

9 October 2017

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**RECOMMENDED FINAL\* CASH OFFERS**  
for  
**Zenith Hygiene Group plc (“Zenith”)**  
by  
**BCPE Diamond UK Holdco Limited (“Bidco”)**

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**1. Introduction**

Bidco is indirectly majority owned by Bain Capital Fund XI, L.P. and Bain Capital Europe Fund IV, L.P. (together, the “**Bain Capital Funds**”).

The boards of directors of Bidco and Zenith are pleased to confirm that they have reached agreement on the terms of recommended final\* cash offers (the “**Final Offers**”) for the entire issued and to be issued share capital of Zenith by Bidco (the “**Transaction**”).

It is intended that the Final Offers will be effected by means of a takeover offer within the meaning of Part 28 of the Companies Act and the City Code.

\* Bidco confirms that the Final Offers will be final and the Total Consideration will not be increased, except that Bidco reserves the right to increase the amount of the Total Consideration if there is an announcement on or after the date hereof of an offer or a possible offer for Zenith by a third party offeror or potential offeror.

**2. The Final Offers**

Under the terms of the Final Offers, which will be subject to satisfaction (or waiver) of the Pre-Condition set out in Appendix I, the Conditions and certain further terms set out in Appendix II to this Announcement and to the full terms and conditions which will be set out in the Offer Document, the Zenith Shareholders will be entitled to receive up to:

**for each A Share held 61.38 pence in cash**

**for each C Share held 47.38 pence in cash**

(the “**Base Consideration**”)

and

**for each Zenith Shareholder up to 4.00 pence in cash per Zenith Share held, in each case subject to certain thresholds for the Zenith FY18 EBITDA set out below being achieved by Zenith for its financial year ending 28 February 2018 (the “Additional Consideration” and together with the Base Consideration, the “Total Consideration”)\*\*.**

The Additional Consideration\*\*\* which may be received by Zenith Shareholders will be determined as follows:

<i>Zenith FY18 EBITDA</i>	<i>Total Additional Consideration payable to Zenith Shareholders to be allocated on a pro rata per Zenith Share basis</i>	<i>Additional Consideration payable per Zenith Share held</i>
<b>£7.6 million to £7.7 million</b>	<b>£1.0 million</b>	<b>0.80 pence</b>
<b>£7.7 million to £7.8 million</b>	<b>£2.0 million</b>	<b>1.60 pence</b>
<b>£7.8 million to £7.9 million</b>	<b>£3.0 million</b>	<b>2.40 pence</b>
<b>£7.9 million to £8.0 million</b>	<b>£4.0 million</b>	<b>3.20 pence</b>
<b>£8.0 million or greater</b>	<b>£5.0 million</b>	<b>4.00 pence</b>

\*\* To the extent that a Zenith Shareholder’s total aggregate entitlement to the Base Consideration (for its entire shareholding) results in an entitlement to a fraction of a penny pursuant to the Final Offers, such entitlement will be rounded up to the nearest whole penny. The same approach will be applied to payment of any Additional Consideration.

\*\*\* There can be no guarantee that Zenith Shareholders will receive the maximum Additional Consideration of 4.00 pence in cash per Zenith Share held, or any payment of Additional Consideration at all.

The Zenith FY18 EBITDA will be determined in accordance with Appendix V.

**Subject to the following paragraph, should any Additional Consideration become payable, it will be paid to Zenith Shareholders within 10 days following the determination of the Zenith FY18 EBITDA and will be paid by cheque to the same address held by the Receiving Agent for making payment of the Base Consideration. Subject to the following two paragraphs, the Zenith FY18 EBITDA will be determined following the preparation of the Zenith FY18 Financial Statements, which are expected to be adopted in June 2018. The latest possible date for the making of the final determination as to whether Additional Consideration is payable is expected to be 27 July 2018.**

If at any time prior to the posting of the Offer Document, Bidco (acting in its sole discretion) and the Zenith Directors determine in writing that Zenith FY18 EBITDA will be equal to or greater than £8.0 million and therefore that the maximum amount of total Additional Consideration of £5.0 million will be payable, then the Offer Document shall provide that the total Additional Consideration is fixed at £5.0 million (being equivalent to 4.00 pence per Zenith Share), which shall be payable to Zenith Shareholders in full at the same time as the Base Consideration, and the Offer Document shall not contain any provisions relating to the determination of the Additional Consideration or the Zenith FY18 EBITDA.

If at any time after the posting of the Offer Document and before the agreement or determination of the Zenith FY18 EBITDA in accordance with Appendix V, Bidco (acting in its sole discretion) and the Zenith Directors determine in writing that Zenith FY18 EBITDA will be equal to or greater than £8.0 million and therefore that the maximum amount of total Additional Consideration of £5.0 million (being equivalent to 4.00 pence per Zenith Share) will be payable, Bidco may elect to pay such maximum amount to Zenith Shareholders at a date earlier than the date on which it would be payable if the procedure set out in Appendix V were followed.

**Should any Additional Consideration become payable to Zenith Shareholders, it will be payable *pro rata* to the number of Zenith Shares held by each Zenith Shareholder as if the A Shares and the C Shares were one class of share. This allocation will be in accordance with the Articles.**

**Bidco confirms that the Final Offers will be final and the Total Consideration will not be increased, except that Bidco reserves the right to increase the amount of the Total Consideration if there is an announcement on or after the date hereof of an offer or a possible offer for Zenith by a third party offeror or potential offeror.**

The Total Consideration implies an enterprise value of Zenith of approximately £100 million.

### **3. Recommendation by Zenith Directors**

The Zenith Directors, who have been so advised by Shore Capital and Corporate Limited (“**Shore Capital**”) as to the financial terms of the Final Offers, consider the Final Offers to be fair and reasonable. In providing its advice to the Zenith Directors, Shore Capital has taken into account the commercial assessments of the Zenith Directors.

Accordingly, the Zenith Directors intend to recommend unanimously that Zenith Shareholders accept the Final Offers, as the Zenith Directors (other than Alex MacDonald who does not hold Zenith Shares) have irrevocably undertaken to do (in their personal capacities) with respect to their own holdings of Zenith Shares.

### **4. Zenith Long Term Incentive Plan 2016**

The C Share Offer extends to any Zenith Shares which are issued or unconditionally allotted and fully paid (or credited as fully paid) pursuant to the exercise of options granted under the Zenith Long Term Incentive Plan 2016 while the Final Offers remain open for acceptance (or, subject to the City Code, by such earlier date as Bidco may decide).

Participants in the Zenith Long Term Incentive Plan 2016 will be contacted regarding the effect of the Final Offers on their rights under the Zenith Long Term Incentive Plan 2016 and provided with further details concerning the proposals which Bidco is making to them so as to allow them to exercise their options over C Shares and accept the C Share Offer. Details of these proposals will be set out in separate letters to be sent to participants in the Zenith Long Term Incentive Plan 2016.

## 5. Dividends

Bidco will reduce the Total Consideration by the amount of all or part of any dividend or other distribution (including any return of capital) which is authorised, declared, made or paid by Zenith on or after the date of this Announcement.

## 6. Irrevocable Undertakings to accept the Final Offers

Bidco and Bain Capital Private Equity (Europe), LLP have received hard irrevocable undertakings to accept the Final Offers from:

- o Lord Stanley Fink in respect of 71,782,022 A Shares, representing approximately 70.36 per cent. of the A Shares in issue and approximately 59.25 per cent. of all Zenith Shares in issue on 6 October 2017 (being the latest practicable date prior to the date of publication of this Announcement);
- o Lady Barbara Fink in respect of 12,632,122 A Shares, representing approximately 12.38 per cent. of the A Shares in issue and approximately 10.43 per cent. of all Zenith Shares in issue on 6 October 2017 (being the latest practicable date prior to the date of publication of this Announcement);
- o Michael Cronk in respect of 6,903,948 A Shares, representing approximately 6.77 per cent. of the A Shares in issue and approximately 5.70 per cent. of all Zenith Shares in issue on 6 October 2017 (being the latest practicable date prior to the date of publication of this Announcement);
- o Ringo Francis in respect of 1,533,350 A Shares, representing approximately 1.50 per cent. of the A Shares in issue, and 12,752,467 C Shares, representing approximately 66.67 per cent of the C Shares in issue, and collectively representing 11.79 per cent. of all Zenith Shares in issue, in each case on 6 October 2017 (being the latest practicable date prior to the date of publication of this Announcement);
- o Simon Bower in respect of 1 A Share, representing less than 0.01 per cent. of the A Shares in issue, and 6,376,233 C Shares, representing approximately 33.33 per cent. of all C Shares in issue and approximately 5.26 per cent. of all Zenith Shares in issue, in each case on 6 October 2017 (being the latest practicable date prior to the date of publication of this Announcement); and
- o Alison Pettitt in respect of options over 2,005,771 C Shares representing, assuming the exercise in full of all options granted under the Zenith Long Term Incentive Plan 2016, 8.76 per cent. of the C Shares in issue and 1.61 per cent. of all Zenith Shares in issue.

**Therefore, in aggregate, Bidco has received irrevocable undertakings representing 91.01 per cent. of the A Shares in issue and 100 per cent. of the C Shares in issue, in each case as at the close of business on 6 October 2017 (being the latest practicable date prior to the date of publication of this Announcement). These figures do not include the irrevocable undertakings given by Alison Pettitt in respect of her options over 2,005,771 C Shares that will not be in issue as at 6 October 2017.**

Further details of these undertakings are set out in Appendix III to this Announcement.

