financial result to reporting these costs separately as 'Unallocated' costs. This change makes it difficult to compare the historical performance for the ANZ stand-alone business going back to FY12. The financial performance of ANZ and Head Office for the years ended 30 June 2012, 2013, 2014 and 2015, together with the forecast for the year ending 30 June 2016 and plan for 2017, are summarised in the table below on a constant currency basis:

ANZ and Head Office Financial Performance – constant currency

Year End 30 June (NZ\$ millions)	FY12	FY13	FY14	FY15	FY16F	FY17P
Volumes (tonnes)	98,783	96,413	92,184	87,843	68,408	71,185
Sales	625.9	595.1	579.7	431.4	302.9	319.4
EBITDA	30.8	26.5	16.1	11.3	12.3	21.8
<i>EBITDA Margin</i>	4.9%	4.5%	2.8%	2.6%	4.1%	6.8%
Specialties and Masterbatch	(18.0)	(22.9)	(15.1)	(6.4)	-	-
Pulp and paper	(4.3)	(4.6)	(4.1)	(3.8)	-	-
Adjusted EBITDA	8.5	(1.0)	(3.0)	1.2	12.3	21.8

Source: Nuplex management accounts and the Nuplex forecast and strategic plan

F = Forecast P = Plan

The following points should be taken into consideration when reviewing the table above:

- In Australasia manufacturing industries have generally been in progressive decline due to the high Australian dollar and high wage costs. As a consequence of the increasing cost base, a number of Nuplex's customers moved their manufacturing operations to Asia. This reduced results in FY13 and FY14;
- In November 2014, Nuplex divested two non-core ANZ businesses - Nuplex Specialties (trading & agency business) and Nuplex Masterbatch (plastic additives business) (**Specialties and Masterbatch**) - to Axio Pty Limited for A\$127.5 million as part of the transition to become a dedicated global resins business;
- In April 2016 Nuplex announced the sale of its Pulp and Paper division. The EBITDA contribution from this division has been excluded from the FY16 forecast and FY17 plan;
- Following these changes, Nuplex ANZ's remaining business includes three distinct business units with shared operational and support facilities. The business units are Coating Resins, Composite Resins and Construction products, representing approximately 43%, 51% and 6% of ANZ's FY15 revenue respectively;
- In Coatings Resins, where Nuplex has approximately 30% of the Australian market, the key multinational competitors to Nuplex are Dow Chemicals and BASF. Both these entities are also suppliers of raw materials and are vertically integrated. The coatings resins market is expected to show signs of improvement for Nuplex after competitor BASF announced its intended exit from local manufacturing of emulsions;
- In Composite Resins, Nuplex is the market leader in the ANZ region. Valspar recently exiting the ANZ composite market has reinforced this position and Nuplex enjoys strong margins in its composite business;
- In the first half of FY16 there has been some growth observable in the Australian building and construction sectors;
- The increase in adjusted EBITDA in FY15 (excluding the Specialties and Masterbatch divested business units) reflects the benefits of the NuLeap efficiency and cost savings programme (see section 4.4) that has resulted in a turnaround of ANZ's business. Through this initiative Nuplex has been able to successfully realign its capacity with the reduced demand in ANZ;
- The ANZ region's adjusted EBITDA is forecast to increase from NZ\$1.2 million in FY15 to NZ\$12.3 million in FY16; and
- The key drivers of growth in ANZ in FY17 and beyond are market share growth by leveraging the exit of BASF from local manufacturing, continued margin improvement for composite products and the continuation of NuLeap (i.e. operational and cost improvements).

4.4 NuLeap

In 2010 Nuplex initiated an operational improvement and excellence programme call NuLeap, focussing on improving sales, operations, logistics and network efficiencies. This programme has been the catalyst for a significant change in the business. In the financial year ending 30 June 2016 Nuplex estimate that the combined benefit of all restructuring activities will deliver annualised earnings of approximately \$11 million. The NuLeap programme will also result in the progressive disposal of surplus property in ANZ totalling approximately \$20 million and the divestment of selected non-core business units.

In response to the structural changes in the Australian manufacturing market and the resulting customer shift, a key part of NuLeap was to restructure Nuplex's Australasian operations to adjust manufacturing capacity to more closely match the decreased level of demand. Key initiatives that have been undertaken under the NuLeap programme include:

ANZ Restructuring

Year	Initiative
2013	<ul style="list-style-type: none"> ▪ Decommissioned; <ul style="list-style-type: none"> – high-temperature plant at the site in Penrose, New Zealand; – the site at Onehunga, New Zealand; and – the site at Wangaratta, Victoria. ▪ Invested A\$22 million to increase the efficiency and flexibility of the sites at Penrose in New Zealand and Botany and Wacol in Australia.
2014	<ul style="list-style-type: none"> ▪ Reorganised the ANZ business units to reduce the overhead cost structure and simplify the regional organisation into two business units being: <ul style="list-style-type: none"> – Resins: bringing together the coating resins, composites, pulp and paper and construction products businesses; – Specialties: capturing the agency and distribution business, Nuplex Specialties and the plastic additives business, Nuplex Masterbatch. ▪ Completed the reorganisation of Nuplex Australia and New Zealand realising \$4.5 million per annum in ongoing cost savings.
2015	Decommissioned the site at Canning Vale, Western Australia. This last decommissioning was the end of the work stream that reduced regional capacity by 30% to align it with the anticipated demand and to seek to create a sustainable and profitable business.

4.5 Research, Development and Technology

Research and development is central to Nuplex's business to ensure the company continues to innovate, design products to meet client's needs and to provide application and technical support. The centre of Nuplex's R&D operations is located in the Netherlands and is supported by technical centres in Australia, New Zealand, Asia, Europe and America. The R&D network allows Nuplex to develop tailored solutions for customers, regardless of the customer's location and product requirements.

In 2015 Nuplex launched *Acure*, a specialised and highly researched product it had been developing since 2007. Coatings formulators traditionally need to balance the dry time of a coating with the time in which the paint becomes unusable, which is referred to as pot-life. *Acure* has sought to address this issue with a new two-package coating technology that provides enhanced control over drying speed and pot-life. The *Acure* system is designed to deliver fast dry times, long pot-life and product cures at low temperatures.

When used in coatings applied in large-scale processes, Nuplex considers *Acure* has the potential to reduce manufacturing times significantly. Nuplex has begun to introduce *Acure* to customers across its network and initial feedback to the new technology is favourable. Nuplex estimates that the global market opportunity for *Acure* is between US\$1 and \$2 billion per annum. If a portion of this can be captured, the product will be a success and it would become a significant contributor to Nuplex.

4.6 Financial Performance

The financial performance of Nuplex for the years ended 30 June 2012, 2013, 2014 and 2015, together with the forecast for the year ending 30 June 2016 and the plan for 2017 are summarised in the table below:

Nuplex Financial Performance (NZ\$ millions)

Year end 30 June	2012	2013	2014	2015	2016F	2017P
Sales	1,615.9	1,664.9	1,355.3	1,374.7	1,382.2	1,587.0
Cost of sales	(1,261.4)	(1,293.3)	(1,051.5)	(1,048.6)	(999.8)	
Gross Profit	354.5	371.6	303.8	326.1	382.4	
Gross margin %	22%	22%	22%	24%	28%	
Distribution expenses	(77.6)	(88.2)	(72.0)	(73.7)	(77.4)	
Marketing expenses	(83.9)	(84.0)	(61.7)	(61.3)	(66.1)	
Administration expenses	(66.0)	(71.5)	(66.9)	(71.3)	(81.5)	
Other	4.0	(1.5)	7.2	7.5	(1.0)	
Normalised EBITDA	131.0	126.4	110.4	127.3	156.4	168.2
EBITDA margin	8.1%	7.6%	8.1%	9.3%	11.3%	10.6%
Depreciation and amortisation	(27.8)	(33.1)	(34.0)	(32.8)	(37.3)	(39.5)
Normalised EBIT	103.2	93.3	76.4	94.5	119.2	128.7
Significant items	(3.6)	(16.4)	(3.8)	(7.0)	(6.0)	-
Net financing costs	(14.0)	(16.6)	(17.6)	(10.9)	(13.8)	(13.4)
Share of profits of associates	(1.8)	1.8	2.1	1.9	1.9	2.2
Net profit before tax	83.7	62.1	57.1	78.5	101.3	117.5
Income tax expense	(19.3)	(16.8)	(11.8)	(17.4)	(23.8)	(29.4)
Profit from continuing operations	64.5	45.3	45.3	61.1	77.5	88.1
Profit from discontinued operations	-	-	9.4	12.5	9.2	-
Profit after tax	64.5	45.3	54.7	73.6	86.7	88.1

F = Forecast P = Plan

The following points should be taken into consideration when reviewing the table above.

- In the year to 30 June 2015 Nuplex reported a strong earnings rebound on similar revenue to 2014. 82% of the EBITDA growth was generated in EMEA, Asia and the Americas business units, endorsing the validity of the strategy to grow in attractive manufacturing markets. In the first half of FY16, EBITDA growth was enjoyed in ANZ, Asia and Americas, offsetting a weak start in EMEA;
- Nuplex's earnings are sensitive to changes in exchange rates - primarily the translation of overseas earnings into NZD. The recent weakness of the NZD against both the USD and EUR has resulted in an increase in reported NZD earnings. The following table provides an analysis of the financial performance using a constant currency:

Nuplex Financial Performance (NZ\$ millions) – constant currency

Year End 30 June (NZ\$)	FY12	FY13	FY14	FY15	FY16F	FY17P
Sales	1,607.0	1,722.7	1,744.0	1,617.5	1,421.4	1,582.6
EBITDA	135.6	135.4	137.7	146.8	155.0	165.0
EBITDA Margin	8.4%	7.9%	7.9%	9.1%	10.9%	10.4%
Adjusted EBITDA⁴	112.6	107.4	118.3	137.1	155.0	163.8

Source: Nuplex management accounts

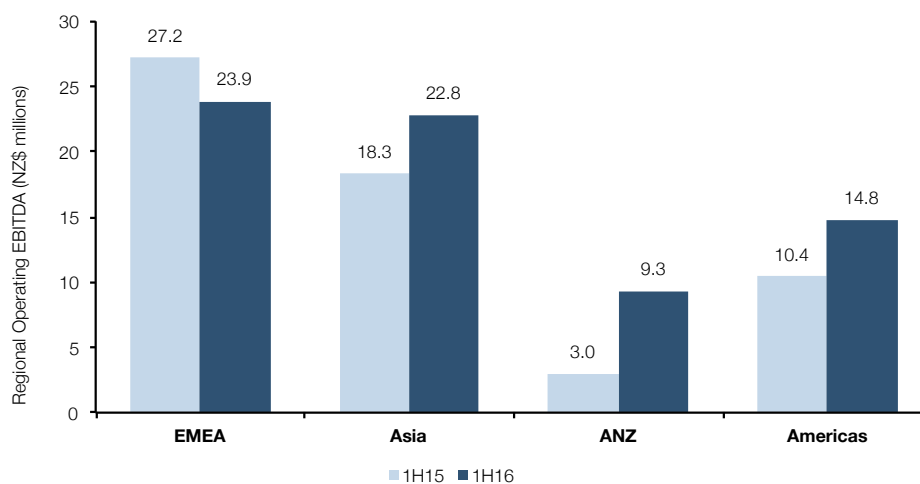
- After normalising for currency movements, the financial result in FY15 reflects some of the benefits of the progressive restructuring of the ANZ business and the investment in capacity in Asia;

⁴ Adjusted EBITDA excludes Specialties and Masterbatch, Pulp and Paper and earnings from Acure and other new technology in FY17.

- Investments in associates in FY15 relates to Nuplex's 47% ownership of Synthese (Thailand) Co Limited. In prior years Nuplex also had investments in two Australian companies that have now been divested;
- In November 2014, Nuplex completed the sale of Specialties and Masterbatch. The earnings contribution from these two businesses is recognised as profit from discontinued operations in FY14 and FY15; and
- In April 2016, Nuplex announced the sale of the Pulp and Paper business which is expected to be completed by 30 June 2016. The earnings contribution from this business is recognised as profit from discontinued operations in FY16.

An overview of the EBITDA by region for the first half of FY16 is summarised in the table below:

Nuplex Regional Operating EBITDA first half FY16 (NZ\$ million)



4.7 Financial Position

The financial position of Nuplex as at 30 June 2014, 2015 and at 30 April 2016 is outlined in the table below:

	30 June		30 April
	2014	2015	2016
Cash and cash equivalents	73.1	91.1	65.3
Trade and other receivables	351.1	351.5	340.9
Inventories	233.0	185.0	156.7
Properties held for sale	15.6	10.3	-
Other	2.5	3.8	1.3
Current assets	675.3	641.7	564.2
Property, plant and equipment	303.5	357.0	335.9
Intangible assets	196.0	148.0	145.9
Investment in associates	4.8	7.0	15.1
Other	20.7	28.4	28.1
Non-current assets	525.0	540.4	525.1
Total assets	1,200.3	1,182.1	1,089.3
Trade and other payables	309.1	286.1	258.0
Provisions	3.4	9.5	5.6
Income tax payable	9.6	14.8	12.1
Current liabilities	322.1	310.4	275.7
Borrowings	304.8	231.0	192.6
Employee provisions	43.7	47.9	49.5
Deferred tax liability	15.5	16.4	15.7
Other liabilities	364.0	295.3	257.9
Total liabilities	686.1	605.7	533.5
Net assets	514.2	576.4	555.8
<i>Net debt</i>	<i>231.7</i>	<i>139.9</i>	<i>127.3</i>
<i>Gearing⁵</i>	<i>31.1%</i>	<i>19.5%</i>	<i>18.6%</i>

The following points should be taken into consideration when reviewing the table above:

- Gearing (net debt/net debt + equity) has reduced from 31.1% as at 30 June 2014 to 18.6% as at 30 April 2016. The improvement reflects the reduction in borrowings from the proceeds of the sale of surplus assets and the Specialties and Masterbatch businesses;
- The progressive reduction in inventory values in part reflects the steadily contracting oil price and its impact on feedstock pricing;
- Properties held for sale in FY14 and FY15 are Australian properties that have subsequently been sold in the FY16 year; and
- Intangible assets reduced in FY15 following the sale of Specialties and Masterbatch.

⁵ Net debt/(Net debt plus equity)

4.8 Cash Flows

The cash flows for Nuplex for the years ended 30 June 2012, 2013, 2014 and 2015 are shown in the table below:

Nuplex Cash Flow (NZ\$ millions)

Year end 30 June	2012	2013	2014	2015
Net profit	64.5	45.3	54.7	73.6
Depreciation and amortisation	27.8	33.1	36.4	33.4
Share of profits/dividends from associates	3.1	(0.6)	(0.4)	(1.4)
Movement in working capital	(36.2)	17.8	(32.8)	21.4
Other	(10.8)	16.2	(6.8)	(9.3)
Cash flow from operating activities	48.4	111.8	51.1	117.7
Disposal of property, plant and equipment	0.5	0.2	2.1	0.4
Payments for property, plant and equipment	(31.5)	(48.3)	(63.2)	(56.5)
Payments for purchase of businesses	(130.5)	(7.0)	-	-
Disposal of businesses	4.0	2.0	3.3	133.4
Cash flow from investing activities	(157.6)	(53.1)	(57.8)	77.3
Net movement in borrowings	155.1	3.8	39.7	(117.4)
Share buyback	-	-	-	(25.6)
Dividends paid	(43.0)	(39.6)	(43.4)	(43.9)
Cash from financing activities	112.0	(35.8)	(3.7)	(186.9)
Net cash flow	2.8	22.9	(10.4)	8.1

In reviewing the above table the following should be considered:

- From FY12 to FY15 Nuplex invested approximately NZ\$200 million on capital items;
- The payment for purchase of businesses in FY12 largely relates to the acquisition of Viverso that was acquired for €69.3 million; and
- Following the sale of Specialties and Masterbatch, Nuplex reduced its debt position and undertook an on market share buyback of up to 5% of Nuplex's issued share capital. As at 2 October 2015, Nuplex had acquired 4.8% of issued capital at an average of \$3.69 per share. The company stopped buying shares on 2 October 2015 before the Annual Meeting blackout period and the programme did not resume.

4.9 Capital Structure and Ownership

As of 20 May 2016 Nuplex had 188.6 million shares on issue held by approximately 7,496 shareholders. The share register is relatively open, with no major shareholder. The top 20 shareholders are shown in the table below:

Nuplex – Top 20 Shareholders as shown on the Company's share register as at 20 May 2016

Shareholder	Shares (000s)	%
HSBC Nominees (New Zealand) Limited	38,430	20.4%
National Nominees Ltd	18,633	9.9%
Citibank Nominees (New Zealand) Ltd	13,683	7.3%
Accident Compensation Corporation	12,757	6.7%
JP Morgan Chase Bank (New Zealand)	7,347	3.9%
JP Morgan Nominees Australia Limited	6,761	3.6%
FNZ Custodians Limited	5,342	2.8%
Masfen Securities Limited	4,297	2.3%
Deutsche Securities New Zealand Limited	3,523	1.9%
Citicorp Nominees Pty Limited	2,760	1.5%
NZ Superannuation Fund Nominees Limited	2,194	1.2%
Forsyth Barr Custodians Limited	1,562	0.8%
New Zealand Depository Nominee Limited	1,084	0.6%
Investment Custodial Services Limited	971	0.5%
HSBC Custody Nominees (Australia) Limited	947	0.5%
New Zealand Permanent Trustees Limited	900	0.5%
Cogent Nominees (NZ) Limited	882	0.5%
Custodial Services Limited	816	0.4%
BNP Paribas Nominees (NZ) Limited	801	0.4%
FNZ Custodians Limited	709	0.4%
Top 20 Shareholders	124,402	66.0%
Other Shareholders	64,191	34.0%
Total	188,593	100.0%

The following table shows the volume of Nuplex shares traded over the 12 months prior to the announcement of the Proposed Scheme, the price ranges and the volume weighted average price for the respective time periods:

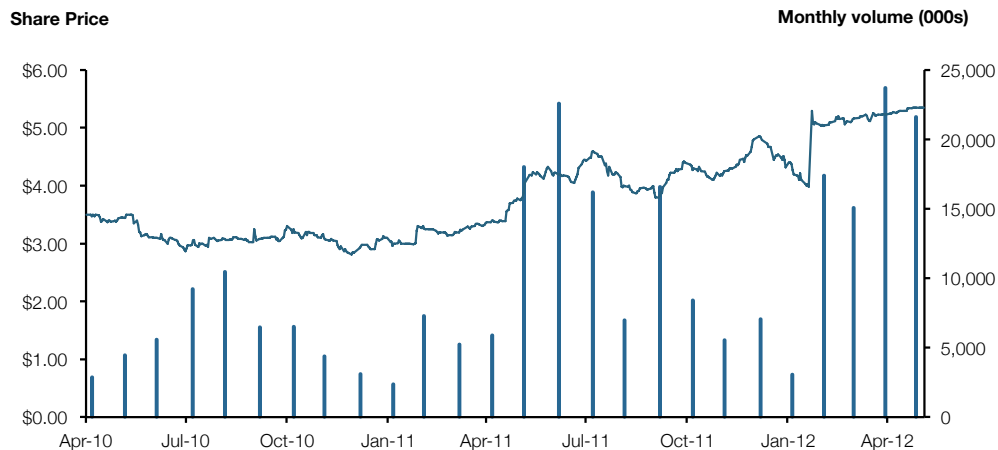
Nuplex – Share Trading Summary Prior to Offer Announcement

Time period	Low	High	VWAP	Volume (000s)
1 months	3.80	4.54	4.17	4,994
3 months	3.80	4.86	4.30	16,127
6 months	3.71	4.86	4.11	47,608
12 months	2.97	4.86	3.95	123,990

4.10 Share Price Performance

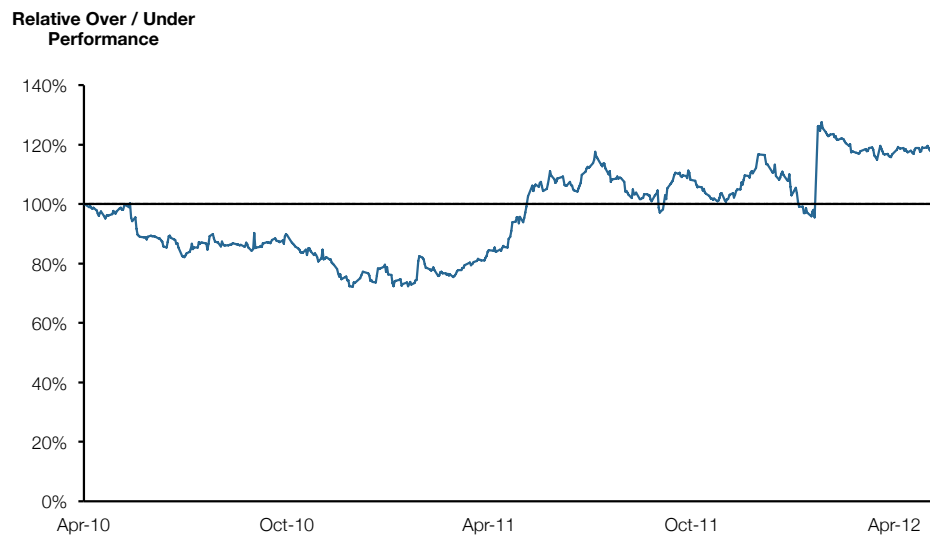
The share price and trading volume history of Nuplex shares is depicted graphically below.

Nuplex – Share price performance over the last two years



Nuplex's share price against the NZX50 index is shown in the graph below:

Nuplex – Share price performance relative to the NZX50 Gross Index



Nuplex's share price performance improved in mid 2015 following guidance of improved financial performance to the market in May 2015. In February 2015 Nuplex also initiated a programme to buy back up to 5% of the issued capital, potentially indicating the company believed its shares were undervalued and resulting in upwards pressure on the share price following a period of relative underperformance during 2014.

5. Valuation of Nuplex

5.1 Preferred Methodology

Overview

Grant Samuel's valuation of Nuplex has been estimated on the basis of fair market value as a going concern, defined as the estimated price that could be realised in an open market over a reasonable period of time assuming that potential buyers have full information. The valuation of Nuplex is appropriate for the acquisition of the company as a whole and accordingly incorporates a premium for control. The value is in excess of the level at which, under current market conditions, shares in Nuplex could be expected to trade on the share market. Shares in a listed company normally trade at a discount of 15% - 25% to the underlying value of the company as a whole, but the extent of the discount (if any) depends on the specific circumstances of each company.

The most reliable evidence as to the value of a business is the price at which the business or a comparable business has been bought and sold in an arm's length transaction. In the absence of direct market evidence of value, estimates of value are made using methodologies that infer value from other available evidence. There are four primary valuation methodologies commonly used for valuing businesses:

- capitalisation of earnings or cash flows;
- discounting of projected cash flows (**DCF**);
- industry rules of thumb; and
- estimation of the aggregate proceeds from an orderly realisation of assets.

Each of these valuation methodologies has application in different circumstances. The primary criterion for determining which methodology is appropriate is the actual practice adopted by purchasers of the type of business involved. A detailed description of each of these methodologies is outlined at Appendix C.

Preferred Approach

Grant Samuel's valuation of Nuplex represents an overall judgment having considered the value outcomes derived using different valuation methodologies.

The capitalisation of earnings methodology is commonly used by purchasers of resin and coating businesses, however careful judgement needs to be exercised given the exposure of different businesses in the sector, technology enhancements and the markets in which each operate. Grant Samuel has adopted the capitalisation of earnings methodology as its preferred approach to value the core resins business.

DCF analysis has a strong theoretical basis. It is the most commonly used method for valuation in a number of industries and for the valuation of start-up projects where earnings during the first few years can be negative. DCF valuations involve calculating the net present value (**NPV**) of projected cash flows. The cash flows are discounted using a discount rate, which reflects the risk associated with the cash flow stream. Considerable judgement is required in estimating future cash flows and the valuer generally places great reliance on medium to long term projections prepared by management. The discount rate is also not an observable number and must be inferred from other data (usually only historical). None of this data is particularly reliable so estimates of the discount rate necessarily involve a substantial element of judgement. In addition, even where cash flow forecasts are available the terminal or continuing value is usually a high proportion of value. Accordingly, the multiple used in assessing this terminal value becomes the critical determinant in the valuation (i.e. it is a "de facto" cash flow capitalisation valuation). NPV outcomes are typically extremely sensitive to relatively small changes in underlying assumptions, few of which are capable of being predicted with accuracy, particularly beyond the first two or three years. The arbitrary assumptions that need to be made and the width of any value range mean the results are often not meaningful or reliable. Notwithstanding these limitations, DCF analyses can play a role in providing a check on alternative methodologies, not least because explicit and relatively detailed assumptions need to be made as to the expected future performance of the business operations. Grant Samuel has also utilised DCF analysis as a cross check to its valuation and specifically to value the Technology asset.

