

## SCHEME OF ARRANGEMENT

Low & Bonar PLC

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FOR IMMEDIATE RELEASE

12 May 2020

### **Recommended cash acquisition**

**of**

**Low & Bonar PLC**

**by**

**FV Beteiligungs-GmbH**

## SCHEME OF ARRANGEMENT BECOMES EFFECTIVE

On 20 September 2019, Low & Bonar PLC (*Low & Bonar*) and FV Beteiligungs-GmbH (*FVB*), a wholly-owned subsidiary of Freudenberg SE (*Freudenberg*), announced their 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*), to be effected by means of a Court-approved scheme of arrangement under Part 26 of the Companies Act 2006 (the *Scheme*). On 7 May 2020, Low & Bonar announced that the Court had sanctioned the Scheme to effect the Acquisition of Low & Bonar by FVB.

Following the filing of a copy of the Court Order with the Registrar of Companies in Scotland earlier today, Low & Bonar is pleased to announce that the Scheme has now become effective in accordance with its terms.

Under the terms of the Scheme, each Scheme Shareholder will be entitled to receive 15.5 pence in cash per Scheme Share held at the Scheme Record Time (6.00 p.m. on 11 May 2020). The latest date for the despatch of cheques to Scheme Shareholders and settlement through CREST is 26 May 2020.

Dealings in Low & Bonar Shares were suspended with effect from 7.30 a.m. on 12 May 2020. Applications have been made to the FCA and the London Stock Exchange in relation to the delisting of Low & Bonar Shares from the Official List and cancellation of the admission to trading of Low & Bonar Shares on the main market of the London Stock Exchange, which are each expected to take place by 8.00 a.m. on 13 May 2020.

Low & Bonar is no longer in an “Offer Period” as defined in the City Code on Takeovers and Mergers and accordingly the dealing disclosure requirements previously notified to investors no longer apply.

Terms defined in the Scheme Document dated 11 October 2019 have the same meanings in this announcement. All references in this announcement to time are to London times unless otherwise stated.

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***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 any 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 circular (or any subsequent document by which the Acquisition is made), which contains the full terms and conditions of the Acquisition.*

*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 this announcement 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. 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 circular 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 circular 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 circular has 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 London Stock Exchange website at <http://www.londonstockexchange.com/prices-and-news/prices-news/home.htm>.*

### ***Forward looking statements***

*This announcement, the scheme circular (including information incorporated by reference in the scheme circular), 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 Freudenberg, 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 circular 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 circular and this announcement 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's, FVB's or Low & Bonar's operations and potential synergies*

resulting from the Acquisition; and (iii) the effects of government regulation on Freudenberg's, 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 circular and this announcement, 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 circular or this announcement 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 and Low & Bonar disclaim any obligation to update or revise any forward-looking or other statements contained in the scheme circular other than in accordance with their legal and regulatory obligations.*

***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](http://www.lowandbonar.com). For the avoidance of doubt, the contents of that website is not incorporated into and does not form part of this announcement.*

*Low & Bonar Shareholders may request a hard copy of this announcement by contacting Low & Bonar on +44 (0)20 7535 3191.*