## 7. Structure of the Final Offers

It is intended that, once the Pre-Condition has been satisfied or waived, as applicable, the Final Offers will be implemented by way of a takeover offer under Part 28 of the Companies Act and the City Code.

The Zenith Shares shall be acquired under the Final Offers fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this Announcement.

Once the Pre-Condition has been satisfied or waived, as applicable, the Offer Document and the Forms of Acceptance accompanying the Offer Document will be published within 28 days after the date on which the Pre-Condition to be satisfied (or waived) is so satisfied (or waived), (subject to any extension agreed by Zenith and Bidco with the consent of the Panel). In the event that the Pre-Condition is waived (rather than satisfied), it will remain a Condition to the Final Offers, such Condition being substantially in the form set out in paragraph 2(a) of

Appendix II to this Announcement. The Offer Document and accompanying Form(s) of Acceptance will be made available to all Zenith Shareholders at no charge to them. Zenith Shareholders are urged to read the Offer Document and the accompanying Form(s) of Acceptance when they are sent to them because they will contain important information.

An indicative timetable setting out the expected dates for implementation of the Final Offers will be included in the Offer Document.

Bidco reserves the right to elect (subject to the prior consent of the Panel) to effect the Final Offers by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

#### **8. Pre-Condition and Conditions to the Final Offers**

The Final Offers will be subject to the Pre-Condition set out in Appendix I and to the Conditions and the further terms and conditions referred to in Appendix II to this Announcement, to be set out in the Offer Document and to be sent to the Zenith Shareholders. At the time of this Announcement, completion of the Final Offers, if and when made, is anticipated to take place during Q1 of 2018, subject to anti-trust clearance.

The Zenith Shares shall be acquired under the Final Offers fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this Announcement.

#### **9. Information relating to Bain Capital and Diversey**

In September 2017, the Bain Capital Funds and their affiliates and co-investors completed the indirect acquisition of the Diversey Care division from Sealed Air Corporation and the food hygiene and cleaning business within its Food Care division (“**Diversey**”). Diversey is a global supplier of hygiene and cleaning solutions that integrates chemicals, floor care machines, tools and equipment with a wide range of technology-based value-added services, food safety services and water and energy management. Globally, Diversey employs approximately 8,600 people in 87 countries and generated net sales of approximately \$2.6 billion in 2016.

*“We are committed to growing Diversey’s geographic reach and the addition of Zenith would be a first valuable step towards creating a world-class provider of cleaning and hygiene solutions,”* said Michel Plantevin, a Managing Director of Bain Capital in connection with the Transaction.

*“I am excited by the opportunity to build Diversey’s local scale in the UK and Ireland with the acquisition of Zenith”* said Dr. Ilham Kadri, President and Chief Executive Officer of Diversey, in connection with the Transaction. *“This combination, with the backing of Bain Capital, would create significant scale and help us serve a broader base of customers in key markets around the world.”*

Bain Capital has partnered closely with its management teams to provide the strategic resources that build great companies and help them thrive since its founding in 1984. Bain Capital’s global team of approximately 220 investment professionals creates value for its portfolio companies through its global platform and depth of expertise in key vertical industries including healthcare, consumer/retail, financial and business services, industrials, and technology, media and telecommunications. Bain Capital has offices in Boston, Chicago, Palo Alto, San Francisco, New York, London, Dublin, Luxembourg, Munich, Melbourne, Mumbai, Hong Kong, Shanghai, Sydney and Tokyo and has made investments in more than 300 companies to date. Bain Capital Funds have investors from across the world and such investors include sovereign wealth funds, public pension funds, foundations, insurance companies, family offices, high-net worth individuals and funds of funds. No such investor accounts for more than 20 per cent. of the aggregate capital commitments made by all such investors, to either Bain Capital Fund XI, L.P., or Bain Capital Europe Fund IV, L.P. In addition to private equity, Bain Capital invests across asset classes including credit, public equity and venture capital, managing approximately USD 75 billion in total and leveraging the firm’s shared platform to capture opportunities in strategic areas of focus.

## 10. Information relating to Zenith

Based in Hertfordshire, Zenith offers a wide, high quality range of products serving customers in the healthcare, food service, hospitality, leisure and facilities management, pharmaceutical, and food and beverage processing industries. Zenith employs more than 500 people and generated net sales of £67 million in the fiscal year ending February 2017.

*“We are excited to join Diversey and be part of a group benefiting from Bain Capital’s integrated global platform and bold growth plans for Diversey,”* said Ringo Francis, CEO of Zenith, in connection with the Transaction. *“During the past 20 years, we have successfully grown the business by developing a comprehensive product offering in the UK and Ireland. We believe that all customers will benefit from the combination of both companies’ innovations and application expertise.”*

Zenith is a UK manufacturer and supplier of cleaning and hygiene chemicals and related products, offering a wide, high-quality range of products. For over two decades, Zenith has been a trusted supplier of choice to independent owner-managed businesses and large national operators. Zenith customers cover several business sectors; food and beverage manufacturing, pharmaceutical, healthcare, food service, hospitality, leisure and facilities management.

## 11. Financing of the Final Offers

The Total Consideration payable by Bidco pursuant to the Final Offers will be funded entirely from existing available cash resources.

N.M. Rothschild & Sons Limited (“**Rothschild**”), financial adviser to Bain Capital and Bidco, is satisfied that sufficient financial resources are available to Bidco to enable it to satisfy, in full, the Total Consideration payable to Zenith Shareholders by Bidco pursuant to the terms of the Final Offers.

## 12. Disclosure of interests in Zenith Shares

Bidco and, so far as Bidco is aware, no persons acting in concert with it hold any interest in, right to subscribe for, or had borrowed or lent any Zenith Shares or securities convertible or exchangeable into Zenith Shares, nor did any such person have any short position (whether conditional or absolute and whether in the money otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to take delivery, or any dealing arrangement of the kind referred to in Note 11 of the definition of acting in concert in the City Code, in relation to Zenith Shares or in relation to any securities convertible or exchangeable into Zenith Shares. If required, an Opening Position Disclosure will be made setting out details required to be disclosed under Rule 8.1(a) of the City Code.

In the interests of secrecy prior to releasing this Announcement, it has not been practicable for Bidco to have made any enquiries of certain parties who may be deemed by the Panel to be acting in concert with it. Enquiries of such parties will be made as soon as practicable following the date of the Announcement and Bidco confirms that further disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the City Code will be made as soon as possible, if required.

## 13. Offer-related arrangements

### 13.1 Confidentiality Agreement

Bain Capital Private Equity (Europe), LLP, and Zenith entered into a confidentiality agreement on 7 April 2017 (the “**Confidentiality Agreement**”) pursuant to which Bain Capital Private Equity (Europe), LLP, has undertaken to keep certain information relating to: (i) the Transaction; and (ii) the Wider Zenith Group and its activities, customers, clients and/or suppliers confidential and not to disclose such information to third parties, except (a) to members of the Wider Bidco-Diversey Group, their advisers, directors, officers, employees, financing sources, co-investors, insurers and consultants; or (b) if required to do so by the laws of any relevant jurisdiction, or the requirements of any competent regulatory or governmental body (including the Panel) or securities exchange in any relevant jurisdiction, or any court of competent jurisdiction.

Pursuant to the Confidentiality Agreement, Bain Capital Private Equity (Europe), LLP undertook, for a period of 12 months from the date of the Confidentiality Agreement, not to solicit, directly or indirectly, itself or through a member of the Wider Bidco-Diversey Group any officer or employee of any member of the Wider Zenith Group who holds a senior position, save through public advertisements.

Save as referred to above, the obligations pursuant to the Confidentiality Agreement will remain in force until completion of the Final Offers or, if the Final Offers fail to complete, for a period of two years from the date of the Confidentiality Agreement.

### 13.2 Exclusivity Agreements

Bain Capital Private Equity (Europe), LLP has entered into exclusivity agreements with (i) Lord Stanley Fink and Lady Barbara Fink; and (ii) Ringo Francis on 17 August 2017 (the “**Exclusivity Agreements**”) pursuant to which each of Lord Stanley Fink, Lady Barbara Fink and Ringo Francis have undertaken not to solicit or engage in any negotiations, discussions or arrangements with any person other than the Bain Group in relation to the disposal of any interest in the Zenith Shares. The obligations under the Exclusivity Agreements remained in force until 11.59 p.m. (GMT) on 30 September 2017 and have now come to an end.

### 13.3 Cooperation Agreement

On or about on the date of this Announcement, Bidco and Zenith entered into a cooperation agreement pursuant to which, amongst other things, Bidco and Zenith have agreed to cooperate in good faith and using all reasonable endeavours to obtain the Clearances and that they shall not take or permit any action to be taken that could reasonably be expected to adversely affect the satisfaction of the Pre-Condition (the “**Cooperation Agreement**”).

Bidco has, *inter alia*, agreed in the Cooperation Agreement that it shall, except where otherwise required by Law or a Relevant Authority (as defined in the Cooperation Agreement) and after prior consultation with Zenith with the aim of reaching common agreement on how to proceed:

- submit a case team allocation form to the CMA as soon as practicable after publication of this Announcement;
- draft the Merger Notice (as defined in the Cooperation Agreement) and submit a draft Merger Notice as soon as practicable of initial contact being made with the CMA;
- determine the strategy to be pursued for satisfying the Pre-Condition and obtaining any other Clearances;
- contact and correspond with the CMA in relation to the obtaining of the Clearances (including submitting and preparing all necessary filings, notifications and submissions); and
- be responsible for the payment of all merger fees required in connection with the Clearances.