5.2 Valuation Summary

Grant Samuel has estimated the equity value of Nuplex in the range of \$1.03 billion to \$1.13 billion or \$5.36 to \$5.86 per share. The valuation represents the estimated full underlying value of Nuplex assuming 100% of the company was available to be acquired and includes a premium for control. The value exceeds the price at which, based on current market conditions, Grant Samuel would expect Nuplex shares to trade on the NZX in the absence of a takeover offer or acquisition scheme similar in nature to the Proposed Scheme. Grant Samuel's valuation is summarised below:

Nuplex – Valuation Summary

\$ million except where otherwise stated	Low	High
Enterprise value for the Group (excl. Technology)	1,120	1,200
Net debt for valuation purposes	(144)	(144)
Pulp and Paper Assets	22	22
Technology	34	48
Equity value	1,032	1,127
Fully diluted shares on issue (million) ⁶	192.5	192.5
Value per share	\$5.36	\$5.86

A value range of \$1.12 billion to \$1.20 billion⁷ has been attributed to Nuplex's business operations. This valuation range is an overall judgement having regard to recent transactions, current equity markets and prevailing economic conditions and the specific attributes of Nuplex. Grant Samuel makes the following comments in respect of the financial performance and valuation of Nuplex:

- Nuplex is forecasting an increase in earnings from FY15 to FY16. The growth in earnings in this period is predominantly a function of foreign exchange translation gains and the forecast continued turnaround in the ANZ business;
- Over the last two years there has been significant capital expenditure by Nuplex in Asia to address forecast growth in volumes in that region. The largest single investment by Nuplex has been in its China operations. Some market commentators observe that China (as an economy) is likely to grow at lower rates than those experienced in the past;
- EMEA is the single largest region for Nuplex producing approximately 43% of group revenue in FY15. Growth in Europe continues to be lethargic in a market characterised by sustained strong competition, resulting in lower growth in Nuplex's business in that area. Commodity input costs are also contracting, leading to declining selling prices for Nuplex's products. The investment to date in Russia should result in growth in earnings as Nuplex's product is adopted by existing manufacturers and new plants are established by international coatings companies;
- The Americas market is reasonably mature and aside from the potential of the *Acure* technology, is forecasting very limited growth. The Americas business has exhibited some tentative signs of uplift in recent months;
- The ANZ business has a dual focus on resins and composites. The resins business is largely a commodity business supplying local paint manufacturers. The composites business is benefiting from a lack of domestic competition and a continued weakness in the Australian dollar, discouraging imports;
- Initial feedback is that the market is exhibiting strong interest in the newly developed *Acure* technology. Only limited sales have been made to date but further orders are expected in the near term. While the addressable market is estimated at approximately US\$1 billion per annum, the share *Acure* will be able to attract is uncertain. The advantages of *Acure* over existing technologies appear to be meaningful and in time, *Acure* could secure a useful market share. The reluctance of end users to change from existing proven technologies may restrict *Acure* securing market share as rapidly as it might desire. Grant Samuel has valued the *Acure* separately using the DCF methodology (see section 5.1);

⁶ The number of shares has been adjusted to reflect the 3,871,678 shares that will be issued to senior executives on the vesting of performance rights that will vest if the Proposed Scheme proceeds.

⁷ Excluding the valuation of the Technology assets.

- Nuplex has undergone a very significant and largely successful transition to an almost “pure play” resins manufacturer operating globally. In 2010, 51% of group revenue came from Australasia. This is forecast to represent only approximately 17% of group revenue by FY18, highlighting a marked restructure of the business over the period. Nuplex has acquired or established manufacturing facilities in Asia and Europe producing resins primarily for those markets; and
- Notwithstanding a substantial period of underperformance relative to projections, it appears that market sentiment to Nuplex is becoming more favourable. This re-rating possibly reflects a range of factors including the business now being a pure play resins company, improvements and growth in the Asian business, the benefits of a lower NZD (relative to the USD and EUR) and the perception that growth may be able to be extracted from the *Acure* initiative. The continued underperformance of ANZ and the challenging economics in the US and Europe potentially counter some of this sentiment.

Overall, the business has worked hard in the past five years to restructure itself both in terms of geographical exposure but also acutely focussing the resins product range. The NuLeap initiative has been a success, although further cost savings and efficiency gains will be incremental rather than a step-change. In the absence of these structural changes it is highly likely the financial performance of Nuplex would have deteriorated. Instead, the company has been able to deliver steady constant currency earnings growth in a highly competitive market.

Earnings

Grant Samuel has adjusted the historical and forecast EBITDA and EBIT by:

- removing the Specialties and Masterbatch trading results in FY15 as this business unit was divested in November 2014;
- removing Pulp & Paper trading results as this has been treated as a surplus asset for valuation purposes;
- earnings from the adoption of new Technology have also been excluded as these have been valued separately; and
- adjusting the actual and forecast trading results for foreign exchange movements. Nuplex's earnings are very sensitive to changes in exchange rates, primarily the translation of overseas earnings into NZD. The recent weakness of the NZD against both the USD and EUR has resulted in an increase in reported NZD earnings. For the purposes of this valuation Grant Samuel has adopted average exchange rates for the last 90 days of NZD:USD \$0.68 and NZD:EUR \$0.60.

The following table summarises the adjusted earnings for the year ended 30 June 2015, together with the forecast for the year ending 30 June 2016 and 2017:

Earnings Overview (NZ\$ millions)

	2015	2016F	2017F
ANZ (inc head office and eliminations)	10.0	12.3	21.8
Masterbatch / SPG	(6.4)	-	-
Pulp & Paper	(3.8)	-	-
Adjusted ANZ	(0.1)	12.3	21.8
EMEA	65.0	66.1	67.1
Asia	43.7	44.2	47.2
America	28.5	32.5	27.7
Associate and minorities	2.0	2.0	1.2
EBITDA	139.1	157.0	165.0

Source: Nuplex management accounts and the Nuplex strategic forecast

Net debt for valuation purposes

Grant Samuel has adopted net debt for valuation purposes at \$143.8 million as summarised below:

Nuplex - Net debt as at 30 April 2016

	NZ\$ millions
US private placement - €83.3 million	138.0
Bank borrowings	41.8
Cash rights	7.7
Proposed buyout of existing joint venture	22.0
Minority interest adjustment	(0.5)
Cash on hand	(65.3)
Net debt for valuation purposes	143.8

The following comments are relevant to the calculation of net debt for valuation purposes:

- The USD raised in the US Private Placement has been swapped into EURs, resulting in Nuplex having to repay €83.3 million in July 2019. For the purposes of calculating net debt for valuation, the EUR balance of €83.3 million has been translated into NZD at the prevailing spot rate of NZD:EUR \$0.60;
- As part of its remuneration framework, Nuplex has a Long Term Incentive plan for senior executives which involves the granting of performance share and cash rights that are subject to the achievement of longer term financial performance criteria. In the event that the scheme proceeds, these rights will vest in full. The expected cash outlay to senior executives is approximately NZ\$7.7 million as a result of the vesting of cash rights and 3,871,678 shares will be issued as a result of the vesting of performance share rights. NZ\$7.7 million has been added to net debt for valuation purposes and the number of shares on issue has also been adjusted;
- Nuplex is currently in negotiations to purchase the minority shareholder's interests in an existing joint venture. The valuation assumes that this acquisition has been settled. The net debt has been adjusted to reflect the mid point of the estimated purchase price of the minority interests; and
- Net debt has been adjusted to reflect Nuplex's minority interest in cash held of the net cash of its minority interest in its Thailand investments, offset by an allocation of net debt in the Nuplex Indonesian operation to the minority interest shareholder.

Synergies

There will be merger synergies available to Allnex if the Proposed Scheme is successful. The primary synergies are expected to be derived from enhanced or more efficient purchasing power, cost savings from the duplication of certain head office functions and R&D re-alignment and efficiency. Other cost savings should be able to be extracted by virtue of Nuplex no longer being a listed company. Some of these synergy benefits would be available to other prospective purchasers of Nuplex, while others would be unique to Allnex. To the extent these synergies exist and are significant, Allnex may have been prepared to pay away some of the upside to Nuplex shareholders. It is assumed that any synergies available were factored into the negotiations between Allnex and Nuplex and reflected in the agreed price of \$5.43 per Nuplex share.

5.3 Earnings Multiple Analysis

Implied Multiples

Grant Samuel estimates the value of Nuplex on an un-gearred basis to be in the range of \$1.12 billion to \$1.20 billion⁸. This range implies the following multiples:

Nuplex - Implied Multiples

	Valuation Range	
	Low	High
Multiple of EBITDA – year ended 30 June 2015	8.1	8.6
Multiple of EBITDA – year ending 30 June 2016	7.1	7.6
Multiple of EBITDA – year ending 30 June 2017	6.8	7.3
Multiple of EBIT – year ended 30 June 2015	10.6	11.4
Multiple of EBIT – year ending 30 June 2016	9.3	10.0
Multiple of EBIT – year ending 30 June 2017	8.9	9.6

An explanation regarding interpreting the above multiples is included at Appendix D. The valuation implies historic FY15 EBITDA multiples in the range 8.1 - 8.6 and forecast FY16 EBITDA multiples in the range 7.1 - 7.6. These implied multiples can be referenced to the implied multiples of the prices of comparable transactions and the multiples implied by the share prices of comparable companies.

Transactions in Resin and Chemicals Industry

The valuation of Nuplex has been considered having regard to the earnings multiples implied by the price at which broadly comparable companies and businesses have changed hands. A selection of relevant transactions is set out below:

Recent Transaction Evidence

Date	Target	Acquirer	Implied Enterprise Value (millions)	EBITDA Multiple ⁹ (times)	
				Historical	Forecast
Mar 2015	65% stake in DSM's Polymer Intermediates and Composite Resins Businesses	CVC Capital	€775	5.7 - 7.0	na
Oct 2014	Nuplex Specialties & Masterbatch	Axio	A\$128	8.0	na
Oct 2012	Cytec Industries Inc., Coating Resins Business (Allnex)	Advent	US\$1,150	6.8	6.6
Oct 2011	Vivero	Nuplex	NZ\$130	6.5	5.2
Jul 2011	Cray Valley, Cook and Sartomer	Arkema	€550	7.0	na
Dec 2010	DSM-AGI Corporation	Koninklijke DSM	€94	12.7	na
Median				6.9 - 7.0	5.9
Average				7.8 - 8.0	5.9
Global Transactions in broader chemical, plastics and resins businesses since 2001 (average)				8.0	na

Source: Media reports, company announcements, annual reports and presentations.

The multiples implied by the prices of transactions are consistent with Grant Samuel's valuation of Nuplex. When observing the table above the following points should be noted:

- The brief descriptions of the transactions included above are set out in Appendix A. Each transaction has its own unique set of circumstances. As such it is often very difficult to identify trends or draw direct comparisons;
- Although there have been a number of transactions in the wider chemical industry, the majority involve targets that are not considered comparable with Nuplex. The prices paid at which global chemical, plastics and resins businesses shown in the table above have changed hands averages approximately 8.0 times historical EBITDA;

⁸ Excluding the valuation of the Technology assets.

⁹ Represents implied enterprise value divided by EBITDA.

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- The implied enterprise value of DSM's Polymer Intermediates and Composite Resins Businesses transaction assumes that the earn out included in the transaction structure is delivered. If the earn out was not delivered the implied historical EBITDA multiple reduces to 5.7 times; and
- The most comparable transaction in recent times was the acquisition by Advent of the Coating Resins division of Cytec Industries Inc, which is now trading as Allnex. Allnex is considered by Nuplex to be its closest competitor. This transaction was announced in October 2012 and since that date the forecast EBITDA multiples of share market ratings of listed companies with exposure to resin manufacturing have increased, in part due to a general upwards re-rating of global equity markets over this period.

Share Market Evidence

The valuation of Nuplex has also been considered in the context of the multiples implied by the share market prices of companies with exposure to resin manufacturing. While none of these companies is precisely comparable to Nuplex, the share market data provides some framework within which to assess the valuation of Nuplex. A description of each of the companies is set out in Appendix B.

Share Market Ratings of Comparable Listed Companies

Company	Market Capitalisation (\$NZ millions)	EBITDA Multiple ¹⁰ (times)		EBIT Multiple ¹¹ (times)	
		Historical	Forecast	Historical	Forecast
Competitors/Customers					
Dow	86,773	9.0	9.2	12.3	12.6
BASF	105,943	8.0	8.4	13.8	14.5
Arkema	9,128	7.0	6.8	12.2	11.6
DSM	15,434	10.0	10.2	17.7*	17.6 *
Eternal	1,514	8.4	9.3	11.9	13.9
Momentive	562	8.7	na	41.4*	na
DIC	3,259	5.7	5.4	9.3	8.9
Median (excl. outliers)		8.4	8.8	12.2	12.6
Average (excl. outliers)		8.1	8.2	11.9	12.3
Customers					
PPG Industries	42,794	13.2*	11.8*	16.3*	14.6*
The Sherwin-Williams Company	39,972	16.0*	14.4*	17.9*	16.1*
Akzo Nobel	25,512	9.0	8.7	12.9	12.1
Nippon Paint Holdings	13,078	9.6	8.5	13.1	11.7
Kansai Paint	7,799	11.2	11.1	13.9	14.6
Valspar	12,626	14.5*	14.3*	16.7*	16.6*
Median (excl. outliers)		9.6	8.7	13.1	12.1
Average (excl. outliers)		9.9	9.4	13.3	12.8

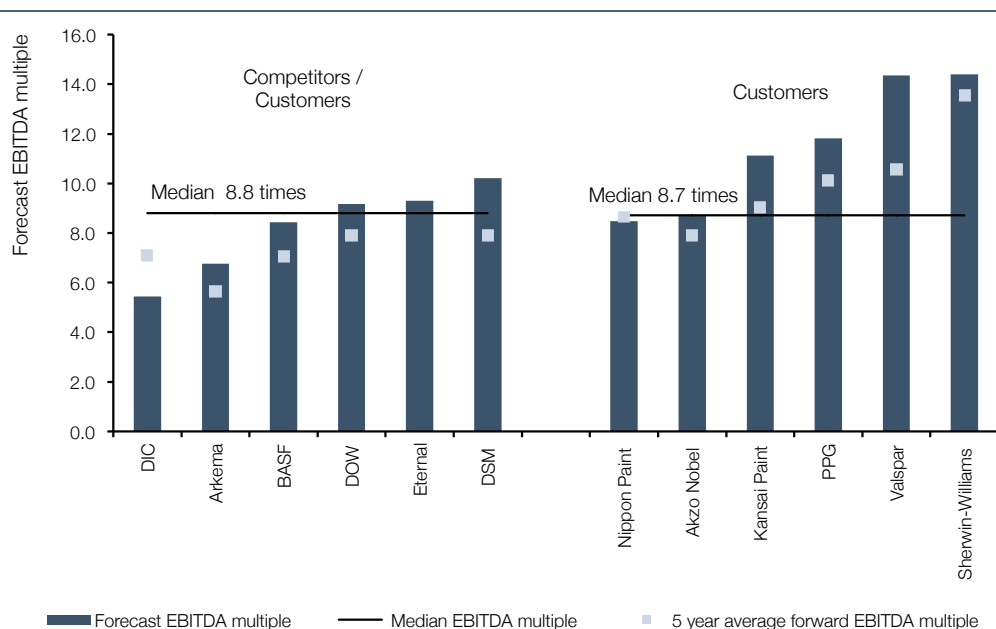
Source: Grant Samuel analysis, Capital IQ¹², * denotes outliers that have been excluded from calculations

A graphic representation of the EBITDA multiples implied by the share prices of comparable companies is set out in the chart below:

¹⁰ Represents gross capitalisation (that is, the sum of the market capitalisation adjusted for minorities, plus borrowings less cash as at the latest balance date) divided by EBITDA.

¹¹ Represents gross capitalisation divided by EBIT.

¹² Grant Samuel analysis based on company announcements and, in the absence of company published financial forecasts, brokers' reports. Where company financial forecasts are not available, the median of the financial forecasts prepared by a range of brokers has generally been used to derive relevant forecast value parameters. The source, date and number of broker reports utilised for each company depends on analyst coverage, availability and recent corporate activity.

Share Market Ratings of Selected Listed Companies – Forecast EBITDA multiple¹³

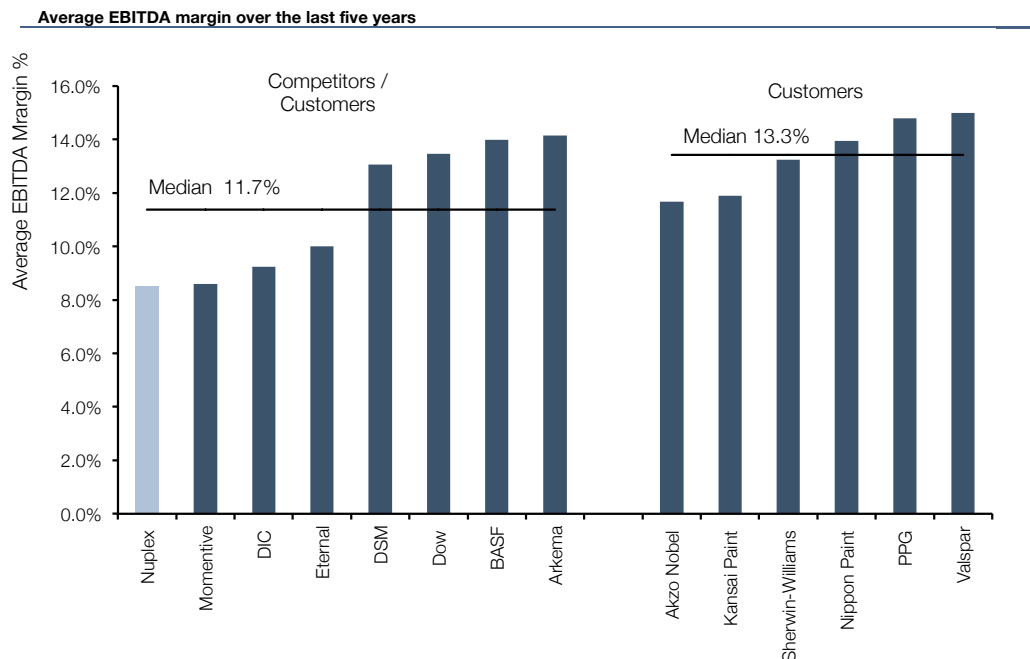
Source: Grant Samuel Analysis, Capital IQ

When observing the table and chart above the following points should be noted:

- The multiples are based on closing share prices as at 27 May 2016. The share prices and therefore the multiples, do not include a premium for control. Shares in a listed company normally trade at a discount to the underlying value of the company as a whole;
- There are considerable differences between the operations and scale of the comparable companies when compared with Nuplex. All of the companies in the table are substantially larger than Nuplex and in two cases are more than 80 times larger when measured by market capitalisation. Direct comparison with substantially larger companies must be treated with caution. In addition, differences in regulatory environments, share market and broader economic conditions, taxation systems and accounting standards hinder comparisons;
- The closest listed competitors to Nuplex are DIC and Eternal. Nuplex's management also consider Arkema and Koninklijke DSM (**DSM**), The Dow Chemical Company (**DOW**) and BASF as partial competitors as they are able to compete as vertically integrated chemical companies. These companies develop, manufacture and distribute a range of coatings, paints and related products worldwide. Some of these companies are further diversified by providing a wider range of products into a number of different industries. As an example DSM provides a range of products into the health and nutrition markets;
- Nuplex has historically traded at a discount to the comparable companies outlined above. This reflects a combination of factors including lower EBITDA margins, a generally smaller scale of operations (relative to the peer group), its exposure to a commoditised and competitive markets and margin pressures due it being a pure play resin provider. Nuplex's average EBITDA margin is below the average EBITDA margins of the comparable companies. Nuplex's lower EBITDA margin relative to its industry peers is primarily due to a number of the comparable companies having a high degree of vertical integration. This enables these companies to have more flexibility within the value chain to maintain or extract higher margins and an ability to selectively apply pricing pressure to focused suppliers such as Nuplex. Nuplex's EBITDA margin has also been impacted by its exposure to the Australian market, which over the last five years has been impacted by a structural change in the manufacturing sector. Since 2010, Nuplex has diversified its revenue with growth in Europe, Asia and the America regions, all of which are achieving a significantly higher EBITDA margin that what is being achieved in

¹³ Eternal and Momenitive's 5 year average Forward EBITDA multiple is not available

ANZ. The margins being achieved by Nuplex in Asia and the America regions is broadly in line with the average of the comparable companies as set out in the chart below:



Source: Capital IQ

- Nuplex's capital intensity is relatively light as resin manufacturing uses a batch production process. The larger vertically integrated companies with upstream operations employ continuous production processes, which typically increases the cost of the investment in the manufacturing plant and equipment but in the long run can result in operational efficiencies leading to higher EBITDA margins. Due to the differences in capital intensity, Nuplex's average return on capital over the last five years is broadly in line with the median average return on capital of the comparable companies;
- Arkema has consistently traded at a discount relative to its peers in part due to earnings volatility. However, some analysts believe this valuation gap is likely to close as the business becomes more stable on the back of its recent acquisition of Bostik and forecast earnings per share growth;
- On 11 December 2015 Dow announced that it entered into a definitive agreement to acquire E.I. du Pont de Nemours and Company for \$62.4 billion in stock. Pursuant to the transaction the merged entity, DowDuPont, will be separated into three independent publicly traded companies. The three respective companies will be focused on Agricultural, Material Science and Specialty Products. Nuplex will be most comparable to the Material Science division. In the market commentary to date, analysts are indicating an EBITDA multiple range of 7.0 to 8.5 times to assess the value of the Material Science division of the newly merged entity - a premium to the comparable companies selected by the analysts; and
- On 20 March 2016, The Sherwin Williams Company (**Sherwin Williams**) announced that it entered into an agreement to acquire The Valspar Corporation (**Valspar**) for US\$9.4 billion in cash. The transaction is expected to close at the end of the first quarter in 2017. The offer represented a 34.8% premium to Valspar's share price prior to the announcement and the offer price implied a forward EBITDA multiple of 15.0 times (10.9 times when including the assumed synergies).

5.4 Discounted Cash Flow Valuation

As a cross check to the valuation Grant Samuel has undertaken a DCF valuation of Nuplex. The following table provides a summary of the DCF valuation:

Discounted Cash Flow Summary

\$ million except where otherwise stated	Low	High
<i>Discount rate</i>	10.5%	10.0%
Enterprise value of the Group (excl. Technology)	1,117	1,197
Net debt for valuation purposes	(144)	(144)
Australian pulp and paper business	22	22
Technology	34	48
Equity value	1,029	1,124
Fully diluted shares on issue (million)	192.5	192.5
Value per share	\$5.35	\$5.84

The following points provide an overview of the key considerations and adjustments made by Grant Samuel to derive the DCF valuation:

Earnings forecast

Grant Samuel created a 10 year model using the FY16 forecast and the FY17 - FY19 strategic plan as a base. Grant Samuel's key assumptions when deriving the 10-year forecast include:

- Nuplex's FY17 strategic plan forecast has been adopted. The earnings from the adoption of new Technology have been excluded, as these have been valued separately;
- Historically, Nuplex's actual results have fallen short of the strategic plan, largely due to the regular underperformance of the ANZ business and the impact of foreign exchange movements. The strategic plan assumes that all regions will deliver on the plan, which is arguably an unrealistic expectation when considering the number of global macro economic factors that can influence the company's financial performance. At constant exchange rates the actual performance has been approximately 10-20% below the strategic plan. Nuplex's FY18 and FY19 strategic plan has been adjusted to reflect a risk-adjusted outlook;
- The long term implied EBITDA margin for the Group is 10.9%, which is considered reasonable when observing historical trends, the company's forecast EBITDA margin for FY16 and the competitive environment in which Nuplex operates;
- Sales growth of 2% per annum from FY20; and
- A long term effective tax rate of 25%.

Foreign exchange

Grant Samuel has forecast Nuplex's regional earnings in the local currencies and translated the forecast into NZ dollars. As the NZ dollar is volatile and foreign exchange movements are very difficult to forecast, Grant Samuel has applied the historic 90 day average foreign exchange rates to derive forecast earnings in NZ dollars. A large percentage of Nuplex's earnings are denominated in foreign currencies, which makes the DCF valuation sensitive to small movements in foreign exchange. The following table provides a range of share prices derived using different foreign exchange rates:

DCF – Foreign exchange rate sensitivity (NZ\$ share price)

NZD:USD	NZD:EUR	Low	High
0.7008	0.6249	\$5.19	\$5.67
0.6908	0.6149	\$5.27	\$5.76
0.6808	0.6049	\$5.35	\$5.84
0.6708	0.5949	\$5.43	\$5.93
0.6608	0.5849	\$5.51	\$6.02

Discount Rate and Terminal Growth

The discount rate derived using the Capital Asset Pricing Model (**CAPM**) is approximately 8.4%. In Grant Samuel's opinion this is too low and is not representative of the expected rate of return that a potential investor is likely to expect having regard to the risks associated with the future cash flows of the underlying businesses. Selection of the appropriate discount rate to apply to forecast cash flows of any business enterprise is fundamentally a matter of judgement. The CAPM is probably the most widely accepted and used methodology for determining the cost of capital. While the theory underlying CAPM is rigorous, the practical application is subject to substantial shortcomings and limitations. Valuation is an estimate of what real world buyers and sellers of assets would pay and must therefore reflect criteria that will be applied in practice. Having regard to the long-term risk free rate averages and brokers consensus, Grant Samuel has selected a discount rate range of 10.0% and 10.5%.

Grant Samuel has used a terminal growth rate of 2.5%, which is in line with Nuplex's long-term compound average growth rate.

Technology

Grant Samuel has valued Nuplex's Acure technology separately. As outlined above, the uptake of this new technology is somewhat uncertain, despite apparent strong interest from existing customers. Grant Samuel has assumed that by FY26 Nuplex has secured approximately 7% of the estimated US\$1 billion per annum market. Grant Samuel has applied discount rates in the range of 20% - 25% and with a 3.0% terminal growth rate to derive its discounted cash flow valuation. The high discount rates reflect the risk associated with the forecast earnings.

