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Low & Bonar PLC

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FOR IMMEDIATE RELEASE

11 October 2019

Recommended acquisition

of

Low & Bonar PLC

by

FV Beteiligungs-GmbH

SCHEME DOCUMENT PUBLISHED

On 20 September 2019, the Boards of Low & Bonar PLC (*Low & Bonar*) and FV Beteiligungs-GmbH (*FVB*), a wholly-owned subsidiary of Freudenberg SE (*Freudenberg*), announced that they had reached agreement on the terms of a recommended cash acquisition by FVB of the entire issued and to be issued ordinary share capital of Low & Bonar (the *Acquisition*). The Acquisition is to be effected by means of a Court approved scheme of arrangement under Part 26 of the Companies Act 2006 (the *Scheme*).

Low & Bonar is pleased to announce that the scheme document containing the full terms and conditions of the Acquisition (the *Scheme Document*), together with the related Forms of Proxy, is being published and sent today to Low & Bonar Shareholders and, for information only, to persons with information rights and participants in the Low & Bonar Share Plans.

The Scheme Document will be made available on Low & Bonar's website at www.lowandbonar.com and Freudenberg's website at www.freudenberg.com and sets out, amongst other things, an explanatory statement pursuant to section 897 of the Companies Act 2006, the full terms and conditions of the Scheme, an expected timetable of principal events, notices of the Court Meeting and General Meeting and details of the actions to be taken by Low & Bonar Shareholders.

Copies of the Scheme Document have been submitted to the National Storage Mechanism and will shortly be available for inspection at: <http://www.morningstar.co.uk/uk/NSM>.

Notices of the Court Meeting and General Meeting

As described in the Scheme Document, in order to become effective the Scheme will require, amongst other things, the approval at the Court Meeting of a majority in number of the Scheme Shareholders present and voting in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders, the passing of the

Special Resolution at the Low & Bonar General Meeting and the subsequent sanction of the Court. The Scheme is also subject to the satisfaction or waiver of the Conditions and to further terms that are set out in the Scheme Document.

Notices of the Court Meeting and the General Meeting, which will be held at Instinctif Partners, 65 Gresham Street, London, EC2V 7NQ on 5 November 2019, are set out in the Scheme Document. The Court Meeting will commence at 10.30 a.m. and the General Meeting at 10.45 a.m. (or, if later, as soon as the Court Meeting has concluded or been adjourned).

Timetable

The Scheme Document contains an expected timetable of principal events relating to the Scheme, which is also attached as an Appendix to this announcement. Subject to obtaining the approval of Low & Bonar Shareholders and the Court, and the satisfaction or, where applicable, the waiver of the other Conditions (as set out in the Scheme Document), the Scheme is expected to become effective during the first half of 2020.

If any of the key dates set out in the timetable change, Low & Bonar will give notice of this change by issuing an announcement through a Regulatory Information Service and by making such announcement available on Low & Bonar's website at www.lowandbonar.com.

Terms defined in the Scheme Document have the same meanings in this announcement.

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Low & Bonar PLC

Important notices relating to financial advisers

*N.M. Rothschild & Sons Limited (**Rothschild & Co**), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Low & Bonar and no one else in connection with the Acquisition and will not regard any other person as its client in relation to the Acquisition and will not be responsible to anyone other than Low & Bonar for providing the protections afforded to clients of Rothschild & Co nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.*

*Barclays Bank PLC, acting through its Investment Bank (**Barclays**), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the FCA and the Prudential Regulation Authority, is acting exclusively for Freudenberg and no one else in connection with the Acquisition and will not be responsible to anyone other than Freudenberg for providing the protections afforded to clients of Barclays nor for providing advice in relation to the Acquisition or any other matter referred to in this Announcement.*

Further information

This announcement is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Low & Bonar in any jurisdiction in contravention of applicable law. The Acquisition will be made solely by means of the Scheme Document or any document by which the Acquisition is made, which will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis on the information contained in the Scheme Document.

This announcement does not constitute a prospectus or a prospectus equivalent document.

This announcement has been prepared for the purposes of complying with English law, the rules of the London Stock Exchange, the Listing Rules and the City Code on Takeovers and Mergers and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdictions outside the United Kingdom.