Bidco has agreed that it will cover certain costs incurred by Zenith up to £125,000 in connection with the Final Offers, with such cost coverage applying on the occurrence of certain specified events which lead to the Final Offers not becoming or being declared wholly unconditional or otherwise becoming effective in accordance with their terms.

The Cooperation Agreement records Bidco’s and Zenith’s intention to implement the Transaction by way of a takeover offer within the meaning of Part 28 of the Companies Act, subject to Bidco reserving the right to implement the Transaction by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

## 14. Compulsory acquisition

It is intended that, once the Pre-Condition has been satisfied or waived, as applicable, the Final Offers will be implemented by way of a takeover offer under Part 28 of the Companies Act and the City Code, subject to the Conditions and certain further terms set out in Appendix II.

The Final Offers together will represent a *bona fide* general offer to acquire the entire issued and to be issued share capital of Zenith and article 22 of the Articles (*Change of control – drag along rights*) will apply to them accordingly.

If the Final Offers become or are declared wholly unconditional in all respects and acceptances are received from more than 50 per cent. of the A Shareholders, article 22 of the Articles (*Change of control – drag along rights*) will apply and Bidco via the Selling Shareholders (as defined in the Articles), intends to implement the drag along right under article 22 (*Change of Control – drag along rights*) of the Articles and issue a drag along notice to the other A Shareholders who have not accepted the A Share Offer. Following the issuance of the drag along notice, all A Shareholders will be bound to accept the A Share Offer.

**Notwithstanding the intention to use the drag along rights contained in the Articles described above, Bidco reserves its right pursuant to Part 28 of the Companies Act to acquire the Zenith Shares of which it has not received valid acceptances under the Final Offers, on the same terms as the Final Offers.**

#### **15. General**

Investors should be aware that the Bain Capital Funds or Bidco may purchase Zenith Shares otherwise than under the Final Offers, such as in privately negotiated purchases.

#### **16. Consents**

Rothschild, Cavendish Corporate Finance LLP (“**Cavendish**”) and Shore Capital have given and not withdrawn their consent to the publication of this Announcement with the inclusion in it of the references to their respective names and (where applicable) advice in the form and context in which they appear.

#### **17. Documents on display**

Copies of the following documents will by no later than 12.00 p.m. on the Business Day following the date of this Announcement be published on Zenith’s website at [www.zhgplc.com](http://www.zhgplc.com) until the Final Offers complete, or have lapsed or been withdrawn:

- this Announcement;
- the irrevocable undertakings listed in Appendix III of this Announcement;
- the Confidentiality Agreement, Cooperation Agreement and Exclusivity Agreements; and
- the written consents provided by each of Rothschild, Cavendish and Shore Capital as referred to in paragraph 16 of this Announcement.

#### **Important Notices**

Rothschild, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Bain Capital and Bidco and no one else in connection with the Final Offers. In connection with such matters, Rothschild, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections offered to their clients or for providing advice in relation to the Final Offers, the contents of this Announcement or any other matter referred to herein.

Shore Capital, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Zenith and no one else in connection with the Final Offers. In connection with such matters, Shore Capital, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections offered to their clients or for providing advice in relation to the Final Offers, the contents of this Announcement or any other matter referred to herein.

Cavendish, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Zenith and its majority shareholders and no one else in connection with the Final Offers. In connection with such matters, Cavendish, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections offered to their clients or for providing advice in relation to the Final Offers, the contents of this Announcement or any other matter referred to herein.

## **Enquiries**

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## **Further information**

This Announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or 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 Final Offers or otherwise nor will there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. The Final Offers will be made pursuant to the Offer Document, which will contain further information about the Final Offers, which is expected to be published as soon as practicable and, in any event, within twenty eight days of the satisfaction or waiver of the Pre-Condition (unless Bidco and Zenith otherwise agree, and the Panel consents, to a later date).

## **Overseas jurisdictions**

The release, publication or distribution of this Announcement in jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about, and observe any applicable requirements.

In particular, the ability of persons who are not resident in the UK to participate in the Final Offers may be affected by the laws of the relevant jurisdictions in which they are located. This Announcement has been prepared for the purpose of complying with English law and the City Code 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 of jurisdictions outside the UK.

The Final Offers will be subject to the applicable requirements of the City Code and the Panel.

The Final Offers may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Final Offers may not be capable of acceptance by any such use, means, instrumentality or facilities.

Accordingly, copies of this Announcement and all documents relating to the Final Offers are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction.

The receipt of cash pursuant to the Final Offers by Overseas Shareholders may be a taxable transaction under applicable national, state and local, as well as foreign and other tax laws. Each Overseas Shareholder is urged to consult their independent professional adviser regarding the tax consequences of accepting the Final Offers.

Further details in relation to Overseas Shareholders will be included in the Offer Document.

## **Additional information for US investors**

The Transaction relates to the shares of a company incorporated in England and Wales and is being made in accordance with the City Code and under English company law. Accordingly, the Transaction is subject to the disclosure requirements and practices applicable in the UK to takeover offers which differ from the disclosure requirements, style and format of US tender offer and proxy

solicitation rules. If Bidco determines to extend the Final Offers into the US, the Transaction will be made in compliance with applicable US laws and regulations. Financial information included in this Announcement and the Offer Document has been or will have been prepared in accordance with non-US accounting standards that 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.

Neither the US Securities and Exchange Commission nor any securities commission of any state of the United States has approved the Transaction, passed upon the fairness of the Transaction or passed upon the adequacy or accuracy of this Announcement. Any representation to the contrary is a criminal offence in the United States.

If the Final Offers are required to be made in the US, this will be done in compliance with the applicable tender offer rules under the US Exchange Act. In accordance with normal UK practice, Bain Capital, Bidco or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Zenith Shares outside of the US, other than pursuant to the Final Offers, at any time prior to completion of the Final Offers. If such purchases or arrangements to purchase were to be made, they would be made outside the US and would comply with applicable law, including the US Exchange Act. These purchases may occur in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK.

### **Forward-looking statements**

This Announcement may contain certain forward-looking statements with respect to the financial condition, results of operations and business of Bidco or Zenith and certain plans and objectives of Bidco with respect thereto. These forward-looking statements can be identified by the fact that they do not relate to historical or current facts. Forward-looking statements also often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “hope”, “aims”, “continue”, “will”, “may”, “should”, “would”, “could”, or other words of similar meaning. These statements are based on assumptions and assessments made by Zenith and/or Bidco in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this Announcement. Neither Zenith nor Bidco assumes any obligation to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by the Panel, the City Code or by applicable law.

Forward-looking statements are not guarantees of future performance. 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. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Announcement.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business and competitive environments, market and regulatory forces, future exchange and interest rates, changes in tax rates, and future business combinations or dispositions.

### **No profit forecasts, quantified financial benefit statements or estimates**

No statement in this Announcement is intended as a profit forecast or profit estimate for any period. No statement in this Announcement should be interpreted to mean that earnings per Zenith Share for the current or future financial years would necessarily match or exceed the historical published earnings per Zenith Share.

### **Dealing and Opening Position Disclosure requirements of the City Code**

Under Rule 8.3(a) of the City Code, any person who is interested in 1 per cent. or more of any class of relevant securities of the 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 not later than 3.30 p.m. on the 10th Business Day following the commencement of the offer period and, if appropriate, by not later than 3.30 p.m. 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 City Code, any person who is, or becomes, interested in 1 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 not later than 3.30 p.m. 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 the offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

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).

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 Panel's website at [www.thetakeoverpanel.org.uk](http://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.

### **Shares in issue**

In accordance with Rule 2.9 of the City Code, Zenith confirms that, as at the date of this Announcement, it has 121,148,442 shares of 1 pence each in issue.

The Zenith Shares are not traded and therefore Zenith does not have an ISIN number.

### **Publication on website and availability of hard copies**

This Announcement and the documents required to be published pursuant to Rule 26 of the City Code will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Zenith's website at [www.zhgplc.com](http://www.zhgplc.com) by no later than 12.00 p.m. on the Business Day following the publication of this Announcement.

Neither the content of any website referred to in this Announcement nor the content of any website accessible from hyperlinks is incorporated into, or forms part of, this Announcement.

You may request a hard copy of this Announcement by contacting Zenith's company secretary Alison Pettitt, on +44 (0) 1707 255 075. You may also request that all future documents, announcements and information to be sent to you in relation to the Final Offers should be in hard copy form.

**Electronic communications**

Please be aware that addresses, electronic addresses and certain other information provided by Zenith Shareholders, persons with information rights and other relevant persons for the receipt of communications from Zenith may be provided to Bidco during the Offer Period as required under Section 4 of Appendix 4 of the City Code to comply with Rule 2.11(c) of the City Code.

**Rounding**

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown in the same category and presented in different tables may vary slightly, and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

**Times and dates**

All times and dates shown in this Announcement are London times and dates, unless otherwise stated.

## APPENDIX I

### PRE-CONDITION TO THE FINAL OFFERS

The posting of the Offer Document (or of a scheme document if so elected) will take place following the satisfaction or waiver of the Pre-Condition set out below. Bidco shall only be entitled to invoke limb 1.b. of the Pre-Condition with the prior written consent of Zenith. Bidco shall be entitled to waive the Pre-Condition in whole or in part with the prior written consent of Zenith, such consent not to be unreasonably withheld or delayed.