Capital Expenditure

Capital expenditure for FY17, FY18 and FY19 is based on the capital expenditure outlined in the strategic plan. From FY19 to FY25, Grant Samuel has aligned capital expenditure with depreciation.

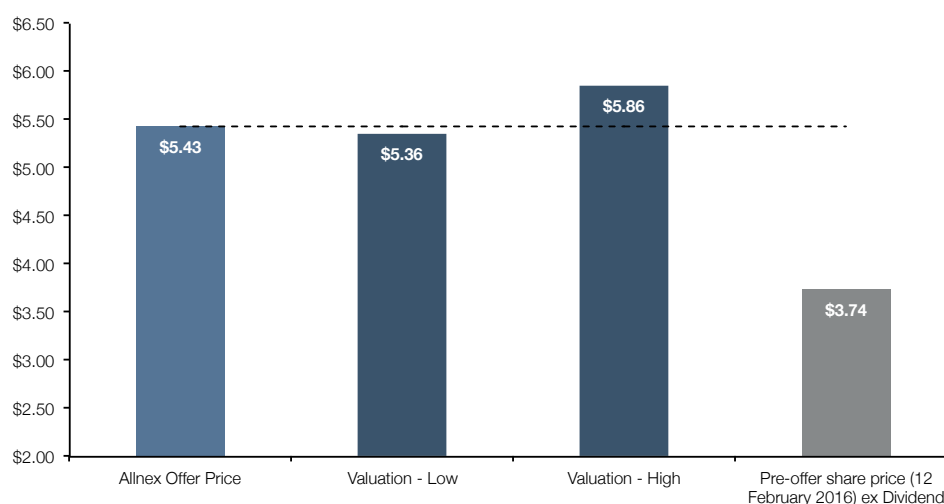
6. Merits of the Proposed Scheme

6.1 The Value of the Proposed Scheme

The value of the Proposed Scheme can be assessed with reference to a number of factors:

- **Grant Samuel's assessment of the value of Nuplex.** In Grant Samuel's opinion the full underlying value of Nuplex shares is in the range of \$5.36 to \$5.86 per share, as set out in Section 5. This value represents the value of acquiring 100% of the equity in Nuplex and therefore includes a premium for control. In Grant Samuel's opinion the offer price under a takeover offer or scheme of arrangement where the offeror will gain control should be within, or exceed, the pro-rated full underlying valuation range of the company. **The Proposed Scheme price of \$5.43 per share is within Grant Samuel's assessed value range for Nuplex shares.** The diagram below compares the Proposed Scheme price with Grant Samuel's assessed value range for Nuplex shares and the Nuplex share price immediately prior to the announcement that the indicative non-binding proposal by Allnex had been received;

Comparison of the Proposed Scheme price with the valuation range and the Nuplex share price before the Proposed Scheme was announced



- **the premium implied by the price of the Proposed Scheme.** The price of the Proposed Scheme represents a premium of 45% relative to the closing price of \$3.74 per Nuplex share on 12 February 2016 (excluding dividend), being the last trading day prior to the announcement that the indicative non-binding offer from Allnex had been received. The Proposed Scheme represents a premium of 34% relative to the 1 month volume weighted average price (VWAP) for the month to 12 February 2016. The premium for control is higher than the premiums for control generally observed in successful takeovers of other listed companies. Since the announcement of the Proposed Scheme at a price of \$5.43 per share, Nuplex shares have traded in the range of \$4.98 to \$5.35 per share; and
- **comparable company and comparable transaction data.** The Proposed Scheme price implies multiples of 8.4 times historical normalised EBITDA for 2015 and 7.4 times forecast EBITDA for 2016. Grant Samuel's analysis suggests the historical EBITDA multiple implied by the price of the Proposed Scheme is in line with the multiples implied by the prices of comparable transactions and the multiples implied by the share prices of comparable listed companies.

6.2 The timing and circumstances surrounding the Proposed Scheme

Nuplex is a dedicated resins company supplying product to the coatings industry. The coatings industry is diverse and comprises a large number of local, regional and multinational participants across the globe. The industrial coatings market is undergoing a period of consolidation, as competition remains intense as a consequence of excess capacity in a number of markets where demand has contracted on the back of weak industrial growth. The ANZ market for Nuplex is an example of this dynamic. In this trading environment larger vertically integrated companies

have an advantage and smaller companies focussed on particular parts of the value chain (such as Nuplex as a resins provider) have had to realign their market manufacturing capacity to better match demand.

Nuplex, despite having sales revenue of \$1.5 billion, is small in the context of the global chemical industry. Allnex is approximately 50% larger than Nuplex in revenue terms and would afford Allnex some synergies but critically an access to the Asian market to complement its existing business footprint.

The Proposed Scheme follows an approach from Advent regarding the potential combination of Nuplex and Allnex. Following the initial approach, Nuplex entered into negotiations with Allnex and Advent, culminating in the announced form of the Proposed Scheme.

6.3 Possible outcomes of the Proposed Scheme

Allnex and its main shareholder Advent, as with most acquirers of listed companies, prefer the acquisition of 100% of the potential target. This is particularly the case when it is envisaged that the companies will be merged operationally as is clearly contemplated in this scenario.

The transaction contemplated by Nuplex and Allnex is constructed as a scheme of arrangement. For all intents and purposes the Proposed Scheme has the same economic effect as a full takeover of Nuplex by Allnex. The use of the scheme of arrangement provisions of the Companies Act in this context has attracted some market and media comment that the provisions allow for a takeover to be effected outside the ambit of the Takeovers Code and can be achieved at a lower level of shareholder acceptance. Full takeover offers require acceptances which result in the acquirer holding or controlling 90% of the voting securities in a company to effect compulsory acquisition of remaining shares. In contrast, a scheme of arrangement needs the support of 75% of the shares voted on the special resolution and more than 50% of the total number of voting securities in the company to be voted in favour of the Proposed Scheme for it to proceed. Given that it is unlikely that 100% of Nuplex's shareholders will cast their votes at a meeting or by proxy the acceptance threshold is likely to be less than 75% of the company's total shares on issue. The probability of a 100% acquisition being successfully completed under a scheme structure is therefore materially increased provided the threshold of more than 50% of the total number of voting securities being voted in favour can be achieved.

Nuplex shareholders will vote to approve or reject the implementation of the scheme. To be passed, more than 50% of the total number of voting securities in Nuplex must be voted in favour and a majority of at least 75% of the total votes cast must be in favour of the resolution. If the two tests are satisfied and the High Court approves the Scheme and the other conditions (including obtaining regulatory approvals) are satisfied, the Proposed Scheme will proceed and all the shares in Nuplex will be acquired.

The possible outcomes of the Proposed Scheme are a function of Nuplex shareholders' endorsement (or not) of the scheme construct are summarised below:

The voting thresholds to approve the Proposed Scheme are not achieved.

If the voting thresholds to approve the Proposed Scheme are not achieved, the Proposed Scheme will not proceed and no shares will be acquired by Allnex. Nuplex will remain a listed company and will have no further obligation to Allnex. No break fees will be payable by either Allnex or Nuplex unless the terms of the scheme implementation agreement have been breached.

The voting thresholds to approve the Proposed Scheme are achieved.

If the voting thresholds to approve the Proposed Scheme are achieved and all other conditions are satisfied, the Proposed Scheme will be implemented. In that circumstance all shareholders in Nuplex will have their shares acquired at \$5.43 per share. The compulsory acquisition provisions of the Takeovers Code do not apply in the context of the Proposed Scheme. Voting in favour of the Proposed Scheme will only realise cash for Nuplex shareholders if the voting thresholds are achieved, the other conditions are satisfied and the transaction is therefore implemented. If the transaction is implemented Nuplex will be delisted. For those shareholders wishing to retain an equity investment in the resins or coatings sector there are currently no other listed chemical companies listed on the NZX, although there are numerous chemical companies listed on other international stock exchanges.

The outcome of the shareholder vote on the Proposed Scheme is binary – either the voting thresholds are achieved in which case the Proposed Scheme will be effected in its entirety (provided all other conditions are satisfied), or the voting thresholds are not achieved in which case the Proposed Scheme will not be implemented. It is important that shareholders exercise their right to vote for or against the Proposed Scheme.

6.4 Factors that may affect the outcome of the Proposed Scheme

- Approximately 60.3% of the issued shares in Nuplex are held by the top ten registered shareholders, although many of these are nominee or holding companies. The support or otherwise of the larger shareholders in relation to the Proposed Scheme is likely to be material in determining whether or not Nuplex achieves the voting thresholds;
- Since the announcement of the Proposed Scheme, a large volume of shares in Nuplex have traded. As a result of some of these transactions, hedge funds may also hold sizable shareholdings in Nuplex, and accordingly the behaviour of these hedge funds could be pivotal in determining the success of the Proposed Scheme.
- The Nuplex share price has traded below the Proposed Scheme price since the Proposed Scheme was announced. From 15 February 2016 to 27 May 2016 Nuplex has traded in the range \$4.98 – \$5.35, or approximately 1.5 - 9.0% below the \$5.43 price per share. The increase in price close to (but below) the price of the Proposed Scheme suggests the market believes the Proposed Scheme will be successfully implemented. However the market may also in part be reacting to a better understanding of Nuplex's future prospects as a consequence of the Allnex approach, which itself may contribute to a subsequent re-rating of the company; and
- The Proposed Scheme is conditional on Allnex receiving relevant regulatory consents for the acquisition. When and if all consents will be given is uncertain. If all the necessary regulatory consents are not obtained, the Proposed Scheme will lapse and Allnex will not acquire any shares in Nuplex. The scheme of arrangement process being used by Allnex will result in it acquiring either no shares or 100% of the shares in Nuplex.

6.5 Other Merits of the Proposed Scheme

- It is usual for transactions to be negotiated and the price set with settlement sometime later. In the case of the Proposed Scheme the settlement date is uncertain due to the timing of obtaining regulatory approvals;
- In some takeovers and share transactions there are factors that suggest that even if the price of the proposed takeover or scheme transaction is below the assessed value range shareholders should consider accepting the offer or voting in favour of the offer or scheme. In this instance there does not appear to be any compelling reason for shareholders to support any proposal that is below full underlying value;
- The break fee structure agreed between Allnex and Nuplex provides for Nuplex to pay a fee of \$10.47 million if (amongst other things) an Independent Director of Nuplex does not recommend the Proposed Scheme or if a competing transaction is announced and completed within 12 months. The existence of the break fee structure has implications. First, it provides Nuplex with a monetary incentive to promote the Proposed Scheme. Secondly, it implies that the Independent Directors have formed the view that the Proposed Scheme is priced fairly. The break fee would make it marginally more expensive for another bidder to make a successful equivalently priced offer;
- The break fee structure also provides for Allnex to pay Nuplex a break fee of \$10.47 million if the condition requiring anti-trust regulatory approvals is not satisfied (subject to limited exceptions), or if Allnex materially breaches its obligations under the Proposed Scheme;
- If the voting thresholds are not achieved theoretically Allnex could elect to increase the price it is prepared to pay for Nuplex. Any price increase would require a revised scheme of arrangement proposal. However, there is no certainty that a revised proposal would be tabled. Unless a revised proposal from Allnex or a competing takeover offer from another party is anticipated by the market, Nuplex's shares are likely to trade at levels below the Proposed Scheme price of \$5.43 per share if the Proposed Scheme does not achieve the necessary vote thresholds and does not proceed;
- The use of a scheme of arrangement provides the acquirer with the absolute certainty that if the resolutions are passed it will secure 100% of the shares on issue (subject to satisfaction of the other conditions). Allnex has demonstrated a desire to own 100% of Nuplex. While the scheme of arrangement structure is likely to be preferred by Allnex by virtue of the lower acceptance levels to be successful, it may elect to launch a conventional takeover offer if the Proposed Scheme does not proceed;

- It is not uncommon for takeover transactions to include a sharing of the “synergy” benefits from an acquisition between the buyer and the seller. The extent of the sharing varies from transaction to transaction and is usually a function of the competition for the asset or the business in question. In this instance there are currently no competing bids. The primary synergies in this circumstance may include purchasing efficiencies, elimination of selected duplicated costs (such as two head offices) and increasing the efficiencies of the R&D function across the two companies;
- Nuplex is largely a commodity producer of resins. With 72% of Nuplex's raw material cost base being highly exposed to cyclical oil price trends, R&D and investments in processing and operational efficiency are key focuses of the business; and
- Nuplex shareholders who choose not to vote in favour the Proposed Scheme have either decided they want to retain their investment in Nuplex for the longer term, or may be expecting that Allnex or another bidder may make another offer at a higher price. There is no certainty regarding the ongoing performance of Nuplex or that a subsequent offer or scheme proposal from Allnex will be forthcoming if the Proposed Scheme is rejected by Nuplex shareholders. The risks and benefits associated with an investment in Nuplex are outlined at Section 6.6 below.

6.6 If the Proposed Scheme is rejected

If the Proposed Scheme is rejected by Nuplex shareholders Nuplex will remain as a listed company with no shares acquired by Allnex as a consequence of the Proposed Scheme. The status quo scenario is therefore very relevant to Nuplex shareholders in deciding whether to support or reject the Proposed Scheme. Grant Samuel makes the following observations in respect of the status quo scenario:

- In the half year to 31 December 2015 Nuplex reported EBITDA from continuing operations of \$65.7 million, up 20.6% from \$54.5 million in the prior corresponding half. In May 2016, the FY16 EBITDA guidance by the company was increased to \$157 - \$161 million from the earlier guidance of NZ\$145 to \$157 million. This change was due to stronger than expected earnings from EMEA and the Americas in March and April 2016. The Nuplex Board and management consider that rate of improvement will increase in the FY17 and FY18 years;
- Nuplex is a well-managed business that has succeeded in transforming itself into a multinational resins supplier over the last 5 years. It operates in a competitive market place. Growth opportunities currently being pursued through existing and planned capital expenditure are strongest in China and Russia. The majority of Nuplex's production is sold within the region it is produced in. With its R&D capability, Nuplex is able to batch manufacture to suit the particular requirements of its coating manufacturing clients. The ability to adapt to local demand is a key element of Nuplex's success in growing market share;
- The NuLeap initiative has been successful, although future gains will be incremental rather than step-change. In the absence of a major change in the market in which Nuplex operates, the company is expecting to deliver steady increases in earnings. This outlook is consistent with the broker consensus projections for the company;
- The resins sector has consolidated with the major remaining mid size businesses being Allnex, Nuplex and the resins division of DSM. In the absence of a transaction involving any two of the entities (such as the Proposed Scheme), the acquisition opportunities available in the market are likely to involve significantly smaller entities. Nuplex's ability to grow by acquisition is therefore likely to involve smaller opportunities if these can be identified and negotiated on appropriate terms. A transformational acquisition appears less likely in the context of the current structure of the competitors in the resins market; and
- Any decision to reject the Proposed Scheme is likely to result in a reversal of some or all of the share price appreciation that followed the announcement of the Proposed Scheme.

A consideration for Nuplex shareholders is therefore whether, in time, an investment in Nuplex will yield a higher value outcome than the Proposed Scheme. If Nuplex can deliver on its initiatives and continue the earnings growth it recently delivered, then higher value outcomes may eventuate. However, given the paucity of potential sizeable acquisition opportunities, the expected continued intense competition in the sector suggests material improvements in earnings may take some time to deliver.

As with any equity investment there are risks associated with the market in which the company operates. The risks associated with an investment in Nuplex include:

- **Foreign Currency.** Nuplex operates across a large number of countries and as a consequence is exposed to movements in the value of the New Zealand dollar as more than 90% of turnover is conducted outside of New Zealand and some raw materials are purchased in foreign currencies;
- **Geographical Exposure.** The majority of Nuplex's business and assets are located outside of New Zealand and the head office of the company is in Sydney, Australia. An investment in Nuplex provides exposure primarily to the manufacture of resins for surface coatings and to an extent the wider chemical market. There are a large number of chemical manufacturers listed on international sharemarkets for investors seeking exposure to that sector;
- **Liquidity in Nuplex Shares.** Allnex does not control Nuplex and will not do so if the Proposed Scheme fails to achieve the necessary shareholders' vote as it will not acquire any shares in Nuplex. Therefore the liquidity of Nuplex shares will not be affected if the Proposed Scheme does not proceed; and
- **Other.** A key variable affecting the resins sector is the price of oil and its impact on feedstock costs.

6.7 Likelihood of alternative offers

The prospect of an acquisition by Allnex in the form of a Proposed Scheme was announced to the market on 15 February 2016. Since that time, the Scheme Proposal and its prospects of success have received some press analysis and commentary. However to date, no alternative takeover offers have been forthcoming and no company that competes with Allnex has emerged as the holder of a substantial security interest (5% or greater) in Nuplex.

As the Proposed Scheme is being effected by way of a scheme of arrangement rather than a takeover, Nuplex remains as a listed entity prior to the proposal being put to shareholders with no trading restrictions on any of its shares. No "lock up" agreements have been put in place in connection with the Proposed Scheme. "Lock-up" agreements are relatively commonplace in conventional takeovers where key shareholders agree in advance to sell their shares into a forthcoming takeover offer when it is made. In the context of the Proposed Scheme there are therefore no restrictions or deterrents to prevent a competing acquiror to make an alternative takeover or scheme of arrangement proposal to acquire Nuplex. By most measures the Nuplex shareholder base is therefore reasonably "open". At the date of this report no other offer or proposal to acquire Nuplex had been made.

6.8 Acceptance or Rejection of the Proposed Scheme

Acceptance or rejection of the Proposed Scheme is a matter for individual shareholders based on their own view as to value and future market conditions, risk profile, liquidity preference, portfolio strategy, tax position and other factors. In particular, taxation consequences will vary widely across shareholders. Shareholders will need to consider these consequences and, if appropriate, consult their own professional adviser(s).

GRANT SAMUEL & ASSOCIATES LIMITED

May 2016

Appendix A – Recent Transaction Evidence

A brief description of each of the transactions listed in Section 5 is outlined below:

Koninklijke DSM (Polymer Business) / CVC Capital

On 16 March 2015, CVC Capital Partners (**CVC**) agreed to acquire a 65% stake in the polymer and composite resins business owned by Koninklijke DSM N.V. (**DSM**) for a total of €775 million (made up of an up front purchase price of €600 million plus an earn-out of up to €175 million). Under the terms of the transaction, DSM and CVC agreed to form a new company - 65% owned by CVC and 35% owned by DSM. DSM is a global life sciences and materials sciences company that offers products in areas of health, nutrition and materials and supports CVC's investment interests in the industrial chemical sector. Founded in 1981, CVC operates in Europe, Asia and the United States and manages over \$50 billion in assets.

Nuplex Specialities & Masterbatch / Axieo

On 28 November 2014 Nuplex sold its specialities businesses, Nuplex Specialities (its agency and distribution business) and Nuplex Masterbatch (its plastic additives business) to CHAMP Private Equity (**CHAMP**) through a newly created company, Axieo Pty Limited. The agreed purchase price for the two specialties businesses amounted to NZD\$141 million at an implied historical EBITDA multiple of 8.0x. Nuplex Masterbatch manufactures colour and performance additives for plastic and Nuplex Specialities NZ Limited manufactures and distributes high compliance ingredients, raw materials and specialty chemicals. Both companies are based in Australia and New Zealand. The acquisition of Axieo follows CHAMP's history of acquiring non-core divisions of larger corporates and creating stand-alone businesses – in this case Axieo.

Cytec Industries (Coating Resins Business) / Advent

On 3 April 2013 Advent to acquire the coating resins business of Cytec Industries (**Cytec**) for an agreed purchase price of US\$1.1 billion. The purchase price amounted to an implied historical EBITDA multiple of 6.8x and included Cytec's radiation-cured resins, liquid coating resins, powder coating resins and amino crosslinkers product lines. Cytec was renamed Allnex. By acquiring a leading supplier of specialty chemicals that offers a range of resins for use on wood, metal, plastic and other surfaces acquisition, Advent has been able to grow its industrial chemical and materials portfolio significantly.

Viverso / Nuplex

On 3 January 2012, Nuplex acquired German resin and putty manufacturer Viverso GmbH (**Viverso**) from Bayer Material Science AG for NZD\$130 million. The agreed purchase price amounted to an implied historical EBITDA multiple of 6.5x, regarded as being towards the lower end of recent transaction multiples. However the process was competitive reflecting Viverso's strong product portfolio and revenue base. Viverso was an addition to Nuplex's high performance resin and coatings business offering products for interior wood, exterior wood, decorative, super durable powder, durable powder and general industrial coatings.

Cray Valley, Cook and Sartomer / Arkema

On 31 July 2011, Arkema S.A. acquired the coatings resins business of Cray Valley and Cook Composites and Polymers along with the photocure resins businesses of Sartomer from Total S.A. Arkema acquired the businesses for a total consideration of €550 million. The purchase price implied a historical EBITDA multiple of 7.0x. The Cray Valley and Cook composites and polymers resins (waterborne and solvent-based, powder, rheology additives) and the Sartomer high added value photocure resins (for fibre optics, graphic arts, electronics, etc.) enhance Arkema's product portfolio for coatings applications and aligns with its identified growth strategy, in particular, opening up further opportunities throughout Asia.

Koninklijke DSM / AGI Corporation

On 12 July 2011, DSM N.V., acquired a 51% stake in AGI Corporation of Taiwan (**AGI**) for approximately €48 million. The purchase price implied an historical EBITDA multiple of 12.7x, assuming the earnout was achieved. If the earnout was not achieved the historical EBITDA multiple reduces to 5.7x. The controlling interest was achieved through a mix of newly issued shares and purchases from existing shareholders by way of a public tender offer. AGI produces a broad range of environmentally friendly Ultraviolet curable resins used in coatings for paper, wood, plastic and graphic arts applications. DSM's strategic ambition is to become a leader in sustainable and innovative resin and the acquisition of AGI was consistent with this focus.

Appendix B - Comparable Listed Companies

A brief description of each of the companies listed in Section 5 is outlined below:

Akzo Nobel N.V.

Akzo Nobel is a major producer of paints, coatings and specialty chemicals for the building, transportation, consumer goods and industrial sectors. With a portfolio of brands that include Dulux, Sikkens, Interpon and Eka, Akzo Nobel develops and supplies a vast range of products that include decorative paints, protective coatings, packaging coatings, automotive and aerospace coatings, detergent ingredients, pulp bleaching chemicals and de-icing salt. Headquartered in Amsterdam, the Netherlands, Akzo Nobel has activities in over 80 countries and approximately 47,000 employees.

Arkema S.A.

Arkema is a specialty chemicals and advanced materials company based in France. Arkema is organised into three business segments, Coating Solutions which includes waterborne, solvent borne, powder coating resins and additives, Industrial Chemicals which includes major chemical intermediates such as thiochemicals, fluorochemicals, acrylic glass and hydrogen peroxide and Performance Products including specialty polyamides, fluoropolymers, molecular sieves and organic peroxides. Arkema has 85 production plants and 10 research centres globally, employing approximately 14,000 staff in over 40 countries.

BASF SE

BASF SE is the largest chemical producer by revenue in the world, achieving €74.3 billion in sales in 2014. The BASF business is organised into segments including chemicals, plastics, performance products, functional solutions, agricultural solutions and oil and gas. In the early 1990s BASF chose to abandon its consumer product lines, instead choosing to focus on business-to-business product specialties. Despite this decision, BASF has customers in over 200 countries and supplies products to a wide variety of industries. As at the end of 2014, BASF employed over 113,000 people globally.

DIC Corporation

DIC Corporation is a Japan-based manufacturing company specialising in Printing Ink, Fine Chemicals, Polymers and Application Materials. The Printing Ink segment manufactures and sells printing inks and printing-related equipment and materials such as offset ink, gravure ink, can manufacturing paint, news ink, adhesive for packing materials, plate for printing, printing-related consumable materials and equipment. The Fine Chemicals segment manufactures and sells organic pigments, organic pigment and liquid crystal materials such as pigments for ink, paint and plastic, paint and plastic pigments, thin-film transistor liquid crystal, among others. The Polymers segment manufactures and sells Acrylic resins, urethane resins, epoxy resins and polystyrene. The Application Materials segment manufactures and sells synthetic resin compound, colorant, building materials, packaging materials, adhesive products, plastic moulding products, engineering plastic, hollow fibre and others.

Eternal Materials Co Ltd

Eternal Materials is based in Taiwan and is engaged in the manufacture and sale of synthetic resins. The Company also provides electronic chemical materials and specialty chemicals. The Company's products portfolio consists of general purpose resins, polyester resins, coating resins, special chemicals, circuit substrates, dry film photo resists, liquid crystal display optical films, solar battery conductive adhesives, as well as silica gel materials for light emitting diode packaging and other products. The Company's products are mainly used in printed circuit boards, automobiles, washing machines, electronic games, televisions, construction materials and artificial marbles.

Kansai Paint Co. Ltd.

Kansai Paint Co. is a Japanese based chemical company specialising in the manufacturing and supply of paints and coatings. Kansai's product categories include automotive, decorative, protective industrial, marine and personal coatings. Kansai Paint is a member of the Mitsubishi UFJ Financial Group and as at 31 March 2014 the company employed approximately 12,000 staff.

Koninklijke DSM N.V.

DSM is a global life sciences and materials sciences company that offers products in areas of health, nutrition and materials. The majority (approximately 65%) of DSM's products and solutions relate to life sciences including food, infant nutrition, dietary supplements, personal care and animal feed and with the remainder (approximately 35%) relating to material sciences including medical devices, automotive, paints, electrical & electronics, life protection, alternative energy and bio-based materials. As at June 2015, DSM had over 25,000 employees across all major continents.

