



## Scheme meeting

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| <b>Company/ASX Code</b>      | Dulux (DLX)  |
| <b>Scheme Meeting date</b>   | 31 July 2019   |
| <b>Time and location</b>     | 2 pm Clarendon Auditorium 2 Clarendon Street South Wharf Melbourne |
| <b>Registry</b>              | Computershare  |
| <b>Webcast</b>               | Yes  |
| <b>Poll or show of hands</b> | Poll   |
| <b>Monitor</b>               | Brett Morris   |
| <b>Pre-AGM Meeting?</b>      | NA   |

Since listing on the ASX in 2010 Dulux has achieved a compound growth rate of 16% per annum to its 16 April 2019 price of \$7.67. Since listing Dulux has grown its business organically as well as acquiring paint companies such as Porters Paints and Craig & Rose, acquiring Parchem, B&D, Lincoln Sentry and expanding Selleys into Indonesia. Dulux also completed the constructions of a world class manufacturing facility in Melbourne, within time and budget as well as achieving excellent results with respect to workplace safety and environmental outcomes. The ASA considers that Dulux has best practice reporting standards that are open and informative for shareholders. The ASA considers that the Dulux board is diverse and highly skilled with excellent engagement with shareholders.

On 17 June 2019 Dulux advised that the Scheme Booklet was registered by ASIC. The Scheme Booklet has been provided to shareholders. This scheme meeting has been called to vote on a resolution to approve the proposed acquisition by Nippon Paint Holdings at \$9.37 per share. The Independent Expert has assessed the full underlying value of Dulux at between \$8.53 to \$9.93 per Dulux Share, and the acquisition to convey an aggregate value of \$9.80, inclusive of the 15 cent dividend and the 28 cent special dividend paid at the end of June 2019.

This resolution is commercial in nature. Shareholders who wish to appoint the Australian Shareholders Association as their proxy are urged to read the documentation and give a directed vote that takes into account their individual circumstances. Open proxies will be voted in favour of the resolution in the absence of a superior proposal.

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|-------------------|---|
| <b>Resolution</b> | <b>Approve the Scheme of Resolution</b> |
|-------------------|---|

Dulux's directors unanimously recommend shareholders vote, and will vote in favour for all Dulux shares they have a relevant interest in, in favour of the Scheme of Arrangement, in the absence of a superior proposal and subject to the Independent Expert by Grant Samuel ("**the Report**") continuing to conclude that the scheme is in the best interests of shareholders and that the acquisition is fair and reasonable. The Report can be located at page 53 of the Scheme Booklet.

For the scheme to proceed, the requisite majorities of shareholders requires more than 50% of shareholders present and voting and at least 75% of votes cast at the meeting to be in favour of the scheme. The scheme of arrangement also requires court approval.

If the scheme of arrangement is not approved by Dulux shareholders or by the court, the acquisition as described will not take place and shareholders will retain their shareholdings.

The scheme booklet provides a list of reasons to vote for and against the resolution in Section 3, Key considerations relevant to your vote, which commences on page 7.

### **Tax considerations**

The tax treatment may vary depending on the nature and characteristics of each Dulux Shareholder and their specific circumstances. Shareholders may need to seek professional advice in relation to their particular circumstances and should read section 9 of the Scheme Booklet (being page 44 and 45). Dulux has sought a private ruling from the ATO regarding certain tax matters and will advise in due course.

The individual involved in the preparation of this voting intention has shareholdings in this company.

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