1. The Transaction having been notified to the CMA under section 96(1) of the Enterprise Act:
  - (a) it being established in terms satisfactory to Bidco that the CMA will not make a Phase 2 CMA Reference in relation to the Transaction and either:
    - (i) the expiry of the time limit within which an application may be made to the CAT for setting aside of such a decision, without such an application having been made; or
    - (ii) if any such application or applications has or have been made, the dismissal of such application or applications by CAT and it being established in terms satisfactory to Bidco that no further appeal has been or will be made against any relevant ruling of the CAT; or
  - (b) if the CMA decides to make a Phase 2 CMA Reference, under section 33 of the Enterprise Act, in relation to the Transaction, and subject to Zenith and Bidco having agreed in writing that the Transaction should progress to Phase 2 proceedings:
    - (i) either:
      - (A) the CMA concluding that the Transaction will not result in the creation of a relevant merger situation that may be expected to result in a substantial lessening of competition within any market or markets in the UK for goods or services; or
      - (B) the CMA allowing the Transaction to proceed on terms satisfactory to Bidco; and
    - (ii) the expiry of the time limit within which an application may be made to the CAT for the setting aside of such a decision, without such an application having been made; or, if any such application or applications has or have been made, the dismissal of such application or applications by the CAT and it being established in terms satisfactory to Bidco that no further appeal has or will be made against any relevant ruling of the CAT,  
(the “**Pre-Condition**”).

## APPENDIX II

### CONDITIONS TO AND FURTHER TERMS OF THE FINAL OFFERS

#### Part A1: Conditions of the A Share Offer

##### Acceptance Condition

1. The A Share Offer will be subject to and conditional upon valid acceptances of the A Share Offer being received (and not, where permitted, withdrawn) by no later than 1.00 p.m. on the First Closing Date (or such later time(s) and/or date(s) as Bidco may determine), subject to the rules of the City Code, or with the consent of the Panel, in respect of not less than 90 per cent. (or such lesser percentage as Bidco may decide) in nominal value of the A Shares to which the A Share Offer relates and of the voting rights attached to those A Shares, provided that this Condition will not be satisfied unless:
  - (a) Bidco has acquired or agreed to acquire (whether pursuant to the Final Offers or otherwise) Zenith Shares carrying, in aggregate, over 50 per cent. of the voting rights that are normally exercisable at general meetings of Zenith, including for this purpose (except to the extent otherwise agreed with the Panel) any such voting rights attaching to Zenith Shares which are either unconditionally allotted, fully paid or issued before the Final Offers become or are declared unconditional as to acceptances (whether pursuant to the exercise of any outstanding conversion, option or subscription rights or otherwise); and
  - (b) valid acceptances of the A Share Offer have been received (and not, where permitted, withdrawn) by no later than 1.00 p.m. on the First Closing Date (or such later time(s) and/or date(s) as Bidco may determine) from 50 per cent. or more (or such lesser percentage as Bidco may decide) of the A Shareholders,and for this purpose:
  - (i) the expression “*A Shares to which the A Share Offer relates*” shall be construed in accordance with sections 974-991 (inclusive) of the Companies Act;
  - (ii) Zenith Shares which have been unconditionally allotted but not issued shall be deemed to carry the voting rights which they will carry upon issue; and
  - (iii) acquisitions of, or contracts to acquire, A Shares by Bidco or its associates to which sections 979(8) and 979(9) of the Companies Act apply shall be treated as valid acceptances and for these purposes “associates” shall be construed in accordance with section 988 of the Companies Act.
2. In addition, Bidco and Zenith have agreed that the A Share Offer will be conditional upon the following conditions, where Condition 2(a)(ii) of this Part A1 shall be subject to the prior written consent of Zenith:

##### CMA clearance

- (a) The Transaction having been notified to the CMA under section 96(1) of the Enterprise Act:
  - (i) it being established in terms satisfactory to Bidco that the CMA will not make a Phase 2 CMA Reference in relation to the Transaction and either:
    - (A) the expiry of the time limit within which an application may be made to the CAT for setting aside of such a decision, without such an application having been made; or
    - (B) if any such application or applications has or have been made, the dismissal of such application or applications by CAT and it being established in terms satisfactory to Bidco that no further appeal has been or will be made against any relevant ruling of the CAT; or
  - (ii) subject to the prior written consent of Zenith, if the CMA decides to make a Phase 2 CMA Reference, under section 33 of the Enterprise Act, in relation to the Transaction:

- (A) either:
- the CMA concluding that the Transaction will not result in the creation of a relevant merger situation that may be expected to result in a substantial lessening of competition within any market or markets in the UK for goods or services; or
  - the CMA allowing the Transaction to proceed on terms satisfactory to Bidco; and
- (B) the expiry of the time limit within which an application may be made to the CAT for the setting aside of such a decision, without such an application having been made; or, if any such application or applications has or have been made, the dismissal of such application or applications by the CAT and it being established in terms satisfactory to Bidco that no further appeal has or will be made against any relevant ruling of the CAT.

#### **General clearances**

- (b) No Third Party having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision, order or change to published practice, or having taken any other steps which would or might reasonably be expected to:
- (i) require, prevent or delay the divestiture, or alter the terms envisaged for any proposed divestiture by all or any part of any member of the Wider Zenith Group or by any member of the Wider Bidco-Diversey Group, or any of their respective assets or property or impose any limitation on the ability of any of them to conduct their businesses (or any of them or any part thereof) or to own any of their assets or properties that are material to the operations of the Wider Zenith Group or the Wider Bidco-Diversey Group;
  - (ii) require, prevent or materially delay a divestiture by any member of the Wider Bidco-Diversey Group or by any member of the Wider Zenith Group of any of their shares or other securities (or equivalent);
  - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Bidco-Diversey Group directly or indirectly to acquire or to hold or to exercise effectively, any rights of ownership in respect of shares or securities convertible into shares in Zenith or on the ability of any member of the Wider Bidco-Diversey Group directly or indirectly to hold or to exercise voting or management control over Zenith;
  - (iv) otherwise materially and adversely affect the business, assets, profits or prospects of any member of the Wider Zenith Group or any member of the Wider Bidco-Diversey Group;
  - (v) make the Final Offers or their implementation, the Transaction or the acquisition or proposed acquisition by Bidco or any member of the Wider Bidco-Diversey Group of any shares or other securities in, or control or management of Zenith void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, prevent, restrain, restrict, prohibit, materially delay or otherwise challenge, impede, interfere with the same, or impose additional material conditions or obligations with respect thereto, or otherwise challenge, impede or interfere therewith;
  - (vi) except pursuant to either sections 974 to 991 of the Companies Act or article 22 of the Articles (*Change of control – drag along rights*) (at Bidco’s absolute discretion) require any member of the Wider Zenith Group or any member of the Wider Bidco-Diversey Group to offer to acquire any shares or other securities (or equivalent) or interest in the Zenith or any asset owned by any third party (other than in the implementation of the Final Offers);

- (vii) impose any material limitation on the ability of any member of the Wider Zenith Group or any member of the Wider Bidco-Diversey Group to co-ordinate its business, or any material part of it, with all or any material part of the business of any member of the Wider Zenith Group or any member of the Wider Bidco-Diversey Group; or
- (viii) result in any member of the Wider Zenith Group or any member of the Wider Bidco-Diversey Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods (including extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Final Offers, the Transaction or the acquisition or proposed acquisition of any shares or other securities in Zenith or otherwise having expired, lapsed or been terminated;

- (c) All necessary authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals of the proposed acquisition of any shares in, or control of, Zenith or any other member of the Wider Zenith Group by any member of the Wider Bidco-Diversey Group:
  - (i) having been obtained in terms and in a form reasonably satisfactory to Bidco from all appropriate Third Parties or persons with whom any member of the Wider Zenith Group has entered into material contractual arrangements;
  - (ii) together with all authorisations, orders, recognitions, grants, licences, confirmations, clearances, permissions and approvals necessary to carry on the business of any member of the Wider Zenith Group, remaining in full force and effect; and
  - (iii) there being no notice of any intention to revoke or not to renew any of the same at the time at which the Final Offers become otherwise unconditional,

in each of the cases in Conditions 2(c)(i) and 2(c)(ii), where the absence of such filing, authorisation or other matter referred to would or might reasonably be expected to have a material adverse effect on any member of the Wider Bidco-Diversey Group, any member of the Wider Zenith Group or the ability of Bidco to implement the Final Offers;

**Certain matters arising as a result of any arrangement, agreement etc.**

- (d) Except as Disclosed, there being no provision of any agreement, arrangement, licence, franchise, permit or other instrument to which any member of the Wider Zenith Group is a party or by or to which any such member or any material part of its assets is or may be bound, entitled or subject, or any event or circumstance, which in consequence of the Final Offers, the Transaction or the proposed acquisition of any shares in Zenith or because of a change in the control or management of any member of the Wider Zenith Group or which otherwise could or might reasonably be expected to result in:
  - (i) any moneys borrowed by or any other indebtedness (actual or contingent) of, or grant available to any member of the Wider Zenith Group, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) any such agreement, arrangement, lease, franchise, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member of the Wider Zenith Group thereunder being or becoming capable of being terminated or adversely modified or affected or any obligation or liability arising or any action being taken or arising thereunder in a manner that has a material impact on the Wider Zenith Group;
  - (iii) any material assets or interests of, or any material asset the use of which is enjoyed by, any such member of the Wider Zenith Group being or falling to be disposed of or charged or ceasing to be available to any such member of the Wider Zenith

Group or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any such member of the Wider Zenith Group;