MPM Holdings Inc

MPM Holdings Inc (**Momentive**) produces and sells silicones, silicone derivatives and functional silanes worldwide. It is also involved in the development and manufacture of products derived from quartz and specialty ceramics. The company operates in two segments, Silicones and Quartz. The company sells its products into various markets, such as industrial, building and construction, transportation, agriculture, electronics, healthcare, personal care, semiconductor and fibre optics markets for various applications.

Nippon Paint Holdings Co., Ltd

Nippon Paint is a Japanese paint products manufacturing company. The company is owned by Singapore-based NIPSEA Group and as a result of several joint ventures Nippon has been established as the largest paint maker in Asia. Nippon has seven business fields established under two main divisions, Paint and Fine Chemicals. Products within Nippon's Paint business include automotive coatings, commercial paints, industrial coatings, marine coatings and retail paints. Products within Nippon's Chemicals business include surface treatments and fine products.

PPG Industries Inc.

PPG Industries is a global supplier of paints, coatings, optical products, specialty materials, glass and fiberglass to customers in industrial, transportation, consumer products and construction markets based in Pittsburgh, Pennsylvania. Along with its manufacturing operations, PPG Industries also owns and operates four specialist research centres in the United States where it develops new products for its glass, fiberglass and coatings businesses while also working on new innovations. PPG operates approximately 156 facilities in more than 70 countries.

Sherwin Williams Company

The Sherwin-Williams Company is a manufacturer and supplier of general building materials including the sale of paints, coatings and related products to professional, industrial, commercial and retail customers primarily in the Northern Hemisphere. The company is broken into four divisions including, Paint Stores Group (known as 'Sherwin-Williams Stores' for which the company is mostly widely recognised), Consumer Group, Latin America Coatings Group and Global Finishes Group. Headquartered in Cleveland, Ohio, the company operates approximately 4,340 stores worldwide.

The Dow Chemical Company

The Dow Chemical Company (**Dow**) manufactures plastics, chemicals and agricultural products and is the second largest chemical manufacturer by revenue in the world, achieving sales of US\$57 billion in 2013. Dow has seven different major operating segments including basic plastics (approximately 26% of sales), performance plastics (approximately 25% of sales), performance chemicals (approximately 17% of sales), hydrocarbons and energy (approximately 13% of sales), basic chemicals (approximately 12% of sales) and agricultural sciences (approximately 7% of sales). Dow also has a business unit that owns a system to help purify water for human use. With a presence in approximately 160 countries, Dow employs approximately 54,000 people worldwide. On December 2015, Dow announced that it would merge with DuPont, in an all-stock deal.

Valspar

The Valspar Corporation is an American manufacturer of paints and coatings based in Minneapolis, Minnesota. Valspar has achieved growth through a series of acquisitions over a 20-year period beginning with the acquisition of

the Mobil coatings business in 1984 and ending with Samuel Cabots in 2005. Valspar sells its products under a number of separate brand names including *Valspar*, *Plasti-Kote*, *House of Kolor*, *Cabot Stain*, *Barn and Fence*, *De Beer*, *Octoral*, *Devine Color*, *US Chemical & Plastics*, *Prospray* and *Matrix*. Valspar employs approximately 10,700 staff with operations in over 25 countries.

Appendix C – Valuation Methodology Descriptions

1. Capitalisation of Earnings

Capitalisation of earnings or cash flows is most appropriate for businesses with a substantial operating history and a consistent earnings trend that is sufficiently stable to be indicative of ongoing earnings potential. This methodology is not particularly suitable for start-up businesses, businesses with an erratic earnings pattern or businesses that have unusual expenditure requirements. This methodology involves capitalising the earnings or cash flows of a business at a multiple that reflects the risks of the business and the stream of income that it generates. These multiples can be applied to a number of different earnings or cash flow measures including EBITDA, EBITA, EBIT or net profit after tax. These are referred to respectively as EBITDA multiples, EBITA multiples, EBIT multiples and price earnings multiples. Price earnings multiples are commonly used in the context of the share market. EBITDA, EBITA and EBIT multiples are more commonly used in valuing whole businesses for acquisition purposes where gearing is in the control of the acquirer.

Where an ongoing business with relatively stable and predictable earnings is being valued Grant Samuel uses capitalised earnings or operating cash flows as a primary reference point. Application of this valuation methodology involves:

- estimation of earnings or cash flow levels that a purchaser would utilise for valuation purposes having regard to historical and forecast operating results, non-recurring items of income and expenditure and known factors likely to impact on operating performance; and
- consideration of an appropriate capitalisation multiple having regard to the market rating of comparable businesses, the extent and nature of competition, the time period of earnings used, the quality of earnings, growth prospects and relative business risk.

The choice between the parameters is usually not critical and should give a similar result. All are commonly used in the valuation of industrial businesses. EBITDA can be preferable if depreciation or non-cash charges distort earnings or make comparisons between companies difficult but care needs to be exercised to ensure that proper account is taken of factors such as the level of capital expenditure needed for the business and whether or not any amortisation costs also relate to ongoing cash costs. EBITA avoids the distortions of goodwill amortisation. EBIT can better adjust for differences in relative capital intensity.

Determination of the appropriate earnings multiple is usually the most judgemental element of a valuation. Definitive or even indicative offers for a particular asset or business can provide the most reliable support for selection of an appropriate earnings multiple. In the absence of meaningful offers, it is necessary to infer the appropriate multiple from other evidence.

The usual approach is to determine the multiple that other buyers have been prepared to pay for similar businesses in the recent past. However, each transaction will be the product of a unique combination of factors. A pattern may emerge from transactions involving similar businesses with sales typically taking place at prices corresponding to earnings multiples within a particular range. This range will generally reflect the growth prospects and risks of those businesses. Mature, low growth businesses will, in the absence of other factors, attract lower multiples than those businesses with potential for significant growth in earnings.

An alternative approach used in valuing businesses is to review the multiples at which shares in listed companies in the same industry sector trade on the share market. This gives an indication of the price levels at which portfolio investors are prepared to invest in these businesses. Share prices reflect trades in small parcels of shares (portfolio interests) rather than whole companies and it is necessary to adjust for this factor.

The analysis of comparable transactions and share market prices for comparable companies will not always lead to an obvious conclusion as to which multiple or range of multiples will apply. There will often be a wide spread of multiples and the application of judgement becomes critical. Moreover, it is necessary to consider the particular attributes of the business being valued and decide whether it warrants a higher or lower multiple than the comparable companies. This assessment is essentially a judgement.

2. Discounted Cash Flow

Discounting of projected cash flows has a strong theoretical basis. It is the most commonly used method for valuation in a number of industries and for the valuation of start-up projects where earnings during the first few years can be negative. DCF valuations involve calculating the net present value of projected cash flows. This methodology is able to explicitly capture the effect of a turnaround in the business, the ramp up to maturity or significant changes expected in capital expenditure patterns. The cash flows are discounted using a discount rate, which reflects the risk associated with the cash flow stream. Considerable judgement is required in estimating future cash flows and it is generally necessary to place great reliance on medium to long-term projections prepared by management. The discount rate is also not an observable number and must be inferred from other data (usually only historical). None of this data is particularly reliable so estimates of the discount rate necessarily involve a substantial element of judgment. In addition, even where cash flow forecasts are available the terminal or continuing value is usually a high proportion of value. Accordingly, the multiple used in assessing this terminal value becomes the critical determinant in the valuation (i.e. it is a "de facto" cash flow capitalisation valuation). The net present value is typically extremely sensitive to relatively small changes in underlying assumptions, few of which are capable of being predicted with accuracy, particularly beyond the first two or three years. The arbitrary assumptions that need to be made and the width of any value range mean the results are often not meaningful or reliable. Notwithstanding these limitations, DCF valuations are commonly used and can at least play a role in providing a check on alternative methodologies, not least because explicit and relatively detailed assumptions need to be made as to the expected future performance of the business operations.

3. Realisation of Assets

Valuations based on an estimate of the aggregate proceeds from an orderly realisation of assets are commonly applied to businesses that are not going concerns. They effectively reflect liquidation values and typically attribute no value to any goodwill associated with ongoing trading. Such an approach is not appropriate in Nuplex's case.

4. Industry Rules of Thumb

Industry rules of thumb are commonly used in some industries. These are generally used by a valuer as a "cross check" of the result determined by a capitalised earnings valuation or by discounting cash flows, but in some industries rules of thumb can be the primary basis on which buyers determine prices. Grant Samuel is not aware of any commonly used rules of thumb that would be appropriate to value Nuplex. In any case, it should be recognised that rules of thumb are usually relatively crude and prone to misinterpretation.

Appendix D – Interpretation of Multiples

Earnings multiples are normally benchmarked against two primary sets of reference points:

- the multiples implied by the share prices of listed peer group companies; and
- the multiples implied by the prices paid in acquisitions of other companies in the same industry.

In interpreting and evaluating such data it is necessary to recognise that:

- multiples based on listed company share prices do not include a premium for control and are therefore often (but not always) less than multiples that would apply to acquisitions of controlling interests in similar companies. However, while the premium paid to obtain control in takeovers is observable (typically in the range 20-35%) it is inappropriate to simply add a premium to listed multiples. The premium for control is an outcome of the valuation process, not a determinant of value. Premiums are paid for reasons that vary from case to case and may be substantial due to synergy or other benefits available to the acquirer. In other situations premiums may be minimal or even zero. There are transactions where no corporate buyer is prepared to pay a price in excess of the prices paid by share market investors;
- acquisition multiples from comparable transactions are therefore usually seen as a better guide when valuing 100% of a business but the data tends to be less transparent and information on forecast earnings is often unavailable;
- the analysis will give a range of outcomes from which averages or medians can be determined but it is not appropriate to simply apply such measures to the company being valued. The most important part of valuation is to evaluate the attributes of the specific company being valued and to distinguish it from its peers so as to form a judgement as to where on the spectrum it belongs;
- acquisition multiples are a product of the economic and other circumstances at the time of the transaction. However, each transaction will be the product of a unique combination of factors, including:
 - economic factors (e.g. economic growth, inflation, interest rates) affecting the markets in which the company operates;
 - strategic attractions of the business – its particular strengths and weaknesses, market position of the business, strength of competition and barriers to entry;
 - the company's own performance and growth trajectory;
 - rationalisation or synergy benefits available to the acquirer;
 - the structural and regulatory framework;
 - investment and share market conditions at the time; and
 - the number of competing buyers for a business.
- acquisitions and listed companies in different countries can be analysed for comparative purposes, but it is necessary to give consideration to differences in overall share market levels and rating between countries, economic factors (economic growth, inflation, interest rates), market structure (competition etc) and the regulatory framework. It is not appropriate to adjust multiples in a mechanistic way for differences in interest rates or share market levels;
- acquisition multiples are based on the target's earnings but the price paid normally reflects the fact that there were cost reduction opportunities or synergies available to the acquirer (at least if the acquirer is a "trade buyer" with existing businesses in the same or a related industry). If the target's earnings were adjusted for these cost reductions and/or synergies the effective multiple paid by the acquirer would be lower than that calculated on the target's earnings;
- while EBITDA multiples are commonly used benchmarks they are an incomplete measure of cash flow. The appropriate multiple is affected by, among other things, the level of capital expenditure (and working capital investment) relative to EBITDA. In this respect:

- EBIT multiples can in some circumstances be a better guide because (assuming depreciation is a reasonable proxy for capital expenditure) they effectively adjust for relative capital intensity and present a better approximation of free cash flow. However, capital expenditure is lumpy and depreciation expense may not be a reliable guide. In addition, there can be differences between companies in the basis of calculation of depreciation; and
- businesses that generate higher EBITDA margins than their peer group companies will, all other things being equal, warrant higher EBITDA multiples because free cash flow will, in relative terms, be higher (as capital expenditure is a smaller proportion of earnings).

Appendix E – Qualifications, Declarations and Consents

1. Qualifications

The Grant Samuel group of companies provides corporate advisory services in relation to mergers and acquisitions, capital raisings, corporate restructuring and financial matters generally. One of the primary activities of Grant Samuel is the preparation of corporate and business valuations and the provision of independent advice and expert's reports in connection with mergers and acquisitions, takeovers and capital reconstructions. Since inception in 1988, Grant Samuel and its related companies have prepared more than 400 public expert and appraisal reports.

The persons responsible for preparing this report on behalf of Grant Samuel are Michael Lorimer, BCA, Simon Cotter, BCom, MAppFin, F Fin, and Christopher Smith, BCom, MAppFin. Each has a significant number of years of experience in relevant corporate advisory matters.

2. Limitations and Reliance on Information

Grant Samuel's opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time. The report is based upon financial and other information provided by the directors, management and advisers of Nuplex. Grant Samuel has considered and relied upon this information. Grant Samuel believes that the information provided was reliable, complete and not misleading and has no reason to believe that any material facts have been withheld.

The information provided has been evaluated through analysis, enquiry, and review for the purposes of forming an opinion as to the underlying value of Nuplex. However in such assignments time is limited and Grant Samuel does not warrant that these inquiries have identified or verified all of the matters which an audit, extensive examination or "due diligence" investigation might disclose.

Grant Samuel has not undertaken a due diligence investigation of Nuplex. In addition, preparation of this report does not imply that Grant Samuel has audited in any way the management accounts or other records of Nuplex. It is understood that, where appropriate, the accounting information provided to Grant Samuel was prepared in accordance with generally accepted accounting practice and in a manner consistent with methods of accounting used in previous years.

An important part of the information base used in forming an opinion of the kind expressed in this report is the opinions and judgement of the management of the relevant enterprise. That information was also evaluated through analysis, enquiry and review to the extent practicable. However, it must be recognised that such information is not always capable of external verification or validation.

The information provided to Grant Samuel included projections of future revenues, expenditures, profits and cash flows of Nuplex prepared by the management of Nuplex. Grant Samuel has used these projections for the purpose of its analysis. Grant Samuel has assumed that these projections were prepared accurately, fairly and honestly based on information available to management at the time and within the practical constraints and limitations of such projections. It is assumed that the projections do not reflect any material bias, either positive or negative. Grant Samuel has no reason to believe otherwise.

However, Grant Samuel in no way guarantees or otherwise warrants the achievability of the projections of future profits and cash flows for Nuplex. Projections are inherently uncertain. Projections are predictions of future events that cannot be assured and are necessarily based on assumptions, many of which are beyond the control of management. The actual future results may be significantly more or less favourable.

To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations, and policies, Grant Samuel assumes no responsibility and offers no legal opinion or interpretation on any issue. In forming its opinion, Grant Samuel has assumed, except as specifically advised to it, that:

- the title to all such assets, properties, or business interests purportedly owned by Nuplex is good and marketable in all material respects, and there are no material adverse interests, encumbrances, engineering, environmental, zoning, planning or related issues associated with these interests, and that the subject assets, properties, or business interests are free and clear of any and all material liens, encumbrances or encroachments;
- there is compliance in all material respects with all applicable national and local regulations and laws, as well as the policies of all applicable regulators other than as publicly disclosed, and that all required licences, rights, consents, or legislative or administrative authorities from any government, private entity, regulatory agency or organisation have been or can be obtained or renewed for the operation of the business of Nuplex, other than as publicly disclosed;
- various contracts in place and their respective contractual terms will continue and will not be materially and adversely influenced by potential changes in control; and
- there are no material legal proceedings regarding the business, assets or affairs of Nuplex, other than as publicly disclosed.

3. Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than as an expression of Grant Samuel's opinion as to the merits of the Proposed Scheme. Grant Samuel expressly disclaims any liability to any Nuplex security holder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

This report has been prepared by Grant Samuel with care and diligence and the statements and opinions given by Grant Samuel in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading. However, no responsibility is accepted by Grant Samuel or any of its officers or employees for errors or omissions however arising in the preparation of this report, provided that this shall not absolve Grant Samuel from liability arising from an opinion expressed recklessly or in bad faith.

Grant Samuel has had no involvement in the preparation of the Notice of Meeting issued by Nuplex and has not verified or approved any of the contents of the Notice of Meeting. Grant Samuel does not accept any responsibility for the contents of the Notice of Meeting (except for this report).

4. Independence

Grant Samuel and its related entities do not have any shareholding in or other relationship or conflict of interest with Nuplex or Allnex that could affect its ability to provide an unbiased opinion in relation to the Proposed Scheme. Grant Samuel had no part in the formulation of the Proposed Scheme. Its only role has been the preparation of this report. Grant Samuel will receive a fixed fee for the preparation of this report. This fee is not contingent on the outcome of the Proposed Scheme. Grant Samuel will receive no other benefit for the preparation of this report. Grant Samuel considers itself to be independent for the purposes of the Takeovers Code.

5. Information

Grant Samuel has obtained all the information that it believes is desirable for the purposes of preparing this report, including all relevant information which is or should have been known to any Director of Nuplex and made available to the Directors. Grant Samuel confirms that in its opinion the information provided by Nuplex and contained within this report is sufficient to enable Nuplex security holders to understand all relevant factors and make an informed decision in respect of the Proposed Scheme. The following information was used and relied upon in preparing this report:

5.1 Publicly Available Information

- Nuplex Annual Reports for the financial year ending 30 June 2012, 2013, 2014 and 2015;
- Nuplex Interim Report for the period ended 31 December 2015;
- Various Broker Reports on Nuplex and comparable companies;

- Various Industry Reports; and
- The Scheme Implementation Agreement dated 9 April 2016.

5.2 Non Public Information

- Nuplex Management Accounts for the 12 month period ended 30 June 2012, 2013, 2014 and 2015;
- Year to date Nuplex monthly Management Accounts for the financial year ending 30 June 2016;
- Nuplex's forecast for the financial year ending 30 June 2016;
- Nuplex's strategic forecast for the financial years ended 30 June 2017 through 2019;
- Nuplex's Management Presentations to Allnex dated February 2016;
- Nuplex's technology forecast until 30 June 2025; and
- An overview of Nuplex's management performance rights.

6. Declarations

Nuplex has agreed that it will indemnify Grant Samuel and its employees and officers in respect of any liability suffered or incurred as a result of or in connection with the preparation of the report. This indemnity will not apply in respect of the proportion of any liability found by a Court to be primarily caused by any conduct involving gross negligence or wilful misconduct by Grant Samuel. Nuplex has also agreed to indemnify Grant Samuel and its employees and officers for time spent and reasonable legal costs and expenses incurred in relation to any inquiry or proceeding initiated by any person. Where Grant Samuel or its employees and officers are found to have been grossly negligent or engaged in wilful misconduct Grant Samuel shall bear the proportion of such costs caused by its action. Any claims by Nuplex are limited to an amount equal to the fees paid to Grant Samuel.

Advance drafts of this report were provided to the directors and executive management of Nuplex. Certain changes were made to the drafting of the report as a result of the circulation of the draft report. There was no alteration to the methodology, evaluation or conclusions as a result of issuing the drafts.

7. Consents

Grant Samuel consents to the issuing of this report in the form and context in which it is to be included in the Notice of Meeting to be sent to security holders of Nuplex. Neither the whole nor any part of this report nor any reference thereto may be included in any other document without the prior written consent of Grant Samuel as to the form and context in which it appears.

SCHEME PLAN

for a **scheme of arrangement** under Part 15 of the Companies Act 1993 (New Zealand)

between

Nuplex Industries Limited (Company No. 48754) of Level 3, Millennium Centre, 602c Great South Road, Ellerslie, Auckland 1051 (**Nuplex**)

and

Scheme Shareholders (as defined below)

and

Allnex New Zealand Limited (Company No. 5924187) a duly incorporated company having its registered office at Russell McVeagh, The Vero Centre, Level 25, 48 Shortland Street, Auckland Central, Auckland 1010, New Zealand (**BidCo**)

and

Allnex Belgium SA/NV registered in Belgium of Square Marie Curie 11, 1070 Brussels, Belgium (**Allnex**)

1. Conditions

The implementation of the Scheme is conditional in all respects on:

- (a) all of the Conditions having been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement by 8.00am on the Implementation Date; and
- (b) neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with its terms before 8.00am on the Implementation Date.

2. Scheme Consideration into trust accounts

BidCo must, by no later than 4.00pm on the Business Day before the Implementation Date, subject to the Scheme having become Unconditional (save for the Conditions set out in clauses 3.1(g) to (m) (both inclusive) of the Scheme Implementation Agreement), deposit (or procure the deposit of) in immediately available cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to Scheme Shareholders in New Zealand dollar denominated trust accounts in accordance with the Escrow Deed. These trust accounts will be held and operated by Computershare on the basis set out in the Escrow Deed. Any interest on the amount deposited will be payable to BidCo and the Administrative Agent (for the benefit of the Financiers), as applicable, in accordance with the Escrow Deed.

3. Implementation

Subject to the conditions set out in clause 1 being satisfied and the Scheme Consideration having been deposited in accordance with clause 2, commencing at 9am on the Implementation Date and in the following order:

- (a) without any further act or formality, all the Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred to BidCo and Nuplex must enter, or procure the entry of, the name of BidCo in the Register in respect of all of the Scheme Shares; and then
- (b) subject to compliance in full with clause 3(a), Bidco must pay or procure the payment of the Scheme Consideration to each Scheme Shareholder based on the number of Scheme Shares held by such Scheme Shareholder as set out in the Share Register on the Scheme Record Date.

4. Payment of the Scheme Consideration

4.1 Method of payment

- (a) The payment under clause 3(b) will be satisfied by:
 - (i) where a Scheme Shareholder has prior to the Scheme Record Date, made a valid election in accordance with the requirements of the Nuplex's share registry to receive payments from Nuplex by electronic funds transfer to a bank account nominated by that Scheme Shareholder, paying the relevant amount by electronic transfer in accordance with that election (unless Nuplex in its absolute discretion elects to make the payment in accordance with clause 4.1(a)(ii)); or
 - (ii) otherwise dispatching, or procuring the dispatch of, a cheque for the relevant amount to the Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 4.2).
- (b) For the purposes of clause 4.1(a), where a Scheme Shareholder is to be paid the relevant Scheme Consideration in Australian dollars in accordance with the section 7.2 of the Scheme Booklet, then Nuplex may procure that the payment pursuant clause 4.1 can be made in Australian dollars, provided however that this will be a matter between Nuplex and the applicable Scheme Shareholder. BidCo will satisfy its obligation by complying with clause 2.

4.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 4.1, the Scheme Consideration is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Nuplex, the holder whose name appears first in the Register as at the Scheme Record Date or to the joint holders; and
- (b) any other document required to be sent under this Scheme Plan, will be forwarded to either, at the sole discretion of Nuplex, the holder whose name appears first in the Register as at the Scheme Record Date or to the joint holders.

4.3 Surplus in trust accounts

To the extent that, following satisfaction of the obligations under clause 3(b), there is a surplus in the trust accounts referred to in clause 2, that surplus (less any amount retained under clause 4.5(b)) shall be immediately paid to BidCo or the Administrative Agent (for the benefit of the Financiers), as applicable, in such New Zealand denominated account as is specified for such payment under the Escrow Deed.

4.4 Unclaimed monies

- (a) Nuplex may cancel a cheque issued under clause 4.1(a)(ii) if the cheque is returned to Nuplex or has not been presented for payment within one year after the Implementation Date.
- (b) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Nuplex, Nuplex must reissue, or procure the reissue of, a cheque that was previously cancelled under clause 4.4(a).

4.5 Orders of a court or Government Authority

Notwithstanding any other provision of this Scheme Plan, if written notice is given to Nuplex on or prior to the Scheme Record Date of an order or direction made by a court of competent jurisdiction or a Government Authority that:

- (a) requires consideration to be provided to a third party in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder in accordance with clause 3(b), Nuplex will be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents the consideration from being provided to any particular Scheme Shareholder in accordance with clause 3(b), or the payment of such consideration is otherwise prohibited by applicable law, the payment (equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration) will be retained in one of the trust accounts referred to in clause 2 until such time as provision of the consideration to the Scheme Shareholder in accordance with clause 3(b) is permitted by that order or direction or otherwise by law. Any amount so retained under this clause 4.5(b) may be held by Nuplex or any of Nuplex's related companies, provided that BidCo procures that such company complies with the obligations under this clause to pay such consideration to any applicable Scheme Shareholders,

and such provision or retention (as the case may be) will constitute the full discharge of BidCo's and Nuplex's obligations under clause 3(b) with respect to the amount so provided or retained.

5. Dealing in Nuplex Shares

5.1 Recognition of dealings

To establish the identity of the Scheme Shareholders:

- (a) dealings in Nuplex Shares will only be recognised if:
 - (i) in the case of dealings of the type to be effected through NZX's clearing and settlement system or CHESS on ASX, the transferee is registered in the Register as the holder of the relevant Nuplex Shares as at the Scheme Record Date; and

- (ii) in all other cases, registrable transmission applications or transfers in respect of those dealings, or valid requests in respect of other alterations, are received on or before 7.00pm on the Scheme Record Date at the place where the Register is kept; and
- (b) Nuplex must not accept for registration, nor recognise for any purpose (except a transfer to BidCo pursuant to this Scheme Plan and any subsequent transfer by BidCo or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable forms.