Overseas jurisdictions

The release, publication or distribution of the Scheme Document in or into or from jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Low & Bonar Shares with respect to the Scheme at the Meetings, or to appoint another person as proxy to vote at the Meetings on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement and the Scheme Document have been prepared for the purposes of complying with UK company law and the

City Code and the information disclosed may not be the same as that which would have been disclosed if they had been prepared in accordance with the laws of other jurisdictions.

Unless otherwise determined by FVB or required by the City Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction or any other jurisdiction where to do so would violate the laws of that jurisdiction and no person may vote in favour of the Acquisition by any use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and the Scheme Document will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from such jurisdictions where to do so would violate the laws of that jurisdiction.

The availability of the Acquisition to Low & Bonar Shareholders who are not resident in the UK may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the UK should inform themselves of, and observe, any applicable requirements.

Notice to US Low & Bonar Shareholders

The Acquisition is being made to acquire the securities of a Scottish company by means of a scheme of arrangement under the Companies Act and the laws of Scotland. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the UK to schemes of arrangement, which are different from the disclosure requirements of the US tender offer rules. The financial information included in the Scheme Document has been or will have been prepared in accordance with accounting standards applicable in the UK and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.

It may be difficult for US holders of Low & Bonar Shares to enforce their rights and claims arising out of the US federal securities laws, since FVB and Low & Bonar are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US holders of Low & Bonar Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Low & Bonar Shares pursuant to the Scheme will likely be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Low & Bonar Shareholder is urged to consult his or her independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him or her.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, FVB or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Low & Bonar Shares outside of the US,

other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the FCA website at <http://www.londonstockexchange.com/prices-and-news/prices-news/home.htm>.

Forward looking statements

The Scheme Document (including information incorporated by reference in the Scheme Document), oral statements made regarding the Acquisition, and other information published by Freudenberg, FVB and Low & Bonar contain statements which are, or may be deemed to be, “forward-looking statements”. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of FVB and Low & Bonar about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in the Scheme Document include statements relating to the expected effects of the Acquisition on Freudenberg, FVB and Low & Bonar, the expected timing and scope of the Acquisition and other statements other than historical facts. All statements other than statements of historical facts included in the Scheme Document may be forward-looking statements. Without limitation, any statement preceded or followed by or that include the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “should”, “could”, “would”, “may”, “anticipates”, “estimates”, “synergy”, “cost-saving”, “projects”, “goal”, “strategy”, “budget”, “forecast” or “might” or, words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Freudenberg, FVB’s or Low & Bonar’s operations and potential synergies resulting from the Acquisition; and (iii) the effects of government regulation on Freudenberg, FVB’s or Low & Bonar’s business.

These forward-looking statements are not guarantees of future financial performance. Except as expressly provided in the Scheme Document, they have not been reviewed by the auditors of Freudenberg, FVB or Low & Bonar or their respective financial advisers. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. These factors include the satisfaction of the Conditions, as well as additional factors, such as: fluctuations in the capital markets; fluctuations in interest and exchange rates; the occurrence of unforeseen disasters or catastrophes; political or economic instability in principal markets; adverse outcomes in litigation; and general, local and global economic, political, business and market conditions. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Freudenberg, FVB nor Low & Bonar, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in the Scheme Document will actually occur. Due to such uncertainties and risks, readers are

cautioned not to place undue reliance on such forward-looking statements. All subsequent oral or written forward-looking statements attributable to Freudenberg, FVB or Low & Bonar or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Freudenberg, FVB and Low & Bonar disclaim any obligation to update or revise any forward-looking or other statements contained in the Scheme Document other than in accordance with their legal and regulatory obligations.

Dealing disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 pm (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44

(0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

In accordance with the Code, normal UK market practice and Rule 14e-5(b) of the US Exchange Act, Barclays and its affiliates will continue to act as exempt principal trader in Low & Bonar securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the UK pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. This information will also be publicly disclosed in the United States to the extent that such information is made public in the UK.

Publication on website and availability of hard copies

A copy of this announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, free of charge on Low & Bonar's website at www.lowandbonar.com and Freudenberg's website at www.freudenberg.com. For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this announcement.