- (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any material part of the business, property or assets of any member of the Wider Zenith Group or any such mortgage, charge or other security interest (whenever created arising or having arisen) becoming unenforceable;
- (v) the rights, liabilities, obligations or interests of any member of the Wider Zenith Group, or the business of any member of the Wider Zenith Group with, any person, firm or body (or any arrangement or arrangements relating to any such interests or business) being or becoming capable of being terminated, adversely modified or affected;
- (vi) the value of any member, save for any dormant company, of the Wider Zenith Group or its financial or trading position or prospects being or becoming capable of being prejudiced or adversely affected;
- (vii) any member of the Wider Zenith Group ceasing to be able to carry on business under any name under which it presently does so;
- (viii) the creation or acceleration of any material liability, actual or contingent, by any member of the Wider Zenith Group for which any such member may be responsible (other than in the ordinary course of business); or
- (ix) any material liability of any member of the Wider Zenith Group to make any severance, termination, bonus or other payment to its directors,

and no event having occurred which, under any provision of any agreement, arrangement, lease, franchise, licence, permit or other instrument to which any member of the Wider Zenith Group is a party or by or to which it or any of its assets may be bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (ix) of this Condition 2(d);

**No material transactions, claims or changes in the conduct of the business of Zenith**

- (e) Except as Disclosed, no member of the Wider Zenith Group having:
  - (i) save as between Zenith and wholly-owned subsidiaries of Zenith or for Zenith Shares issued pursuant to the Zenith Long Term Incentive Plan 2016, issued or agreed to issue, authorised or proposed the issue of additional shares of any class of securities;
  - (ii) sold or transferred or agreed to sell or transfer or proposed the transfer or sale of any Zenith Shares held by Zenith as treasury shares except for the issue or transfer out of treasury of Zenith Shares on the exercise of employee share options or vesting on or before 6 October 2017;
  - (iii) save as between Zenith and wholly-owned subsidiaries of Zenith or as Zenith Shares issued pursuant to the Zenith Long Term Incentive Plan 2016, issued or agreed to issue, authorised or proposed the issue of securities convertible into, or exchangeable for, shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
  - (iv) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise other than to Zenith or one of its wholly owned subsidiaries;
  - (v) merged with or demerged from any body corporate, partnership or business, or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to do so, in each case, other than in the ordinary course of business and to an extent which would or might reasonably be expected to have a material adverse effect on any member of the Wider Bidco-Diversey Group or any member of the Wider Zenith Group;

- (vi) made or authorised or proposed or announced an intention to propose any change in its loan capital or any other debt obligations;
- (vii) issued, authorised or proposed the issue, or made any change in or to, of any debentures, save in the ordinary course of business, incurred or increased any indebtedness or became subject to any contingent liability;
- (viii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
- (ix) other than pursuant to the Final Offers, implemented, or authorised, proposed or announced its intention to implement or effect, any reconstruction, amalgamation, scheme, commitment, composition, assignment or other transaction or arrangement;
- (x) entered into or changed the terms of, or made any offer (which remains open for acceptance) to enter into or change the terms of any contract, service agreement, commitment or arrangement with any director or senior executive of any member of the Wider Zenith Group;
- (xi) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or could be reasonably expected to be restrictive on the businesses of the Wider Zenith Group or which involves or is reasonably likely to involve an obligation of such a nature or magnitude of which is other than in the ordinary course of business;
- (xii) taken or proposed any steps, corporate action or had any legal proceedings started or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or appointed or had any such person appointed in any jurisdiction;
- (xiii) been unable or admitted in writing that it is unable to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (xiv) waived or compromised any claim which is material in the context of the Wider Zenith Group taken as a whole;
- (xv) made any alteration to its memorandum or articles of association or other incorporation documents;
- (xvi) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities;
- (xvii) (or the trustees of the relevant pension scheme, having), made, or agreed or consented to any change to:
  - (a) the terms of any pension scheme(s) established for the directors, employees, former directors or former employees of any entity in the Wider Zenith Group, or their dependents;
  - (b) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
  - (c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - (d) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made;

- (xviii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by any member of the Wider Zenith Group;
- (xix) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Zenith Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the City Code; or
- (xx) entered into any contract, commitment, arrangement or agreement or passed any resolution or made any offer (which remains open for acceptance) with respect to, or announced an intention to, or proposal to, effect any of the transactions, matters or events referred to in this Condition 2(e);

**No adverse change, litigation or regulatory enquiry**

(f) Except as Disclosed:

- (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits of any member of the Wider Zenith Group which in any case would or might reasonably be expected to be of material significance to any member of the Wider Bidco-Diversey Group;
- (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been instituted, announced or threatened by or against or remaining outstanding in respect of any member of the Wider Zenith Group which in any case would or might reasonably be expected to have a material adverse effect on any member of the Wider Bidco-Diversey Group;
- (iii) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of Zenith or any member of the Wider Zenith Group having been threatened, announced or instituted or remaining outstanding against any member of the Wider Zenith Group or to which any member of the Wider Zenith Group is or may become a party (whether as claimant or defendant or otherwise), which could or might reasonably be expected to have a material adverse effect on any member of the Wider Bidco-Diversey Group or the Wider Zenith Group;
- (iv) no contingent or other liability of any member of the Wider Zenith Group having arisen or become apparent to Bidco or Bain Capital which would or might reasonably be expected to materially and adversely affect the Wider Zenith Group taken as a whole;
- (v) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any material licence held by any member of the Wider Zenith Group which is necessary for the proper carrying on of its business;

**No discovery of certain matters**

(g) Save as Disclosed, Bidco not having discovered:

- (i) that any financial, business or other information concerning the Wider Zenith Group as contained in the information Disclosed by or on behalf of any member of the Wider Zenith Group is misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading;
- (ii) that any member of the Wider Zenith Group or any partnership, company or other entity in which it has a significant economic interest and which is not a subsidiary undertaking of Zenith is subject to any liability (contingent or otherwise) in any case to an extent to which would or might reasonably be expected to have a material adverse effect on the Wider Zenith Group or any member of the Wider Bidco-Diversey Group;
- (iii) that any member of the Wider Zenith Group performs any services for, or on behalf of, any such company or other person or has engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 or other applicable anti-corruption legislation or that would or might reasonably be expected to cause any member of the Wider Bidco-Diversey Group to be in breach

of any law or regulation including without limitation, any UK, US or EU member state anti-bribery, anti-money laundering or economic sanctions laws, regulations or orders;

- (iv) that any past or present member of the Wider Zenith Group has not complied with all applicable legislation, regulations or other requirements of any jurisdiction or any authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions or approvals relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human or animal health or otherwise relating to environmental matters or the health and safety of humans, which noncompliance would be likely to give rise to any liability (whether actual or contingent) on the part of any member of the Wider Zenith Group which is material in the context of the Wider Zenith Group;
- (v) that there has been a disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human or animal health which (whether or not giving rise to noncompliance with any law or regulation), would be likely to give rise to any liability (whether actual or contingent) on the part of the Wider Zenith Group which is material in the context of the Wider Zenith Group;
- (vi) that there is or is reasonably likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Zenith Group (or on its behalf) under any environmental legislation, common law, regulation, notice, circular, authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions or approvals or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto which is material in the context of the Wider Zenith Group;
- (vii) that circumstances exist (whether as a result of making the Final Offers or otherwise) which would be reasonably likely to lead to any Third Party instituting (or whereby any past or present member of the Wider Zenith Group would be likely to be required to institute), an environmental audit or take any steps which would in any such case be likely to result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use by any member of the Wider Zenith Group (or on their behalf) or by any person for which any member of the Wider Zenith Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest which in each case is material in the context of the Wider Zenith Group; or
- (viii) that any asset of any member of the Wider Zenith Group constitutes criminal property as defined in section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

## **Part A2: Conditions of the C Share Offer**

The C Share Offer will be subject to the following Conditions:

1. valid acceptances of the C Share Offer having been received (and not, where permitted, withdrawn) by 1.00 p.m. (London time) on the First Closing Date (or such later time(s) and/or date(s) as Bidco may determine), subject to the rules of the City Code or with the consent of the Panel, in respect of not less than 100 per cent. (or such lesser percentage as Bidco may decide) in nominal value of the C Shares to which the C Share Offer relates and of the voting rights attached to those C Shares, and for this purpose:
  - (a) the expression "*C Shares to which the C Share Offer relates*" shall be construed in accordance with sections 974-991 (inclusive) of the Companies Act; and
  - (b) acquisitions of, or contracts to acquire, C Shares by Bidco or its associates to which sections 979(8) and 979(9) of the Companies Act apply shall be treated as valid acceptances and for these purposes "associates" shall be construed in accordance with section 988 of the Companies Act; and
2. the A Share Offer becoming or having been declared unconditional in all respects.