5.2 Register

- (a) Nuplex must register registrable transmission applications or transfers of the Scheme Shares in accordance with clause 5.1(a)(ii) on or before 7.00pm on the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 5.2(a) requires Nuplex to register a transfer that:
 - (i) relates to a transfer of Nuplex Shares on which Nuplex has a lien; or
 - (ii) would result in a Nuplex Shareholder holding a parcel of Nuplex Shares that is less than a 'minimum holding' (for the purposes of this clause 5.2(a) 'minimum holding' has the meaning given in the NZX Main Board Listing Rules or the official operating rules of ASX (as applicable)).
- (b) A holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them, on or after the Scheme Record Date otherwise than pursuant to this Scheme Plan, and any attempt to do so will have no effect and Nuplex and BidCo shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Nuplex must maintain the Register in accordance with the provisions of this clause 5.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) From 7.00pm on the Scheme Record Date, each entry that is current on the Register (other than entries on the Register in respect of BidCo) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of Nuplex Shares relating to that entry.
- (e) As soon as possible on the first Business Day after the Scheme Record Date and in any event by 5.00pm on that day, Nuplex must make available to BidCo in the form BidCo reasonably requires, details of the names, Registered Addresses and holdings of Nuplex Shares for each Scheme Shareholder as shown in the Register on the Scheme Record Date.

6. General provisions

6.1 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme Plan to BidCo will, at the time of transfer of them to BidCo, vest in BidCo free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 17(1)(a) of the Personal Property Securities Act 1999) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.

- (b) Each Scheme Shareholder is taken to have warranted to BidCo on the Implementation Date that all their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme Plan will, at the time of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 17(1)(a) of the Personal Property Securities Act 1999) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Nuplex Shares to BidCo together with any rights and entitlements attaching to those shares.

6.2 Authority given to Nuplex

Each Scheme Shareholder, without the need for any further act:

- (a) on the date which is the later of:
 - (i) the Final Orders Date; and
 - (ii) the date on which Nuplex announces to NZX and ASX that the last of the conditions set out in clauses 3.1(a), (b) and (c) of the Scheme Implementation Agreement has been satisfied or waived in accordance with clauses 3.6 and 3.7 of that agreement,

irrevocably appoints Nuplex and each of its directors and its company secretary (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against BidCo (but without limiting each Scheme Shareholder's right to itself enforce the Deed Poll); and
- (b) on the Implementation Date, irrevocably appoints Nuplex and each of its directors and its company secretary (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to the Scheme and the transactions contemplated by it,

and Nuplex, for itself and on behalf of each of its directors and its company secretary, accepts each such appointment. Each such attorney and agent, may sub-delegate its functions, authorities or powers under this clause 6.2 to one or more of Nuplex's officers.

6.3 Binding effect of Scheme

- (a) The Scheme binds:
 - (i) Nuplex;
 - (ii) Allnex;
 - (iii) BidCo; and
 - (iv) all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting).
- (b) In the event of any inconsistency, this Scheme Plan overrides the constitution of Nuplex.

6.4 End Date

The Scheme will become void and be of no further force or effect if it does not become Unconditional on or before the End Date (other than any provision of the Scheme or this Scheme Plan relating to the repayment to BidCo (or any Financier) of any funds deposited in accordance with clause 2 and the interest thereon (less bank fees and other third party charges directly in connection with the account)).

6.5 Nuplex Obligations

To the extent that any provision of the Scheme or this Scheme Plan imposes any obligation on Nuplex that continues or arises after the implementation of the Scheme, such obligation may instead be performed by any successor or related company of Nuplex in which case the obligation will be satisfied as if performed by Nuplex.

6.6 Allnex guarantee

- (a) Allnex guarantees, as primary obligor and not merely as surety, the due and punctual performance by BidCo of all of its obligations under this Scheme Plan.
- (b) Clause 18.2 (No discharge) of the Scheme Implementation Agreement will apply *mutatis mutandis* to Allnex's guarantee under clause 6.6(a) as if set out in full in this Scheme Plan.

7. Definitions and interpretation

7.1 Definitions

In this Scheme Plan:

Administrative Agent has the meaning set forth in the Escrow Deed;

ASX means ASX Limited or the Australian Securities Exchange, as the context requires;

Business Day means a day (other than a Saturday, Sunday or public holiday) on which trading banks are generally open in Auckland, New Zealand, Sydney, Australia and Frankfurt, Germany for normal business;

Companies Act means the Companies Act 1993 (New Zealand);

Computershare means Computershare Investor Services Limited;

Conditions means:

- (a) the conditions set out in clause 3.1 of the Scheme Implementation Agreement; and
- (b) such other conditions made or required by the Court under section 236(1) of the Companies Act and approved in writing by Nuplex and Allnex in accordance with clause 3.2 of the Scheme Implementation Agreement;

Court means the High Court of New Zealand, Auckland Registry;

Credit Agreement means the credit agreement dated as of 15 April 2016 between, among others, Allnex (Luxembourg) & CY S.C.A. (F/K/A AI CHEM & CY S.C.A), Allnex S.A.R.L., certain subsidiaries of Allnex S.A.R.L, and the financial institutions listed therein;

Deed Poll means the deed poll entered into by BidCo and Allnex in favour of the Scheme Shareholders dated 30 May 2016;

End Date means 9 November 2016, or such later date as Allnex, BidCo and Nuplex agree in writing;

Escrow Deed means the Escrow Deed, dated as of 3 June 2016, between Computershare, BidCo, Allnex, the Administrative Agent and Nuplex;

Excluded Shares means any Nuplex Shares nominated in writing by Allnex to Nuplex not less than two Business Days prior to the Scheme Record Date which are held or controlled by BidCo or any of its associates (as that term is defined in the Takeovers Code) at 7.00pm on the Scheme Record Date;

Final Orders Date means the date on which final orders of the Court made under section 236(1) (and section 237, if applicable) of the Companies Act are granted;

Financier means the financial institutions party to the Credit Agreement as lenders;

Government Authority means any government, any department, officer or minister of any government and any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity;

Implementation Date means the day on which the Scheme is to be implemented, being the date 4 Business Days after the Scheme Record Date, or such other date as Allnex, BidCo and Nuplex agree in writing;

Nuplex Share means an ordinary share in the capital of Nuplex;

Nuplex Shareholder means a person who is registered in the Register as the holder of one or more Nuplex Shares from time to time;

NZX means NZX Limited;

Register means the register of Nuplex Shares maintained by Computershare on behalf of Nuplex;

Registered Address means, in relation to a Nuplex Shareholder, the address shown in the Register as at the Scheme Record Date;

Scheme means this scheme of arrangement, subject to any alterations or conditions made or required by the Court under Part 15 of the Companies Act and approved by Allnex and Nuplex in writing;

Scheme Booklet means the notice of meeting and scheme booklet dated 10 June 2016 prepared by Nuplex in relation to the Scheme;

Scheme Consideration means NZ\$5.43 cash in respect of each Nuplex 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 9 April 2016 and the Implementation Date;

Scheme Implementation Agreement means the scheme implementation agreement dated 9 April 2016 between Allnex, BidCo and Nuplex;

Scheme Record Date means 7.00pm on the date which is 4 Business Days after the later of:

- (a) the Final Orders Date; or

- (b) the date on which the last of the conditions set out in clauses 3.1(a), (b) and (c) of the Scheme Implementation Agreement is satisfied or, if capable of waiver, waived in accordance with clauses 3.6 and 3.7 of that agreement,

or such other date agreed between Allnex, BidCo and Nuplex in writing;

Scheme Shareholder means a person who is registered in the Register as the holder of one or more Scheme Shares as at the Scheme Record Date;

Scheme Shares means all of the Nuplex Shares on issue at the Scheme Record Date other than the Excluded Shares;

Special Meeting means the special meeting of Nuplex Shareholders ordered by the Court to be convened pursuant to section 236A(2) of the Companies Act in respect of the Scheme (and includes any adjournment of that meeting);

Takeovers Code means the takeovers code approved in the Takeovers Code Approval Order 2000 (SR 2000/210) as amended, including by any applicable exemption granted by the Takeovers Panel under the Takeovers Act 1993; and

Unconditional means the coming into effect pursuant to section 236(3) of the Companies Act of the order of the Court made under section 236(1) of the Companies Act in relation to the Scheme and the satisfaction of all conditions of the Scheme.

7.2 Interpretation

In this Scheme Plan:

- (a) headings are for convenience only and do not affect the interpretation of this Scheme Plan;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Authority, as well as an individual;
- (e) a reference to a clause, is a reference to a clause of this Scheme Plan;
- (f) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them (whether passed by the same or another Government Authority with legal power to do so);
- (g) a reference to a document (including this Scheme Plan) includes all amendments or supplements to, or replacements or novations of, that document;
- (h) the word 'includes' in any form is not a word of limitation;
- (i) a reference to '\$', 'NZ\$' or 'dollar' is to New Zealand currency, unless denominated otherwise;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Auckland, New Zealand;

- (k) a reference to a party to a document includes that party's successors and permitted assignees; and
- (l) no provision of this Scheme Plan will be construed adversely to a party because that party was responsible for the preparation of this Scheme Plan or that provision.

7.3 **Business Day**

Where the day on, or by which, any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day, unless otherwise indicated.

Deed Poll

relating to

a scheme of arrangement pursuant to Part 15 of the Companies Act 1993 (New Zealand) involving Nuplex Industries Limited

Allnex New Zealand Limited

Allnex NZ

and

Allnex Belgium SA/NV

Allnex

and

Each registered holder of ordinary shares in the capital of Nuplex Industries Limited on issue as at the Scheme Record Date

Scheme Shareholders

BELL GULLY

AUCKLAND VERO CENTRE, 48 SHORTLAND STREET
PO BOX 4199, AUCKLAND 1140, DX CP20509, NEW ZEALAND
TEL 64 9 916 8800 FAX 64 9 916 8801

BELL GULLY

This **Deed Poll** is made on 30 May 2016

- by** (1) **Allnex New Zealand Limited** (Company No. 5924187), a duly incorporated company having its registered office at Russell McVeagh, The Vero Centre, Level 25, 48 Shortland Street, Auckland Central, Auckland 1010, New Zealand (**Allnex NZ**)
- and by:** (2) **Allnex Belgium SA/NV** of Square Marie Curie 11, 1070 Brussels, Belgium (**Allnex**)
- in favour of:** (3) Each registered holder of ordinary shares in the capital of Nuplex Industries Limited on issue as at the Scheme Record Date (**Scheme Shareholders**)

Introduction

- A. Nuplex, Allnex NZ and Allnex are parties to the Scheme Implementation Agreement.
- B. Nuplex has agreed in the Scheme Implementation Agreement to propose a scheme of arrangement between Nuplex, Allnex NZ, Allnex and the Scheme Shareholders, the effect of which will be that all Scheme Shares will be transferred to Allnex NZ and Allnex NZ will provide or procure the provision of the Scheme Consideration to the Scheme Shareholders.
- C. Allnex NZ is entering into this Deed Poll for the purpose of undertaking in favour of Scheme Shareholders to pay the Scheme Consideration to Scheme Shareholders in accordance with the terms of the Scheme Plan. Allnex is entering into this Deed Poll for the purposes of undertaking in favour of Scheme Shareholders to guarantee Allnex NZ's obligation to pay the Scheme Consideration to the Scheme Shareholders.

It is declared

1. Definitions and interpretation

1.1 Definitions

In this Deed Poll:

Final Orders means orders under section 236(1) (and section 237, if applicable) of the Companies Act in respect of the Scheme;

Scheme Plan means the scheme plan attached as Annexure 1 to the Scheme Implementation Agreement, subject to any alterations or conditions approved by Allnex and Nuplex in writing and which are disclosed to the Court prior to the Court making the Final Orders,

and words defined in the Scheme Plan which are not separately defined in this Deed Poll have the same meaning when used in this Deed Poll.

1.2 Interpretation

Sections 7.2 and 7.3 of the Scheme Plan apply to the interpretation of this Deed Poll, except that references to "this Scheme Plan" are to be read as reference to "this Deed Poll".

BELL GULLY**2. Nature of this Deed Poll**

2.1 Third party rights and appointment of attorney

Allnex NZ and Allnex each acknowledges that:

- (a) this Deed Poll is intended to confer a benefit upon, and therefore be relied upon and enforced by, any Scheme Shareholder in accordance with its terms under the Contracts (Privity) Act 1982 (but not otherwise), even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme Plan each Scheme Shareholder appoints Nuplex and each of its directors and its company secretary as its agent and attorney to enforce this Deed Poll against Allnex NZ and Allnex on the date prescribed for such appointment in the Scheme Plan (but without limiting each Scheme Shareholder's right to itself enforce this Deed Poll).

Notwithstanding the foregoing, this Deed Poll may be varied by the parties to it in accordance with clause 8.2 without the approval of any Scheme Shareholder.

2.2 Continuing obligations

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until either:

- (a) Allnex NZ and Allnex have fully performed their obligations under it; or
- (b) it is terminated under clause 3.2.

3. Conditions

3.1 Conditions

This Deed Poll, and the obligations of Allnex NZ and Allnex under it, are conditional in all respects upon the Scheme becoming Unconditional.

3.2 Termination

The obligations of Allnex NZ and Allnex under this Deed Poll will automatically terminate, and the terms of this Deed Poll will be of no force or effect, if:

- (a) the Scheme Implementation Agreement is terminated in accordance with its terms before the Scheme becomes Unconditional; or
- (b) the Scheme does not become Unconditional before the End Date,

unless Allnex and Nuplex otherwise agree in writing.

BELL GULLY**3.3 Consequences of termination**

If this Deed Poll is terminated under clause 3.2, then Allnex NZ and Allnex are released from their obligations to further perform this Deed Poll.

4. Scheme Consideration

Subject to clause 3, Allnex NZ:

- (a) undertakes in favour of each Scheme Shareholder to deposit, or procure the deposit of, in immediately available cleared funds, by no later than 4.00pm on the Business Day before the Implementation Date an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders as set out in the Scheme Plan, such deposit to be made into the trust accounts to be held and dealt with in accordance with clause 2 of the Scheme Plan; and
- (b) irrevocably acknowledges and agrees that, subject to compliance in full with clause 3(a) of the Scheme Plan, the Scheme Consideration deposited into the trust accounts referred to in clause 4(a) must be applied to Scheme Shareholders in satisfaction of their respective entitlements to receive the Scheme Consideration under the Scheme in accordance with the Scheme Plan.

5. Warranties

Allnex NZ and Allnex each warrants in favour of each Scheme Shareholder that:

- (a) it is a company or other body corporate validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into, and perform its obligations under, this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken all necessary corporate action to authorise its entry into this Deed Poll and has taken, or will take, all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (d) this Deed Poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this Deed Poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

6. Allnex guarantee

6.1 Guarantee

Allnex guarantees, as primary obligor and not merely as surety, the due and punctual performance by Allnex NZ of all of its obligations under clause 4.

6.2 No discharge

Clause 18.2 (No discharge) of the Scheme Implementation Agreement will apply *mutatis mutandis* to Allnex's guarantee under clause 6.1 as if set out in full in this Deed Poll.

BELL GULLY**7. Notices**

7.1 Manner of giving notice

Any notice or other communication to be given under this Deed Poll must be in writing (which includes fax) and may be delivered or sent by post or email to Allnex NZ and Allnex as follows:

Address: Allnex New Zealand Limited c/o Russell McVeagh, Vero Centre, 48
Shortland Street, PO Box 8,
Auckland 1140, New Zealand
Email address: duncan.taylor@allnex.com
For the attention of: Duncan Taylor

Any notice or other communication sent by post must be sent by prepaid ordinary post (if the country of destination is the same as the country of origin) or by airmail (if the country of destination is not the same as the country of origin).

7.2 When notice given

Any notice or other communication is deemed to have been given:

- (a) if delivered, on the date of delivery; or
- (b) if sent by post, on the third day after it was put into the post (for post within the same country) or on the fifth day after it was put into the post (for post sent from one country to another); or
- (c) if sent by email, upon the generation of a receipt notice by the recipient's server or, if such notice is not so generated, upon delivery to the recipient's server,

but if the notice or other communication would otherwise be taken to be received after 5.00 pm or on a Saturday, Sunday or public holiday in the place of receipt then the notice or communication is taken to be received at 9.00 am on the next day that is not a Saturday, Sunday or public holiday in the place of receipt.

7.3 Proof of service

In proving service of a notice or other communication, it shall be sufficient to prove that delivery was made or that the envelope containing the communication was properly addressed and posted either by prepaid post or by prepaid airmail or that the email was properly addressed and transmitted as the case may be.

8. General

8.1 Waiver

- (a) Allnex NZ and Allnex may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right in respect of the Scheme unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) For the purposes of clause 8.1(a):
 - (i) conduct includes a delay in exercising a right;

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- (ii) right means any right arising under or in connection with this Deed Poll and includes the right to rely on this clause; and
- (iii) waiver includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

8.2 Variation

- (a) Subject to clauses 8.2(b) and 8.2(c), this Deed Poll may not be varied.
- (b) Before the date on which the Final Orders are made, this Deed Poll may be varied by agreement in writing between Allnex NZ, Allnex and Nuplex, in which event Allnex NZ and Allnex will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.
- (c) If the Court orders that it is a condition of the Scheme that Allnex NZ and Allnex enter into a new deed poll which has the effect of reversing any variation under clause 8.2(b), then, if Allnex NZ and Allnex so agree, Allnex NZ and Allnex must promptly enter into a further deed poll in favour of the Scheme Shareholders to give effect to the reversal of that variation.

8.3 Cumulative rights

The rights, powers and remedies of Allnex NZ, Allnex and Scheme Shareholders under this Deed Poll are cumulative and do not exclude any other rights, power or remedies provided by law independently of this Deed Poll.

8.4 Assignment

The rights and obligations of Allnex NZ, Allnex and each Scheme Shareholder under this Deed Poll are personal. They cannot be assigned, charged or otherwise dealt with at law or in equity. Any purported dealing in contravention of this clause 8.4 is invalid.

8.5 Further assurance

Each of Allnex NZ and Allnex must, at its own expense, do all things reasonably required of it to give full force and effect to this Deed Poll and the transactions contemplated by it.

8.6 Governing law and jurisdiction

- (a) This Deed Poll is governed by the laws in force in New Zealand.
- (b) Allnex NZ and Allnex each irrevocably submit to the non-exclusive jurisdiction of the courts having jurisdiction in New Zealand in respect of any proceedings arising out of or in connection with this Deed Poll and irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.
- (c) Allnex appoints Allnex NZ as its agent in New Zealand for service of process and other documents in any legal action or proceedings arising out of or in connection with this Deed Poll.

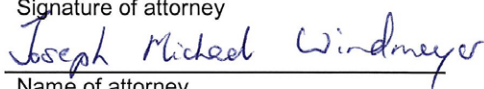
BELL GULLY

Execution**Executed** as a deed poll.**EXECUTED** on behalf of **Allnex New Zealand****Limited** under power of attorney dated 27 May
2016:

and witnessed by:



Signature of attorney



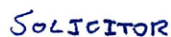
Name of attorney



Signature of witness



Name of witness



Occupation



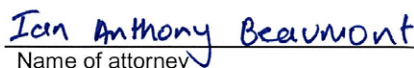
City/town of residence

EXECUTED on behalf of **Allnex Belgium****SA/NV** under power of attorney dated 26 May
2016:

and witnessed by:



Signature of attorney



Name of attorney



Signature of witness



Name of witness



Occupation



City/town of residence

DUPLICATE

**In the High Court of New Zealand
Auckland Registry**

CIV 2016-404-1191

Under Part 19 of the High Court Rules

In the matter of a scheme of arrangement under Part 15 of the Companies Act 1993

And in the matter of:

Nuplex Industries Limited

Applicant



**Initial orders under section 236 of the Companies Act
1993 relating to an originating application for orders
approving an arrangement under Part 15 of the
Companies Act 1993**

10 June 2016

BELL GULLY

BARRISTERS AND SOLICITORS

S J P LADD / T B FITZGERALD
COUNSEL FOR THE APPLICANT

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PO BOX 4199, AUCKLAND 1140, DX CP20509, NEW ZEALAND

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DUPLICATE

BEFORE THE HONOURABLE JUSTICE KATZ

Friday 10 June 2016

The interlocutory application by Nuplex Industries Limited for initial orders relating to an originating application for approval of a scheme of arrangement under Part 15 of the Companies Act 1993, dated 2 June 2016, was determined by the Honourable Justice Katz on 10 June 2016. Upon hearing from S J P Ladd and T B Fitzgerald, counsel for the applicant, and P Pope and J Windmeyer, counsel for Allnex Belgium SA/NV and Allnex New Zealand Limited as interested parties, and upon reading the originating application for approval of a scheme of arrangement under Part 15 of the Companies Act 1993 dated 2 June 2016, the affidavit of Peter Martin Springford dated 1 June 2016, the affidavit of Duncan Adrian Taylor dated 1 June 2016, the affidavit of James Patrick Cooney dated 2 June 2016, the affidavit of Michael John Lorimer dated 2 June 2016, and the affidavit of Jennifer Rose Coote dated 9 June 2016, this Court makes orders:



Timetable

1. Confirming that, unless otherwise advised by the Court, the originating application for orders approving a scheme of arrangement under Part 15 of the Companies Act 1993 (the **Application for Final Orders**) will be heard at 10.00 am on 21 July 2016.

Service and representation

2. Directing:
 - (a) That formal service of this ex parte interlocutory application for initial orders relating to an originating application for approval of a scheme of arrangement under Part 15 of the Companies Act 1993 (the **Application for Initial Orders**), and the Application for Final Orders, be dispensed with; and
 - (b) That representation in relation to the Application for Initial Orders be dispensed with.

3. Directing Nuplex to serve all documents filed in this proceeding on the Takeovers Panel.
4. Directing that, except as provided in these orders or required by s 236A of the Companies Act 1993 (the **Act**):
 - (a) Nuplex is not required to serve any other documents on the persons specified in these orders; and
 - (b) if hearing of the Application for Final Orders is adjourned for any reason, Nuplex is required only to serve those persons who are entitled to appear and be heard under paragraph 27 below with notice of the new hearing date.

Confidentiality & orders that Court File not be searched

5. Directing that the originating application, all interlocutory applications, affidavits, and all other documents related to approval of the proposed scheme of arrangement (the **Scheme**) on the Court File shall not be searched, inspected or copied until such time as the Scheme Booklet (as defined at paragraph 14 below) has been distributed to Nuplex shareholders in accordance with the orders at paragraph 15 below.



Scheme Meeting

6. Directing that:
 - (a) Subject to subparagraph (b) below, all of the shareholders of Nuplex are in a single interest class for the purposes of voting at the Scheme Meeting (as defined in paragraph 7(b) below);
 - (b) Notwithstanding subparagraph (a) above, if Allnex Belgium SA/NV (**Allnex**) or Allnex New Zealand Limited (**Allnex NZ**) are shareholders of Nuplex on the Shareholder Record Voting Date (as defined in paragraph 10(b) below), then the two interest classes of shareholders for the purposes of voting at the Scheme Meeting are:

(i) Allnex and/or Allnex NZ; and

(ii) All other shareholders.

7. Directing Nuplex to:

(a) hold a special meeting of each interest class of Nuplex shareholders:

(i) On 7 July 2016 at 11.00am;

(ii) At The Theatre at the Waipuna Hotel and Convention Centre, 58 Waipuna Road, Mt Wellington, Auckland, New Zealand; and

(b) if there is more than one interest class, conduct the special meetings contemporaneously (the **Scheme Meeting**); and

(c) at the Scheme Meeting, put the Scheme (as amended by Nuplex before the Scheme Meeting in a manner consistent with these orders, if necessary) to each interest class of Nuplex shareholders for consideration and approval in the manner specified in these orders (the **Resolution**).



8. Except as otherwise provided in these orders, requiring that the Scheme Meeting be conducted in accordance with Nuplex's constitution and Schedule 1 and ss 121 – 125 of the Act (including in respect of the chairperson's power to adjourn the Scheme Meeting).

9. Directing that Nuplex's chairman, Mr Peter Springford, or his nominee act as the chairperson of the Scheme Meeting.

10. Directing that only holders of Nuplex Shares whose names appear in the register of shareholders as at:

(a) 7.00pm on 15 June 2016 (**Scheme Booklet Record Date**) are entitled to receive a Scheme Booklet (as defined at paragraph 14 below); and

- (b) 7.00pm on 5 July 2016 (**Shareholder Voting Record Date**) are entitled to be represented and vote at the Scheme Meeting or any adjournment or postponement thereof.

11. Directing that:

- (a) to be valid, all proxy votes need to be:

- (i) Mailed to the Registrar, Computershare Investor Services Limited, Private Bag 92119, Auckland 1142, New Zealand; or
- (ii) Lodged online at www.investorvote.co.nz; or
- (iii) Lodged by scanning the QR Code on the proxy form included in the Notice of Meeting and Scheme Booklet; or
- (iv) Faxed to +649 488 8787; or
- (v) Delivered to Computershare Investor Services Limited, Level 2, 159 Hurstmere Road, Takapuna, Auckland, New Zealand,

by 11.00am on 5 July 2016 (**Proxy Deadline**);

- (b) Nuplex is entitled to disregard any proxy votes received after the Proxy Deadline; but
- (c) Notwithstanding clause 6.11(g) of Nuplex's constitution, Nuplex may waive, in its discretion, the Proxy Deadline if it deems such waiver to be in its best interests and in the best interests of Nuplex shareholders as a whole.

12. Directing that voting is to be by way of a poll, rather than by a show of hands.

13. Directing that the Resolution shall be approved if it is passed:

- (a) by a majority of 75% of the votes of the shareholders in each interest class entitled to vote and voting; and



- (b) a simple majority of the votes of those shareholders entitled to vote.