You may request a hard copy of the Scheme Document and all information incorporated into the Scheme Document by reference to another source by contacting Equiniti during business hours on 0333-207-6385 from within the UK or +44 (0)121-415-0954 if calling from outside the UK or by submitting a request in writing to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Calls are charged at the standard geographic rate and will vary by provider. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

Appendix

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

All times shown are London times. All dates and times, other than those relating to the Court Meeting and the General Meeting, are based on Low & Bonar's and FVB's current expectations and are subject to change. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to Low & Bonar Shareholders by announcement through a Regulatory Information Service, with such announcement being made available on FVB's and Low & Bonar's websites at www.freudenberg.com/index.php?id=562 and www.lowandbonar.com, respectively.

Event	Expected time/date
Latest time for lodging Forms of Proxy for:	
Court Meeting (BLUE form)	10.30 a.m. on 1 November 2019 ⁽¹⁾
General Meeting (WHITE form)	10.45 a.m. on 1 November 2019 ⁽¹⁾
Voting Record Time	6.30 p.m. on 1 November 2019 ⁽²⁾
Court Meeting	10.30 a.m. on 5 November 2019
General Meeting	10.45 a.m. on 5 November 2019 ⁽⁴⁾

The following dates are indicative only and subject to change; please see notes (3) and (5) below

Court Hearing	A date expected to be within fifteen Business Days of the satisfaction (or, if applicable, waiver) of the Conditions (other than those relating to the holding of the Court Meeting); satisfaction of such Conditions is expected to occur in the first half of 2020, subject to merger control clearances (“D”) ⁽³⁾⁽⁵⁾
Last day of dealings in, and for registration of transfers of, and disablement in CREST of, Low & Bonar Shares	(“D+1”) ⁽³⁾⁽⁵⁾
Suspension of listing and dealings in Low & Bonar Shares	6.00 p.m. on (“D+1”) ⁽³⁾⁽⁵⁾
Scheme Record Time	6.00 p.m. on (“D+1”) ⁽³⁾⁽⁵⁾
Effective Date of the Scheme	(“D+2”) ⁽³⁾⁽⁵⁾
Cancellation of listing of Low & Bonar Shares	By 8.00 a.m. on (“D+3”) ⁽³⁾⁽⁵⁾
Latest date for despatch of cheques and crediting of CREST for cash consideration due under the Scheme	14 days after the Effective Date
Latest date by which Scheme must be implemented	5.00 p.m. on 30 June 2020 ⁽⁶⁾

Notes:

- (1) The BLUE Form of Proxy for the Court Meeting, if not received by the time stated above (or, if the Court Meeting is adjourned, 48 hours (excluding any day which is not a Business Day) before the adjourned Court Meeting), may be handed to a representative of Equiniti, on behalf of the Chairman of the Court Meeting, or to the Chairman of the Court Meeting, before the start of that Meeting. However, in order to be valid, the WHITE Form of Proxy must be received no later than 10.45 a.m. (London time) on 1 November 2019 (or, if the General Meeting is adjourned, 48 hours (excluding any day which is not a Business Day) before the time fixed for the adjourned General Meeting). Please see “*Action to be taken*” on pages 30 to 32 and paragraph 17 of Part II (*Explanatory Statement*) of this document.
- (2) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned Meeting will be 6.30 p.m. on the date which is two Business Days before the date set for such adjourned Meeting.
- (3) Any references to “D” or to a day after “D” are references to a Business Day.
- (4) To commence at 10.45 a.m. or, as soon thereafter as the Court Meeting shall have concluded or adjourned.
- (5) These times and dates are indicative only and will depend on, among other things, the dates upon which (i) the Conditions are satisfied or (where applicable) waived, (ii) the Court sanctions the Scheme, and (iii) the Court Order sanctioning the Scheme is delivered to the Registrar of Companies. If the expected dates of the Court Hearings are changed, Low & Bonar will give adequate notice of the changes by issuing an announcement through a Regulatory Information Service.
- (6) The latest date by which the Scheme must be implemented may be extended by agreement between Low & Bonar and FVB with (if required) the prior approval of the Panel and the Court.