## **Part B: Certain further terms of the Final Offers**

1. Bidco reserves the right, subject to the requirements of the City Code and the Panel, and in accordance with the terms of the Cooperation Agreement, to waive, in whole or in part, the Pre-Condition in Appendix I of this Announcement only with the prior written consent of Zenith, such consent not to be unreasonably withheld or delayed. It being acknowledged and agreed by Bidco that for Zenith to delay consent in circumstances where Zenith reasonably considers that there is a risk that the Transaction will lapse under Rule 12.1 of the City Code would not be unreasonable for these purposes.
2. Once the Pre-Condition has been satisfied (or waived, as applicable), the A Share Offer will be subject to the satisfaction (or waiver, if permitted) of the Conditions in Part A1 above and the C Share Offer will be subject to the satisfaction (or waiver, if permitted) of the Conditions in Part A2 above and both Final Offers shall be subject to certain further terms set out in this Part B of Appendix II and to the full terms and conditions which will be set out in the Offer Document. In the event that the Pre-Condition is waived (rather than satisfied), it will remain a Condition to the Final Offers, such Condition being substantially in the form set out in paragraph 2(a) of Part A1 of this Appendix.
3. The Pre-Condition must be waived on or before the 21st day after the later of the First Closing Date and the date on which Condition 1 of Part A1 and Condition 1 of Part A2 are fulfilled (or, in each case, such later date as the Panel may agree) failing which the Final Offers shall lapse.
4. If the Pre-Condition set out in Appendix I or if Condition 2(a) of Part A1 is waived, the Final Offers (or scheme if so elected) will lapse if, after the point at which the Pre-Condition is waived, the CMA initiates Phase 2 proceedings in respect of the Transaction before the Offer Document has been posted.
5. Subject to the requirements of the City Code and the Panel, Bidco reserves the right to waive in whole or in part, but subject to the provisions of the City Code, all or any of the above Conditions 2(a) to (g) (inclusive) of Part A1. Conditions 2(a) to (g) (inclusive) of Part A1 and Condition 2 of Part A2 must be satisfied as at, or waived (where possible) on or before, the 21st day after the later of the First Closing Date and the date on which Condition 1 of Part A1 and Condition 1 of Part A2 are fulfilled (or, in each case, such later date as the Panel may agree) failing which the Final Offers will lapse. However, Bidco shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions 2(a) to (g) (inclusive) of Part A1 or Condition 2 of Part A2 by a date earlier than the latest date for the fulfilment thereof notwithstanding that the other Conditions of the Final Offers may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
6. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

7. Under Rule 13.5 of the City Code, Bidco may not invoke a condition to the Final Offers so as to cause either the A Share Offer or the C Share Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to Bidco in the context of the Final Offers. The Pre-Condition, Condition 1 and Condition 2(a) of Part A1 and Conditions 1 and 2 of Part A2 are not subject to this provision of the City Code.
8. The Final Offers are to be governed by English law and will be subject to the jurisdiction of the English courts and to the Pre-Condition in Appendix I and the Conditions set out above and the Conditions in the Offer Document. The Final Offers will be subject to the applicable rules and regulations of the City Code.
9. If Bidco is required by the Panel to make a takeover offer for Zenith Shares under the provisions of Rule 9 of the City Code, Bidco may make such alterations to the terms of the Final Offers, the Pre-Condition in Appendix I and any of the above Conditions as are necessary to comply with the provisions of that Rule.
10. Bidco reserves the right, subject to the prior consent of the Panel, to implement the Transaction by way of a scheme of arrangement under Part 26 of the Companies Act. In such event, the Transaction will be implemented on substantially the same terms, so far as applicable, as those which would apply under a contractual offer, subject to appropriate amendments to reflect the change in method of effecting the Final Offers.
11. Zenith Shares will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this Announcement.
12. If any dividend or other distribution is authorised, declared, made or paid in respect of the Zenith Shares on or after the date of this Announcement, Bidco reserves the right to reduce the Total Consideration by the amount of all or part of any such other dividend or other distribution. If such reduction occurs, any reference in this Announcement to the Total Consideration will be deemed to be a reference to the Total Consideration as so reduced. To the extent that such a dividend or distribution has been declared, paid, made or is payable, it will be: (i) transferred pursuant to the Final Offers on a basis which entitles Bidco to receive the dividend or distribution and to retain it; or (ii) cancelled, and the Total Consideration will not be subject to change in accordance with this paragraph. Any exercise by Bidco of its rights referred to in this paragraph will be the subject of a notification and, for the avoidance of doubt, will not be regarded as constituting any revision or variation of the Final Offers.
13. The availability of the Final Offers to holdings outside of the UK may be affected by the law of the relevant jurisdiction. Persons not resident in the UK should inform themselves of local law requirements.
14. Unless otherwise determined by Bidco or required by the City Code and permitted by applicable law and regulation:
  - (a) the Final Offers are not being, and will not be, made available, directly or indirectly, in or into or by the use of the mails of, or by any other means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or other forms of electronic transmission) of interstate or foreign commerce of, or by any facility of a national state or other securities exchange of any Restricted Jurisdiction and no person may vote using any such use, means, instrumentality or facility or from within any Restricted Jurisdiction; and
  - (b) this Announcement should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction.
15. To the extent that a Zenith Shareholder's total aggregate entitlement to the Base Consideration (for its entire shareholding) results in an entitlement to a fraction of a penny pursuant to the Final Offers, such entitlement will be rounded up to the nearest whole penny. The same approach will be applied to payment of any Additional Consideration.

## APPENDIX III

### IRREVOCABLE UNDERTAKINGS

#### Zenith Irrevocable Undertakings

Name of Zenith Shareholder	Number of Zenith Class A Shares	Percentage of Zenith Class A Shares (%)	Number of Zenith Class C Shares	Percentage of Zenith Class C Shares (%)	Percentage of Zenith issued share capital (%)
Lord Stanley Fink	71,782,022	70.36	0	0	59.25
Lady Barbara Fink	12,632,122	12.38	0	0	10.43
Michael Cronk	6,903,948	6.77	0	0	5.70
Ringo Francis	1,533,350	1.50	12,752,467	66.67	11.79
Simon Bower	1	less than 0.01	6,376,233	33.33	5.26

The above figures do not include options over C Shares that have not been exercised as at 6 October 2017 (being the latest practicable date prior to the publication of this Announcement).

In addition to the irrevocable undertakings set out above, Alison Pettitt has signed an irrevocable undertaking in respect of options over 2,005,771 C Shares representing, assuming exercise of all options granted under the Zenith Long Term Incentive Plan 2016, 8.76 per cent of the C Shares in issue and 1.61 per cent of all Zenith Shares in issue.

The irrevocable undertakings cease to be binding and shall lapse if:

- (a) this Announcement contains a cash price for each class of Zenith's Shares which implies a total consideration payable for all the issued and to be issued shares of less than £78,464,105.54;
- (b) either the Pre-Condition or the CMA Condition is not satisfied as a result of either Zenith or Bidco (as the case may be) not consenting in writing as required under paragraph 1(b) of Appendix I, in the case of the Pre-Condition, or paragraph 2(a)(ii) of Part A1, in the case of the CMA Condition;
- (c) Bidco fails to send the Offer Document to Zenith Shareholders within 28 days from the date of the satisfaction or waiver, as applicable, of the Pre-Condition (or such longer period as agreed between Bidco and the Company with the consent of the Panel) or, if the Transaction is structured by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act, sending the scheme document within 28 days of the firm intention announcement relating to such scheme of arrangement (whether or not involving a switch from implementation from the Final Offers to a scheme of arrangement);
- (d) the Final Offers lapse or are withdrawn without becoming unconditional in all respects, or if the Transaction is implemented by way of a scheme of arrangement, such scheme of arrangement terminates or lapses in accordance with its terms or otherwise becomes incapable of ever becoming effective; or
- (e) Bidco makes an announcement or (subject to the approval of the Panel) confirms in writing that it will not proceed with the Transaction.

## APPENDIX IV

### SOURCES OF INFORMATION AND BASES OF CALCULATION

In this Announcement, unless otherwise stated, or the context otherwise requires, the following bases and sources have been used:

1. The financial information relating to Zenith has been extracted or derived (without any adjustment) from the audited annual report and accounts for Zenith for the year ended 28 February 2017.
2. All information relating to Bidco and Bain Capital has been provided by persons authorised to do so by their respective boards of directors.
3. As at the close of business on 6 October 2017 (being the last Business Day prior to the date of this Announcement), Zenith had in issue 102,019,742 A Shares and 19,128,700 C Shares.
4. Any reference to the issued and to be issued share capital of Zenith is based on:
  - (a) the 102,019,742 A Shares and 19,128,700 C Shares referred to in paragraph 3 above; and
  - (b) A maximum of 3,766,586 C Shares which may be issued on or after the date of this Announcement in connection with the Zenith Long Term Incentive Plan 2016. This assumes an illustrative vesting date of the closing of the Final Offers for the purposes of the calculation.
5. The enterprise value of Zenith is based on:
  - (a) An equity value of £78.5 million (being the aggregate of the Total Consideration for all Zenith Shares); plus
  - (b) Zenith's financial net debt of £15.8 million as at 31 July 2017; plus
  - (c) Zenith's net debt like items of £5.7 million as at 31 July 2017.

## APPENDIX V

### PROCESS FOR DETERMINING THE ZENITH FY18 EBITDA

#### **Part A: Risk Factors and other Considerations**

Zenith Shareholders should take into account the following risk factors and other considerations, among others, in relation to the Additional Consideration:

- (a) The amount of the Zenith FY18 EBITDA is uncertain and therefore the amount of Additional Consideration (if any) which may be payable to Zenith Shareholders cannot be quantified at this time. Further details of the basis on which and the process by which the Zenith FY18 EBITDA will be determined are set out in Parts B and C of this Appendix V.
- (b) The determination of the Zenith FY18 EBITDA in accordance with Part C of this Appendix V, in the absence of manifest error, shall be final and binding, and shall not be subject to review by any Zenith Shareholder.