Notice of Scheme Meeting and information for shareholders

Notice of Meeting and Scheme Booklet

14. Directing Nuplex to give notice of the Scheme, Scheme Meeting, and Application for Final Orders by distributing a booklet including the following sections, which is attached as exhibit **PMS-9** of the affidavit of Peter Springford dated 1 June 2016 (the **Scheme Booklet**), which collectively will constitute part (though not necessarily all) of the materials to be sent to Shareholders, in accordance with paragraph 15 below:
 - (a) A summary of the key times and dates relevant to the Scheme;
 - (b) A letter from the chairman of Nuplex's board of directors addressed to Shareholders;
 - (c) An overview of the Scheme;
 - (d) A section highlighting the action required by Shareholders in respect of the Scheme;
 - (e) A "Frequently Asked Questions" section;
 - (f) A section setting out key considerations relating to shareholders' votes;
 - (g) A more detailed explanation of the Scheme, explaining in detail how the Scheme will be implemented;
 - (h) Information about Nuplex;
 - (i) Information about Allnex and Allnex NZ;
 - (j) Information about the tax implications of the Scheme;
 - (k) Further information about Allnex NZ. This is intended to be the equivalent to the information shareholders would receive under



Schedule 1 of the Takeovers Code had Allnex NZ made a takeover offer under the Takeovers Code instead of proceeding by a scheme of arrangement;

- (l) Further information about Nuplex. This is intended to be the equivalent to the information shareholders would receive under Schedule 2 of the Takeovers Code, if Allnex NZ had made a takeover offer under the Takeovers Code, instead of proceeding by a scheme of arrangement;
- (m) A summary of the Scheme Implementation Agreement;
- (n) A glossary;
- (o) A notice of meeting including or accompanied by:
 - (i) The formal notice of meeting;
 - (ii) Explanatory notes providing procedural details; and
 - (iii) A proxy form for use by shareholders for appointment of a proxy to vote at the Scheme Meeting;
- (p) An independent report prepared by Grant Samuel and addressed to Nuplex shareholders regarding the Scheme;
- (q) A copy of the Scheme Plan;
- (r) A copy of the Deed Poll;
- (s) Copies of the orders made by the Court following the hearing of the Application for Initial Orders;
- (t) A copy of the Application for Final Orders; and
- (u) Nuplex's 2016 Half Year Report.



Distribution of Notice of Scheme Meeting and Scheme Booklet

15. Requiring Nuplex to:

- (a) distribute the approved Scheme Booklet at least 10 working days before the Scheme Meeting by sending it in accordance with paragraph (b) below to:
 - (i) all Nuplex directors;
 - (ii) Nuplex's auditors;
 - (iii) all Nuplex shareholders listed on Nuplex's share register as at the Scheme Booklet Record Date; and
- (b) send the approved Scheme Booklet to Nuplex's shareholders in terms of the preceding paragraph by sending it to the Shareholders' addresses as recorded on Nuplex's share register at 7.00 pm on the Scheme Booklet Record Date in:
 - (i) electronic format to all shareholders who have elected to receive documents from Nuplex in electronic form only; and
 - (ii) by ordinary mail in hardcopy format to all other shareholders;
- (c) provide on request a copy of the approved Scheme Booklet to any other person who becomes a Nuplex shareholder and entitled to vote on the Resolution after the Scheme Booklet Record Date but before the Shareholder Voting Record Date;
- (d) make hard copies of the approved Scheme Booklet available for inspection and removal from Nuplex's offices at Level 3, Millennium Centre, 602c Great South Road, Ellerslie, Auckland, 1051, New Zealand from 17 June 2016.
- (e) Make electronic copies of the approved Scheme Booklet available for inspection and download from Nuplex's website, from 17 June 2016.



16. Directing that the Scheme Booklet be deemed to have been received by all those to whom it was ordered to be sent 48 hours after it is sent in accordance with paragraph 15(b) above.
17. Granting leave to Nuplex to effect service outside the jurisdiction in the manner referred to in paragraph 15(b) above.
18. Directing that the approved Scheme Booklet be lodged on NZX's and ASX's market announcement platforms prior to its distribution to Shareholders.
19. Directing that if Nuplex accidentally fails or omits to send a Scheme Booklet to any person specified in paragraph 15(a) above or the Scheme Booklet is not received by any such person:
 - (a) any such failure or omission does not constitute a breach of the orders made in relation to the Scheme or invalidate any Resolution passed or proceedings taken at the Scheme Meeting; but
 - (b) where any such failure or omission is brought to Nuplex's attention, Nuplex shall endeavour to rectify it by the method and in the time most reasonably practicable in the circumstances.

Amendment of Scheme Plan or Notice of Scheme Meeting and Scheme Booklet



20. Directing that Nuplex may make such amendments to materials contained in the Scheme Booklet as it may determine are in its best interests or the best interests of its shareholders, other affected or properly interested persons. If the Scheme Plan or Resolution are amended, it will be the Scheme Plan or Resolution as amended that are put to shareholders for consideration and approval. Where possible, any such amendments to materials in the Scheme Booklet will be:
 - (a) made before Nuplex distributes the Scheme Booklet to shareholders and any other person identified in paragraph 15(a) or directed to be served with this application; but

- (b) if any material amendment to a document contained in the Scheme Booklet is made after the Scheme Booklet is distributed to Nuplex shareholders and any other person directed to be served with this application and more than 72 hours before the Scheme Meeting (including any adjournment of the Scheme Meeting) (**Announcement Window**), Nuplex will notify those persons of such amendment by lodging a notice on NZX's and ASX's market announcement platform, or other means that it considers will ensure timely notification and receipt.

Advertisement

21. Approving the draft advertisement regarding the Scheme Meeting and shareholders' and others' rights of opposition to the Scheme attached as exhibit PMS-11 to the affidavit of Peter Springford dated 1 June 2016 (the **Approved Advertisement**).
22. Requiring Nuplex to advertise the Scheme Meeting, at least 10 working days before the Scheme Meeting, by publishing an advertisement that is in the same or substantially the same format as the Approved Advertisement, in the following major daily newspapers:
 - (a) New Zealand Herald;
 - (b) Waikato Times;
 - (c) Dominion Post;
 - (d) Christchurch Press;
 - (e) Otago Daily Times;
 - (f) Taranaki Daily News; and
 - (g) The Southland Times.



Reporting of the results of the Scheme Meeting

23. Requiring Nuplex to notify the outcome of the Scheme Meeting by:
 - (a) lodging the results on NZX's and ASX's market announcement platforms as soon as practicable after voting at the Scheme Meeting is complete; and
 - (b) serving written notice on persons entitled under paragraph 27 below to appear and be heard at the hearing of the Application for Final Orders. Such notice is to be served as soon as is practicable after voting at the Scheme Meeting is complete.
24. Requiring Nuplex, as soon as reasonably practicable after 14 July 2016, and in any event at least two clear working days prior to the Court's consideration of the Application for Final Orders, to cause to be filed with the Court, and served on any party who has filed a notice or an application for leave under the orders at paragraphs 25 or 26 (as applicable) at the relevant address for service, an affidavit or affidavits:
 - (a) verifying compliance with the requirements of the orders made following hearing of this Application for Initial Orders;
 - (b) including confirmation of:
 - (i) the Resolution voted on at the Scheme Meeting;
 - (ii) in respect of each interest class of shareholders, the number of votes cast for and against the Resolution;
 - (iii) the number of shareholders voting in favour of the Resolution; and
 - (iv) the proportion of the total number of voting rights that were voted in favour of the Resolution.



Rights of opposition

25. Directing that any shareholder who wishes to appear and be heard on the Application for Final Orders must, by 1pm on 14 July 2016, file and

serve on Nuplex at Level 3, Millennium Centre, 602c Great South Road, Ellerslie, Auckland 1051, New Zealand, or by email at nuplex.investorrelations@nuplex.com:

- (a) a notice of appearance (containing an address for service); or
- (b) if they oppose the Application for Final Orders:
 - (i) a notice of opposition (containing an address for service), any affidavit(s); and
 - (ii) a memorandum of submissions on which they intend to rely.

26. Directing that any other person who considers that they have a proper interest in the Scheme and who wishes to appear and be heard on the Application for Final Orders to file and serve on Nuplex at Level 3, Millennium Centre, 602c Great South Road, Ellerslie, Auckland 1051, New Zealand, or by email at nuplex.investorrelations@nuplex.com by 1pm on 14 July 2016, an application for leave to be heard on the Application for Final Orders (containing an address for service), a notice of opposition, any affidavit(s) and a memorandum of submissions.

27. Directing that the only persons entitled to appear and be heard at the Application for Final Orders are:

- (a) Nuplex;
- (b) the Takeovers Panel;
- (c) those persons who file a notice of appearance or opposition in accordance with paragraph 25 above;
- (d) those persons who are granted leave pursuant to an application made in accordance with paragraph 26 above;
- (e) Allnex NZ; and
- (f) Allnex.



28. Requiring Nuplex by 1.00pm on 19 July 2016 to serve (at the stated address for service) a copy of all documents filed in support of the Application for Final Orders upon any person entitled under paragraphs 25 and 26 to appear and be heard at the Application for Final Orders as well as file and serve any papers in reply.

Leave to return to Court at short notice

29. Granting leave to Nuplex or any other person entitled under paragraph 27 above to appear and be heard at the Application for Final Orders to apply for further orders on 24 hours' notice.

Date: 10 June 2016



Registrar/Deputy Registrar

S. CHIVERS

DUPLICATE



**In the High Court of New Zealand
Auckland Registry**

CIV

Under Part 19 of the High Court Rules

In the matter of a scheme of arrangement under Part 15 of the Companies Act 1993

And in the matter of:

Nuplex Industries Limited, a duly incorporated company, having its
registered office at Level 3, Millennium Centre, 602c Great South Road, Ellerslie,
Auckland, 1051, New Zealand

Applicant

**Originating application for orders approving a scheme of
arrangement under Part 15 of the Companies Act 1993**

2 June 2016

BELL GULLY

BARRISTERS AND SOLICITORS

S J P LADD / T B FITZGERALD
COUNSEL FOR THE APPLICANT

AUCKLAND LEVEL 22, VERO CENTRE, 48 SHORTLAND STREET
PO BOX 4199, AUCKLAND 1140, DX CP20509, NEW ZEALAND

TEL 64 9 916 8800 FAX 64 9 916 8801 EMAIL SIMON.LADD@BELLGULLY.COM/TIM.FITZGERALD@BELLGULLY.COM

**ORIGINATING APPLICATION FOR ORDERS APPROVING A SCHEME OF
ARRANGEMENT UNDER PART 15 OF THE COMPANIES ACT 1993**

To: The Registrar of the High Court at Auckland

And to: Persons directed to be served in the initial orders obtained following a hearing on 10 June 2016.

This document notifies you that –

1. The applicant will at 10 am on 21 July 2016 apply to the Court for orders that:
 - (a) the scheme of arrangement described in the Scheme Plan (a draft of which is located at Schedule 1 of this application and the final version of which will be submitted to the Court prior to the hearing of this application) (the **Scheme**) is approved and binding upon:
 - (i) Nuplex Industries Limited (**Nuplex**);
 - (ii) Allnex Belgium SA/NV (**Allnex**);
 - (iii) Allnex New Zealand Limited (**Allnex NZ**); and
 - (iv) Every person who is a Scheme Shareholder in terms of the Scheme Plan;
 - (b) Nuplex is granted leave to apply to the Court for approval of any amendment, modification or supplement to the Scheme.
2. The grounds on which each of the above orders is sought are:
 - (a) section 236(1) of the Companies Act 1993 (the **Act**) provides jurisdiction for the Court to make orders that the Scheme is binding on Nuplex and such other persons as the Court may specify and upon such terms and conditions as the Court thinks fit;

- (b) section 237(1) of the Act provides jurisdiction for the Court to make additional orders to give effect to the Scheme;
 - (c) by the date on which this application is determined, Nuplex will have:
 - (i) complied with the initial orders made by this Court under s 236(2) of the Act following a hearing on 10 June 2016;
 - (ii) complied with Part 15 of the Act;
 - (iii) held a meeting of shareholders at which shareholders will have voted to approve the Scheme in accordance with s 236A(2)(a) and s 236A(4) of the Act; and
 - (iv) filed a statement from the Takeovers Panel indicating that the Takeovers Panel has no objection to the orders being made, in accordance with s 236A(2)(b)(ii) of the Act;
 - (d) the Scheme is such that an intelligent and honest person of business acting in respect of his or her own interest would reasonably approve it.
3. This application is made in reliance on:
- (a) Part 15 of the Act;
 - (b) Parts 7 and 19 of the High Court Rules (**Rules**);
 - (c) the submissions of counsel filed in support of the ex parte interlocutory application for initial orders;
 - (e) the evidence filed in support of this application as set out in the affidavits of:
 - (i) Peter Martin Springford dated 1 June 2016;
 - (ii) Duncan Adrian Taylor dated 1 June 2016;
 - (iii) Michael John Lorimer dated 2 June 2016;

Application for Final Court Orders (continued)

(iv) James Patrick Cooney dated 2 June 2016;

(d) any further affidavit filed by the applicant prior to the hearing of this application; and

(e) further memoranda of counsel to be filed prior to the hearing of this application.

Dated 2 June 2016



S J P Ladd

Solicitor for the applicant

This document is filed by **Simon John Peter Ladd**, solicitor for the applicant, of the firm Bell Gully. The address for service of the Plaintiff is at the offices of Bell Gully, Level 22, Vero Centre, 48 Shortland Street, Auckland.

Documents for service on the applicant may be delivered to that address or may be:

- (a) posted to the solicitor at PO Box 4199, Auckland; or
- (b) left for the solicitor at a document exchange for direction to DX CP20509, Auckland; or
- (c) transmitted to the solicitor by facsimile to facsimile number +64 9 916 8801.

SCHEDULE 1 – DRAFT SCHEME PLAN

SCHEME PLAN

for a **scheme of arrangement** under Part 15 of the Companies Act 1993 (New Zealand)
between

Nuplex Industries Limited (Company No. 48754) of Level 3, Millennium Centre, 602c Great South Road, Ellerslie, Auckland 1051 (**Nuplex**)

and

Scheme Shareholders (as defined below)

and

Allnex New Zealand Limited (Company No. 5924187) a duly incorporated company having its registered office at Russell McVeagh, The Vero Centre, Level 25, 48 Shortland Street, Auckland Central, Auckland 1010, New Zealand (**BidCo**)

and

Allnex Belgium SA/NV registered in Belgium of Square Marie Curie 11, 1070 Brussels, Belgium (**Allnex**)

1. Conditions

The implementation of the Scheme is conditional in all respects on:

- (a) all of the Conditions having been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement by 8.00am on the Implementation Date; and
- (b) neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with its terms before 8.00am on the Implementation Date.

2. Scheme Consideration into trust accounts

BidCo must, by no later than 4.00pm on the Business Day before the Implementation Date, subject to the Scheme having become Unconditional (save for the Conditions set out in clauses 3.1(g) to (m) (both inclusive) of the Scheme Implementation Agreement), deposit (or procure the deposit of) in immediately available cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to Scheme Shareholders in New Zealand dollar denominated trust accounts in accordance with the Escrow Deed. These trust accounts will be held and operated by Computershare on the basis set out in the Escrow Deed. Any interest on the amount deposited will be payable to BidCo and the Administrative Agent (for the benefit of the Financiers), as applicable, in accordance with the Escrow Deed.

3. Implementation

Subject to the conditions set out in clause 1 being satisfied and the Scheme Consideration having been deposited in accordance with clause 2, commencing at 9am on the Implementation Date and in the following order:

- (a) without any further act or formality, all the Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred to BidCo and Nuplex must enter, or procure the entry of, the name of BidCo in the Register in respect of all of the Scheme Shares; and then
- (b) subject to compliance in full with clause 3(a), Bidco must pay or procure the payment of the Scheme Consideration to each Scheme Shareholder based on the number of Scheme Shares held by such Scheme Shareholder as set out in the Share Register on the Scheme Record Date.

4. Payment of the Scheme Consideration

4.1 Method of payment

- (a) The payment under clause 3(b) will be satisfied by:
 - (i) where a Scheme Shareholder has prior to the Scheme Record Date, made a valid election in accordance with the requirements of the Nuplex's share registry to receive payments from Nuplex by electronic funds transfer to a bank account nominated by that Scheme Shareholder, paying the relevant amount by electronic transfer in accordance with that election (unless Nuplex in its absolute discretion elects to make the payment in accordance with clause 4.1(a)(ii)); or
 - (ii) otherwise dispatching, or procuring the dispatch of, a cheque for the relevant amount to the Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 4.2).
- (b) For the purposes of clause 4.1(a), where a Scheme Shareholder is to be paid the relevant Scheme Consideration in Australian dollars in accordance with the section 7.2 of the Scheme Booklet, then Nuplex may procure that the payment pursuant clause 4.1 can be made in Australian dollars, provided however that this will be a matter between Nuplex and the applicable Scheme Shareholder. BidCo will satisfy its obligation by complying with clause 2.

4.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 4.1, the Scheme Consideration is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole

discretion of Nuplex, the holder whose name appears first in the Register as at the Scheme Record Date or to the joint holders; and

- (b) any other document required to be sent under this Scheme Plan, will be forwarded to either, at the sole discretion of Nuplex, the holder whose name appears first in the Register as at the Scheme Record Date or to the joint holders.

4.3 Surplus in trust accounts

To the extent that, following satisfaction of the obligations under clause 3(b), there is a surplus in the trust accounts referred to in clause 2, that surplus (less any amount retained under clause 4.5(b)) shall be immediately paid to BidCo or the Administrative Agent (for the benefit of the Financiers), as applicable, in such New Zealand denominated account as is specified for such payment under the Escrow Deed.

4.4 Unclaimed monies

- (a) Nuplex may cancel a cheque issued under clause 4.1(a)(ii) if the cheque is returned to Nuplex or has not been presented for payment within one year after the Implementation Date.
- (b) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Nuplex, Nuplex must reissue, or procure the reissue of, a cheque that was previously cancelled under clause 4.4(a).

4.5 Orders of a court or Government Authority

Notwithstanding any other provision of this Scheme Plan, if written notice is given to Nuplex on or prior to the Scheme Record Date of an order or direction made by a court of competent jurisdiction or a Government Authority that:

- (a) requires consideration to be provided to a third party in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder in accordance with clause 3(b), Nuplex will be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents the consideration from being provided to any particular Scheme Shareholder in accordance with clause 3(b), or the payment of such consideration is otherwise prohibited by applicable law, the payment (equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration) will be retained in one of the trust accounts referred to in clause 2 until such time as provision of the consideration to the Scheme Shareholder in accordance with clause 3(b) is permitted by that order or direction or otherwise by law. Any amount so retained under this clause 4.5(b) may be held by Nuplex or any of Nuplex's related companies, provided that BidCo procures that such company complies with the obligations under this clause to pay such consideration to any applicable Scheme Shareholders,

and such provision or retention (as the case may be) will constitute the full discharge of BidCo's and Nuplex's obligations under clause 3(b) with respect to the amount so provided or retained.

5. Dealing in Nuplex Shares

5.1 Recognition of dealings

To establish the identity of the Scheme Shareholders:

- (a) dealings in Nuplex Shares will only be recognised if:
 - (i) in the case of dealings of the type to be effected through NZX's clearing and settlement system or CHESS on ASX, the transferee is registered in the Register as the holder of the relevant Nuplex Shares as at the Scheme Record Date; and
 - (ii) in all other cases, registrable transmission applications or transfers in respect of those dealings, or valid requests in respect of other alterations, are received on or before 7.00pm on the Scheme Record Date at the place where the Register is kept; and
- (b) Nuplex must not accept for registration, nor recognise for any purpose (except a transfer to BidCo pursuant to this Scheme Plan and any subsequent transfer by BidCo or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable forms.

5.2 Register

- (a) Nuplex must register registrable transmission applications or transfers of the Scheme Shares in accordance with clause 5.1(a)(ii) on or before 7.00pm on the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 5.2(a) requires Nuplex to register a transfer that:
 - (i) relates to a transfer of Nuplex Shares on which Nuplex has a lien; or
 - (ii) would result in a Nuplex Shareholder holding a parcel of Nuplex Shares that is less than a 'minimum holding' (for the purposes of this clause 5.2(a) 'minimum holding' has the meaning given in the NZX Main Board Listing Rules or the official operating rules of ASX (as applicable)).
- (b) A holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them, on or after the Scheme Record Date otherwise than pursuant to this Scheme Plan, and any attempt to do so will have no effect and Nuplex and BidCo shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Nuplex must maintain the Register in accordance with the provisions of this clause 5.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) From 7.00pm on the Scheme Record Date, each entry that is current on the Register (other than entries on the Register in respect of BidCo) will

cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of Nuplex Shares relating to that entry.

- (e) As soon as possible on the first Business Day after the Scheme Record Date and in any event by 5.00pm on that day, Nuplex must make available to BidCo in the form BidCo reasonably requires, details of the names, Registered Addresses and holdings of Nuplex Shares for each Scheme Shareholder as shown in the Register on the Scheme Record Date.

6. General provisions

6.1 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme Plan to BidCo will, at the time of transfer of them to BidCo, vest in BidCo free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 17(1)(a) of the Personal Property Securities Act 1999) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Each Scheme Shareholder is taken to have warranted to BidCo on the Implementation Date that all their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme Plan will, at the time of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 17(1)(a) of the Personal Property Securities Act 1999) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Nuplex Shares to BidCo together with any rights and entitlements attaching to those shares.

6.2 Authority given to Nuplex

Each Scheme Shareholder, without the need for any further act:

- (a) on the date which is the later of:
 - (i) the Final Orders Date; and
 - (ii) the date on which Nuplex announces to NZX and ASX that the last of the conditions set out in clauses 3.1(a), (b) and (c) of the Scheme Implementation Agreement has been satisfied or waived in accordance with clauses 3.6 and 3.7 of that agreement,

irrevocably appoints Nuplex and each of its directors and its company secretary (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against BidCo (but without limiting each Scheme Shareholder's right to itself enforce the Deed Poll); and
- (b) on the Implementation Date, irrevocably appoints Nuplex and each of its directors and its company secretary (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or

doing or taking any other act necessary, desirable or expedient to give effect to the Scheme and the transactions contemplated by it,

and Nuplex, for itself and on behalf of each of its directors and its company secretary, accepts each such appointment. Each such attorney and agent, may sub-delegate its functions, authorities or powers under this clause 6.2 to one or more of Nuplex's officers.

6.3 Binding effect of Scheme

- (a) The Scheme binds:
 - (i) Nuplex;
 - (ii) Allnex;
 - (iii) BidCo; and
 - (iv) all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting).
- (b) In the event of any inconsistency, this Scheme Plan overrides the constitution of Nuplex.

6.4 End Date

The Scheme will become void and be of no further force or effect if it does not become Unconditional on or before the End Date (other than any provision of the Scheme or this Scheme Plan relating to the repayment to BidCo (or any Financier) of any funds deposited in accordance with clause 2 and the interest thereon (less bank fees and other third party charges directly in connection with the account)).

6.5 Nuplex Obligations

To the extent that any provision of the Scheme or this Scheme Plan imposes any obligation on Nuplex that continues or arises after the implementation of the Scheme, such obligation may instead be performed by any successor or related company of Nuplex in which case the obligation will be satisfied as if performed by Nuplex.

6.6 Allnex guarantee

- (a) Allnex guarantees, as primary obligor and not merely as surety, the due and punctual performance by BidCo of all of its obligations under this Scheme Plan.
- (b) Clause 18.2 (No discharge) of the Scheme Implementation Agreement will apply *mutatis mutandis* to Allnex's guarantee under clause 6.6(a) as if set out in full in this Scheme Plan.