**There can be no guarantee that Zenith Shareholders will receive the maximum Additional Consideration of 4.00 pence in cash per Zenith Share held, or any payment of Additional Consideration at all.**

**Any entitlement to receive any payment of Additional Consideration will arise under the Final Offers and is non-transferable and no security or certificate will be issued in connection with it.**

## **Part B: Basis of determination of Zenith FY18 EBITDA**

- 1.1 For the purposes of this Announcement, “**Zenith FY18 EBITDA**” means an amount equal to the sum of:
- (a) the profit and total comprehensive income of the Zenith Group for the financial year ending 28 February 2018, as shown in the consolidated statement of comprehensive income contained in the Zenith FY18 Financial Statements;
  - (b) plus the aggregate amount of net interest expense of the Zenith Group, to the extent deducted from revenues in determining the amount described at paragraph (a) above;
  - (c) plus the aggregate amount of tax expense or minus the aggregate amount of tax credit, to the extent deducted from or (in the case of any tax credit) added to revenues in determining the amount described at paragraph (a) above;
  - (d) plus amounts attributable to depreciation and amortisation, to the extent deducted from revenues in determining the amount described at paragraph (a) above; and
  - (e) plus or minus any other amounts to reflect adjustments required to be made in accordance with the specific principles set out in paragraphs 1.3 to 1.6 below,
- as determined in accordance with the process set out in Part C of this Appendix V.
- 1.2 The Zenith FY18 Financial Statements will be prepared in accordance with the following principles and/or standards, in the order in which they are shown below:
- (a) the principles, policies, procedures, categorisations, measurement techniques, estimations and other methods and practices as applied in the audited financial statements of the Zenith Group for the financial year ended 2017, except to the extent that the same are required to be changed to comply with any change in IFRS; and
  - (b) to the extent not covered by, and not inconsistent with, paragraph (a), in accordance with IFRS.
- 1.3 So far as is practicable, Zenith FY18 EBITDA will be calculated by excluding or adding back (as appropriate) the following:
- (a) any costs or expenses, including professional advisers’ fees, incurred by the Zenith Group in relation to the Final Offers;
  - (b) revenue, income, costs or expenses which would not have arisen (or would not reasonably be expected to have arisen) if the Zenith Group was not a part of the Combined Group including:
    - (i) increases in revenue arising from purchasing or other synergies or the introduction of new technology or product lines developed or produced by a member of the Wider Bidco-Diversey Group;
    - (ii) any costs associated with changing the Zenith Group’s information technology and/or business systems or product lines to conform with the Wider Bidco-Diversey Group’s systems or otherwise relating to the business combination with the Wider Bidco-Diversey Group;
    - (iii) any costs or increased costs incurred by the Zenith Group associated with any corporate or business reorganisation that is implemented after Completion with the agreement of Bain Capital;
    - (iv) any management monitoring, consulting or similar charge levied on the Zenith Group by any other member of the Wider Bidco-Diversey Group or by Bain Capital;
    - (v) any fees or charges payable by the Zenith Group to any director nominated for appointment by any other member of the Wider Bidco-Diversey Group or by Bain Capital;
  - (c) the amount by which revenue or expenses arising from any transaction between a member of the Zenith Group and any member of the Wider Bidco-Diversey Group exceeds the revenue or expense that would be reasonable to expect between unrelated parties dealing on normal arms-length commercial terms;

- (d) revenue, income, costs or expenses arising from the establishment or acquisition and subsequent carrying on of any new product line by the Zenith Group which is not being sold or marketed, or currently in development, by the Zenith Group as at Completion;
  - (e) reversal, release or increase of accrued expenses, provisions and/or other liabilities that were established or provided for prior to Zenith FY18;
  - (f) unrealised foreign currency gains and losses;
  - (g) any gains or losses on the sale of tangible fixed assets;
  - (h) any gains or losses from legal or insurance claims;
  - (i) any amounts included in Zenith's income statement for Zenith FY18 with respect to nil-cost share options granted in November 2016 to Alison Pettitt, Bakhtiar Hanan and Warren Edmondson, in respect of 2,005,771 C Shares, 1,123,192 C Shares and 637,623 C Shares respectively; and
  - (j) any revenue or income (net of associated costs) not received by the Zenith Group that would otherwise reasonably have been expected within the ordinary course due to any specific customer of the Zenith Group giving written notice to the Zenith Group that it is terminating trading arrangements with the Zenith Group and that such termination is as a consequence of the Transaction.
- 1.4 So far as is practicable, there shall be included or added back in the Zenith FY18 EBITDA calculation the following items:
- (a) the amount of any reduction of costs as a result of purchasing or other synergies or the introduction of new technology or product lines developed or produced by a member of the Wider Bidco-Diversey Group;
  - (b) the amount of any reduction of costs as a result of any reorganisation that is implemented after Completion in relation to the Zenith Group with the agreement of Bain Capital;
  - (c) the amount by which the revenue or income (net of associated costs) which is received by the Zenith Group pursuant to a transaction with a member of the Wider Bidco-Diversey Group is less than would be reasonable to expect between unrelated parties dealing on normal commercial terms;
  - (d) any shortfall equal to revenue or income (net of associated costs) which is not received by the Zenith Group (and would otherwise have been expected to have been received in the ordinary course) due to any member of the Zenith Group, or contracts of the Zenith Group, being transferred, assigned or novated outside the Zenith Group; and
  - (e) any shortfall equal to revenue or income (net of associated costs) not received by the Zenith Group that would otherwise have been expected in the ordinary course due to any operational direction or decision made by any member of the Wider Bidco-Diversey Group or Bain Capital.
- 1.5 Except in respect of matters expressly covered in paragraphs 1.3 and 1.4, in calculating Zenith FY18 EBITDA, if an item of revenue attributable to a transaction or other event is taken into account, its related attributable expense must also be taken into account, and *vice versa*.
- 1.6 Any revenue earned or cost incurred by the Zenith Group during Zenith FY18 will be disregarded in determining Zenith FY18 EBITDA to the extent that such revenue or cost only falls within Zenith FY18 as a result of being accelerated and such acceleration would not have occurred in the ordinary course of business.

### **Part C: Process for determining Zenith FY18 EBITDA**

- 1.1 A draft statement prepared by the Zenith Directors (which in this Part C only include Ringo Francis, Simon Bower and Alison Pettitt), setting out their proposed calculation of Zenith FY18 EBITDA on the basis set out in Part B of this Appendix V (the “**Draft EBITDA Statement**”), will be delivered to Bidco not later than 5.00 p.m. on the date falling five Business Days after the date of adoption by Zenith of the Zenith FY18 Financial Statements, and in any event not later than 15 June 2018.
- 1.2 The Draft EBITDA Statement will set out, or will be accompanied by reasonable supporting documentation to illustrate, the workings and rationale underlying the Zenith Directors’ proposed calculation of Zenith FY18 EBITDA.
- 1.3 Bidco will review the Draft EBITDA Statement during the period of twenty Business Days following the date of delivery of the Draft EBITDA Statement (the “**Bidco Review Period**”), during which Zenith will provide all reasonable assistance to Bidco and Bidco’s advisers to facilitate a full and expeditious review of the Draft EBITDA Statement by them, including, without limitation, by providing access to all relevant books and records of Zenith and generally such other information and assistance as Bidco and Bidco’s advisers may reasonably request from Zenith (including assistance by finance personnel employed by Zenith and (so far as it is reasonably able to do so) facilitating access to Zenith’s auditors and their audit working papers).
- 1.4 By 5.00 p.m. on the last day of the Bidco Review Period, Bidco will either:
  - (a) notify Zenith in writing that it accepts the Draft EBITDA Statement in its entirety (in which case the amount of the Zenith FY18 EBITDA shown in the Draft EBITDA Statement will become final and binding); or
  - (b) deliver a notice to Zenith setting out those items which Bidco disputes (in which case the items not in dispute will become final and binding) (a “**Dispute Notice**”).
- 1.5 If Bidco does not deliver a Dispute Notice to Zenith before the expiry of the Bidco Review Period, the amount of the Zenith FY18 EBITDA shown in the Draft EBITDA Statement will be deemed final and binding.
- 1.6 If Bidco delivers a Dispute Notice to Zenith, Bidco and the Zenith Directors (which in this Part C only include Ringo Francis, Simon Bower and Alison Pettitt) will use their reasonable endeavours to agree any disputed items, and the amount of the Zenith FY18 EBITDA, by 5.00 p.m. on the date falling five Business Days after the date of delivery of the Dispute Notice (the “**Resolution Date**”). If Bidco and the Zenith Directors (which in this Part C only include Ringo Francis, Simon Bower and Alison Pettitt) are able to agree the amount of the Zenith FY18 EBITDA, the amount so agreed shall become final and binding.
- 1.7 If after the Resolution Date any matters remain unresolved, such matter or matters (but no other matter) will be referred by Bidco and the Zenith Directors (which in this Part C only include Ringo Francis, Simon Bower and Alison Pettitt) jointly on the Business Day immediately following the Resolution Date to the Independent Accountants on the following basis:
  - (a) the Independent Accountants will be instructed to notify Bidco of their determination of any such matter and of the Zenith FY18 EBITDA by 5.00 p.m. on the fifth Business Day following the Resolution Date;
  - (b) the Zenith Directors (which in this Part C only include Ringo Francis, Simon Bower and Alison Pettitt) and Bidco will be entitled to make written submissions to the Independent Accountants;
  - (c) in making their determination, the Independent Accountants will act as experts and not as arbitrators, their decision as to any matter referred to them for determination will, save in the event of manifest error, be final and binding in all respects as between Bidco and Zenith and will not be subject to question on any grounds whatsoever; and
  - (d) the fees and expenses of the Independent Accountants will be paid and borne by Zenith.
- 1.8 Zenith and Bidco have agreed to use all reasonable endeavours to settle the terms of engagement of the Independent Accountants as quickly as possible.