7. Definitions and interpretation

7.1 Definitions

In this Scheme Plan:

Administrative Agent has the meaning set forth in the Escrow Deed;

ASX means ASX Limited or the Australian Securities Exchange, as the context requires;

Business Day means a day (other than a Saturday, Sunday or public holiday) on which trading banks are generally open in Auckland, New Zealand, Sydney, Australia and Frankfurt, Germany for normal business;

Companies Act means the Companies Act 1993 (New Zealand);

Computershare means Computershare Investor Services Limited;

Conditions means:

- (a) the conditions set out in clause 3.1 of the Scheme Implementation Agreement; and
- (b) such other conditions made or required by the Court under section 236(1) of the Companies Act and approved in writing by Nuplex and Allnex in accordance with clause 3.2 of the Scheme Implementation Agreement;

Court means the High Court of New Zealand, Auckland Registry;

Credit Agreement means the credit agreement dated as of 15 April 2016 between, among others, Allnex (Luxembourg) & CY S.C.A. (F/K/A AI CHEM & CY S.C.A.), Allnex S.A.R.L., certain subsidiaries of Allnex S.A.R.L., and the financial institutions listed therein;

Deed Poll means the deed poll entered into by BidCo and Allnex in favour of the Scheme Shareholders dated 30 May 2016;

End Date means 9 November 2016, or such later date as Allnex, BidCo and Nuplex agree in writing;

Escrow Deed means the Escrow Deed, dated as of [●] June 2016, between Computershare, BidCo, Allnex, the Administrative Agent and Nuplex;

Excluded Shares means any Nuplex Shares nominated in writing by Allnex to Nuplex not less than two Business Days prior to the Scheme Record Date which are held or controlled by BidCo or any of its associates (as that term is defined in the Takeovers Code) at 7.00pm on the Scheme Record Date;

Final Orders Date means the date on which final orders of the Court made under section 236(1) (and section 237, if applicable) of the Companies Act are granted;

Financier means the financial institutions party to the Credit Agreement as lenders;

Government Authority means any government, any department, officer or minister of any government and any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity;

Implementation Date means the day on which the Scheme is to be implemented, being the date 4 Business Days after the Scheme Record Date, or such other date as Allnex, BidCo and Nuplex agree in writing;

Nuplex Share means an ordinary share in the capital of Nuplex;

Nuplex Shareholder means a person who is registered in the Register as the holder of one or more Nuplex Shares from time to time;

NZX means NZX Limited;

Register means the register of Nuplex Shares maintained by Computershare on behalf of Nuplex;

Registered Address means, in relation to a Nuplex Shareholder, the address shown in the Register as at the Scheme Record Date;

Scheme means this scheme of arrangement, subject to any alterations or conditions made or required by the Court under Part 15 of the Companies Act and approved by Allnex and Nuplex in writing;

Scheme Booklet means the notice of meeting and scheme booklet dated [10] June 2016 prepared by Nuplex in relation to the Scheme;

Scheme Consideration means NZ\$5.43 cash in respect of each Nuplex 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 9 April 2016 and the Implementation Date;

Scheme Implementation Agreement means the scheme implementation agreement dated 9 April 2016 between Allnex, BidCo and Nuplex;

Scheme Record Date means 7.00pm on the date which is 4 Business Days after the later of:

- (a) the Final Orders Date; or
- (b) the date on which the last of the conditions set out in clauses 3.1(a), (b) and (c) of the Scheme Implementation Agreement is satisfied or, if capable of waiver, waived in accordance with clauses 3.6 and 3.7 of that agreement,

or such other date agreed between Allnex, BidCo and Nuplex in writing;

Scheme Shareholder means a person who is registered in the Register as the holder of one or more Scheme Shares as at the Scheme Record Date;

Scheme Shares means all of the Nuplex Shares on issue at the Scheme Record Date other than the Excluded Shares;

Special Meeting means the special meeting of Nuplex Shareholders ordered by the Court to be convened pursuant to section 236A(2) of the Companies Act in respect of the Scheme (and includes any adjournment of that meeting);

Takeovers Code means the takeovers code approved in the Takeovers Code Approval Order 2000 (SR 2000/210) as amended, including by any applicable exemption granted by the Takeovers Panel under the Takeovers Act 1993; and

Unconditional means the coming into effect pursuant to section 236(3) of the Companies Act of the order of the Court made under section 236(1) of the Companies Act in relation to the Scheme and the satisfaction of all conditions of the Scheme.

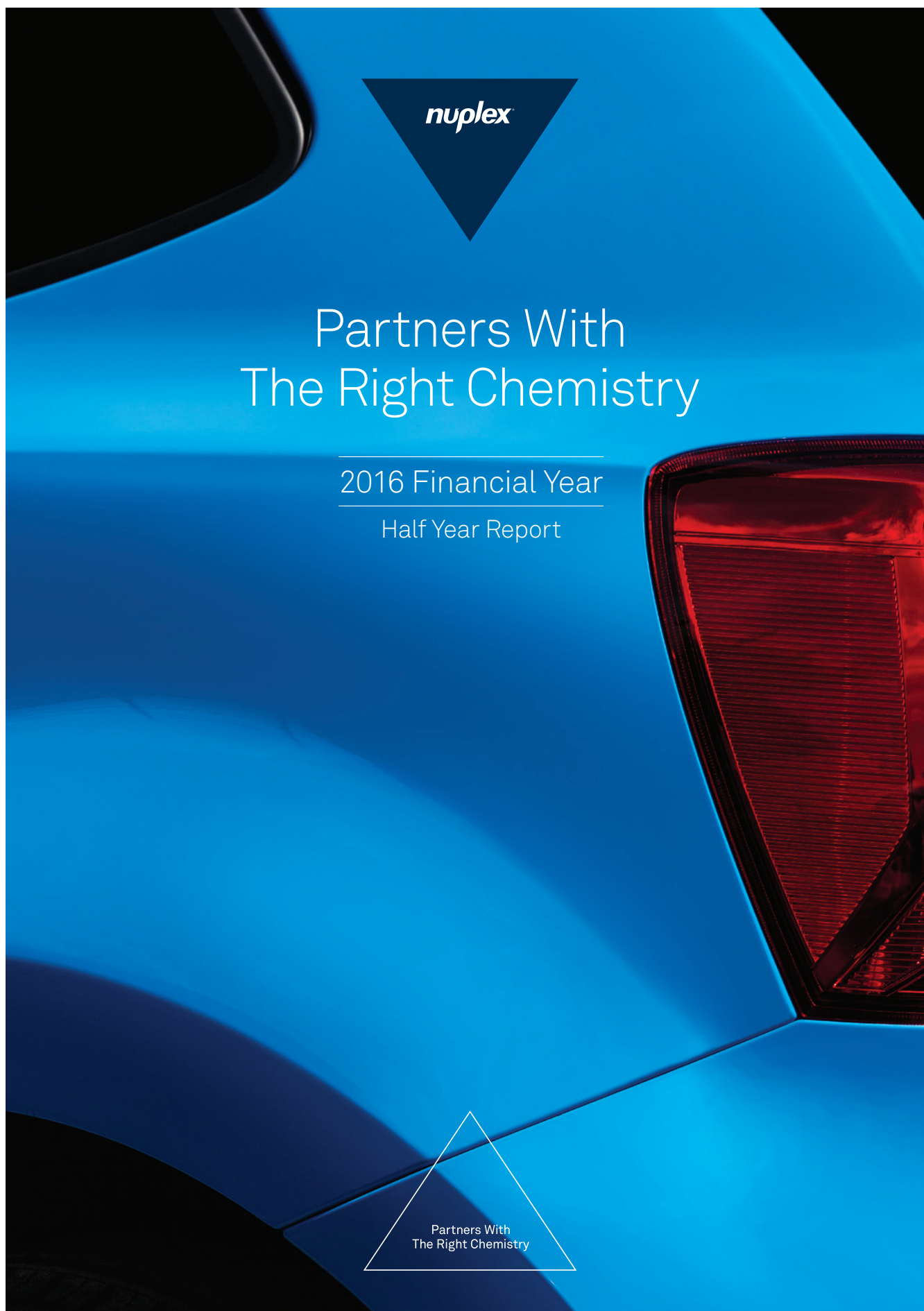
7.2 Interpretation

In this Scheme Plan:

- (a) headings are for convenience only and do not affect the interpretation of this Scheme Plan;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Authority, as well as an individual;
- (e) a reference to a clause, is a reference to a clause of this Scheme Plan;
- (f) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them (whether passed by the same or another Government Authority with legal power to do so);
- (g) a reference to a document (including this Scheme Plan) includes all amendments or supplements to, or replacements or novations of, that document;
- (h) the word 'includes' in any form is not a word of limitation;
- (i) a reference to '\$', 'NZ\$' or 'dollar' is to New Zealand currency, unless denominated otherwise;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Auckland, New Zealand;
- (k) a reference to a party to a document includes that party's successors and permitted assignees; and
- (l) no provision of this Scheme Plan will be construed adversely to a party because that party was responsible for the preparation of this Scheme Plan or that provision.

7.3 **Business Day**

Where the day on, or by which, any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day, unless otherwise indicated.



A

Summary

B

Detailed information

C

Statutory and
other information

D

Annexures

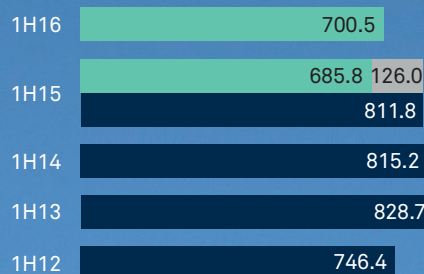
Contents

IFC Financial Highlights

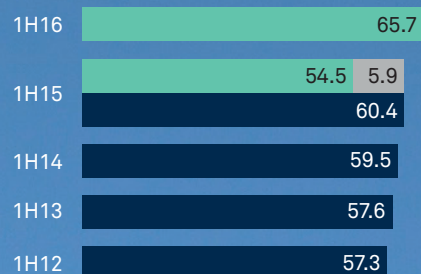
- 1 Business Strategy
- 2 Chairman's and Chief Executive Officer's Report
- 4 Overview of the Allnex/Advent Proposal
- 6 Business Overview
- 8 Financial Report

IBC Corporate Directory

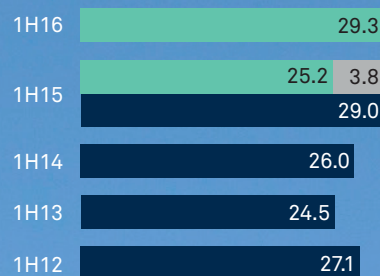
Revenue (in NZ\$m)



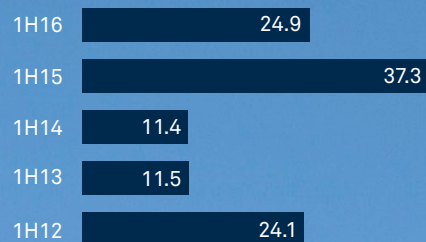
Operating EBITDA¹ (in NZ\$m)



Operating profit after-tax (in NZ\$m)

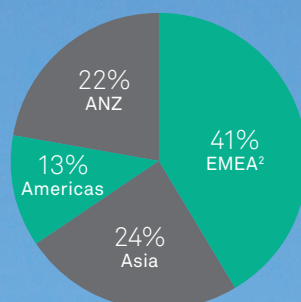


Net profit after-tax attributable to shareholders of the parent company (in NZ\$m)

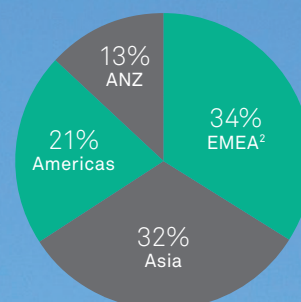


■ Total ■ Continuing operations ■ Non-continuing operations^{3,4}

Regional sales (%)



Regional EBITDA (%)



¹ Earnings before interest, tax, depreciation, amortisation, significant items, associates and minority interests.

² Europe, Middle East & Africa. ³ Non-continuing operations include the businesses that have been sold or discontinued, including Nuplex Specialties, Nuplex Masterbatch and the Brazil resins operations, and as such differ slightly to the results historically reported as part of Nuplex's segment disclosures for FY11 to FY14. ⁴ In FY15, non-continuing operations only includes 5 months of Nuplex Specialties and Nuplex Masterbatch and the results of Nuplex Brazil for the period.

Business Strategy



Chairman's and Chief Executive Officer's Report

Dear Shareholders,

Nuplex's performance in the first half of the 2016 Financial Year was pleasing. Increased earnings underpinned a 20% lift in the interim dividend and we are on track to deliver earnings growth in the 2016 Financial Year when compared to the prior year.

Through the execution of our strategy to strengthen our operations and grow our market leading positions, Nuplex is building its position within the resins industry as an innovator and a leader in emerging markets. This in turn is positioning Nuplex to deliver earnings growth and improved returns in the future.

Financial performance

Net profit after tax (NPAT) was \$24.9 million. This includes \$2.5 million in significant expenses and \$1.9 million loss on discontinued operations. This compares with NPAT in the prior period of \$37.3 million, which included the benefit of significant items and discontinued operations totalling \$12.1 million.

NPAT from continuing operations, before significant items was up 16.3% to \$29.3 million from \$25.2 million in the prior comparable half.

Earnings per share (EPS) was 13.1 cents. This compares to 18.8 cents in the prior corresponding half. EPS from continuing operations, excluding significant items was 15.4 cents, up 21.3% on the prior corresponding half of 12.7 cents.

Operating earnings before interest, tax, depreciation and amortisation (EBITDA) from continuing operations was up 20.6% to \$65.7 million from \$54.5 million in the prior corresponding half.

As we translate over 90% of our earnings back into New Zealand dollars, the first half result benefited from the overall depreciation of the New Zealand dollar during the period. Operating EBITDA from continuing operations, excluding the benefit of the New Zealand dollar, was \$58.1 million. Pleasingly, this showed that the underlying business had grown earnings by 6.6% compared with the prior corresponding half.

The strength that comes from being global again supported the delivery of a solid financial performance. Whilst Nuplex EMEA has been the driver of our performance over the past few periods, in this period, growth in ANZ, Asia and the Americas offset the weaker EMEA result.

Dividend

Consistent with our stated policy to grow dividends in line with earnings, the interim dividend was increased to 12 cents per share from 10 cents per share in the prior corresponding period. It will be paid on 4 April 2016 to all shareholders on the register as of 17 March 2016.



Peter Springford and Emery Severin

Operational review

The performance of Nuplex ANZ was a highlight of the result. After the transformation it has been through, it is pleasing to see that changes and improvements made are reflected in its financial performance.

In Asia, earnings were driven by good margin management and volume growth, primarily in Vietnam due to strong building and construction activity. Malaysia and Indonesia were steady. In China, after a soft start to the year, activity recovered in the second quarter, resulting in stable volumes over the period.

While demand was steady in Europe, Nuplex EMEA's performance was impacted by increased competition in the powder resin markets and reduced exports to the Automotive OEM markets in the Middle East and China. Export volumes to China did improve towards the end of 2015.

In all regions, we proactively managed lower material costs as a result of lower oil prices and the benefits were a win for both Nuplex and its customers.

Achieving Zero Harm

As at 31 December 2015, 12 of Nuplex's 16 sites were Lost Time Injury Free for three or more years. Importantly, this statistic tells us that our safety vision of Zero Harm is an achievable goal. It also reflects our commitment to living our safety value by adopting a safety first mindset, as well as investing in safety planning, systems and procedures.

We continued to improve our safety performance over the period. The number of Reportable Injuries for employees declined to 5 from 9 in the prior corresponding half, and accordingly the Reportable Injury Rate for employees declined to 2.8 from 4.6. The Reportable Injury Rate for contractors of 4.5 is down from 5.1. Both rates reflect that there was one contractor reportable injury in each period.

During the half we continued with the world-wide rollout of an extended set of safety leading indicators and the global safety management procedures.

September 2015 Board visit

Each year, your Board conducts a week-long meeting in one of Nuplex's four regions. This gives us the opportunity to dive into the detail of our operations in that region, meet staff and customers, and see for ourselves the markets that your company is operating and investing in.

In September 2015, the Board travelled to Europe to visit our operations and customers in Russia; and to receive a briefing from our R&D people in The Netherlands on the innovations they are working on.

—Russia

The Board was keen to visit Nuplex's operations in Russia, as clearly the geopolitical issues and the state of the economy increase the risk of investing there.

As mentioned at our Shareholders Meeting last November, your Board was impressed with our people in Russia. Their commitment to the company and to our values was pleasing to observe.

We met with some multinational paint companies who are existing customers and others that are in the process of building new plants in Russia. Each of these customers encouraged us to invest further and grow our presence there so we can supply them locally. We also met with a number of external advisors and other multinational companies working successfully in Russia to further understand doing business there.

Notwithstanding the risks, the Board came away with the view that being a 'first mover' in Russia is a big advantage. So, we have encouraged management to come back to us with a fully developed plan to expand our activities there.

—Innovation

After three days in Russia, we travelled to Nuplex EMEA's regional head office at Bergen op Zoom in The Netherlands. Over the following two days, we spent time with the EMEA R&D team, including members of the Innovation Centre, which is located on campus at the University of Wageningen, The Netherlands.

The briefing we received demonstrated that we have a great group of highly-skilled chemists working on a number of exciting projects that support the company's strategy of growing market share through innovative technologies and products.

In addition to developing new products that deliver customers improved performance, your company is undertaking research into innovations that would enable house paint to self-clean, scratch resistant car paint and resins that can be made using bio-based raw materials instead of oil based raw materials.

Allnex/Advent's indicative, non-binding, conditional proposal to acquire the shares in Nuplex

On 15 February 2016, we announced that the Board had received an indicative, non-binding, conditional proposal to acquire all the shares in Nuplex for NZ\$5.55 per share ('the Proposal'). On pages 4 and 5 of this report, you will find an overview of the Proposal, including how it came about, its current status, and what happens next.

2016 Financial Year guidance

Nuplex expects 2016 Financial Year operating EBITDA to be between \$145 million and \$157 million. Previous guidance was between \$140 million and \$155 million. This outlook represents continued delivery of profitable growth being generated by the initiatives put in place in recent years, particularly in Asia and ANZ. It also reflects an improvement in EMEA.

Gaining momentum

During the period, our medium term financial performance measure, annualised Return on Funds Employed (ROFE) from our continuing operations, improved to 14.3% as at 31 December 2015, up from 12.9% as at 30 June 2015. We expect ROFE to continue to improve in the second half of the 2016 Financial Year, resulting in Nuplex delivering four consecutive years of improved ROFE for shareholders.

Looking beyond the current financial year, Nuplex is well positioned to continue to realise the value created by initiatives put in place in recent years. We expect the rate at which these benefits are realised to increase in the 2017 and 2018 Financial Years. This gives us confidence in our ability to deliver on our ROFE target of greater than 16% by the end of the 2018 Financial Year.

Thank you

That Nuplex has received a proposal for its shares to be acquired is a clear signal that the company is performing well and the strategy is delivering growth in earnings, improved returns to shareholders, and securing future growth opportunities.

On behalf of the Board we would like to thank Nuplex's 1,700 employees worldwide for their hard work and continued focus in executing Nuplex's strategy.

We would also like to thank our shareholders and customers for their loyalty.

Yours sincerely



Peter Springford
Chairman

Emery Severin
Chief Executive Officer

Overview of the Allnex/Advent Proposal

On 15 February 2016, Nuplex announced that it had received an indicative, non-binding, conditional proposal to acquire all the shares in Nuplex ('the Proposal').

What is the Proposal?

The Proposal is to buy all the shares in Nuplex for NZ\$5.55 per share (including the recently announced interim dividend). This equates to a price of NZ\$5.43 per share after payment of the 2016 interim dividend of NZ\$0.12 per share which will be paid to shareholders at the record date of 17 March 2016.

The Proposal has been made by Allnex Belgium SA/ NV (Allnex), a leading global coating resins producer backed by global private equity firm Advent International Corporation (Advent).

If the Proposal is finalised, the conditions are met and approval is gained from regulators, shareholders and the Court, this will result in a change in ownership of Nuplex.

How did it come about?

On 30 October 2015, Advent approached Nuplex with a proposal to combine Nuplex with Allnex. This led to confidential discussions between your Board and Advent. It is the Board's responsibility, as you know, to appropriately consider any credible proposal which might maximise value for shareholders.

The proposed offer price of NZ\$5.55 (including the interim dividend) follows months of confidential negotiations, during which time the Board carefully considered then rejected three separate earlier offers put forward by Advent.

The Board considers that the latest offer price of NZ\$5.55 (including the interim dividend) proposed by Allnex/Advent may be attractive to Nuplex's shareholders. Accordingly, because we believe you should have the opportunity to consider its merits, Nuplex has entered into advanced discussions and allowed Advent/Allnex access to undertake due diligence with the aim of agreeing a binding scheme implementation agreement. If a binding scheme implementation agreement is entered into, then a shareholder meeting will be held and resolutions will be put to you to vote on.

Who are Allnex and Advent and why are they interested in Nuplex?

Allnex, like Nuplex, is a leading global producer of coating resins used in surface coatings such as household paint, car paint and coatings used on white goods and wooden furniture. Allnex is about 50% bigger than Nuplex, with approximately US\$1.5 billion in annual sales.

Advent is a global private equity firm. Headquartered in Boston, USA, Advent has 12 offices in 11 countries. Advent bought Allnex from Cytec Industries in 2013 for US\$1.15 billion.

Nuplex and Allnex are complementary businesses and it makes strategic sense to bring them together and form a leading, global, independent coating resins producer.

The Board considers Allnex to be a credible trade buyer.

What is a scheme of arrangement?

The proposed transaction is intended to be structured as a scheme of arrangement. In technical terms, a scheme of arrangement is a Court regulated process that, if approved by shareholders and the Court, allows a company to reorganise its capital structure to achieve a desired commercial outcome. It can be used in a takeover situation as a legal mechanism through which ownership of a company can be transferred to the bidder.

In 2014, the provisions in the New Zealand Companies Act relating to schemes and amalgamations were amended to better align them with the Takeovers Code. These changes also had the effect of aligning New Zealand's scheme of arrangement law more closely with the Australian regime. Under the new approach, the Takeovers Panel will typically be asked to provide a no objection statement to signal to the Court that the Panel is satisfied that, among other things, the information to be disclosed to shareholders is of an equivalent standard to the information that would be disclosed if the transaction was a takeover offer under the Takeovers Code.

A scheme requires the target company (Nuplex) to obtain approval from both its shareholders and the Court for the proposal to proceed. It generally takes around three to four months from the date that a scheme implementation agreement is signed to complete a scheme (or potentially longer if necessary to obtain any required regulatory approvals).

If a final proposal is put forward to shareholders, under a scheme of arrangement, it is important that shareholders participate in the voting process.

What happens next?

During March and April 2016, both parties will be working towards agreeing a scheme implementation agreement. For this to occur, the following conditions will need to be satisfied:

- Allnex and Advent need to:
 - satisfactorily complete their due diligence
 - finalise financing for the proposed transaction, and
 - receive final approval from Allnex's Board and Advent's Investment Committee.

Approval of the scheme implementation agreement from the Board of Nuplex is also required.

To allow this all to take place, Nuplex has granted Allnex and Advent a period of exclusivity during which Allnex and Advent will undertake due diligence. During this period of exclusivity, Nuplex has agreed that it will not solicit, initiate or encourage any enquiries with a view to obtaining a competing transaction to the Proposal. Directors are still permitted, in accordance with their fiduciary duties, to consider superior proposals from other parties if they arise.

During the due diligence period, documents will be prepared for a shareholders meeting, as well as an initial Court application to approve the documents to be sent to shareholders for the shareholders meeting, and an Independent Advisor's report will be commissioned for shareholders.

If both parties can agree a scheme implementation agreement, the process to seek approvals from the Court and shareholders will begin. We expect the scheme of arrangement might be completed by around early July 2016 (subject to the timing of obtaining necessary regulatory approvals).

What is the Board's response to the Proposal?

The Board believes shareholders should have the opportunity to consider the merits of this Proposal if an agreement can be reached by the parties.

We are working with Allnex and Advent to satisfy the relevant conditions so that a final Proposal can be put to shareholders as soon as possible.

When the shareholder meeting documents are sent to shareholders (which will include the Independent Advisor's report) the Board will provide its recommendation.

What do I need to do in relation to my Nuplex shares?

You are not required to take any action at this stage.

We will write again as the Proposal progresses; in the meantime, you can check the Nuplex website www.nuplex.com for any updates.

Will I need to take action in the future?

Yes. If Nuplex does enter into a scheme implementation agreement, and the Court approves the despatch of the shareholder meeting documents, shareholders will be asked to vote on the scheme.

We will provide you with further information in relation to this process at the relevant time.

How likely is it that shareholders will be asked to vote on the Scheme of Arrangement?

Both parties are currently working to see if the relevant conditions can be met so that a finalised Proposal can be put to shareholders as soon as possible.

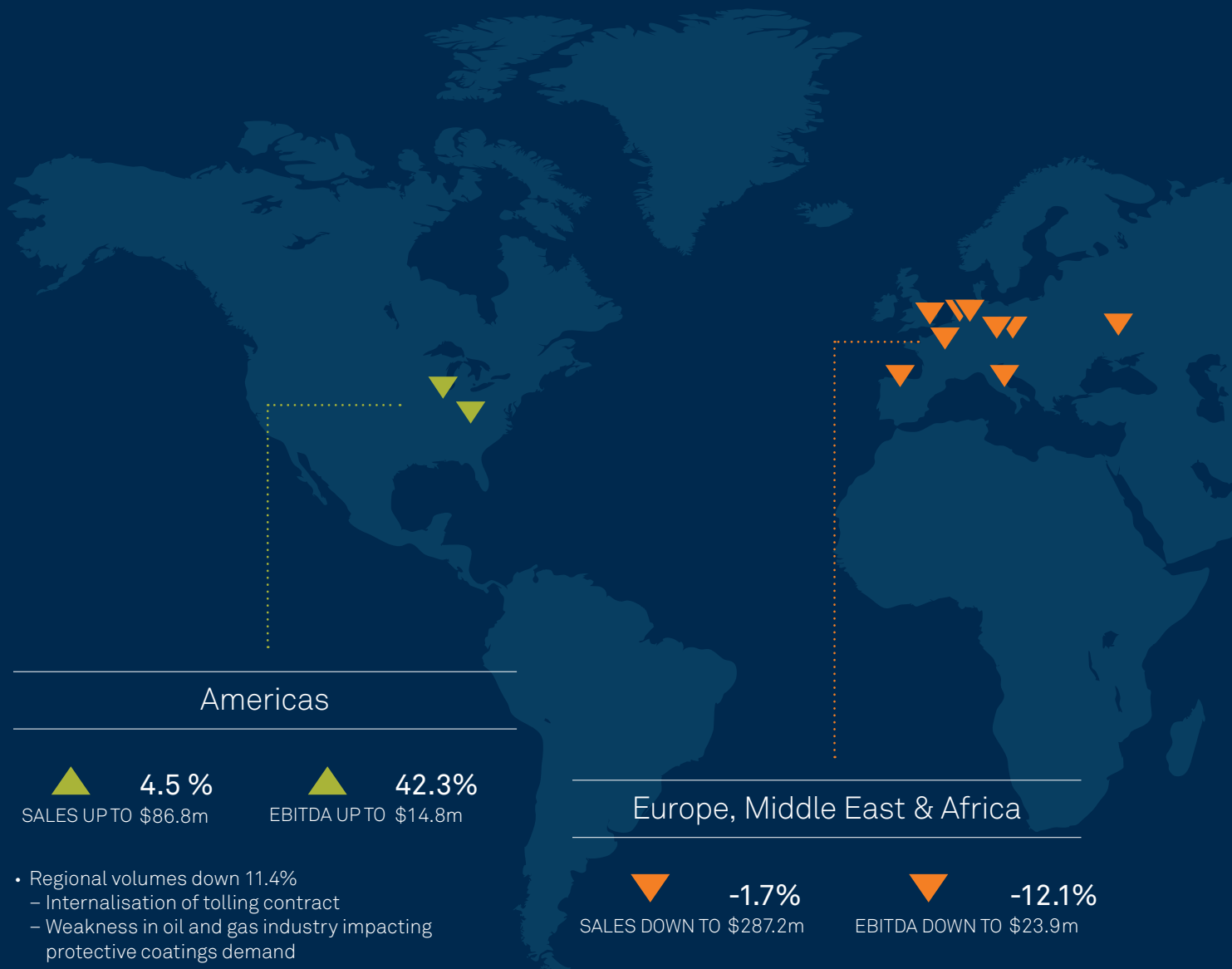
Due diligence is underway and, given the continuous disclosure requirements Nuplex has as a listed entity, the Board does not expect any material issues to arise from this process.