## APPENDIX VI

### DEFINITIONS

<b>“A Share Offer”</b>	means the recommended final cash offer to be made by Bidco to acquire all of the issued and to be issued A Shares, on the terms and conditions to be set out in the Offer Document and the relevant Form of Acceptance (and where the context so requires, any subsequent revision, variation, extension or renewal of such offer, including any election or alternative available in connection with it);
<b>“A Shareholders”</b>	means the holders of A Shares;
<b>“A Shares”</b>	means the class A shares with a nominal value of £0.01 each in the share capital of Zenith;
<b>“Acceptance Condition(s)”</b>	means the acceptance condition(s) set out at Part A1 and Part A2 of Appendix II and an Acceptance Condition means either one of them (as the context requires);
<b>“Additional Consideration”</b>	has the meaning set out in paragraph 2 of this Announcement;
<b>“Appendices”</b>	means Appendix I to VI of this Announcement, inclusive;
<b>“Announcement”</b>	means this Announcement made pursuant to Rule 2.7 of the City Code (or otherwise with the consent of the Panel);
<b>“Articles”</b>	means the articles of association of Zenith at the date of this Announcement;
<b>“Bain Capital”</b>	means Bain Capital Private Equity, L.P., Bain Capital Private Equity (Europe), LLP, and their affiliates;
<b>“Bain Capital Funds”</b>	means the private equity funds advised by Bain Capital (including Bain Capital Fund XI, L.P., and Bain Capital Europe Fund IV, L.P.);
<b>“Base Consideration”</b>	has the meaning set out in paragraph 2 of this Announcement;
<b>“Bidco”</b>	means BCPE Diamond UK Holdco Limited, incorporated in the United Kingdom with registered number 10735431;
<b>“Bidco Review Period”</b>	has the meaning given to it in Part C of Appendix V;
<b>“Business Day”</b>	means a day, (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London;
<b>“C Share Offer”</b>	means the recommended final cash offer to be made by Bidco to acquire all of the issued and to be issued C Shares, on the terms and conditions to be set out in the Offer Document and relevant Form of Acceptance (and where the context so requires, any subsequent revision, variation, extension or renewal of such offer, including any election or alternative available in connection with it);
<b>“C Shareholders”</b>	means the holders of C Shares;
<b>“C Shares”</b>	means the class C shares with a nominal value of £0.01 each in the share capital of Zenith;
<b>“CAT”</b>	means the Competition Appeal Tribunal;
<b>“Cavendish”</b>	means Cavendish Corporate Finance LLP;
<b>“City Code”</b>	means the UK City Code on Takeovers and Mergers;
<b>“Clearances”</b>	means any approvals, consents, clearances, permissions, confirmations, comfort letters and waivers that may need to have expired, from or under any of the laws, regulations or practices applied by the CMA, in each case that are necessary and/or expedient to satisfy the Pre-Condition;
<b>“CMA Condition”</b>	means the Condition stated in paragraph 2(a) of Part A1 to Appendix II of this Announcement;

<b>“CMA”</b>	means the Competition and Markets Authority of the United Kingdom;
<b>“Combined Group”</b>	means the Zenith Group when combined with the Wider Bidco-Diversey Group;
<b>“Companies Act”</b>	means the Companies Act 2006;
<b>“Completion”</b>	means the acquisition by Bidco pursuant to the Final Offers conferring in aggregate more than 50 per cent. of the voting rights normally exercisable at general meetings of Zenith;
<b>“Conditions”</b>	means the conditions of the Transaction set out in Appendix II ( <i>Conditions to and further terms of the Final Offers</i> ) to this Announcement and to be set out in the Offer Document and “Condition” means any of them;
<b>“Confidentiality Agreement”</b>	has the meaning set out in paragraph 13.1 of this Announcement;
<b>“Cooperation Agreement”</b>	has the meaning set out in paragraph 13.3 of this Announcement;
<b>“Data Room”</b>	means the data room opened to Bidco by Zenith on 26 May 2017 with respect to the Final Offers;
<b>“Dealing Disclosure”</b>	has the same meaning as in Rule 8 of the City Code;
<b>“Disclosed”</b>	means only the information (i) in the annual report and accounts for Zenith for the year ended 28 February 2017 (filed with the Registrar of Companies), or (ii) which was uploaded to the Data Room prior to 5 October 2017 on the index initialled by or on behalf of the Bidco;
<b>“Disclosure Table”</b>	means details of offeree companies and offerors currently in an offer period published by the Panel under Rule 8 of the City Code;
<b>“Dispute Notice”</b>	has the meaning set out in Appendix V ( <i>Process for determining the Zenith FY18 EBITDA</i> ) of this Announcement;
<b>“Diversey”</b>	has the meaning set out in paragraph 9 of this Announcement;
<b>“Draft EBITDA Statement”</b>	has the meaning set out in Appendix V ( <i>Process for determining the Zenith FY18 EBITDA</i> ) of this Announcement;
<b>“Enterprise Act”</b>	means the Enterprise Act 2002, as amended from time to time;
<b>“EU”</b>	means the European Union;
<b>“Exclusivity Agreement”</b>	has the meaning set out in paragraph 13.2 of this Announcement;
<b>“FCA”</b>	means the UK Financial Conduct Authority in the UK and any successor authorities;
<b>“Final Offers”</b>	means the A Share Offer and the C Share Offer and a “Final Offer” means either one of them (as the context requires);
<b>“First Closing Date”</b>	means the date which is identified in the Offer Document as the first closing date for the Final Offers;
<b>“Form(s) of Acceptance”</b>	means the form(s) of acceptance to accompany the Offer Document for the A Share Offer and the C Share Offer and a “Form of Acceptance” means either one of them (as the context requires);
<b>“IFRS”</b>	means International Financial Reporting Standards as adopted by the European Union from time to time;
<b>“Independent Accountants”</b>	means an independent firm of accountants to be engaged by Zenith and Bidco promptly following the date of a Dispute Notice;
<b>“Offer Document”</b>	means the document to be dispatched to the Zenith Shareholders containing <i>inter alia</i> , the details of the Final Offers, including the full terms and conditions thereof;
<b>“Offer Period”</b>	means the period commencing on (and including) 9 October 2017 and ending on whichever of the following dates shall be the latest, (i) the date on which the Final Offers lapse, or (ii) the date on which

	the Final Offers become or are declared wholly unconditional in accordance with their terms;
<b>“Opening Position Disclosure”</b>	has the same meaning as in Rule 8 of the City Code;
<b>“Overseas Shareholders”</b>	means Zenith Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the UK;
<b>“Panel”</b>	means the Panel on Takeovers and Mergers;
<b>“Phase 2 CMA Reference”</b>	means the referral by the CMA of the Transaction for Phase 2 review, under section 33 of the Enterprise Act;
<b>“Pre-Condition”</b>	means the pre-condition of the Transaction set out in Appendix I to this Announcement and to be set out in the Offer Document;
<b>“Receiving Agent”</b>	means Computershare Investor Services PLC;
<b>“Registrar of Companies”</b>	means the Registrar of Companies in England and Wales;
<b>“Resolution Date”</b>	has the meaning given to it in Part C of Appendix V of this Announcement;
<b>“Restricted Jurisdiction”</b>	means any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Final Offers is sent or made available to Zenith Shareholders in that jurisdiction;
<b>“Rothschild”</b>	means N.M. Rothschild & Sons Limited;
<b>“Shore Capital”</b>	means Shore Capital and Corporate Limited;
<b>“Third Party”</b>	means each of the following: government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution or any other similar body or person whatsoever in any jurisdiction;
<b>“Total Consideration”</b>	means the Base Consideration and the Additional Consideration;
<b>“Transaction”</b>	means the proposed acquisition of the entire issued and to be issued share capital of Zenith by Bidco;
<b>“UK”</b>	means the United Kingdom of Great Britain and Northern Ireland;
<b>“US”</b>	means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
<b>“US Exchange Act”</b>	means the US Securities Exchange Act of 1934, as amended;
<b>“Wider Bidco-Diversey Group”</b>	means Bidco, its parent undertakings and its and such parent undertakings’ subsidiary undertakings and any other body corporate, partnership, joint venture or person in which Bidco and/or such undertakings (aggregating their interests) have a significant interest;
<b>“Wider Zenith Group”</b>	means Zenith and its subsidiary undertakings, associated undertakings and any other undertakings in which Zenith and/or such undertakings (aggregating their interests) have a significant interest;
<b>“Zenith” or the “Company”</b>	means Zenith Hygiene Group plc, incorporated in England and Wales with registered number 06707511;
<b>“Zenith Directors”</b>	means the directors of Zenith as at the time of this Announcement;
<b>“Zenith FY18”</b>	means the financial year of Zenith ending on 28 February 2018;
<b>“Zenith FY18 Financial Statements”</b>	means the audited consolidated financial statements of Zenith for the financial year ending on 28 February 2018;
<b>“Zenith FY18 EBITDA”</b>	has the meaning given to it in Part B of Appendix V ( <i>Process for determining the Zenith FY18 EBITDA</i> );
<b>“Zenith Group”</b>	means Zenith and its subsidiaries and subsidiary undertakings (unless otherwise stated);

**“Zenith Shareholders”** means the holders of Zenith Shares; and

**“Zenith Shares”** means the A Shares and the C Shares (as the context requires).

All references to “pence”, “Sterling”, “pound sterling”, “p” or “£” are to the lawful currency of the UK.

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validly therefrom.

All the times referred to in this Announcement are London times unless otherwise stated.

References to the singular include the plural and vice versa. References to a “Part” or “paragraph”, “sub-paragraph” or “Appendix” shall be to those parts, paragraphs, sub-paragraphs and appendices of this Announcement, unless expressly stated otherwise.

For the purposes of this Announcement, “associate”, “associated undertaking”, “subsidiary” “subsidiary undertaking”, “significant interest” and “undertaking” have the respective meanings given thereto by the Companies Act.