In order to ensure the commitment of both parties, your Board has negotiated reciprocal break-fee arrangements with Advent. This break-fee may be triggered if one of the parties decides not to proceed with the Proposal (subject to some exceptions) and is intended to compensate the other party for costs incurred in pursuing the transaction. The fee payable, if it was triggered, is 1% of Nuplex's implied equity value, which is approximately NZ\$10 million.

The Board expects the process to result in a final Proposal being put to shareholders. Of course, risks such as macro-economic events cannot be ruled out, but from Nuplex's perspective, we are working with the aim of providing shareholders the opportunity to vote on the merits of this Proposal.



Business Overview



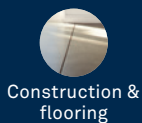
Americas

▲ **4.5 %**
SALES UP TO \$86.8m

▲ **42.3%**
EBITDA UP TO \$14.8m

- Regional volumes down 11.4%
 - Internalisation of tolling contract
 - Weakness in oil and gas industry impacting protective coatings demand
- Lost tolling business partially replaced by higher margin products

COATING AND OTHER RESINS



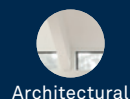
Europe, Middle East & Africa

▼ **-1.7%**
SALES DOWN TO \$287.2m

▼ **-12.1%**
EBITDA DOWN TO \$23.9m

- Regional volumes down 1.8%
 - Volumes down in Q1, up in Q2
 - Powder volumes down
- Sales in continental Europe steady
- Exports down
 - Middle East impacted by oil price
 - Demand from China picked up Q2
- Stronger GBP and weaker Rouble impacted EBITDA

COATING AND OTHER RESINS





Asia

▲ **8.3%** **24.6%**
SALES UP TO \$170m EBITDA UP TO \$22.8m

- Regional volumes up 1.1%
 - Mainly impacted by volatility in China
- Asia currencies devalued against reporting currency of US\$
 - Constant currency EBITDA growth 7.1%
- China: Q1 impacted by one off events
- Indonesia: economic activity subdued
- Malaysia: strong regional exports, especially to India
- Vietnam: strong building and construction activity

COATING AND OTHER RESINS



Auto OEM, vehicle
refinish & fleet



Architectural



ACE & general
industrial



Wood



Marine &
protective

Australia & New Zealand

▲ **2.0%** **210.0%**
SALES UP TO \$156.5m EBITDA UP TO \$9.3m

- Regional volumes up 2.0%
 - Growth in Australia, particularly composite resins
- Costs down 1H16 vs 1H15 – benefits of restructure
- Supply chain efficiencies realised

COATING AND OTHER RESINS



ACE & general
industrial



Architectural



Construction &
flooring



Inks, adhesive
& textiles



Wood

COMPOSITES



Construction



Infrastructure



Marine & leisure

PAPER



Packaging



Printing & writing



Tissue

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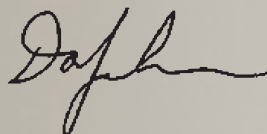
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The Directors are pleased to present the Unaudited Financial Statements of the Nuplex Group for the half year ended 31 December 2015.



Peter Springford
Chairman

18 February 2016



David Jackson
Director

18 February 2016

Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2015 (unaudited)

(NZ\$ in millions)	Notes	6 months to 31 Dec 2015	6 months to 31 Dec 2014
Sales revenue from continuing operations		700.5	685.8
Cost of sales from continuing operations		(538.3)	(543.8)
Gross Profit		162.2	142.0
Other operating income		3.6	3.3
Distribution expenses		(38.6)	(35.6)
Marketing expenses		(36.4)	(32.9)
Administration expenses		(41.6)	(34.4)
Other operating expenses		(5.3)	(5.9)
Share of profits of associates		1.0	0.8
Operating profit before financing costs		44.9	37.3
Financial income		1.4	3.2
Financial expenses		(10.1)	(10.0)
Net financing costs		(8.7)	(6.8)
Profit before tax		36.2	30.5
Income tax expense		(8.2)	(4.9)
Profit for the period from continuing operations		28.0	25.6
Profit/(Loss) from discontinued operations	7	(1.9)	13.0
Profit for the period		26.1	38.6
Profit attributable to:			
Equity holders of the parent		24.9	37.3
Non-controlling interests		1.2	1.3
		26.1	38.6
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation differences for foreign operations		(22.5)	(5.9)
Effective portion of changes in fair value of cash-flow hedges		2.5	19.8
Remeasurement of defined benefit obligations		0.9	(3.8)
Income tax on other comprehensive income		(0.8)	(5.6)
Other comprehensive income for the period, net of income tax		(19.9)	4.5
Total comprehensive income for the period		6.2	43.1
Total comprehensive income attributable to:			
Equity holders of the parent		5.6	41.3
Non-controlling interests		0.6	1.8
		6.2	43.1
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share (cents per share)	5	13.1	18.8
Diluted earnings per share (cents per share)	5	13.0	18.4

Consolidated Statement of Changes in Equity

For the six months ended 31 December 2015 (unaudited)

For the six months ended 31 December 2015

(NZ\$ in millions)	Attributable to equity holders of the parent					Total	Non-controlling Interest	Total Equity
	Share capital	Translation reserve	Share-based payments reserve	Retained earnings	Hedging reserve			
Balance at 1 July 2015	342.9	(51.0)	6.0	260.1	9.8	567.8	8.6	576.4
Other Comprehensive Income								
Foreign currency translation differences	–	(21.9)	–	–	–	(21.9)	(0.6)	(22.5)
Remeasurement of defined benefit obligations, net of tax	–	–	–	0.6	–	0.6	–	0.6
Effective portion of changes in fair value of cash-flow hedges, net of tax	–	–	–	–	2.0	2.0	–	2.0
Total Other Comprehensive Income	–	(21.9)	–	0.6	2.0	(19.3)	(0.6)	(19.9)
Profit for the period	–	–	–	24.9	–	24.9	1.2	26.1
Total comprehensive income for the period	–	(21.9)	–	25.5	2.0	5.6	0.6	6.2
Contributions by and distributions to owners								
Performance rights plan	–	–	(3.4)	–	–	(3.4)	–	(3.4)
Dividends paid	–	–	–	(32.3)	–	(32.3)	(1.1)	(33.4)
Share buy back scheme	(10.4)	–	–	–	–	(10.4)	–	(10.4)
Balance as at 31 December 2015	332.5	(72.9)	2.6	253.3	11.8	527.3	8.1	535.4

For the six months ended 31 December 2014

(NZ\$ in millions)	Attributable to equity holders of the parent					Total	Non-controlling Interest	Total Equity
	Share capital	Translation reserve	Share-based payments reserve	Retained earnings	Hedging reserve			
Balance at 1 July 2014	368.5	(80.7)	3.4	231.2	(15.2)	507.2	7.0	514.2
Other Comprehensive Income								
Foreign currency translation differences	–	(6.4)	–	–	–	(6.4)	0.5	(5.9)
Remeasurement of defined benefit obligations, net of tax	–	–	–	(3.8)	–	(3.8)	–	(3.8)
Effective portion of changes in fair value of cash-flow hedges, net of tax	–	–	–	–	14.2	14.2	–	14.2
Total Other Comprehensive Income	–	(6.4)	–	(3.8)	14.2	4.0	0.5	4.5
Profit for the period	–	–	–	37.3	–	37.3	1.3	38.6
Total comprehensive income for the period	–	(6.4)	–	33.5	14.2	41.3	1.8	43.1
Contributions by and distributions to owners								
Performance rights plan	–	–	0.2	–	–	0.2	–	0.2
Dividends paid	–	–	–	(21.8)	–	(21.8)	(1.1)	(22.9)
Balance as at 31 December 2014	368.5	(87.1)	3.6	242.9	(1.0)	526.9	7.7	534.6

Consolidated Statement of Financial Position

As at 31 December 2015 (unaudited)

(NZ\$ in millions)	Notes	as at 31 Dec 2015	as at 30 June 2015	as at 31 Dec 2014
Equity attributable to members of the parent company				
Share capital		332.5	342.9	368.5
Translation reserve		(72.9)	(51.0)	(87.1)
Share-based payments reserve		2.6	6.0	3.6
Retained earnings		253.3	260.1	242.9
Hedging reserve		11.8	9.8	(1.0)
Non-controlling interests		8.1	8.6	7.7
Total Equity		535.4	576.4	534.6
Property, plant and equipment		332.1	357.0	314.5
Intangible assets		142.4	148.0	145.1
Investments in associates		7.4	7.0	5.5
Deferred tax assets		25.8	28.4	27.2
Non-current Assets		507.7	540.4	492.3
Assets classified as held for sale	7	3.2	10.3	15.6
Inventories		164.9	185.0	175.9
Trade and other receivables		305.9	351.5	330.1
Income tax receivable		4.7	3.8	6.0
Cash and cash equivalents		57.1	91.1	94.1
Current Assets		535.8	641.7	621.7
Total Assets		1,043.5	1,182.1	1,114.0
Borrowings		203.9	230.4	216.4
Employee benefits		24.9	25.3	26.7
Deferred tax liability		15.2	16.4	15.6
Non-current Liabilities		244.0	272.1	258.7
Borrowings		–	0.6	0.3
Trade and other payables		236.1	286.1	283.2
Employee benefits		15.1	22.6	13.9
Provisions		5.9	9.5	9.2
Income tax payable		7.0	14.8	14.1
Current Liabilities		264.1	333.6	320.7
Total Liabilities		508.1	605.7	579.4
Total Net Assets		535.4	576.4	534.6

Consolidated Cash Flow Statement

For the six months ended 31 December 2015 (unaudited)

(NZ\$ in millions)	Notes	6 months to 31 Dec 2015	6 months to 31 Dec 2014
Receipts from customers		800.4	774.8
Payments to suppliers and employees		(741.0)	(705.2)
Interest received		0.5	0.7
Interest paid		(6.1)	(9.3)
Dividends received		0.5	0.5
Income taxes paid		(15.6)	(12.6)
Operating cash flows from discontinued operations		–	(5.0)
Net cash from operating activities	3	38.7	43.9
Proceeds on disposal of property, plant and equipment		12.5	–
Payments for property, plant and equipment		(14.8)	(30.4)
Proceeds from disposal of businesses, net of cash disposed		–	133.4
Net cash from investing activities		(2.3)	103.0
Proceeds from borrowings		25.0	25.0
Repayment of borrowings		(48.0)	(130.4)
Dividends paid to shareholders		(32.3)	(21.8)
Dividends paid to non-controlling interests		(1.1)	(1.1)
Buy-back of ordinary share capital		(10.4)	–
Net cash from financing activities		(66.9)	(128.3)
Increase/(Decrease) in cash		(30.5)	18.6
Cash and cash equivalents at 1 July		91.1	73.1
Effect of exchange rate fluctuation		(3.4)	2.4
Cash at 31 December		57.1	94.1
Comprising:			
Cash balances		54.6	91.3
Cash on call deposit		2.5	2.8
		57.1	94.1

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2015 (unaudited)

1. Statement of significant accounting policies

Nuplex Industries Limited is a Company domiciled in New Zealand. The condensed consolidated interim financial statements of the Company comprise the Company and its subsidiaries (the 'Group') and the Group's interest in associated entities as of and for the six months ended 31 December 2015. The Group is a profit orientated entity.

The financial statements are expressed in New Zealand dollars which is the Company's functional currency. References in these financial statements to "\$" or "NZ\$" are to New Zealand dollars. All financial information has been rounded to the nearest hundred thousand New Zealand dollars, unless otherwise stated. These condensed consolidated financial statements are unaudited.

(a) Statement of compliance

The interim financial statements of the Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with NZ IAS 34 Interim Financial Reporting and consequently, do not include all the information required for full financial statements. These condensed consolidated interim financial statements should be read in conjunction with the annual report for the year ended 30 June 2015.

The interim financial statements of the Group have been prepared in accordance with the requirements of the New Zealand Stock Exchange (NZX). Nuplex Industries Limited is registered under the Companies Act 1993 and is an FMC Reporting Entity under the Financial Markets Conduct Act 2013.

These condensed consolidated interim financial statements were approved by the Board of Directors on 18 February 2016.

(b) Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 30 June 2015.

2. Segment analysis

The Group has four reportable geographic segments, as described below. The reportable segments operate in environments with markedly different conditions and are managed separately. For each of the reporting segments the CEO reviews internal management reports monthly. Inter-segment pricing is determined on an arm's length basis. The following summary describes the constitution of each of the Group's reportable segments:

Segment	Country operations included in Segment
ANZ	New Zealand, Australia
Asia	China, Indonesia, Malaysia, Singapore, Thailand, Vietnam
EMEA	Germany, The Netherlands, Russia, UK
Americas	USA

The board and management assess the performance of the operating segments based on a measure of adjusted EBITDA. This measurement basis excludes the effects of significant incomes and expenses associated with asset impairments, acquisitions, divestments and legal cases where the income or expense is the result of an isolated non-recurring event.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the six months ended 31 December 2015 (unaudited)

2. Segment analysis (continued)

Information about reportable segments

(NZ\$ in millions)	6 months to 31 Dec 2015				
	ANZ	Asia	EMEA	Americas	Group
Sales to outside customers	156.5	170.0	287.2	86.8	700.5
Inter-segment sales	1.0	0.4	5.7	1.0	
Segment sales	157.5	170.4	292.9	87.8	
Operating EBITDA before unallocated costs	9.3	22.8	23.9	14.8	70.8
Unallocated costs					(5.1)
Operating EBITDA after unallocated costs					65.7
Depreciation and amortisation	(5.2)	(4.2)	(9.2)	(1.1)	(19.7)
Segment result	4.1	18.6	14.7	13.7	46.0
Net financing costs					(8.7)
Share of profits/(losses) of associates					1.0
Non-controlling interest					(1.2)
Tax on operating profits					(7.8)
Operating profit after tax					29.3
Significant Items					
Significant items before tax					(2.1)
Income tax expense on significant items					(0.4)
Net profit attributable to equity holders of the parent from continuing operations					26.8
Net profit attributable to non-controlling interests					1.2
Profit for the period from continuing operations					28.0
Profit/(Loss) from discontinued operations					(1.9)
Profit for the period					26.1
Assets	244.2	270.2	382.2	59.3	955.9
Unallocated assets					87.6
Total Assets					1,043.5

Revenues from one group of customers under common control amount to 11.9% (2014: 13.8%) of the Group's total revenues.

2. Segment analysis (continued)

Information about reportable segments

(NZ\$ in millions)	6 months to 31 Dec 2014				
	ANZ	Asia	EMEA	Americas	Group
Sales to outside customers	153.5	157.0	292.2	83.1	685.8
Inter-segment sales	3.1	1.3	8.2	0.2	
Segment sales	156.6	158.3	300.4	83.3	
Operating EBITDA before unallocated costs	3.0	18.3	27.2	10.4	58.9
Unallocated costs					(4.4)
Operating EBITDA after unallocated costs					54.5
Depreciation and amortisation	(4.5)	(2.1)	(8.9)	(1.3)	(16.8)
Segment result	(1.5)	16.2	18.3	9.1	37.7
Net financing costs					(6.8)
Share of profits/(losses) of associates					0.8
Non-controlling interest					(1.3)
Tax on operating profits					(5.2)
Operating profit after tax					25.2
Significant Items					
Significant items before tax					(1.2)
Income tax credit on significant items					0.3
Net profit attributable to equity holders of the parent from continuing operations					24.3
Net profit attributable to non-controlling interests					1.3
Profit for the period from continuing operations					25.6
Profit/(Loss) from discontinued operations					13.0
Profit for the period					38.6
Assets	311.5	242.3	370.5	62.4	986.7
Unallocated assets					127.3
Total Assets					1,114.0

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the six months ended 31 December 2015 (unaudited)

3. Reconciliation of profit for the period with the Net Cash from Operating Activities

(NZ\$ in millions)	6 months to 31 Dec 2015	6 months to 31 Dec 2014
Profit for the period	26.1	38.6
Non-cash items:		
Depreciation	17.0	12.9
Tax	7.4	4.0
Amortisation	2.7	4.7
Doubtful debts provisions	0.7	0.6
Stock obsolescence provisions	(0.2)	0.4
Non-current provisions	1.0	(1.3)
Performance share rights credit/expense	(3.4)	0.2
Share of losses/(profits) of associates	(1.0)	(0.8)
	24.2	20.7
Classified as investing/financing:		
(Profit)/Loss on sale of fixed assets	3.0	–
Profit and significant items before tax on discontinued operations	–	(7.5)
Recycling of foreign currency translation reserve balance	–	1.2
	3.0	(6.3)
(Increase)/Decrease in working capital:		
Receivables	33.5	13.9
Inventories	12.6	(7.4)
Creditors and current provisions	(45.6)	(2.7)
	0.5	3.8
Income tax paid	(15.6)	(13.4)
Dividend received from associate	0.5	0.5
Net Cash from Operating Activities	38.7	43.9

4. Dividend

On 18 February 2016, the directors declared an interim dividend of 12 cents per share. The dividend is payable on 4 April 2016. The dividend carries no imputation credits for New Zealand tax residents and no Australian franking credits.

5. Earnings per share

The calculation of basic earnings per share is based on:

	6 months to 31 Dec 2015	6 months to 31 Dec 2014
Net surplus attributable to ordinary shareholders (NZ\$ in millions)	24.9	37.3
Shares on issue at 31 December (millions)	188.6	198.1
EPS is calculated in accordance with the NZ IFRS, based on the average number of shares on issue determined as follows:		
Weighted average number of ordinary shares (millions):	189.7	198.1
Basic earnings per share (cents per share)	13.1	18.8
The calculation of diluted earnings per share is based on:		
Net surplus attributable to ordinary shareholders	24.9	37.3
Net surplus attributable to ordinary shareholders (diluted)	24.9	37.3
Basic weighted average number of ordinary shares (millions)	189.7	198.1
Effect of Performance rights plan	2.5	4.0
Diluted weighted average number of ordinary shares	192.2	202.1
Diluted earnings per share (cents per share)	13.0	18.4

6. Contingent liabilities and other contingent commitments

In the six months to 31 December 2015 there have been no significant changes in contingent liabilities disclosed in the 30 June 2015 annual report.

7. Disposal of Specialties Segment and cessation of operations in Brazil

In the prior comparative period, on 28 November 2014, the Group completed the sale of its Specialties and Masterbatch businesses in Australia and New Zealand. The sale of the related Vietnam based Masterbatch business was expected to complete by 30 June 2015, after having obtained the required regulatory approvals. The accounting for this disposal, including the Vietnam operation, was included in the results for the prior comparative period, the six months to 31 December 2014.

On 29 October 2015, the group was notified by the purchaser of the Masterbatch business in Vietnam that it would not complete the purchase. This was due to the non-satisfaction of a condition of the sale transaction relating to regulatory approvals in Vietnam. The operating results of this business have been included as a continuing operation and the gain on disposal recognised in the previous year has been reversed as a 'loss' from discontinued operations. The Masterbatch Vietnam business is recorded in the Balance Sheet under 'Assets classified as held for sale'.

The Group's operations in Brazil, which comprised a sales office and warehouse, ceased operations during the prior comparative period and were liquidated in December 2014.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the six months ended 31 December 2015 (unaudited)

7. Disposal of Specialties Segment and cessation of operations in Brazil (continued)

Financial information relating to the discontinued operations for the period to the date of disposal in the prior comparative period is set out below:

(NZ\$ in millions)	6 months to 31 Dec 2015	5 months to 28 Nov 2014
Sales revenue	–	126.0
Operating EBITDA	–	5.9
Depreciation and amortisation	–	(0.9)
Net financing costs	–	0.2
Tax on operating profits	–	(1.4)
Operating profit after tax	–	3.8
Significant Items		
Gain on sale of operations before tax	–	12.9
Reversal of gain on disposal before tax	(2.7)	–
Remediation provisions for non-operating sites	–	(4.9)
Recycling of Brazilian translation reserve to profit	–	(1.2)
Income tax credit on significant items	0.8	2.4
Profit/(Loss) from discontinued operations for the period	(1.9)	13.0

Details of the sale of the Specialties and Masterbatch business recorded in the prior comparative period are set out below:

Cash consideration received or receivable net of transaction and other costs	130.2
Carrying amount of net assets sold or related to discontinued business	(117.3)
Gain on sale before income tax	12.9
Income tax credit	0.9
Gain on sale after income tax	13.8

In the prior comparative period the amounts shown below were disclosed regarding the carrying amounts of assets and liabilities as at the date of sale of the Specialties and Masterbatch businesses:

	28 Nov 2014
Property, plant and equipment	13.0
Intangible assets	45.4
Inventories	64.1
Trade and other receivables	15.2
Total Assets	137.7
Employee benefits	(3.9)
Trade and other payables	(16.5)
Total Liabilities	(20.4)
Total Net Assets	117.3

8. Allnex conditional proposal

On 15 February 2016 Nuplex Industries Limited announced that it has received an indicative, non-binding and conditional proposal from Allnex Belgium SA/NV, a leading global coating resins producer, backed by global private equity firm Advent International Corporation, to acquire all of the shares in Nuplex via a scheme of arrangement.

If this proposal does not proceed, there may be a consequential financial impact on the group. This could include the cost of advisory fees, break fees and other impacts. At this early stage of the proposal, it is not practicable to provide an estimate of the financial effect.

Independent Review Report

To the shareholders of Nuplex Industries Limited



Report on the Financial Statements

We have reviewed the accompanying financial statements of Nuplex Industries Limited Group ("the Group") on pages 9 to 18, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the period ended on that date, and a summary of significant accounting policies and selected explanatory notes. The Group comprises both Nuplex Industries Limited ("the Company") and the entities it controlled during the half-year.

Directors Responsibility for the Financial Statements

The Directors of the Company are responsible on behalf of the Group for the preparation and presentation of these financial statements in accordance with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34) and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects, in accordance with NZ IAS 34. As the auditors of the Company, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditors perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. Accordingly we do not express an audit opinion on these financial statements.

We are independent of the Group. Other than in our capacity as auditors we have no relationship with, or interests in, the Group.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements of the Group are not prepared, in all material respects, in accordance with NZ IAS 34.

Restriction on Use of Our Report

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

PricewaterhouseCoopers

Chartered Accountants
Sydney, 18 February 2016

Non-GAAP Financial Measures

Nuplex results are prepared in accordance with NZ GAAP and comply with NZ IFRS. This document includes non-GAAP financial measures which are not defined in NZ IFRS.

Nuplex believes that these non-GAAP financial measures provide useful information to readers to assist in the understanding of the financial performance, financial position or returns of Nuplex, but they should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS. Non-GAAP financial measures as reported by Nuplex may not be comparable to similarly titled amounts reported by other companies.

The non-GAAP financial measures used in commentary in this document include:

Operating EBITDA	Earnings before interest, tax, depreciation, amortisation and significant items, associates and minority interest. This is detailed in note 2 to the financial statements.												
Operating profit	Profit available to equity holders of the parent company from continuing operations before significant items, as detailed in note 2 to the financial statements.												
Significant items	Items that by a combination of their size, timing or irregular nature warrant separate disclosure to allow readers to better assess the recurring income generating capacity of the business. This is detailed in note 2 to the financial statements.												
Return on Funds Employed (ROFE)	<p>Earnings before interest, tax and significant items (EBIT) for the preceding twelve months divided by average opening and closing funds employed over the same twelve month period. Average funds employed exclude capital works under construction.</p> <p>ROFE has been calculated based on:</p> <table><tr><th>(NZ\$ in millions)</th><th>Dec 2015</th><th>Dec 2014</th></tr><tr><td>EBIT from continuing operations for the preceding 12 months</td><td>102.5</td><td>79.1</td></tr><tr><td>Average funds employed for the preceding 12 months</td><td>717.8</td><td>669.1</td></tr><tr><td>ROFE</td><td>14.3%</td><td>11.8%</td></tr></table>	(NZ\$ in millions)	Dec 2015	Dec 2014	EBIT from continuing operations for the preceding 12 months	102.5	79.1	Average funds employed for the preceding 12 months	717.8	669.1	ROFE	14.3%	11.8%
(NZ\$ in millions)	Dec 2015	Dec 2014											
EBIT from continuing operations for the preceding 12 months	102.5	79.1											
Average funds employed for the preceding 12 months	717.8	669.1											
ROFE	14.3%	11.8%											
Funds employed	Total equity plus current and non-current borrowings, as reported in the Consolidated Statements of Financial Position.												

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 John Bevan
 Barbara Gibson
 David Jackson
 Mary Verschuer

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